

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS- 42-45, 47-51, 54-55, 62-65) (July 27, 2006)

The United States Postal Service hereby provides its institutional responses to the following interrogatories of United Parcel Service, filed on July 11, 2006, and due on July 25, 2006:

OCA/USPS-42-45, 47-51, 54-55, 62-65

Each interrogatory is stated verbatim and is followed by the response. A motion for late acceptance is being filed this day.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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OCA/USPS-47 - For FY 2006, year-to-date, please provide volume estimates of Express Mail broken down into the following categories: (1) Overnight, (2) Second Day with a 2-day commitment, (3) Second Day with a 3-day commitment, (4) Second Day with a 4-day commitment, and (5) Second Day with a 5-day commitment. The 5 volume figures should sum to the total volume of Express Mail for the specified period. If precise figures are unavailable, then ball park estimates are acceptable. Please cite the sources used to answer this interrogatory.

RESPONSE:

The following data comes from the Product Tracking System, and is from the first three Quarters of FY 2006:

Overnight	29,195,952
2-Day	7,596,520
3-Day	2,244,316
4-Day	2,068,809

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OCA/USPS-48. With respect to the performance scores presented at <http://www.usps.com/serviceperformance/welcome.htm> for Express Mail, provide the volume figures used to calculate the Overnight on-time score of 95%. Also provide the volume figures used to calculate the combined Overnight and 2-day score of 96% on time.

RESPONSE:

Out of 7,605,131 Total Pieces, 7,308,974 were On Time, for a percentage of 96% for combined overnight and two-day score.

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OCA/USPS-49. Please provide annual on-time scores for Express Mail for FY2005, separately, for the following categories:

- a. Overnight
- b. 2-day commitment

Cite the source(s) for the figures provided. Also, give the volume figures used to calculate each score.

RESPONSE:

Please see response to OCA/USPS-T34-1 (c)-(d).

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OCA/USPS-50. Please provide year-to-date on-time scores for Express Mail for FY2006, separately, for the following categories:

- a. Overnight
- b. 2-day commitment

Cite the source(s) for the figures provided. Please state the time period involved. Also, give the volume figures used to calculate each score.

RESPONSE:

a. & b. These data are from the Product Tracking System (PTS).

FY 2006 Express Mail Volume Postal Quarter III Year-to-Date	<u>Volume Accepted</u>	<u>Volume On Time</u>	<u>% On Time</u>
Next Day Commitment	29,195,952	27,762,675	95%
2-Day Commitment	7,596,520	7,259,666	96%

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OCA/USPS-51. At <http://www.usps.com/serviceperformance/welcome.htm>, it is stated that, "Parcels entered at retail represent 8% of the total surface package volume." What proportion of the 8% (i.e., retail volume) carries a Product Tracking System ancillary service that permits the service score to be computed?

- a. Please give all volume figures used to calculate the percentage figures.
- b. Please list all ancillary services that may be added to package services that can be used to compute on time scores.
- c. At <http://www.usps.com/serviceperformance/retailpackage.htm>, please provide the volume figures that underlie each performance score (i.e., for 2-day, 3-day, 4-day, 5-day, 6-day, 7-day, 8-day, and 9-day) package services mail.

RESPONSE:

- a. The figures that underlie the data posted on usps.com are as follows:

Product/Class	Total Vol	On Time Vol	On Time %
PSSP	22714341	21761149	96%
Retail Pack Serv	7218708	3503616	49%
PSSP & Retail Pack Serv Combined	29933049	25264765	84%
Package Services - Retail - All - 2 Day	787,292	495,766	63%
Package Services - Retail - All - 3 Day	1,058,544	413,862	39%
Package Services - Retail - All - 4 Day	2,057,280	952,414	46%
Package Services - Retail - All - 5 Day	1,168,398	602,540	52%
Package Services - Retail - All - 6 Day	971,084	439,410	45%
Package Services - Retail - All - 7 Day	835,180	416,198	50%
Package Services - Retail - All - 8 Day	322,768	172,916	54%
Package Services - Retail - All - 9 Day	18,162	10,510	58%

- b. Delivery/Signature Confirmation are the services that allow the volumes to be measured.
- c. Please see response to subpart (a).

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OCA/USPS-54. Please provide annual on-time scores for Package Services mail for FY2005, separately, for the following categories:

- a. 2-day
- b. 3-day
- c. 4-day
- d. 5-day
- e. 6-day
- f. 7-day
- g. 8-day
- h. 9-day

Cite the source(s) for the figures provided. Also, give the volume figures used to calculate each score.

RESPONSE:

The data in the chart below are from the Product Tracking System (PTS), and reflect FY05 Retail Packaging Services.

Service Standard	Volume	Volume Within Service Standard	% of Volume within Service Standard
2 Day	1,145,503	728,774	64%
3 Day	1,748,807	788,631	45%
4 Day	3,313,889	1,637,869	49%
5 Day	2,344,935	1,347,438	57%
6 Day	1,958,142	1,054,155	54%
7 Day	1,989,595	1,105,026	56%
8 Day	670,278	360,090	54%
9 Day	81,455	48,894	60%
Total	13,252,604	7,070,877	53%

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OCA/USPS-55. Please provide year-to-date on-time scores for Package Services mail for FY2006, separately, for the following categories:

- a. 2-day
- b. 3-day
- c. 4-day
- d. 5-day
- e. 6-day
- f. 7-day
- g. 8-day
- h. 9-day

Cite the source(s) for the figures provided. Please state the time period involved. Also, give the volume figures used to calculate each score.

RESPONSE:

The data in the chart below are from the Product Tracking System (PTS), and reflect Retail Packaging Services for the first two quarters of FY2006.

Service Standard	Volume	Volume Within Service Standard	% Volume Within Service Standard
2 Day	717,299	441,774	62%
3 Day	1,009,405	386,630	38%
4 Day	1,966,722	870,240	44%
5 Day	1,227,379	636,680	52%
6 Day	982,412	462,652	47%
7 Day	917,702	462,431	50%
8 Day	329,271	174,451	53%
9 Day	33,231	18,184	55%
Total	7,183,421	3,453,042	48%

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OCA/USPS-62. This interrogatory seeks information on the service standards and achieved service performance for Express Mail. Please refer to your response to OCA/USPS-2(a) and (d).

a. Refer to your response to part a. Please confirm that the Postal Service collects Product Tracking System (herein "PTS") data on achieved service performance separately for Custom Designed (Rate Schedule (herein "RS") 122), Next Day and 2d Day PO to PO (RS 123), and, Next Day and 2d Day PO to Addressee (RS 123). If you do not confirm, please explain. If you do confirm, please provide the achieved service performance data requested in OCA/USPS-2(a).

b. Refer to your response to part a. Please confirm that the Postal Service collects PTS data on achieved service performance for one or more rate categories, or one or more subsets of mail or type of Express Mail service. If you do not confirm, please explain. If you do confirm, please provide the achieved service performance data requested in OCA/USPS-2(a), and define any subset of mail or type of mail service.

c. Refer to your response to part a., which requests "data from all measuring systems showing the achieved service performance." Please confirm that the Postal Service measures achieved service performance for Express Mail using measuring systems other than PTS. If you do not confirm, please explain. If you do confirm, please provide the achieved service performance data requested in OCA/USPS-2(a) for those measuring systems, and define any subset of mail or type of Express Mail service measured, where applicable.

d. Refer to your response to part d. Please confirm that the PTS data is a statistically representative measure of the service standard cited (i.e., DMM section 113) for Custom Designed (RS 122), Next Day and 2d Day PO to PO (RS 123), and, Next Day and 2d Day PO to Addressee (RS 123); and, any subset of mail or type of Express Mail services. If you do not confirm, please 1) explain and rank order the most important reasons why the data is not statistically representative; 2) describe any existing plans by the Postal Service, and their likely implementation in the next 1, 3 or 5 years, to develop statistically representative data on achieved service performance; and, 3) indicate "No Plans" if there are no existing plans to develop statistically representative data on achieved service performance.

RESPONSE:

(a)-(b). Not confirmed. Next Day and 2d Day PO to PO (RS 123), and, Next Day and 2d Day PO to Addressee (RS 123) are the bases for the Express Mail service

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performance measurement. PO to PO, and PO to Addressee, PTS data are available in the form presented in the response to OCA/USPS-T34-1(c)-(d).

(c) Not confirmed. The Postal Service does not measure achieved service performance for Express Mail using any measuring systems other than PTS.

(d) Confirmed that PTS is a statistically representative measure of the service standards for Express Mail that it measures. Express Mail service measurement is a virtual census of all Next Day and 2d Day PO to PO (RS 123), and, Next Day and 2d Day PO to Addressee (RS 123) pieces for the NPA time-measurement period, omitting only identified data errors.

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OCA/USPS-63. This interrogatory seeks information on the service standards and achieved service performance for First-Class Mail. Please refer to your response to OCA/USPS-3(a), (b), and (d).

a. Refer to your response to part a. Please confirm that the External First-Class (herein "EXFC") system does not provide achieved service performance data for First-Class Mail as a whole, or the following First-Class Mail subclasses, as a whole: Letters and Sealed Parcels (Rate Schedule (herein "RS") 221), or Cards (RS 222). If you do not confirm, please explain.

b. Refer to your response to part a., which requests "data from all measuring systems showing the achieved service performance." Please confirm that the Postal Service measures achieved service performance using measuring systems other than the EXFC system for First-Class Mail as a whole, and the following First-Class Mail subclasses, as a whole: Letters and Sealed Parcels (RS 221), and Cards (RS 222). If you do not confirm, please explain. If you do confirm, please provide the achieved service performance data requested in OCA/USPS-3(a) for those measuring systems.

c. Refer to your response to part a., which requests "data from all measuring systems showing the achieved service performance." Please confirm that the Postal Service measures achieved service performance using measuring systems other than EXFC system for one or more rate categories, or one or more subsets of mail or type of First-Class Mail service. If you do not confirm, please explain. If you do confirm, please provide the achieved service performance data requested in OCA/USPS-3(a) for those measuring systems, and define any rate category, subset of mail or type of First-Class Mail service measured, where applicable.

d. Refer to your response to part b. Please confirm that the EXFC system measures achieved service performance for a subset of mail or type of First-Class Mail service, namely, seeded letter-shaped mailpieces entered at collection boxes as single-piece First-Class Mail in the Letters and Sealed Parcels subclass. If you do not confirm, please explain.

e. Refer to your response to part b. Please confirm that the EXFC system does not measure achieved service performance for the following rate categories or subsets of mail or type of First-Class Mail service: 1) flat-shaped or parcelshaped mailpieces entered as single-piece First-Class Mail in the Letters and Sealed Parcels subclass; and, 2) letter-shaped, flat-shaped, or parcel-shaped mailpieces entered as presort or automation presort First-Class Mail in the Letters and Sealed Parcels subclass. If you do not confirm, please explain.

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f. Refer to your response to part d. Please confirm that the EXFC system data is a statistically representative measure of the service standard cited (i.e., DMM section 133.2.1) for the subset of First-Class Mail measured. If you do not confirm, please 1) explain and rank order the most important reasons why the data is not statistically representative; 2) describe any existing plans by the Postal Service, and their likely implementation in the next 1, 3 or 5 years, to develop statistically representative data on achieved service performance; and, 3) indicate "No Plans" if there are no existing plans to develop statistically representative data on achieved service performance.

g. Refer to your response to part d. Please confirm that the PTS data is a statistically representative measure of the service standard cited (i.e., DMM section 123.2.2) for Priority Mail. If you do not confirm, please 1) explain and rank order the most important reasons why the data is not statistically representative; 2) describe any existing plans by the Postal Service, and their likely implementation in the next 1, 3 or 5 years, to develop statistically representative data on achieved service performance; and, 3) indicate "No Plans" if there are no existing plans to develop statistically representative data on achieved service performance.

RESPONSE:

(a) Not confirmed. The External First-Class (EXFC) system is an external measurement system of collection box to mailbox delivery performance. EXFC continuously tests a panel of 463 ZIP Code areas selected on the basis of geographic and volume density from which 90 percent of First-Class volume originates and 80 percent destines.

(b) Not confirmed. The Postal Service does not measure achieved service performance using measuring systems other than the EXFC system for First-Class Mail as a whole, or the following First-Class Mail subclasses, as a whole: Letters and Sealed Parcels (RS 221), and Cards (RS 222).

(c) Not confirmed. The Postal Service does not use the measure achieved service performance using measuring systems other than EXFC system for one or more

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rate categories, or one or more subsets of mail or type of First-Class Mail service.

(d) Not confirmed. The EXFC system measures achieved service performance for letter-shaped mailpieces entered at collection boxes as single-piece First-Class Mail in the Letters and Sealed Parcels subclass.

(e) Confirmed that the EXFC system does not provide an achieved service performance measurement for the listed rate categories or subsets of mail or type of First-Class Mail service.

(f) The Postal Service believes that EXFC is statistically representative for what it measures.

(g) The Postal Service believes that PTS is statistically representative for what it measures.

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OCA/USPS-64. This interrogatory seeks information on the service standards and achieved service performance for Package Services. Please refer to your response to OCA/USPS-6(a), (b), and (d).

- a. Refer to your response to part a. Please confirm that the Product Tracking System (herein "PTS") does not provide achieved service performance data for Package Services as a whole, or the following Package Services subclasses, as a whole: Parcel Post (Rate Schedule (herein "RS") 521), Bound Printed Matter (RS 522), Media Mail (RS 523), and Library Mail (RS 524). If you do not confirm, please explain.
- b. Refer to your response to part a., which requests "data from all measuring systems showing the achieved service performance." Please confirm that the Postal Service measures achieved service performance using measuring systems other than PTS for Package Services as a whole, and the following Package Services subclasses, as a whole: Parcel Post (RS 521), Bound Printed Matter (RS 522), Media Mail (RS 523), and Library Mail (RS 524). If you do not confirm, please explain. If you do confirm, please provide the achieved service performance data requested in OCA/USPS-6(a) for those measuring systems.
- c. Refer to your response to part a., which requests "data from all measuring systems showing the achieved service performance." Please confirm that the Postal Service measures achieved service performance using measuring systems other than PTS for one or more rate categories, or one or more subsets of mail or type of Package Services. If you do not confirm, please explain. If you do confirm, please provide the achieved service performance data requested in OCA/USPS-6(a) for those measuring systems, and define any rate category, subset of mail or type of Package Services measured, where applicable.
- d. Refer to your response to part b. Please confirm that the PTS measures achieved service performance for a subset of mail or type of Package Services, namely, Parcel Post, Bound Printed Matter, Media Mail and Library Mail sold at retail windows with Delivery Confirmation. If you do not confirm, please explain.
- e. Refer to your response to part b. Please confirm that the PTS does not measure achieved service performance for the following rate categories or subsets of mail or type of Package Services: 1) Parcel Post Intra-BMC Rates (RS 521.2B); 2) Parcel Post Parcel Select Destination Bulk Mail Center Rates (RS 521.2C); 3) Parcel Post Parcel Select Destination Sectional Center Facility Rates (RS 521.2D); 4) Parcel Post Parcel Select Destination Delivery Unit Rates (RS 521.2E); 5) Parcel Post Parcel Select Return Services Return Delivery Unit Rate Category (RS 521.2F); 6) Parcel Post Parcel Select Return Services Return BMC Rate Category Machinable Pieces and Nonmachinable Pieces (RS 521.2G); 7)

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Bound Printed Matter Presorted and Carrier Route Rates Flats, Parcels, and Irregular Parcels (RS 522B); 8) Bound Printed matter Presorted Rates, Destination Entry Flats, Parcels, and Irregular Parcels (RS 522C); 9) Bound Printed Matter Carrier Route Rates, Destination Entry Flats, Parcels, and Irregular Parcels (RS 522D); 10) Bound Printed Matter BPM Return Service Return BMC Rate Category (RS 522E); 11) Media Mail mailpieces that are presort entered; or, 12) Library Rate mailpieces that are presort entered. If you do not confirm, please explain.

f. Refer to your response to part d. Please confirm that the PTS data is a statistically representative measure of the service standard cited (i.e., Attachment G of the Request, Compliance Statement, response to Rule 54(n)) for Parcel Post, Bound Printed Matter, Media Mail and Library Mail sold at retail with Delivery Confirmation. If you do not confirm, please 1) explain and rank order the most important reasons why the data is not statistically representative; 2) describe any existing plans by the Postal Service, and their likely implementation in the next 1, 3 or 5 years, to develop statistically representative data on achieved service performance; and, 3) indicate "No Plans" if there are no existing plans to develop statistically representative data on achieved service performance.

RESPONSE:

(a) Confirmed.

(b) Not confirmed. The Postal Service does not measure achieved service performance using measuring systems other than PTS for Package Services as a whole, or any of the listed Package Services subclasses as a whole.

(c) Not confirmed. While the Postal Service does not measure achieved service performance using measuring systems other than PTS for one or more rate categories, or one or more subsets of mail or type of Package Services, please see response to OCA/USPS-51 for available data.

(d) Not confirmed. PTS does not report achieved service performance for a subset of mail or type of Package Services, such as Parcel Post, Bound Printed Matter,

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Media Mail and Library Mail sold at retail windows with Delivery Confirmation.

(e) (1)-(12) All confirmed.

(f) Not confirmed. PTS data is not used as a measurement of the service standards cited in Attachment G of the Request, Compliance Statement, response to Rule 54(n)) for Parcel Post, Bound Printed Matter, Media Mail and Library Mail sold at retail with Delivery Confirmation. At the present time, there are no specific plans to report in further response to this question.

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OCA/USPS-65. This interrogatory seeks information on the service standards and achieved service performance for Special Services. Please refer to your response to OCA/USPS-7(a), (c), and (d).

a. Refer to your response to part a. Please confirm that in Docket No. 2005-1, the Postal Service provided the same “indicator [that] measures the percent of combined totals of Priority Mail Delivery Confirmation and Signature Confirmation destinating pieces scanned to the number of pieces accepted at retail or in an electronic file provided by the mailer.” If you do not confirm, please provide the same indicator for Fiscal Years 2003 and 2004. If you do confirm, please provide a citation to the record in Docket No. 2005-1.

b. Refer to your response to part c. With respect to the bullet 2, please provide a citation to the relevant source for the stated “goal” or service standard, and characterize the authority of the source (i.e., regulation, Board-approved policy, press release, executive letter directive, etc.).

c. Refer to your response to part c. Please confirm that the Postal Service does not measure achieved service performance for the service standards cited in part c., bullet 1 (i.e., Publication 122, concerning the payment of claims within 10 to 15 days) and part c., bullet 3 (i.e., DMM section 507.6.3.6, concerning Address Changes for Election Boards, Correction of Mailing List, and ZIP Coding of Mailing Lists). If you do not confirm, please explain and provide the achieved service performance.

d. Refer to your response to parts c. and d. Please confirm that the PTS data is a statistically representative measure of the “goal” or service standard cited in part c., bullet 2 (i.e., a Delivery Confirmation and Signature Confirmation combined scan rate of 99.1 percent). If you do not confirm, please 1) explain and rank order the most important reasons why the data is not statistically representative; 2) describe any existing plans by the Postal Service, and their likely implementation in the next 1, 3 or 5 years, to develop statistically representative data on achieved service performance; and, 3) indicate “No Plans” if there are no existing plans to develop statistically representative data on achieved service performance.

RESPONSE:

(a) Confirmed. The Postal Service provided data using similar methods in Docket 2005-1, Response to OCA/USPS-171.

(b) The scan rate goal is not contained in a published regulation of the Postal

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Service, but was set up by a committee of Postal Service executives

(c) Confirmed.

(d) Confirmed that PTS data contains a statistically representative measure of the scan rate goal.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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