Postal Regulatory Commission
Submitted 2/14/2020 3:58:49 PM
Filing ID: 112399
Accepted 2/14/2020

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268–0001

ANNUAL COMPLIANCE REVIEW, 2019	Docket No. ACR2019

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-15 OF CHAIRMAN'S INFORMATION REQUEST NO. 12

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 12, issued on February 7, 2020. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Eric P. Koetting

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 277-6333
eric.p.koetting@usps.gov
February 14, 2020

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 12

1. Please refer to the Postal Service's discussion of Package Services in their 2019 ACR filing and the embedded table.[1] The table contains several cost segments that had notably higher cost increases for Media Mail/Library Mail than for the overall Package Services class.

Media Mail/Library Mail	**Total Volume Variable & Product Specific**	**C/S 3 Clerks and Mailhandlers**	**C/S 8 Vehicle Service Drivers**	**C/S 10 Rural Carriers**	**C/S 11 Custodial and Maintenance Services**
2019 Cost	396,076,140	141,596,418	12,199,359	11,930,490	24,119,406
2018 Cost	359,531,102	126,398,120	9,288,277	9,851,606	19,308,183
Percent Change	10.16%	12.02%	31.34%	21.10%	24.92%
Package Services Overall					
2019 Cost	845,684,544	277,661,749	18,625,361	59,978,680	44,102,639
2018 Cost	803,303,664	261,347,719	15,812,962	53,928,074	39,302,708
Percent Change	5.28%	6.24%	17.79%	11.22%	12.21%

a. Please explain why the total volume variable and product specific costs for Media Mail/Library Mail increased by a larger percentage than the total volume variable and product specific costs for the Package Service class.

b. Please explain why each of the following cost segments had an above-average increase in cost for Media Mail/Library Mail in FY 2019:

   i. C/S 3 Clerks and Mailhandlers

   ii. C/S 8 Vehicle Service Drivers

   iii. C/S 10 Rural Carriers

   iv. C/S 11 Custodial and Maintenance Services

RESPONSE:

a. The seemingly high percentage increase for total Media Mail/Library Mail costs relative to the change for the Package Services class overall is largely due to relative volume changes. In fiscal year (FY) 2019 Media Mail/Library Mail

[1] FY 2019 ACR at 32-33; Library Reference USPS-FY19-2, December 27, 2019, and Docket

volume increased by 1.2 percent over FY 2018, while Bound Printed Matter Flats and Bound Printed Matter Parcels volumes decreased from the previous year by approximately 1.7 percent and 5.6 percent, respectively. Total Package Services volume declined by 3.2 percent. Comparing cost changes on a unit cost basis, there is little difference between Media Mail/Library Mail and the Package Services class. As shown in the table below, the total unit cost percent change for Media Mail/Library Mail is only 0.13 percentage points higher than that of Package Services overall.

Unit Costs

Media Mail/Library Mail	**Total Volume Variable & Product Specific**	**C/S 3 Clerks and Mailhandlers**	**C/S 8 Vehicle Service Drivers**	**C/S 10 Rural Carriers**	**C/S 11 Custodial and Maintenance Services**
2019 Unit Cost	4.94	1.77	0.15	0.15	0.30
2018 Unit Cost	4.54	1.60	0.12	0.12	0.24
Percent Change Unit Cost	8.85%	10.69%	29.78%	19.66%	23.43%
Package Services Overall					
2019 Unit Cost	1.36	0.45	0.03	0.10	0.07
2018 Unit Cost	1.25	0.41	0.02	0.08	0.06
Percent Change Unit Cost	8.72%	9.72%	21.64%	14.86%	15.89%

No. ACR2018, Library Reference USPS-FY18-2, December 28, 2018.

b. i. Clerks and Mailhandlers' labor costs increased in FY 2019 relative to FY 2018, primarily due to higher mail processing costs in NDC Parcel Sorting Machine (PSM) and NDC Platform operations. These increases in labor costs were partly offset by lower mail processing costs in MODS plants. The Postal Service notes that the recent fluctuations in mail processing costs for Media Mail/Library Mail cannot be distinguished from sampling variability, as the FY 2018 cost estimate falls within the range of the 95 percent confidence interval for the FY 2019 mail processing cost for Media Mail/Library Mail (before adjustments in the B Workpapers).[2] Indeed, the FY 2018 mail processing cost for Media Mail/Library Mail had declined unexpectedly from FY 2017, considering that the associated mail volume increased by approximately 2.5 million pieces (or 3 percent) from FY 2017 to FY 2018. As a result, the FY 2019 unit volume variable cost for Media Mail/Library Mail in Cost Segment 3 ($1.767) remains 2.6 percent lower than in FY 2017 ($1.815).

ii. With respect to Vehicle Service Driver (VSD) direct labor costs associated with Media Mail/Library Mail, the 2.9 million dollar cost increase, or 31 percent, is explained by two factors. One, the total volume variable costs for the segment increased by approximately 34 million dollars, or seven percent, in FY 2019 relative to FY 2018. Two, the Media Mail/Library Mail share of the cost driver, often referred to as the distribution factor, increased by 22 percent to approximately 2.5 percent in

[2] Compare USPS-FY19-37, file IOCS PRC CV Summary FY19 public Ttl.xlsx (worksheet Mail Proc, cell F38) and Docket No. ACR2018, USPS-FY18-37, file IOCS PRC CV Summary FY18 public Ttl.xlsx (worksheet Mail Proc, cell B38).

FY 2019 from 2 percent in FY 2018. Estimating such a small share of the cost driver is subject to sampling variation that may be large on a percentage basis, but has little impact on total product costs.

As illustrated in the table displaying the unit costs in the response to part a. of this question, the VSD unit costs for Media Mail/Library Mail increased from 12 to 15 cents in FY 2019 relative to FY 2018. This amount represents only 3 percent of total volume variable and product specific costs for Media Mail/Library Mail, which had a unit cost of $4.94 in FY 2019. Thus, VSD costs are not a primary cost driver for total Media Mail/Library Mail costs.

iii. With respect to rural carrier direct labor costs associated with Media Mail/Library Mail, the above average percentage increase between FY 2018 and FY 2019, approximately twenty-one percent, can primarily be explained by the significant percentage increase in two cost pools: 1) parcels delivered; and 2) non-signature scanned items. Full-time rural carriers receive 30 and 18 seconds of evaluated time for each delivered parcel and non-signature scanned item, respectively. The established costing methodology for rural carriers uses the latest Rural Mail Count (RMC) for each active route, as shown in ACR folder 40, to establish the evaluated minutes associated with each cost pool. In FY 2019, the sizes of the cost pools were based on the RMC conducted in March 2018. However, in FY 2018, the sizes of the corresponding cost pools were based on two RMCs, one conducted in March 2016 (PQ1-2) and the other in March 2018 (PQ 3-4).

Evaluated Time, in Minutes per Week, for Delivered Parcels and Non-Signature Scan Items for FY 2018 – FY 2019

Rural Carriers Cost Pool	Delivered Parcels	Non-signature scan items
FY 19 Minutes/ Week	687.70	488.74
FY 18 Minutes/ Week	610.96	425.00
Percent Change	12.6%	15.0%

Source: USPS-FY19/18-32, workbook CS10, tabs 10.1.1, 10.1.2, 10.2.1, and 10.2.2.

The table above illustrates that the evaluated time for the cost pools that serve as the two primary drivers of rural carrier Media Mail/Library Mail costs increased by 13 and 15 percent, respectively. The double-digit percentage increases in the sizes of these cost pools is not surprising because package volume, and hence delivery scans, increased by one billion pieces, or nineteen percent, between FY 2016 and FY 2018 (USPS 10-K Report 2018 at 22). Moreover, as the next table below indicates, rural carrier wages increased by roughly four percent in FY 2019, relative to FY 2018.

Rural Carrier Wage Rates for FY 2019 and FY 2018

FY 19 Rural Carrier Wage Rate	$ 38.17
FY 18 Rural Carrier Wage Rate	$ 36.72
Percent Change	3.9%

Source: USPS-FY19/18-7, workbook USPS-FY19/18-7, part 8, tab Productive Hourly Rates.

After the increase in the rural carrier wage rate is applied to the larger cost pools, the relative sizes of these two cost pools increased by 17 and 19 percent for

delivered parcels and non-signature scan items, respectively, between FY 2018 and FY 2019. In addition to displaying those percentage increases, the following table illustrates that these two cost pools are responsible for roughly 90 percent of the direct rural carrier labor costs (cost segment 10) for Media Mail/Library Mail.

Cost Pools for Media Mail/Library Mail for Rural Carriers (CS 10)

Rural Carrier Direct Labor Costs (Cost Segment 10)	Delivered Parcels	Non-signature scan items	Delivered Parcels & Non-signature scan items	Media Mail CS10 Total	Delivered Parcels & Non-signature scan items % Total
FY 19 Media Mail/Library Mail ($000)	$ 5,788	$ 4,619	$ 10,406	$ 11,930	87%
FY 18 Media Mail/Library Mail ($000)	$ 4,948	$ 3,871	$ 8,820	$ 9,852	90%
Percent Change	17.0%	19.3%	18.0%	21.1%	-2.6%

In sum, the roughly twenty-one percent increase in rural carrier costs for Media Mail/Library Mail in FY 2019, relative to FY 2018, is largely explained by the fact that in FY 2019 a much more recent RMC was used to form the cost pools, and that the 2018 RMC measured and accounted for the significant percentage increase in package volume since the 2016 RMC was conducted. However, the fact that the 2016 RMC was used, in part, for FY 2018 rural carrier costing, does not mean that the FY 2018 rural carrier product costs were inaccurate, because the carriers were paid for the first two quarters of FY 2018 based on the evaluated times measured in the 2016 RMC. Thus, in both FY 2018 and FY 2019, the rural carrier cost model accurately assigned variable costs to each cost pool and distributed those costs to

products on the basis of the current proportions estimated by the Rural Carrier Cost System (RCCS – USPS-FY19/18-35).

iv. With respect to custodial and maintenance labor costs associated with Media Mail/Library Mail, the 4.8 million dollar increase, or 25 percent, for Media Mail/Library Mail was primarily driven by cost changes in sub-segment 11.1 (component 80), which accounted for roughly $1.1 M (approximately 23 percent) and sub-segment 11.2 (component 75) which accounted for $3.5 M (approximately 73 percent). Custodial and Maintenance Services costs expenses are piggybacked on direct costs from other components. Thus, the costs are attributed and distributed to products on the basis of the direct labor costs associated with the relevant space or equipment category. While the costs in this segment are piggybacked across several crafts, the primary driver of costs for Media Mail/Library Mail for both sub-segments 11.1 and 11.2 is mail processing costs (see USPS-FY19-24, workbook FY19Public.PB, tab MailProc), so those functional costs will be the focus of this response. Increases in volume variable costs for Media Mail/Library Mail in FY 2019 relative to FY 2018 in sub-segment 11.1 are primarily explained by an increase in the space distribution key that is used to distribute those variable costs. In FY 2019, the distribution factor for Media Mail/Library Mail applied to sub-segment 11.1 costs increased to 1.03 percent from 0.89 percent in FY 2018. This increase in the distribution factor is largely explained by a relative increase in the facility space for APBS/APPS – Non Priority & Priority (space pool 1010), which increased from 2.9

percent to 3.1 percent, approximately a 7.4 percent increase (source USPS-FY19/18-31, workbook FRpt, tab.98.5). This is important for Media Mail/Library Mail because it primarily consists of unzoned, non-presort volume requiring both outgoing and incoming sorts on equipment included in this cost pool.

With respect to sub-segment 11.2, two changes occurred in FY 2019 that explain the $3.5 million increase in costs for Media Mail/Library Mail. One, the volume variability of sub-segment 11.2 increased by 15 percent to 88 percent from 77 percent in FY 2019 relative to FY 2018. Two, the share of costs distributed to Media Mail/Library Mail also increased by 15 percent to approximately 1 percent in FY 2019 from 0.9 percent in FY 2018.

The change in variability is explained by the fact that, over the past year, the Postal Service conducted a comprehensive review of its data that are used to assign maintenance costs. This review resulted in a shift of approximately $170 M from Other Equipment, which are treated as institutional costs, to specific equipment types, which often have a high variability (source: USPS-FY19/18-8, workbook FY19/18Equip, tab Final Costs).

The increase in the distribution key for Media Mail/Library Mail that is used to distribute maintenance costs to products is supported by the narrative supplied in response to part b(i) of this question. The variable maintenance costs in this sub-segment are distributed to products in the same proportions as the direct labor costs that are used to operate the equipment. Thus, the increases for Media Mail/Library

Mail from this sub-segment are directly tied to the corresponding cost increases that were experienced by clerks and mailhandlers, as explained in response to part b(i) of this question.

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2. In FY 2019, the passthrough for the sectional center facility (SCF) Marketing Parcels workshare discount went from 79.3 percent to 138.9 percent. FY 2019 ACR at 21. The Postal Service attributed this to the cost avoidance for the discount having declined 43 percent. *Id.* Please provide a narrative explaining the large decline in avoided cost for this worksharing offering. The narrative should specifically address the relative differences in unit cost changes between SCF Marketing Parcels and NDC Marketing Parcels. Please provide supporting workpapers.

RESPONSE:

The Marketing Mail DNDC SCF presort parcel cost avoidance estimate in USPS-FY19-3 is calculated using mail processing unit cost estimates from the Marketing Mail parcels mail processing cost model (USPS-FY19-12). Between fiscal year (FY) 2018 and FY 2019, the unit cost for DNDC NDC presort Marketing parcels decreased while the unit cost for DNDC SCF parcels increased. The end result was a decrease in the cost avoidance estimate that was measured between NDC presort parcels and SCF presort parcels.

The USPS-FY19-12 cost model was not modified using the methodology change proposal process during the past two fiscal years. Any changes to the cost estimates between FY 2018 and FY 2019 were solely the result of the cost input data that were used in each fiscal year. Table 1 below shows the impact that each cost input had on the model cost estimates. Model cost estimates are those estimates to which no Cost and Revenue Analysis (CRA) adjustment factors have been applied. The Table 1 data can be found in the 'ChIR.12.2.Attachment.xlsx' file, provided as part of USPS-FY19-49.

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Table 1:
Cost Input Impact

Cost Description	[A] DNDC NDC Presort Model Cost	[B] DNDC SCF Presort Model Cost	[C] Model Cost Difference	[D] Proportional Adjustment Factor	[E] Cost Avoidance
USPS-FY18-12 Cost Estimate	**$0.688**	**$0.530**	**$0.158**	**2.501**	**$0.396**
MODS Productivity Impact	($0.011)	$0.031			
Overhead Factor Impact	$0.001	$0.001			
Volume Variability Factor Impact	$0.000	$0.001			
Wage Rate Impact	($0.003)	($0.002)			
Premium Pay Factor Impact	($0.002)	($0.001)			
Piggyback Factor Impact	$0.009	$0.005			
Percent Marketing Parcel Over 6 Ounces Impact	($0.026)	$0.000			
Weight Impact	$0.000	$0.000			
Reject Rate Impact	($0.005)	($0.001)			
Coverage Factor Impact	($0.009)	($0.001)			
USPS-FY19-12 Cost Estimate	**$0.644**	**$0.562**	**$0.082**	**2.753**	**$0.226**
Check	**$0.644**	**$0.562**			

The values in columns A and B of the first row of Table 1 show the NDC presort and SCF presort model cost estimates from Docket No. ACR2018, USPS-FY18-12. Each subsequent line shows the impact on those cost estimates if the FY 2019 input data associated with that line are incorporated seriatim into the USPS-FY18-12 cost model, holding everything else constant. The next to last row in Table 1 shows the model cost estimates from Docket No. ACR2019, USPS-FY19-12. The last row in Table 1 serves as a check that the numbers have balanced out.

The model cost difference in column C is calculated to be the value in column A minus the value in column B.

The volume data and cost by shape estimate by cost pool data do not have an impact on the model cost estimates, but do affect the CRA adjustment factors used in the cost model. The CRA proportional adjustment factors for FY 2018 and FY 2019 are contained in column D.

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The cost avoidance estimates in column E are equal to the model cost differences in column C multiplied by the proportional adjustment factors in column D. These estimates are the same values that can be found in USPS-FY18-3 and USPS-FY19-3 in Docket No. ACR2018 and Docket No. ACR2019, respectively.

The Table 1 data show that the input data which had the biggest impact on the model cost estimates were the management operating system data (MODS) productivity values and the percentage of Marketing parcels that weigh over six ounces.

The MODS productivity values for both fiscal years are shown in Table 2 below. The Table 2 data can also be found in the 'ChIR.12.2.Attachment.xlsx' file.

Table 2:
MODS Productivity Data

Operation Description	Facility Type	FY 2018 MODS Productivity	FY 2019 MODS Productivity	Percent Change
APPS incoming primary sort	P&DC/F	255.511	244.434	-4.335%
APBS / LIPS incoming primary sort	P&DC/F	211.184	198.512	-6.001%
Sack Manual Sort	P&DC/F	141.851	113.433	-20.033%
NMO Manual Sort	P&DC/F	141.851	113.433	-20.033%
IPP Manual Sort	P&DC/F	141.851	113.433	-20.033%
Primary Parcel Sorting Machine (PP	NDC	371.411	350.786	-5.553%
Secondary Parcel Sorting Machine (	NDC	316.565	316.376	-0.060%
Sack Sorting Machine (SSM)	NDC	85.071	94.185	10.714%
NMO Manual Sort	NDC	52.636	54.099	2.779%
IPP manual sort	NDC	224.087	280.040	24.969%

The data in Table 2 show that the MODS productivity values for operations that were performed at processing and distribution centers / facilities (P&DC/F) all decreased in FY 2019. In contrast, some of the MODS productivity figures for network

distribution center (NDC) activities increased in FY 2019. The net result was a 1.1-cent decrease to the DNDC NDC presort model cost estimate and a 3.1-cent increase to the DNDC SCF presort model cost estimate.

The percentage of Marketing parcels that weigh over 6 ounces is used to estimate the volume of Marketing parcels that meet the parcel sorting machine (PSM) weight threshold and can therefore be sorted to the 5-digit level on those machines at NDCs. The Marketing parcels that weigh less than 6 ounces are assumed to be processed manually at the NDCs and must then be sorted to the 5-digit level at P&DC/Fs.

The percentage of Marketing parcels that weigh over six ounces increased from 46.986 percent in FY 2018 to 58.417 percent in FY 2019. Given that the model cost estimate for Marketing Mail parcels that weigh over six ounces is lower than the model cost estimate for parcels that weigh less than six ounces, this change resulted in a 2.6-cent decrease to the DNDC NDC presort model cost estimate.

In summary, the cost avoidance estimate for DNDC SCF presort parcels decreased in FY 2019 because the mail processing unit cost estimate for DNDC NDC presort parcels decreased, while the mail processing unit cost estimate for DNDC SCF presort parcels increased. This result was caused by changes to the cost input data that occurred between FY 2018 and FY 2019.

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3. In Library Reference USPS-FY19-46, the Postal Service provided its Statistical Programs Policy Letters related to the new In-Office Cost System (IOCS) shape-based data collection procedures.[3] Please provide any other Statistical Programs Policy Letters applicable to FY 2019.

RESPONSE:

The requested Statistical Programs Policy letters are provided in public folder USPS-FY19-49.

[3] Library Reference USPS-FY19-46, January 24, 2020, folder "ChIR 4 Q 9 IOCS," PDF files "SPLetterFY19#1.pdf," and "SPLetterFY10#2.pdf," provided with its Responses of the United States Postal Service to Questions 1-41 of Chairman's Information Request No. 4, question 9.b. (Response to CHIR No. 4).

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4. In its response to Chairman's Information Request No. 6, the "Postal Service concluded that all sites must follow the discontinuance procedures set forth in Handbook PO-101."[4] Please provide the most current United States Postal Service Handbook PO-101*, Postal Service-Operated Retail Facilities Discontinuance Guide.* If a new edition has not been published since the July 2011 version, please provide all updates or changes to its discontinuance procedures to date.[5]

RESPONSE:

Please see the most current version of Handbook PO-101, *Postal Service-Operated Retail Facilities Discontinuance Guide*, dated October 2012 and provided as part of USPS-FY19-49.

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[4] Responses of the United States Postal Service to Questions 1-9 of Chairman's Information Request No. 6, January 31, 2020, question 2.

[5] *See* Docket No. N2011-1, Library Reference USPS-LR-N2011-1/1, July 27, 2011, *United States Postal Service Handbook PO-101 Postal Service-Operated Retail Facilities Discontinuance Guide,* July 2011.

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5. The Postal Service provided FY 2019 workhours by Labor Distribution Code (LDC) in Library Reference USPS-FY19-7.[6] Please provide any FY 2019 updates to the LDCs' described activities, any other updates to the LDC list, and the activity descriptions for any new LDCs added to the complete list of the LDC matrix of the National Workhour Reporting System the Postal Service provided in Docket No. R2006-1[7] and in Docket No. ACR2017.[8]

RESPONSE:

The latest update to the LDC Definitions and LDC/MOD Operation Number Crosswalk is provided as part of folder USPS-FY19-49.

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[6] *See* Library Reference USPS-FY19-7, December 27, 2019, folder "USPS-FY19-7 Excel Workbooks," Excel file "LDC.Workhours.FY19.xlsx."

[7] *See* Docket No. R2006-1, Library Reference LR-L-55, May 3, 2006, folder "LR-L-55 electronic version (.doc & .excel)," subfolder "lr-l-55 part1," PDF file "_Labor Distribution Codes.pdf."

[8] *See* Docket No. ACR2017, Responses of the United States Postal Service to Questions 1-16 of Chairman's Information Request No. 21, March 5, 2018, question 5 and Docket No. ACR2017, Library Reference USPS-FY17-46, March 5, 2018, folder "ChIR 21.Q.5.LDCs," PDF files "Handbook F-2, Appendix A LDCs.pdf," and "CDC 16 Guidelines.pdf."

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6. Please provide the current number of CAG K and L Post Office Boxes.

RESPONSE:

The current number of installed Post Office Boxes is 2,197,370 for CAG K offices, and 518,069 for CAG L offices.

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7. Please refer to Docket No. ACR2018, response to Chairman's Information Request No. 6, question 28.[9]

a. Please provide the same table updated for FY 2019.

b. Please provide the number of full-time city carriers by office CAG group for FY 2019.

c. Please provide the number of part-time and transitional city carriers by office CAG group for FY 2019.

RESPONSE:

a.-c. The requested data are provided in the table below.

CAG	# of offices (universe)	# of offices with >0 sampleable employee	# of Timecard offices (not TACS clock rings)	# of Full Time city carriers, all offices	# of Part Time city carriers, all offices	# of Full Time city carriers in Timecard offices	# of Part Time city carriers in Timecard offices
A	2,870	2,136	737	46,110	11,338	3	1
B	1,183	1,092	110	26,131	6,562	0	0
C	1,580	1,506	108	40,647	9,913	1	0
D	881	859	55	18,423	5,074	1	2
E	1,648	1,632	71	20,081	6,043	6	6
F	2,212	2,204	215	8,951	3,578	40	30
G	3,207	3,193	902	3,083	2,292	120	124
H	3,897	3,878	2,107	630	825	89	122
J	4,825	4,798	2,982	64	118	7	17
K	8,986	8,575	6,087	2	9	0	2
L	3,989	1,470	3,759	0	0	0	0
Total	35,278	31,343	17,133	164,122	45,752	267	304

[9] *See* Docket No. ACR2018, Responses of the United States Postal Service to Questions 1-28 of Chairman's Information Request No. 6, February 8, 2019, question 28.

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8. Please provide an Excel file that links each of the IOCS recoded finance numbers in the "F2" (finance number) and "NewFN" (updated finance number) variables to its actual finance number.[10]

RESPONSE:

The requested data are provided under seal in folder USPS-FY19-NP40.

[10] Library Reference USPS-FY19-37, December 27, 2019, PDF file "USPS-FY19-37.IOCS.pdf" at 13.

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9. Please confirm that where ZIP Code has been provided in the IOCS SAS dataset, it has not been recoded. If not confirmed, please provide an Excel file that links each ZIP Code with its actual ZIP Code.

RESPONSE:

Confirmed.

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10. Please refer to the narrative provided by each of the seven Postal Service Areas.[11] For each Area, please provide the top five root cause point impacts for First-Class Mail Single-Piece Letters/Postcards, disaggregated by service standard. Please provide the data for each fiscal quarter and annually for FY 2019.

RESPONSE:

The requested top five root cause point impact data by Area in the format specified can be retrieved by fiscal quarter for FY 2019, and are provided as part of USPS-FY19-49. Corresponding annual data for FY 2019 by Area, however, are not readily available.

[11] Library Reference USPS-FY19-29, December 27, 2019, files "Southern Service Report FINAL.pdf" at 2; "Cap Metro Service report FINAL.pdf" at 1; "Eastern Service Report FINAL.pdf" at 2; "Great Lakes Service Report FINAL.pdf" at 1; "NEA Service Report FINAL.pdf" at 2; "Pacific Service Report FINAL.pdf" at 6-9; "Western Service Report FINAL.pdf" at 1-4.

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11. The Postal Service states that "[t]he number of CLTs [critically late trips] reported for FY 2019 increased from the number of CLTs reported for FY 2018 and FY 2017 due to increased scanning performance."[12] Please elaborate on what is meant by increased scan performance (for instance, compared to prior years, is the Postal Service scanning more trucks, trips, transfer points, etc.) and how it affects the number of CLTs reported.

RESPONSE:

Surface Visibility (SV) scanning consists of numerous scanning activities, including trailer arrival scan, trailer departure scan, trailer score, placard assign scan, close scan score, load scan score, unload scan score, and container score. In FY 2019, the Postal Service improved its SV scanning performance, which resulted in the capture of a larger data pool; in turn, that enabled the Postal Service to identify and report more critically late trips (CLTs) in FY 2019 than in the prior years.

[12] Response to CHIR No. 4, question 30.c.

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12. Please *see* Attachment, filed under seal.

RESPONSE:

Please see the response filed under seal as part of the Preface of USPS-FY19-NP40.

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13. Please *see* Attachment, filed under seal.

RESPONSE:

Please see the response filed under seal as part of the Preface of USPS-FY19-NP40.

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14. Please *see* Attachment, filed under seal.

RESPONSE:

Please see the response filed under seal as part of the Preface of USPS-FY19-NP40.

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15. Please *see* Attachment, filed under seal.

RESPONSE:

Please see the response filed under seal as part of the Preface of USPS-FY19-NP40.