

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS KINGSLEY TO INTERROGATORY OF
THE ASSOCIATION OF PRIORITY MAIL USERS, INC.
(APMU/USPS-T10-1)

The United States Postal Service hereby provides the response of witness Kingsley to the following interrogatory of the Association of Priority Mail Users, Inc.: APMU/USPS-T10-1, filed on March 7, 2000.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

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March 21, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF THE ASSOCIATION OF PRIORITY MAIL USERS, INC.**

APMU/USPS-T10-1. In June 1998, the Postal Service completed activation of the last of its 10 PMPCs. Within the two areas served by the PMPC network (i.e., the Northeast and Florida), processing of Priority Mail was transferred from Postal Service plants to the PMPCs.

- a. Please specify the extent to which the transfer of Priority Mail processing to the PMPC network has helped generally to free up space and mail processing equipment (e.g., flat sorting machines or SPBSs) within Postal Service plants in the Northeast and Florida, especially during critical dispatch periods.
- b. Please specify the extent to which the transfer of Priority Mail processing to the PMPC network has helped to reduce or eliminate congestion and critical bottlenecks as regards space and mail processing equipment (e.g., flat sorting machines or SPBSs) within Postal Service plants in the Northeast and Florida, especially during critical times such as Christmas.
- c. Please specify the extent to which the transfer of Priority Mail processing to the PMPC network has helped to increase efficiency and reduce costs of the other (non-Priority) mail that is processed in Postal Service plants within the network area.
- d. Please specify the extent to which the transfer of Priority Mail processing to the PMPC network has helped to increase on-time delivery performance of mail processed in the Northeast and Florida.

Response:

- a. There is no data available to quantify the amount of space freed up by moving Priority Mail to the PMPCs. However, no mechanization was moved out of the Postal facilities supported by PMPCs. The space needs for rack and tub set-ups may have been reduced, however, most facilities still must maintain Priority Mail operations for late arriving mail. The first attachment compares the SPBS and FSM 1000 utilization by volume for plants affected by the

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PMPCs before and after implementation of the network versus plants unaffected by the PMPCs.

- b. See response to part a.
- c. The transfer of Priority Mail processing to the PMPC network has freed up capacity on mechanized systems to move other classes of mail. However, a quantitative analysis detailing the impact of this transfer on efficiency and cost reductions is not available. However, increased efficiencies and cost reductions for mail remaining in the Postal Service plants would be reflected, to some extent, in the base year costs of the various classes of mail presented in the case.
- d. The PMPC contract was awarded as a pilot test of an approach for improving the service delivery for Priority Mail. Though there has been measurable improvements in Priority service with the PMPCs compared to the rest of the network, any theoretical benefit to other classes of mail delivery arising from the creation of a dedicated mail stream for Priority Mail would be incidental. USPS does not have measures that would isolate this one factor from all other factors that affect service delivery performance among other mail classes. Even if this could be accomplished, the EXFC service scores in the second attachment for First-Class Mail, specifically, do not indicate an appreciable improvement in scores in the PMPC affected Clusters compared to the non-affected Clusters.

EXTERNAL FIRST-CLASS MEASUREMENT SYSTEM
OVERNIGHT, TWO DAY, THREE DAY SERVICE STANDARD
FY 1997 THROUGH FY 1999 AND YTD PQ 2, FY 2000

FY	OVERNIGHT				TWO DAY				THREE DAY			
	1997 PCT ONTIME	1998 PCT ONTIME	1999 PCT ONTIME	2000 PCT ONTIME	1997 PCT ONTIME	1998 PCT ONTIME	1999 PCT ONTIME	2000 PCT ONTIME	1997 PCT ONTIME	1998 PCT ONTIME	1999 PCT ONTIME	2000 PCT ONTIME
BOSTON MA	89.41	92.24	92.45	93.15	65.94	70.04	86.66	90.74	75.75	76.93	84.43	82.06
CENTRAL FLORIDA	90.95	92.23	93.36	92.38	91.53				76.64	82.57	89.7	83.26
CENTRAL NEW JERSEY	92.97	93.8	94.29	93.22	70.3	78.39	81.85	83.38	82.84	85.68	89.28	84.94
CONNECTICUT	91.75	94.09	94.22	93.58	72.71	75.9	79.82	83.66	71.27	78.95	83.48	80.02
HARRISBURG PA	94.42	95.84	95.18	95.29	65.52	69.86	80.89	75.37	70.38	73.45	77.99	75.64
LANCASTER PA	91.6	92.4	93.19	92.81	78.23	81.79	84.22	79.24	78	76.11	82.08	73.49
MAINE	92.98	92.66	94.25	94.58	75.2	81.74	90.23	89.68	66.11	71.61	83.58	79.68
MIDDLESEX-CENTRAL	91.03	92.7	93.18	93.37	81.91	87.97	90.9	89.59	76.81	80.4	87.68	83.29
NEW HAMPSHIRE	92.67	93.17	93.46	94.09	83.1	87.74	89.52	90.82	76.5	78.3	84.65	82.62
NEW YORK CITY	91.27	93.01	93.1	93.25	81.68	90.08	91.06	89.73	80.96	87.01	88.97	86.85
NORTH FLORIDA	93.79	94.25	94.39	93.81	81.24	87.96	87.51	86.09	79.11	83.12	83.6	78.7
NORTHERN NEW JERSEY	90.98	93.26	92.64	92.84	79.57	86.58	91.17	90.07	79.26	83.82	89.08	86.98
PHILADELPHIA PA	90.63	92.76	93.63	92.75	81.54	87.01	90.05	87.04	81.54	82.83	85.11	81.76
PITTSBURGH PA	92.46	93.11	94.35	94.8	80.38	86.74	90.61	90.18	81.43	85.75	88.61	85.97
SE NEW ENGLAND	91.77	94.09	93.71	94.39	84.62	88.63	92.09	91.87	74.63	79.18	86.52	82.67
SOUTH FLORIDA	92.4	94.04	93.79	92.78	74.3	84.66	87.66	81.85	76.75	83.28	86.9	77.25
SOUTH GEORGIA	92.33	93.88	94.89	94.46	81.76	87.84	89.19	84.96	77.45	82.37	85.82	80.97
SOUTH JERSEY NJ	91.91	92.15	92.73	92.64	81.15	86.53	89.07	88.53	77.33	83.26	84.42	81.97
SPRINGFIELD MA	92.23	94.2	95.63	95.37	82.47	87.65	91.88	90.14	74.08	80.49	86.51	81.06
SUNCOAST	91.15	93.2	94.28	94.18	83.88	89.61	91.93	90.07	80.96	85.47	88.32	85.57
TRIBORO	90.52	92.57	93.22	92.41	85.04	89.64	90.8	88.76	80.51	85.61	89.18	86.68
WESTCHESTER NY	91.57	94.1	93.13	92.5	85.87	91.2	90.47	88.4	78.28	85.74	86.68	80.09
WESTERN NEW YORK	93.16	94.93	94.77	95.21	80.84	86.41	90.19	91.54	78.11	82.14	84.8	83.19
SUBTOTAL	91.91	93.42	93.82	93.65	79.51	84.73	88.54	87.35	77.46	81.48	85.97	81.94

FY	OVERNIGHT				TWO DAY				THREE DAY			
	1997 PCT ONTIME	1998 PCT ONTIME	1999 PCT ONTIME	2000 PCT ONTIME	1997 PCT ONTIME	1998 PCT ONTIME	1999 PCT ONTIME	2000 PCT ONTIME	1997 PCT ONTIME	1998 PCT ONTIME	1999 PCT ONTIME	2000 PCT ONTIME
AKRON OH	92.28	94.45	93.79	94.39	80.92	84.05	89.27	86.71	80.92	86.07	87.97	84.82
ALABAMA	92.83	93.81	94.37	94.22	78.21	84.35	88.79	84.95	77.52	85.08	88.27	83.25
ALBANY NY	92.96	94.93	95.12	95.55	83.41	91.57	93.37	93.05	68.28	73.56	84.07	81.7
ALBUQUERQUE NM	92.2	92.75	93.87	94.26	85.14	89.72	92.37	91.95	79.02	77.54	80.72	76.5
APPALACHIAN	92.82	93.54	93.65	94.37	77.1	74.12	75.54	73.01	69.83	79.2	83.46	76.96
ARIZONA	90.6	92.25	92.86	93.84	66.65	76.74	86.64	82.23	78.62	84.04	86.63	83.81
ARKANSAS	91.87	92.81	93	92.17	66.55	78.43	79	75.65	75.32	80.2	84.35	75.63
ATLANTA GA	90.86	91.01	91.46	91.23	75.95	82.67	84.22	78.57	75.76	79.54	85.06	82.3
BALTIMORE MD	89.48	93.21	94.32	93.8	61.74	69.48	77.66	75.93	82.92	85.96	91.89	90.33
BIG SKY	92.34	93.93	95.2	94.59	80.92	86.76	91.82	90.1	67.45	64.59	77.49	72.11
CAPITAL	92.38	93.28	93.04	91.87	75.83	80.62	85.83	85.54	83.7	87.56	89.91	86.49
CARIBBEAN	85	87.17	89.14	88.22	81.99	87.03	90.07	87.24	54.06	55.93	66.31	50.8

DECLARATION

I, Linda Kingsley, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

Linda A. Kingsley
Date: 3-21-2000

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



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