

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

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES UPS/USPS-7-11

The United States Postal Service hereby provides responses to the following
interrogatories of the United Parcel Service: UPS/USPS-7-11, filed on April 10, 2000.


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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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April 26, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF UNITED PARCEL SERVICE**

UPS/USPS-7. Refer to the answer to UPS/USPS-T34-18(b) and (c). Explain why the sum of the percentages provided in the answers to each (b) (74 percent, 11 percent, 26 percent) and (c) (76 percent, 45 percent, 24 percent) is not 100%.

RESPONSE:

UPS/USPS-T34-18(b) requested FY 1999 ODIS data for Priority Mail with a two-day service standard area that arrived in two days. The phrase "arrived in two days" was interpreted as "arrived in no more than two days." Sixty three percent (74% less 11%) of Priority Mail with a two-day service standard area arrived in exactly two days.

UPS/USPS-T34-18(c) requested FY 1999 ODIS data for Priority Mail with a three-day service standard area that arrived in three days. The phrase "arrived in three days" was interpreted as "arrived in no more than three days." Thirty one percent (76% less 45%) of Priority Mail with a three-day service standard area arrived in exactly three days.

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UPS/USPS-8. Refer to the answer to UPS/USPS-T34-19. Explain why the sum of the percentages provided in the answer to UPS/USPS-T34-19(b) (79.3 percent, 16.5 percent, 20.7 percent) is not 100%.

RESPONSE:

UPS/USPS-T34-19(b) requested FY 1999 PETE data for Priority Mail with a two-day service standard area that arrived in two days. The phrase "arrived in two days" was interpreted as "arrived in no more than two days." 62.8 percent (79.3% less 16.5%) of Priority Mail with a two-day service standard area arrived in exactly two days.

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UPS/USPS-9. Refer to UPS/USPS-T34-20(b) and (c). Explain why the sum of the percentages provided in the answers to each of (b) (86.5 percent, 19.6 percent, 13.5 percent) and (c) (85.6 percent, 32.9 percent, 14.4 percent) is not 100%.

RESPONSE:

UPS/USPS-T34-20(b) requested FY 1999 EXFC data for First-Class Mail with a two-day service standard area that arrived in two days. The phrase "arrived in two days" was interpreted as "arrived in no more than two days." 66.9 percent (86.5% less 19.6%) of First-Class Mail with a two-day service standard area arrived in exactly two days.

UPS/USPS-T34-18(c) requested FY 1999 EXFC data for First-Class Mail with a three-day service standard area that arrived in three days. The phrase "arrived in three days" was interpreted as "arrived in no more than three days." 52.7 percent (85.6% less 32.9%) of First-Class Mail with a three-day service standard area arrived in exactly three days.

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UPS/USPS-10. Refer to the "Priority End-to-End (PETE)" table provided in the response to UPS/USPS-T34-26.

(a) Explain why performance is systematically lower in PQ2 in FY1998 (82.73%, 60.77%) and in FY1999 (88.15%, 67.21%).

(b) Confirm that PQ2 includes the peak holiday delivery period (November - December). If you do not confirm, explain.

(c) Provide any report, study, or available data that explains the reasons for the increase in on-time performance from FY1996 to FY1999.

(d) Confirm that the overall improved performance of Priority Mail from FY1996 to FY1999 is due to a decrease in the volume or in the relative proportion of Priority Mail that consists of Parcels and an increase in the volume or in the relative proportion of Priority Mail that consists of flats. If not confirmed, explain.

(e) Provide a breakdown of the PETE data, % On Time Overnight Commitment and % On Time 2-Day Commitment for FY 1997, FY 1998, and FY 1999 for:

(i) Priority Mail flats; and

(ii) Priority Mail Parcels.

RESPONSE:

(a) No analysis of the reasons for the variation across postal quarters in service performance as measured by PETE has been performed.

(b) Not confirmed, November is not a part of either PQ2 FY 1998 which began on December 6, 1997 or PQ2 FY 1999 which began on December 5, 1998.

(c) The PETE service performance measure was initiated in AP5, FY 1997.

Therefore, there is no report, study or other available data that explains the reasons for the increase in Priority Mail on-time performance as measured by PETE from FY 1996 to FY 1999. In addition, there is also no report, study or

other available data that explains the reasons for the increase in Priority Mail on-time performance as measured by PETE from FY 1997 to FY 1999.

(d) The PETE service performance measure was initiated in AP5, FY 1997.

Therefore, this question cannot be answered for the period FY 1996 to FY 1999.

For the period FY 1997 to FY 1999, not confirmed that the improved performance of Priority Mail as measured by PETE is due to a decrease in the relative proportion of Priority Mail that consists of parcels and an increase in the relative proportion of Priority Mail that consists of flats. PETE is a test mail emulation of the Priority Mail network within a 301 3-digit ZIP Code area matrix. PETE is neither a system-wide measurement of Priority Mail performance, nor is it a statistical sample of live Priority Mail. The distribution of PETE test piece shapes is independent of the actual proportion of Priority Mail flats and parcels.

(e) The Postal Service is determining whether the requested data is available.

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UPS/USPS-11. Refer to the ODIS QUARTERLY STATISTICS REPORTS, page 1-8, provided in the response to UPS/USPS-T34-26. For Priority Mail, provide the percentage of average estimated daily volume for PFY1996, PFY1997, and PFY1998 that is:

(i) Flats;

(ii) Parcels.

RESPONSE:

(i)

Flats As A Percentage of Priority Mail Volume

PFY 96	36.8%
PFY 97	33.2%
PFY 98	34.0%

(ii)

Parcels As A Percentage of Priority Mail Volume

PFY 96	62.8%
PFY 97	66.0%
PFY 98	65.0%

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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