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

RECEIVED

MAY 16 4 37 PM '00

POSTAL RATE COMMISSION OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSES OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF DOUGLAS F. CARLSON (DFC/USPS-89-92)

The United States Postal Service hereby provides its responses to the following interrogatories of Douglas F. Carlson: DFC/USPS-89-92, filed on May 2, 2000. An objection to interrogatory DFC/USPS-93 was filed on May 12, 2000.

Each 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

Scott L. Reiter

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2999; Fax –5402 May 16, 2000

DFC/USPS-89. The response to DFC/USPS-23(a) and (e) seems inconsistent with the response to DFC/USPS-78 and 79. If so, please indicate the extent to which the response to DFC/USPS-78 and 79 supersedes the response to DFC/USPS-23(a) and (e). If not, please explain the instances, discussed in DFC/USPS-23(a) and (e), in which the Postal Service will not offer guaranteed Next Day or Second Day Express Mail Post Office to Address service.

RESPONSE:

The Postal Service's policy is to make its guarantee available irrespective of destination. It does not necessarily follow, however, that it makes sense to provide dedicated transportation to and from every single post office, no matter how isolated, every single day. For example, if an office receives on average one piece of Express Mail per quarter, and the scheduled day of delivery of a typical piece is not predictable, and that office gets mail delivery on three out of six business days, one would expect 2 Express Mail service failures per year absent exceptional transportation to meet delivery commitments. One possible way to eliminate most of these failures would be to mandate that all offices provide the necessary transportation on every business day. However, in this example, transportation costs would be approximately doubled. The Postal Service considers that managers might justifiably prefer to institute policies that allow for exceptional transportation to be used on an as-needed basis. The responses to the above mentioned interrogatories attempted to articulate this position which, because it allows for exceptions to established policies that appear to be at odds with service commitments, may have given the appearance of inconsistency.

DFC/USPS-90. Please refer to the response to DFC/USPS-79(c).

- a. Please provide all information explaining the extent to which the Postal Service, in order to meet Express Mail delivery commitments, actually arranges for special transportation to deliver Express Mail to post offices that normally would not receive mail on the guaranteed delivery day.
- b. Please provide all available data on the percentage of Express Mail items that are delivered on time as a result of the special transportation arrangements described in (a) that would not have been delivered on time absent the special transportation arrangements described in (a).
- c. Please confirm that the postmaster general has directed field offices in the past year to reduce expenses.
- d. Please discuss the extent to which the special transportation arrangements described in (a) are permissible, encouraged, and discouraged under the postmaster general's directive. Please provide relevant documents.
- e. Please discuss the extent to which a field office might interpret the postmaster general's directive as discouraging the special transportation arrangements described in (a). Please provide relevant documents.
- f. Please provide all available information on the costs the Postal Service has incurred to provide the special transportation described in (a).
- g. Does the special transportation described in (a) include special flights by air to deliver the Express Mail to the destination post office? If so, please provide information on the extent to which air travel is used for the special transportation described in (a) and the costs associated therewith.

RESPONSE:

- a-b. Decisions of this kind are in the control of local managers. The requested information is not available.
- c. There is a large amount of communication between the Postmaster General and the Postal Service's field managers, some of which has dealt with the need to control expenses.
- d-e. The Postmaster General has been consistent in his guidance to the Postal

 Service's field managers that service performance is to be maintained. As stated

above and in previous responses, the exercise of discretion in meeting these goals in this situation is left to local managers.

f-g. See response to parts a and b.

DFC/USPS-91. Please refer to the response to DFC/USPS-80. Please provide an approximate number of post offices that do not *receive* mail six days per week.

RESPONSE:

Fewer than one percent of all offices do not receive mail six days per week.

DFC/USPS-92

Do PETE scores measure delivery performance of Priority Mail flats only? If so, are the flats that are used to calculate PETE scores always mailed in the Priority Mail envelopes the Postal Service provides to customers.

RESPONSE:

No. See USPS LR-I-326, at pages 25-26.

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.

Scott L. Reiter

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 May 16, 2000