

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS CARLSON
(DFC/USPS-T28-2(a-c, e-h))

The United States Postal Service hereby provides its responses to the following interrogatories of Douglas Carlson: DFC/USPS-T28-2(a-c,e-h), filed on September 28, 2001.

These interrogatories have been redirected from witness Moeller to the Postal Service for response.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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October 18, 2001

RESPONSES OF THE UNITED STATES POSTAL SERVICE
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DFC/USPS-T28-2.

- a. Please confirm that the Postal Service changed service standards for First-Class Mail in 2000 and 2001. If you do not confirm, please explain.
- b. Please provide the approximate volume of First-Class Mail that, as a result of the changes in First-Class Mail service standards that the Postal Service implemented in 2000 and 2001, now receives two-day service instead of three-day service.
- c. Please provide the approximate volume of First-Class Mail that, as a result of the changes in First-Class Mail service standards that the Postal Service implemented in 2000 and 2001, now receives three-day service instead of two-day service.
- d. Please confirm that the changes in First-Class Mail service standards that the Postal Service implemented in 2000 and 2001 have, all else equal, lowered the value of First-Class Mail service. If you do not confirm, please explain fully and provide all documents that support your inability to confirm this statement.
- e. Except for Alaska and Hawaii, please confirm that the overnight and two-day delivery areas for First-Class Mail presently generally are limited to geographic distances that the Postal Service can reach via ground transportation. If you do not confirm, please explain.
- f. Please confirm that, prior to 2000 and 2001, the Postal Service used air transportation to achieve two-day delivery for First-Class Mail between many three-digit ZIP Code pairs (including those in states other than Alaska and Hawaii). If you do not confirm, please explain.
- g. Please confirm that the Postal Service did not provide evidence to the Commission in Docket No. R2000-1 that it was implementing changes in First-Class Mail service standards on a largely nationwide basis. If you do not confirm, please provide copies of the documents or evidence announcing the changes.
- h. Please confirm that some of the changes in First-Class Mail service standards that the Postal Service implemented in 2000 had been implemented before the evidentiary record in Docket No. R2000-1 was closed. If you do not confirm, please explain.

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RESPONSE to DFC/USPS-T28-2:

- a. Confirmed, that in 2000 and 2001, the Postal Service finalized changes in its 2-day and 3-day First-Class Mail service standards which were initiated as part of Phase 2 of the plan reviewed by the Commission in Docket No. N89-1.
- b. During the changes were implemented in FY2000 and 2001, based on ODIS volume data for FY95-97, it was estimated that approximately 6,028,745 pieces per day of First-Class Mail volume would shift from having a three-day service standard to a two-day service standard, or approximately 1.87% of national average daily volume.
- c. During the changes were implemented in FY2000 and 2001, based on ODIS volume data for FY95-97, it was estimated that approximately 10,674,059 pieces per day of First-Class Mail volume would shift from having a two-day service standard to a three-day service standard, or approximately 3.32% of national average daily volume.
- d. Response to be provided by witness Moeller.

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RESPONSE to DFC/USPS-T28-2 (continued):

- e. Although there is a greater reliance on surface transportation to meet First-Class Mail 2-day service standards than there was two years ago in the continental United States, air service is still used in a number of instances where, logistically, volume and other considerations compel the use of air service instead of trucks to meet 2-day service standards.
- f. As indicated in response to subpart (e), air service is still used to meet 2-day service standards, but to a lesser degree than before.
- g. Subject to further examination, the Docket No. R2000-1 record does not appear to include any discussion of a variety of topics, including changes of any magnitude in First-Class Mail origin-destination pair service standards.
- h. Depending on the date that the Docket No. R2000-1 evidentiary record was closed, it could be that some of the year 2000 changes in 2-day and 3-day First-Class Mail service standards which finalized Phase 2 of the realignment plan reviewed by the Commission in Docket No. N89-1 were implemented before a number of milestones in the year 2000, including the date on which the Commission closed the Docket No. R2000-1 evidentiary record.

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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