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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

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

Complaint on First-Class Mail
Service Standards

Docket No. C2001-3

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN
(DBP/USPS-56, 57, 59, 61-63, 65, 66(a) and 69)

The United States Postal Service hereby files its responses to the following
interrogatories of David Popkin: DBP/USPS-56, 57, 59, 61-63, 65, 66(a) and 69, filed on
October 25, 2001.

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

Responses to DBP/USPS-60 and 64 are forthcoming.

Objections to DBP/USPS-58, 66(b), 67 and 68 were filed on November 1, 2001.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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REVISED RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
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DBP/USPS-56

Please refer to the Library Reference USPS-LR-C2001-3 / Policy for requesting a Service Standard Change.

- (a) The heading indicates that this document is as outlined in Option #26 of the Service Standard Directory on the Corporate Information System. Please provide a copy of the complete Directory.
- (b) Refer to the definition of Service Standard where it states that it is an expectation to deliver a piece of mail WITHIN a prescribed number of days. If the Service Standard is two days and the article is delivered overnight, has this expectation been met?
- (c) If the Service Standard is three days and the article is delivered either overnight or in two days, has this expectation been met?
- (d) Provide a complete discussion as to why the definition of Service Standard uses the words "within a prescribed number of days" rather than _____ the words "on the scheduled day of delivery", or words of similar import.
- (e) Has the definition of Service Standard always used the concept of "within the prescribed number of days" going back to the time of Docket N89-1? If not, please provide the definitions that were utilized, the time period of their use, and the reasons for change.
- (f) Please fully describe the requirements to the customer to meet the term "after proper deposit by the customer." in order to achieve the timely delivery of their mail.
- (g) Please provide a copy of the most recent "Service Standard Directory" as defined in this reference.
- (h) Please advise when the mileage data in the Service Standard Directory will be corrected.
- (i) Please advise when the Network Data in the Service Standard Directory will be reinstituted.
- (j) Please furnish a listing of all changes to the standards that existed at the approval of Docket No. N89-1 that have been made through the process described in this Policy.

RESPONSE to DBP/USPS-56:

- (a) The complete directory consists of a list of all 4.2 million 3-digit ZIP Code area pairs. This is the total number of pairs on all of the mail class service standard maps (except Express Mail) that are depicted graphically on the Service Standards CD-ROMs that have been filed as part of DFC-LR-1 and as USPS LR C2001-3/4. If there is some purpose relevant to the resolution of the issues raised by the complaint in this proceeding for which you believe the Postal Service should produce the complete list of all 4.2 million pairs depicted on the maps in those Library References, please specifically identify what issue that might be.
- (b) Absolutely.
- (c) Absolutely.
- (d) Because those are the words chosen by whoever chose them.
- (e) No contrary documents have been located.
- (f) Timely delivery of mail is achieved on the basis of a variety of factors, including whether it was properly deposited in a manner and at a time as to maximize the opportunity for dispatch to downstream mail processing operations. Whether those operations run as planned, whether timely transportation connections are made, and whether a piece arrives at the delivery unit in time for delivery within the standard implied by the postmark on the piece, all affect whether delivery within the applicable

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RESPONSE to DBP/USPS-56 (continued):

standard is achieved. Also see the response to DBP/USPS-28, which indicates that the definition of proper deposit varies depending on the mode of deposit and time of day. It is not clear from your question how the precise terms of what constitutes proper deposit in a given instance (putting it in a collection box vs. handing to a letter carrier or highway contract driver or window clerk) have any bearing on whether the service standard changes in question comply with sections 3661 and 3662 of the Postal Reorganization Act. Accordingly, rather than go into a whole lot of detail about the intricacies of mail deposit, further delaying the preparation of responses to questions seeking information relevant and necessary to a resolution of the issues in this proceeding, the Postal Service will focus its resources on relevant questions you and others have asked.

- (g) See the response to subpart (a).
- (h) The Postal Service plans to eliminate the mileage indicator from the Service Standards Map Program, since it represents unrealistic Great Circle Miles, rather than Highway Miles. No specific timetable has been established.
- (i) There are no plans to reactivate the Network Data on the Service Standards Map Program.
- (j) The Postal Service has retained some files relating to some of these requests. However, since these requests have no relationship to the

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RESPONSE to DBP/USPS-56 (continued):

service standard changes at issue in this proceeding, these files are not relevant to this proceeding. Rather than create a voluminous Library Reference full of irrelevant files, the Postal Service will make these records available for inspection to all interested parties who arrange in advance for such an inspection at a mutually convenient time through postal counsel. In order to minimize the waste of time, it is asked that interested intervenors arrange for one joint inspection.

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DBP/USPS-57

- (a) Is there any written material that provides guidelines for the present criteria that is utilized to convert the DMCS requirement for First-Class Mail receiving expeditious handling and transportation (DMCS 252) to the actual 1-, 2-, or 3- day delivery standard? If so, please provide copies. If not, please explain how decisions on requested changes are evaluated.
- (b) Please provide details on the distinctions that are made between the Letters and Sealed Parcels and Cards subclasses and the Priority Mail subclass which have different service standards but are all covered by the same DMCS requirement for expeditious handling and transportation.

RESPONSE:

- (a) Explicitly or implicitly, all postal operating procedures are geared to achieving the policies of the DMCS and applicable service standards. For example, see USPS LR C2001-3/5. Local requests for service standard changes of the sort referenced in your question are not the subject of this proceeding. The subject of this proceeding is the First-Class Mail service standard changes complained about by Mr. Carlson.
- (b) The subject of this proceeding is the First-Class Mail service standard changes complained about by Mr. Carlson. His complaint does not relate to Priority Mail or the differences between First-Class Mail and Priority Mail. Accordingly, the Postal Service does not consider itself obliged to respond to this question. In any event, an example of such a distinction is reflected in USPS LR C2001-3/5, at page 42, which indicates that different mail classes have different priorities in air dispatch. Similar priorities exist in other operations.

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DBP/USPS-59

The Policy for requesting a Service Standard Change makes numerous references to customer relations areas such as, "needs of the customer", "improve customer satisfaction", "public perception", and "public relations impact." Please explain how any reduction in services standards could be perceived by the public as being an improvement in service.

RESPONSE:

In the context of the current case, to which the above-referenced Policy For Requesting A Service Standard Change is not relevant, a reduction in a service standard could be perceived as an helping to improve service if the newer service standard is aligned with the level of delivery service that customers have been receiving and have come to expect. For instance, assume the service standard for mail between points A and B is overnight, but that only 10 percent of the mail is delivered overnight and another 60 percent is delivered in 2 days (meaning that 70 percent is delivered within 2 days). If customer expectation is that the mail will likely be delivered in 2 days, then establishing a 2-day standard and tweaking operations to increase the percentage of mail delivered within 2 days -- so that the more realistic 2-day expectation is satisfied, say, 85 percent of the time -- could lead some (probably not all) customers to consider that service has improved.

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DBP/USPS-61 Please refer to the example in paragraph 2 on page 2 of the Policy for requesting a Service Standard Change as it refers to processing in the 210-212 ZIP Code area.

- (a) Please confirm that ZIP Codes 210 and 211 are for Maryland cities served out of the Baltimore Processing Plant and that ZIP Code 212 is for the city of Baltimore and is also served out of the same plant.
- (b) Please confirm that some or all incoming mail for ZIP Codes 210-212 will be commingled on arrival at the plant.
- (c) Please confirm that the completion of processing of the incoming mail for both the Baltimore city ZIP Code 212 and the associated offices mail ZIP Codes 210 and 211 will be completed at the same time.
- (d) Explain how the mail for ZIP Code 212 can have a service standard that would cause it to be delivered either a day before or a day after the mail which is going to the associated offices with ZIP Codes 210 and 211.
- (e) Would the Baltimore city ZIP Code, 212 in this case, have a faster or slower delivery standard than the associated offices, 210 and 211 in this case?
- (f) Confirm that there are some processing plants, such as Hackensack NJ 076, where both the city and the associated offices share the same 3-digit ZIP Code prefix and therefore would be required to have the same delivery standards.
- (g) Provide a complete listing of those instances where outgoing mail from a specific processing facility receive different standards for different originating areas under the same facility.
- (h) Same as subpart (g), except for incoming mail to the specific facility.

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RESPONSE to DBP/USPS-61:

- (a) That cannot be confirmed, as the Incoming mail for ZIPs 210-211 is processed at SCF Linthicum MD 210 and the Incoming mail for ZIP 212 is processed at the SCF Baltimore MD Plant.
- (b) Depending on the Origin office, some 2 & 3-Day mail will be commingled at the ADC level, but mail already sorted to the SCF level, from Overnight and some 2-Day offices, will have ZIP 212 separated from the 210-211 mail, since they are ultimately processed at different Mail Processing Facilities.
- (c) That cannot be confirmed as worded. In order to answer this question accurately, it must be clarified as to "where" (what operation) you are asking about the "completion.". Does the question refer to the ADC operation (only performed at Baltimore on 2-Day & 3-Day mail), the SCF operation (performed at SCF Baltimore and at SCF Linthicum), sortation to the Carrier Route (performed at SCF Baltimore and SCF Linthicum), or finalization in a Delivery Unit? Without such basic information, it is impossible to provide a response. The Postal Service awaits a follow-up question that seeks information inherently relevant and necessary to the resolution to the issues raised by the complaint in this proceeding.
- (d) As noted in response to subpart (a), the mail in question is processed in different facilities at the SCF level. However, even if it was processed in the same facility (as it was several years ago), it would easily be possible for the 212 mail for Baltimore City to be Overnight from, for example, Washington DC, while the 210-211 mail was

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RESPONSE to DBP/USPS-61(continued):

assigned a 2-Day standard. The offices that are Overnight to Baltimore 212 have enough volume to warrant isolating the 212 mail from the 210-211 mail. Typically at the SCF level, the mail for the "associate offices" you cite, such as ZIP Codes 210 and 211, must be cleared by approximately 04:00, or so, while the "city mail", like the ZIP 212 mail in question, does not have to clear until approximately 06:30 from the P&DC. The extra processing time, therefore, can allow for a "faster" Service Standard for the 212 mail, versus the 210-211 mail which has to travel further to more distant downstream facilities. Situations like this do exist, and are site specific, with regard to Overnight vs. 2-Day, as we made no changes to Overnight standards during the FY-2000 & 2001 Phase 2 completion. However, since the FY-2000 & 2001 Service Standard adjustments, these cases no longer exist between 2-Day vs. 3-Day standards, since the standards for all 2 & 3-Day mail below the ADC level are now homogeneous.

- (e) It depends on the Origin ZIP of the mail. However, as indicated in the subject reference in the Policy for requesting a Service Standard Change, these situations, generally speaking, are for "ID Cities", i.e. the mail for the "city" (in this case, Baltimore 212) would be "faster" (Overnight) than the mail for the "associated offices" (in this case, 210-211), which would be 2-Day.
- (f) Confirmed.

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RESPONSE to DBP/USPS-61(continued):

- (g) Mail from "originating areas" flows into an Originating facility where it receives a local Postmark. For example, an office like Pittsburgh PA processes mail originating from ZIPs 150, 151, 152, 153 & 154. That mail, once collected, is all postmarked the same and has the same "outgoing" 2 & 3-Day Service Standards. It is postal policy that all offices feeding an Originating (Outgoing) Processing Facility (identified in the previously supplied "GOEZINTA list" as a "Postmarking Facility") have the exact same Originating 2 & 3-Day Service Standards. If they do not, then that would be an error in the assignment of Service Standards. At this time, the Postal Service is unaware of any of those situations existing.

- (h) For Destinating (Incoming) 2-Day and 3-Day mail, the subject at issue in these proceedings, there are no longer supposed to be instances at either the Area Distribution Center or Sectional Center Facility level where mail receives "mixed" (2-Day vs. 3-Day) standards from the same Originating Postmarking Facility (excluding Originating mail for "Outlier Offices" which were not adjusted as part of the changes at issue in this proceeding). It is now the Postal Service's general practice that ADCs have the same Destinating 2 & 3 Day Service Standards from the same Origin. If they do not, then that would be an error in the assignment of Service Standards. At this time, the Postal Service is unaware of any of those situations existing.

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DBP/USPS-62 Define and explain the term NASS used in paragraph d on page 3 of the Policy for requesting a Service Standard Change.

RESPONSE:

NASS stands for National Air and Surface System (NASS). It is a system operated at the St. Louis Accounting Service Center, and through subordinate Distribution Networks Offices, to produce dispatch and labeling information for all mail classes. It is used by mail processing Facilities for the dispatch planning and routing of mail moving between facilities.

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DBP/USPS-63 Refer to paragraph a on page 4 of the Policy for requesting a Service Standard Change, does the word "adequate" refer to both air and surface transportation.

RESPONSE:

None of the Service Standard changes enacted during the FY-2000 & 2001 period in question were made as the result of the "Policy For Requesting A Service Standard Change". For this reason, the specific language contained in the policy has no bearing on the issues under review in this proceeding. At the place cited in the document, the word "adequate" does not appear to be used to modify a specific form of transportation.

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DBP/USPS-65 In the Library Reference, refer to the comment at the top of page K2mapq1 7/19 where it relates to "the Midwest did not request reciprocal changes". Is the decision to implement or not implement reciprocal changes left up to the area? What guidelines, if any, are they provided?

RESPONSE:

As previously explained in response to DBP/USPS-18 (a,b&c), there is no requirement for reciprocity. All the standards generated by the 2 & 3-Day Model were not reciprocal, due to the "non-square" network, and the crossing of time zones. Therefore, the reciprocity of the resulting standards was decided by the elements of the 2 & 3-Day Model. The only variances from these modeled results are the authorized exceptions to the 2 & 3-Day Model, which have previously been provided in USPS LR C2001-3/3, file DBP-55. The item referenced in the programmers notes regarding the "Midwest" not requesting "reciprocal changes" addresses the request made by the Midwest Area for the approval of authorized exceptions. In that request for exceptions, they did not seek reciprocal exceptions, as indicated by the note. Such decisions on the granting of exceptions are made at the Headquarters level, not the Area level.

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DBP/USPS-66

On page K2mapq1 12/19 it refers to 4 day model.

- (a) Please explain why four day modeling is utilized?
- (b) Are there any plans to increase the service standards beyond the existing 1-, 2-, or 3-days? If so, please provide complete details.

RESPONSE:

- (a) The reference to 4-Day denotes those drive time distances that fell between 12.05 hours and 20.049 hours, which were designated as 3-Day Surface pairs that are mentioned in the PowerPoint presentation submitted with DFC-LR-1. There was no "four day" modeling done. The number "4" was merely a designation for 3-Day surface within the 2 & 3-Day Model to distinguish it from 3-Day Air.
- (b) Objection filed.

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DBP/USPS-67

On page K2edq2 2/4 it refers to "fixing the Priority Mail slower than FCM problem."

- (a) Please provide details of the problem including specific ZIP Code pairs.
- (b) Has the problem been fixed?
- (c) If not, when will it be fixed?

RESPONSE:

The item in question pertains to personal notes regarding Service Standard changes the programmer made to other classes of mail, outside of the 2 & 3-Day Model, and has no bearing on the First-Class Mail issues at hand in 2001-3.

Accordingly, an objection was filed.

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DBP/USPS-69

Please refer to the Declaration of Charles M. Gannon filed on July 30, 2001 and the Second Declaration of Charles M. Gannon filed on August 21, 2001.

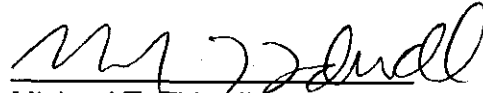
- (a) Is the autobiographical sketch information still current and up-to-date?
- (b) Is all of the other data in the declarations still current and up-to-date?
- (c) If not, please provide the updated information.

RESPONSE:

Mr. Gannon continues as an Operations Specialist in the office of Service Management Policies and Programs and is currently performing the same daily function as the National Program Manager for Service Standards. However, since the filing of the July 30, 2001, Declaration, he and his departmental co-workers, have been verbally advised that they have been identified as Reduction-in-Force (RIF) impacted employees, pending a future Headquarters reorganization. Should there be need to make a material change to any document filed in this proceeding, the Postal Service will do so.

CERTIFICATE OF SERVICE

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


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