

RECEIVED

Nov 19 4 28 PM '01

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

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

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-70-75, 78-82)

The United States Postal Service hereby files its responses to the following
interrogatories of David Popkin: DBP/USPS-70-75, 77-82, filed on October 29, 2001.

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

A response to DBP/USPS-77 is forthcoming.

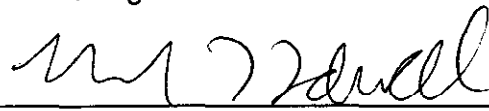
An objection to DBP/USPS-76 was filed on November 5, 2001.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux
Chief Counsel
Ratemaking



Michael T. Tidwell
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998/ FAX: -5402
mtidwell@email.usps.gov
November 19, 2001

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-70

Please refer to your response to DBP/USPS-8 subpart a. Please explain and discuss why the 12-hour drive time "clock" starts at 2:30 AM irrespective of the individual Clearance Time of the specific facility.

RESPONSE:

The 12-hour drive time "clock" starts at 2:30 AM because the network was designed to allow for the flow of mail from subordinate Customer Service Facilities and P&DFs into the Originating Parent P&DC. This consolidation opportunity allows for the merging of volumes at the P&DC in order to help avoid overlapping transportation costs.

Additionally, if clearing the mail earlier than the Network No Later Than Clearance Time of 02:30 resulted in the 2-Day reach just being further expanded than that of another facility which cleared at 02:30, this might be a disincentive to clear Originating mail as fast as reasonably possible. However, facilities which clear the mail prior to 02:30 now have the extra time added to their Buffer Time, as noted in the PowerPoint presentation in record as DFC-LR-1, which allows for more volume/transportation consolidation and actually provides an incentive for a facility to have a CT that beats the National NLT time of 02:30.

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-71

Please refer to your response to DBP/USPS-8 subpart b.

- (a) Are vehicles required to utilize the "most appropriate surface route" as determined by the PC Miler software or are they able to utilize any route?
- (b) Please discuss that extent to which it is believed that vehicles do not utilize the "most appropriate surface route" and how that would affect the travel time between the two facilities.
- (c) Please provide a listing of those instances where different travel routes are utilized and the effect on the travel time.

RESPONSE:

- (a) No, they are not required to use the route projected by PC Miler. Their requirement is to meet the contractual arrival time at the destination office.
- (b) Contractors are not required to use the route projected by PC Miler. It is unknown how many might happen to coincide with the routes projected by PC Miler.
- (c) Since there is no such requirement to use the route projected by PC Miler, there are no such records.

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-72

Please advise how the use of other forms of transportation, such as train, will be covered in the travel times calculated by the PC Miler software and how the Service Standards determined as a result of those times will be affected.

RESPONSE:

The PC Miler software was merely a proxy by which to reasonably project which pairs fell within a 12-hour drive time for the establishment of the 2-Day Service Standard. Once the 2-Day standard was established by the 2 & 3-Day Model, the local transportation office makes the determination regarding the most appropriate method of transportation between specific pairs on a case-by-case basis. While primarily modeled for Highway transportation, some, or all, of the transportation legs could include air, rail, ferry or other means of transportation that is deemed appropriate in order to meet the 2-Day standard that was established, as dictated by local circumstances. The actual mode of transportation is locally determined and does not have an effect on the Service Standard, because it was determined by the projected drive time.

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-73

Please refer to your response to DBP/USPS-8 subpart c.

- (a) Please explain why a travel time of 12.05 hours (and therefore, as well, any number greater than this) would not result in obtaining 2-Day delivery in a consistent and dependable fashion.
- (b) Fully define and discuss the criteria and considerations that are considered or utilized in determining whether the meeting of a delivery standard could be considered to be obtained in a consistent and dependable fashion.

RESPONSE:

- (a) When the Postal Service designed the 2 & 3-Day Model, it standardized the Critical Entry Times for most of its Area Distribution Centers from anywhere between 1 to 4 hours later than they previously had been. The Postal Service determined that in order to be able to serve the downstream Sectional Center Facilities, which fall under the ADCs, it could not provide consistent and dependable service to 2-Day mail if it went beyond the 12-hour drive time. ADC operations must process and extract the mail for their subordinate SCFs in order to meet their first scheduled Dispatches of Value to their most distant facilities.
- (b) As previously explained in DFC/USPS-CMG-1, it was an intended outcome of the 2 & 3-Day Model that the Postal Service would see incremental improvements in its annual EXFC performance scores, until the scores reached the high 80's or low 90s. Based on EXFC 2 & 3-Day performance during the 1990s, the Postal Service would have considered

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

RESPONSE to DBP/USPS-73 (continued):

such a result to be indicative of improved consistency and dependability. However, as stated in response to that interrogatory, it will prove difficult to measure with precision the degree to which the service standard changes at issue in this proceeding produce such results.

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-74

Please refer to your response to DBP/USPS-8 subpart b. Please discuss how crossing a time zone boundary will affect whether the Service Standard is 2 or 3 days. For example, does it allow for 13 hours drive time when heading west while limiting it to 11 hours drive time when heading east in order to be considered for a 2-Day standard?

RESPONSE:

The topic of "crossing a time zone boundary" was fully discussed in the response to DBP/USPS-11(c), which provides an answer to this question, along with providing a practical example, and was also discussed in the response to OCA/USPS-12(a).

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-75

Please refer to your response to DBP/USPS-8 subpart d. Please have the personnel involved provide their explanation and discussion as to the determination of the 12-hour standard.

RESPONSE:

After determining the National No Later Than Clearance Times for Outgoing Originating processing Facilities, the 2&3 Day Team looked at the latest possible time in which it could reasonably expect Area Distribution Centers to accept 2-Day mail, process it through the ADC operation and still meet their Dispatches of Value to their furthestmost subordinate SCF. In looking at the 88 ADCs in the contiguous 48 states, the Team found the following breakdown of existing Day 1, ADC Critical Entry Times:

14:00 to 14:59	8 ADCs
15:00 to 15:59	11 ADCs
16:00 to 16:59	29 ADCs
17:00 to 17:59	20 ADCs
Exactly 18:00	18 ADCs
Past 18:00	2 ADCs

Even though 77 percent of the existing Critical Entry Times were earlier than 18:00, the Team concluded that it was operationally feasible to establish a National "No Earlier Than" (NET) time for the CET of all ADCs of 18:00, without making it impossible for the ADCs, and their downstream SCFs, to meet their requirements in a consistent and timely fashion. The Team arrived at this result after internal deliberation, after consulting with the Transportation Sub-Group, and after reviewing the existing Dispatches of Value from each ADC. If the Team had established the National CET at an earlier time, prior to 18:00, it would have been required to reduce the 2-Day drive

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

Response to DBP/USPS-75 (continued):

time by a corresponding amount of time under 12 hours. While pushing the CET back, as it did, was clearly an operational "stretch", the Team concluded that doing so would help the Postal Service reach its goal of providing improved and more consistent service to its 2 & 3-Day mail.

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-78

In regard to the Service Commitments / performance goals for First-Class Mail, with regard to the delivery standards realignment that took place as a result of Docket N89-1 along with the experimental (which became permanent on September 23, 1989) realignment that took place prior to that in the Metropolitan New York City area, please have Mr. Gannon and/or other qualified employee advise their best estimate of what percentage of the mail profile prior to that Docket and experiment shifted from

- (a) one-day to two-day delivery,
- (b) one-day to three-day delivery,
- (c) two-day to one-day delivery,
- (d) two-day to three-day delivery,
- (e) three-day to one-day delivery, and
- (f) three-day to two-day delivery?

RESPONSE:

The Postal Service has no records which indicate that it conducted an analysis to determine the degree to which the implementation of Phase 1 of the Docket No. N89-1 realignment plan shifted mail between overnight and 2-day service standards. Likewise, the Postal Service has no records which indicate that it conducted an analysis to determine the degree to which the initial implementation of Phase 2 in the early 1990s shifted mail between the 2-day and 3-day standards. Accordingly, when the Postal Service began the process of developing the 2-day and 3-day service standard changes to finalize Phase 2 in 2000 and 2001, it did so without knowing what the impact of its earlier efforts was. The Postal Service has not identified any responsible employee willing to offer you the guesstimates you have requested.

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-79

Please refer to your response to DBP/USPS-28 subpart a.

- (a) Does the USPS have a requirement that all mail which is placed into the system on a given day will be postmarked that day and will be processed that same day. For purposes of this response, assume that the phrase "placed into the system" is defined with respect to collection boxes to mean deposited prior to the final collection time shown for the given day.

- (b) Explain and elaborate on a negative response by providing examples of all generalized scenarios which mandated the negative response.

RESPONSE:

With respect to collection boxes, the answer is generally, yes, but neither the general rule nor any possible exceptions has any bearing on whether the service standard changes at issue in this proceeding were implemented in compliance with sections 3661 or 3662. If you can re-word the question in a manner that helps the Postal Service provide an answer relevant to those issues, the Postal Service will consider responding.

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-80

One of the anthrax releases refers to a Carteret, New Jersey, HASP.

- (a) What is the definition of HASP.
- (b) Please discuss how HASPs fit into the mail processing system.

RESPONSE:

- (a) Hub and Spoke Program (HASP). For surface mail, primarily for 2-day committed mail. The HASP includes a central point ("hub") where mail for a group of offices ("spokes") can be unloaded from a series of incoming trips, massed according to their intended destination, and then sent on to that destination on another trip. Savings are realized because each trip does not have to drive to each individual office or "spoke" to drop off just a portion of its total load capacity.
- (b) The Postal Service currently have 12 HASP facilities around the country, and they work in conjunction with other facilities in the mail processing network in the manner described in the definition in subpart (a) above.

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-81

Please explain why the mail originating in Tulsa, Oklahoma is able to achieve a much greater area than the mail which is destinating at Tulsa.

RESPONSE:

This response assumes that by "a much greater area", the question is referring to the range of 2-Day mail, although that was not specified.

The difference between the Originating and Destinating 2-Day areas is due to the specific location of Tulsa as it relates to drive times to other ADCs, or from other P&DCs, the network structure (as previously explained in our response to DBP/USPS-42 regarding the "non-square network") and due to time zone crossings.

As previously discussed in our response to OCA/USPS-12(a), the 2 & 3-Day Model made appropriate mathematical corrections to the travel times projected by PC Miler in order to determine the net "wall-clock time" at the destination, after making time zone adjustments, since that is the barometer of whether or not there is adequate time available to process the mail in time for 2-Day delivery. Based on this "wall-clock time" method, Tulsa to Louisville KY is 13.9 hours, but Louisville KY to Tulsa is 11.9. Tulsa to Denver CO is 11.5 hours, qualifying it for 2-Day, but Denver to Tulsa is 13.5, and therefore a 3-Day. Tulsa to Albuquerque NM is 10.6 hours, to qualify for 2-Day, but Albuquerque to Tulsa nets out to be 12.6 hours, or 3-Day. It is factors like these which dictate the resulting 2-Day Areas for Tulsa and all other offices.

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-82

In Docket No. N89-1, Witness John Potter testified to the percentage of First-Class Mail that was subject to overnight, 2-Day, and 3-Day service standards. What is the current percentage breakdown?

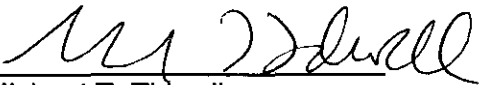
RESPONSE:

According to ODIS, in FY 2001 Q4, the breakdown was as follows:

Overnight – 43.1 percent
2-Day -- 27.2 percent
3-Day – 29.7 percent.

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.


Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998/ FAX: -5402
November 19, 2001
mtidwell@email.usps.gov