

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

Complaint on First-Class Mail
Service Standards

Docket No. C2001-3

RESPONSES OF CHARLES GANNON
ON BEHALF OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS CARLSON
(DFC/USPS-CMG-1 AND 2)

The United States Postal Service hereby files the responses of Charles Gannon to the following interrogatories of Douglas Carlson: DFC/USPS-CMG-1 and 2, filed on October 12, 2001.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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November 20, 2001

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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November 20, 2001

Michael T. Tidwell

**RESPONSES OF CHARLES M. GANNON
ON BEHALF OF THE UNITED STATES POSTAL SERVICE
TO DOUGLAS F. CARLSON INTERROGATORIES**

DFC/USPS-CMG-1. Please refer to paragraph 18 of Declaration of Charles M. Gannon, which the Postal Service filed on July 30, 2001. Also, please refer to the response to DBP/USPS-9. Please describe the specific characteristics of First-Class Mail delivery service that will need to change or improve for you to conclude that the changes in First-Class Mail service standards that the Postal Service implemented in 2000 and 2001 will have improved the consistency of First-Class Mail service.

RESPONSE:

See my earlier response to OCA/USPS-GAN-1. Normally, based on the yearly EXFC trends cited in the aforementioned response, I would have concluded that the finalization of the Phase 2 changes will have improved the consistency of First-Class Mail service if the 2-Day Fiscal Year EXFC scores over the next several years were to rise to the high-80s or low-90s. However, it will be difficult, in the long-term, to assess the degree of success of those Phase 2 changes because of the current emergency measures in mail processing and transportation implemented in response to the events of September 11, 2001, and the subsequent use of the mail to commit acts of biological terrorism.

These events are likely to result in at least a temporary dip in EXFC scores, in response to which corrective operational measures will have to be taken. Trying to isolate the impact of those corrective measures from the impact of any other corrective action taken (for instance, to otherwise improve EXFC scores for reasons unrelated to the aftermath of September 11th) would probably be next to impossible.

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RESPONSE TO DFC/USPS-CMG-1 (continued)

During the first week of September, immediately after the implementation of the FedEx transportation contract, the Postal Service decided to initiate a review to determine whether the new FedEx arrangement might create any significant opportunities to shift 2-day and 3-day First-Class Mail from surface to air transportation. However, because of the aforementioned intervening emergencies and the ongoing contraction of the commercial airline industry, that review has been postponed indefinitely.

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DFC/USPS-CMG-2. Please refer to paragraph 18 of Declaration of Charles M. Gannon, which the Postal Service filed on July 30, 2001. Also, please refer to the response to DBP/USPS-9. This interrogatory presents three possible sets of delivery statistics for mail originating in city A and destined to city B. Each percentage represents the percentage of the mail delivered in the number of days listed above the percentage. Suppose that the applicable delivery standard is two days. Please identify which of the three situations represents the greatest consistency of mail delivery as you used the term in paragraph 18 of your declaration. Also, please explain your reasoning.

Situation 1

1 Day	2 Days	3 Days
50%	50%	0%

Situation 2

1 Day	2 Days	3 Days
60%	30%	10%

Situation 3

1 Day	2 Days	3 Days
5%	90%	5%

RESPONSE:

Situation 1 represents, in my opinion, the greatest consistency of mail delivered as I "...used the term in paragraph 18 of [my] declaration". This is because 100% of the mail has been delivered within the Service Standard target of 2-Days. Situation 2 represents, in my opinion, the third greatest consistency of mail delivered as I "...used the term in paragraph 18 of [my] declaration". This is because 90% of the mail has been delivered within the Service Standard target of 2-Days. Situation 3 represents, in my opinion, the second greatest

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RESPONSE TO DFC/USPS-CMG-2 (continued)

consistency of mail delivered as I "...used the term in paragraph 18 of [my] declaration". This is because 95% of the mail has been delivered within the Service Standard target of 2-Days.

Also, see the Docket No. N89-1 responses of USPS witness Lazerowitz to OCA/USPS-T1-2 through 4; Tr. 2/92-94.