

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

Complaint on First-Class Mail  
Service Standards

Docket No. C2001-3

DOUGLAS F. CARLSON  
FOLLOW-UP INTERROGATORIES TO  
UNITED STATES POSTAL SERVICE  
DECLARANT CHARLES M. GANNON  
(DFC/USPS-GAN-32-51)

November 30, 2001

Pursuant to sections 25-27 of the *Rules of Practice*, I hereby submit interrogatories to the United States Postal Service. I received the initial responses on November 24, 2001. The instructions accompanying DFC/USPS-GAN-1-2 are incorporated herein by reference.

Respectfully submitted,

Dated: November 30, 2001

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DOUGLAS F. CARLSON

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon the United States Postal Service in accordance with section 12 of the *Rules of Practice*.

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DOUGLAS F. CARLSON

November 30 2001  
Santa Cruz, California

**DFC/USPS-GAN-32.** Please refer to your response to DFC/USPS-CMG-1.

- a. Please describe 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” that “are likely to result in at least a temporary dip in EXFC scores[.]”
- b. Please explain the extent to which the measures described in part (a) are limited to certain parts of the country.
- c. Please identify all the periods (e.g., postal quarters) for which EXFC scores have been computed that you believe were affected by the events described in your response to DFC/USPS-CMG-1.
- d. Do EXFC score data confirm your expectation of a “temporary dip in EXFC scores”? Please explain.

**DFC/USPS-GAN-33.** Please refer to your response to DFC/USPS-CMG-1, where you stated that “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.” Please explain whether this shift would have caused any service standards to change. If so, might these changes have deviated from the current model that focuses on the projected drive time?

**DFC/USPS-GAN-34.** Please refer to paragraph 18 of Declaration of Charles M. Gannon, which the Postal Service filed on July 30, 2001. Please also refer to your responses to DFC/USPS-CMG-2 and 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. 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**

|               |               |                   |
|---------------|---------------|-------------------|
| <b>2 Days</b> | <b>3 Days</b> | <b>&gt;3 Days</b> |
| 70%           | 25%           | 5%                |

**Situation 2**

|               |               |                   |
|---------------|---------------|-------------------|
| <b>2 Days</b> | <b>3 Days</b> | <b>&gt;3 Days</b> |
| 65%           | 30%           | 5%                |

**Situation 3**

|               |               |                   |
|---------------|---------------|-------------------|
| <b>2 Days</b> | <b>3 Days</b> | <b>&gt;3 Days</b> |
| 40%           | 55%           | 5%                |

**DFC/USPS-GAN-35.** Please refer to paragraph 18 of Declaration of Charles M. Gannon, which the Postal Service filed on July 30, 2001. Please also refer to your responses to DFC/USPS-CMG-2 and 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. 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**

|               |               |                   |
|---------------|---------------|-------------------|
| <b>2 Days</b> | <b>3 Days</b> | <b>&gt;3 Days</b> |
| 70%           | 25%           | 5%                |

**Situation 2**

|               |               |                   |
|---------------|---------------|-------------------|
| <b>2 Days</b> | <b>3 Days</b> | <b>&gt;3 Days</b> |
| 5%            | 85%           | 10%               |

**Situation 3**

|               |               |                   |
|---------------|---------------|-------------------|
| <b>2 Days</b> | <b>3 Days</b> | <b>&gt;3 Days</b> |
| 40%           | 55%           | 5%                |

**DFC/USPS-GAN-36.** Please refer to your response to DFC/USPS-CMG-2. Please identify all definitions of consistency other than the one corresponding to the way in which you used the term in paragraph 18 of your declaration that are relevant to your declaration or any of the interrogatory responses that you have provided in this proceeding.

**DFC/USPS-GAN-37.** Please refer to your response to DFC/USPS-GAN-4(b) & (c). Please confirm that another result of the "Phase 2 finalization process" is a net decline in the volume of First-Class Mail targeted for two-day delivery and a net increase in the volume of First-Class Mail targeted for three-day delivery. If you do not confirm, please explain.

**DFC/USPS-GAN-38.** Please refer to your response to DFC/USPS-GAN-5.

- a. Please confirm that the service standard for First-Class letters, flats, and SPR's from Cedar Rapids, Iowa, to Madison, Wisconsin, is two days. If you do not confirm, please explain.
- b. Please confirm that the transportation arrangement that you provided in your example in response to DFC/USPS-GAN-5 existed prior to the changes in service standards that the Postal Service implemented in 2000 and 2001. If you do not confirm, please explain.
- c. Please confirm that the changes in service standards that the Postal Service implemented in 2000 and 2001 did not prompt a change in the transportation of mail between Cedar Rapids and Madison.
- d. Do you consider First-Class flats to be important letter mail for the purposes of 39 U.S.C. § 101(e)? Please explain your answer.
- e. Please confirm that, under current Postal Service policy or practice, the First-Class Mail service standard for every ZIP Code pair must be the same for letters, flats, and SPR's. If you do not confirm, please explain.

**DFC/USPS-GAN-39.** Please refer to your response to DFC/USPS-GAN-14.

- a. Please confirm that, prior to the changes in service standards that the Postal Service implemented in 2000 and 2001, (1) the First-Class Mail service standards between some ZIP Code pairs were changed from two days to three days, (2) some of the mail affected by these changes was shifted from air transportation to surface transportation, and (3) the air transportation that the Postal Service formerly used to transport this mail was deemed inadequate or otherwise undesirable. If you do not confirm, please explain.
- b. For mail fitting the description in part (a), please confirm that senior management of the Postal Service was not presented with the option of using dedicated air transportation to maintain two-day delivery for some or all of this mail. If you do not confirm, please explain and provide documents related to the presentation of this option to senior management.

- c. Please identify, as a percentage of transportation costs for First-Class Mail, the increase in total transportation costs for First-Class Mail that would have resulted if the Postal Service had used dedicated air transportation to maintain two-day delivery for some or all of the First-Class Mail whose service standard was changed to three days in 2000 and 2001.
- d. Please identify the person at the highest level of management who approved the decision not to use dedicated air transportation to maintain two-day delivery of First-Class Mail in lieu of changing some service standards to three days.

**DFC/USPS-GAN-40.** Please refer to your response to DFC/USPS-GAN-19.

- a. Please explain the transportation arrangements for First-Class Mail destined to ADC San Diego CA from North Bay CA P&DC, San Francisco CA P&DC, Oakland CA P&DC, San Jose CA P&DC, and Salinas P&DF. This interrogatory specifically seeks, but is not limited to, information that will determine whether mail from some of these facilities travels on the same truck or trucks.
- b. Please refer to USPS-LR-C2001-3/1, file OCA-12B-2. The entry for ADC Sierra CA shows a 5-digit ADC location of 95101, or San Jose CA. Does this entry mean that the San Jose P&DC processes First-Class Mail labelled to ADC Sierra CA? If not, please explain. If yes, was ADC Sierra CA mail previously processed at the San Francisco P&DC?
- c. Please refer to USPS-LR-C2001-3/1, file OCA-12B-2. Does the entry for 5-digit ADC location indicate the location of the P&DC that processes incoming First-Class Mail labelled to that ADC?

**DFC/USPS-GAN-41.** Please refer to your response to DFC/USPS-GAN-21.

- a. Please explain the transportation arrangements for First-Class Mail originating at the Reno P&DC and destined to ADC Los Angeles CA, ADC San Diego CA, ADC Twin Valley CA, and ADC Sequoia CA. This interrogatory specifically seeks, but is not limited to, information that will determine whether mail destined to some of these facilities travels on the

same truck or trucks and the intermediate facilities at which these trucks may stop en route to the destination ADC's.

- b. Please explain the transportation arrangements for First-Class Mail originating at the Reno P&DC and destined to AADC Los Angeles CA, AADC Inglewood CA, AADC Long Beach CA, AADC Pasadena CA, AADC Van Nuys CA, AADC Industry CA, AADC San Diego CA, AADC San Bernardino CA, AADC Santa Ana CA, and AADC Sequoia CA. This interrogatory specifically seeks, but is not limited to, information that will determine whether mail destined to some of these facilities travels on the same truck or trucks and the intermediate facilities at which trucks may stop en route to the destination AADC's.

**DFC/USPS-GAN-42.** Please refer to your response to DFC/USPS-GAN-30.

- a. Please explain why reducing the net volume of mail subject to a two-day service standard and increasing the net volume of mail subject to a three-day service standard would or would not be one method of improving two-day EXFC scores and "enhancing" one's EVA compensation during a period of time when two-day EXFC scores affected EVA compensation.
- b. Please explain why two-day and three-day EXFC scores were removed from the EVA process in FY 2001.

**DFC/USPS-GAN-43.** Please discuss the ways in which the needs of customers for two-day First-Class Mail delivery affected any of your decisions on whether to change First-Class Mail service standards from two days to three days in 2000 and 2001.

**DFC/USPS-GAN-44.** Please refer to the response to DFC/USPS-GAN-12. Please discuss the substance of the reactions of Pacific Area and Western Area personnel, as the reactions relate to the level of service provided to customers, when you informed them of the extent to which service standards in their areas would be changed from two days to three days.

**DFC/USPS-GAN-45.** Please explain the meaning of "GOEZINTA."

**DFC/USPS-GAN-46.** Please refer to the response to DFC/USPS-GAN-23. Please confirm that dedicated air transportation “has had its shortcomings.” If you do not confirm, please explain. If you confirm, please explain the types of shortcomings.

**DFC/USPS-GAN-47.** Please refer to the response to DBP/USPS-73(a). Might trucks destined to a particular ADC carry First-Class Mail labelled to an AADC that is different from the ADC but that is located within the service area of the ADC? If your answer is yes, is this situation common?

**DFC/USPS-GAN-48.** Please refer to the response to DBP/USPS-72. Please confirm that the “2 & 3-Day Model” determines service standards using projected drive times from an originating facility to a destination ADC regardless of the method of transportation actually used to transport the mail. If you do not confirm, please explain.

**DFC/USPS-GAN-49.** Please refer to the response to DBP/USPS-80(b). Please identify the 12 HASP facilities.

**DFC/USPS-GAN-50.** Please refer to the response to DBP/USPS-59. Which of the following statements do you believe better reflects the process by which most customers form their expectation of the length of time required for delivery of First-Class Mail between a particular ZIP Code pair? Please explain your answer.

**Statement 1:** Customers form their expectations of the length of time required for delivery of First-Class Mail based on their knowledge of the applicable service standard between a particular ZIP Code pair.

**Statement 2:** Customers form their expectations of the length of time required for delivery of First-Class Mail based on their prior experiences with delivery times for First-Class Mail between a particular ZIP Code pairs.

**DFC/USPS-GAN-51.** Is it possible that First-Class Mail service standards for some ZIP Code pairs were changed from two days to three days in 2000 or 2001 even though (1) the mail continues to travel by air, before and after the changes, and (2) the air transportation was and is sufficiently reliable to meet a two-day service standard? If not, please explain.