

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-92 THROUGH 103)

The United States Postal Service hereby files its responses to the following interrogatories of David Popkin: DBP/USPS-92 through 103, filed November 21, 2001.

The interrogatories are stated verbatim and are followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux
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December 5, 2001

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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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December 5, 2001

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DBP/USPS-92 Please refer to your response to DBP/USPS-47.

- [a] Please explain the extent to which the improvement in service standards could be accomplished if the existing level of the supply of airplanes and their schedules and capacity was considered. Provide the listing of origin-destination pairs.
- [b] Please enumerate the differences that exist between the present level of mail processing operations and the claimed hypothetically perfect level in your response.
- [c] To what extent is the Postal Service attempting to improve the present level of mail processing operations to reach the referred to hypothetically perfect level.
- [d] Please discuss the reasons for and the extent to which mail processing capacity limitations affect the improvement in service standards by the use of air transportation in place of surface transportation.
- [e] Please discuss the reasons for and the extent to which mail processing labor issues affect the improvement in service standards by the use of air transportation in place of surface transportation.
- [f] Please provide the approximate dollar amount of the cost considerations that would result by the improvement in service standards by the use of air transportation in place of surface transportation.

RESPONSE:

- (a) It is assumed that the question seeks to know the extent to which an improvement in service standard achievement could be expected if the current capacity of commercial airlines were utilized to their maximum extent. Commercial airline capacity to carry mail is affected by passenger and luggage load, factors beyond the control of the Postal Service. The existing supply of planes is currently in flux, as it is affected by the ongoing contraction of the commercial airline industry. The commercial airline industry has been adversely affected by the current economic

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Response to DBP/USPS-92 (continued):

downturn and the events of September 11, 2001. Schedules are not as robust as they were before September 11, 2001. Transportation is only one factor in meeting delivery standards. The level of dependability and fluctuating daily capacities of air transportation is exactly what lead to the decision that First-Class Mail could not be provided the consistent and timely level of service required by the current definition of 2-Day mail beyond a “reasonable reach” of surface transportation. It is too early to tell how the current or future performance of the commercial airline industry will compare to the past.

- (b) The hypothetically perfect scenario would require a perfect deployment of equipment to meet all surges in mail flow and would require changes and flexibility in personnel management not contemplated by current labor agreements. It would require all mail transfers between all postal operations being executed as planned. It would require all exchanges of mail between the Postal Service and its contract transportation providers to go as planned. It would require all transportation to arrive and depart on schedule. Fog, ice and snow on all roadways and runways would be outlawed. Equipment breakdowns or malfunctions would be prohibited. Human error would be eliminated. All differences between that scenario and the present real world should be self-evident without the need for precise measurement.
- (c) The Postal Service does not anticipate that perfection can be achieved in the areas described above in response to (b). Accordingly, the Postal Service does not have any plans designed to achieve perfection.

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Response to DBP/USPS-92 (continued):

- (d) It is not quite certain what is meant by the question. However, assume two mail processing plants, A and B. Assume a plane between A and B leaves at 10:00 a.m. and a truck from A to B leaves at noon, and mail at Point A destined for Point B cannot be sorted and ready for transportation until 11:00 a.m. because of mail processing capacity constraints at Plant A. Then the mail can miss the plane and catch the truck to Plant B.

- (e) In response to DBP/USPS-47, the intent was to convey that in the “perfect” scenario, the Postal Service would enjoy some hypothetical level of improved flexibility in the deployment of craft personnel to perform various functions and, under such a scenario, could achieve efficiencies that could improve its ability to move mail in and among operations. A consequence could be a contribution toward better utilization of the concurrently available perfect supplies of mail processing equipment and contract transportation service, all of which could contribute to better service.

- (f) It is not clear what this question is asking.

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DBP/USPS-93

Please refer to your response to DBP/USPS-56 subparts b through e.

- [a] Please confirm, or explain if you are unable to do so, that utilizing a 3-Day Delivery Standard for a particular pair in place of an Overnight or 2-Day Standard will always improve the percentage of mail which arrives within a prescribed number of days. For example, if for mail sent from A to B, 60% is delivered overnight, 30% is delivered on the second day, 8% is delivered on the third day, and 2% takes four or more days to deliver, then if that A to B pair had an overnight Service Standard, it would have a 60% on-time delivery; if it was made a 2-Day Service Standard, it would have a 90% on-time delivery; and if it was made a 3-Day Service Standard, it would have a 98% on-time delivery.

- [b] Please confirm, or explain if you are unable to do so, that there is an incentive to increase the Service Standard time since it will result in more favorable delivery results.

RESPONSE:

- (a) Assuming the terms of the example, confirmed.

- (b) The potential for a particular outcome, by itself, does not establish that outcome as a motivating factor for action that could produce it.

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DBP/USPS-94

Please refer to your response to DBP/USPS-56 subpart e. At the time of Docket N89-1 did the definition of Service Standard with respect to consistency of mail delivery times utilize the concept of “on the scheduled day of delivery” as opposed to “within a prescribed number of days” [or words of similar import]? This interrogatory is asking for a response regardless of whether documents are available for production.

RESPONSE:

The Docket No. N89-1 testimony of witness Lazerowitz (Tr. 2/92-94) defined “consistency” using the latter terminology. It is not known what is meant by a “definition of Service Standard with respect to consistency of mail delivery times.” The two concepts are independent, but can be related. At the time of Docket No. N89-1, it is possible that some people within the Postal Service used the phrases quoted above or words of similar import to convey the same or related concepts. It is hard to know without references to documents reflecting how the terms were used in various contexts.

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DBP/USPS-95

Please refer to your response to DBP/USPS-56 subpart h. Please advise why the decision has been made to eliminate the mileage figures all together rather than convert them to highway miles.

RESPONSE:

The Postal Service intends to eliminate the mileage portion because it has no bearing on the intent of the Service Standard Maps Program, which was to provide a handy visual representation of the Service Standards for any Originating or Destinating ZIP Code. The programming expenditure to shift to highway miles may be nice as additional information, but it would be very costly and add no specific value to the purpose of the program.

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DBP/USPS-96

Please refer to your response to DBP/USPS-59. Your response in providing an example where only 10% of the mail is delivered within the indicated Service Standard seems to be well out of the norm. Please provide a response which uses an example that matches a normal occurrence of 85-plus percent arriving within the Service Standard.

RESPONSE:

Assume 85 percent of the mail in the hypothetical scenario was delivered overnight and, therefore, within standard. Under those circumstances, it would be less likely than in the first scenario that customers would perceive a change to a 2-day standard as an "improvement," if they viewed any actual shift in delivery performance as dramatic and the shift had a meaningful impact on their lives or business operations.

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DBP/USPS-97

Please refer to your response to DBP/USPS-70.

- [a] Please confirm, or explain if you are unable to do so, that the first two sentences of your response relate to the choice of 2:30 AM as the Clearance Time and not why the 12-hour clock starts at 2:30 AM irrespective of those plants that might have an earlier CT.
- [b] Please confirm, or explain if you are unable to do so, that not all P&DC facilities have subordinate CSFs and P&DFs.
- [c] Please confirm, or explain if you are unable to do so, that the “obligation” of all facilities is to process the mail “as fast as reasonable possible” and that any excess time that is provided will, in effect, slow down the mail [in those instances where slowing it down does result in delivery on a later date].
- [d] Please confirm, or explain if you are unable to do so, that any consolidations of mail is already built into the clearance times.

RESPONSE:

- (a) The statement cannot be confirmed. The earlier reply in question, including the first two sentences, appears to be fully responsive to the original question posed in DBP/USPS-70, which was a follow-up to DBP/USPS-8 subpart a. If it is believed that this is not the case then we suggest that you rephrase the question in a clearer fashion.
- (b) Confirmed.
- (c) It is the “obligation” of all facilities is to process the mail “as fast as reasonable possible”, however, the above statement cannot be confirmed unless the “excess time” statement is better defined. If excess time

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Response to DBP/USPS-97(continued):

means the use of additional “buffer time” to allow for mail consolidation and/or transportation, then the statement is incorrect. The Service Standards were based on up to a 12-hour drive time, irrespective of whether or not the trip arrives 10 hours or 10 minutes ahead of the Critical Entry Time at the ADC. As outlined in the PowerPoint Presentation in DFC-LR-1, the Model attempts to create a “staggered” Arrival Profile at the Destinating ADCs. Having millions of pieces of mail all arrive simultaneously at exactly the CET would be impractical. However, regardless if a 2-Day trip is the first to arrive at an ADC or the last, the 2-Day Service Standard remains the same, therefore, clearing the mail early does not “slow down the mail”.

- (d) This cannot be confirmed, as consolidations of mail are not built into Clearance Times, as previously explained in DBP/USPS-70 and DBP/USPS-36.

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DBP/USPS-98

Please refer to your response to DBP/USPS-71.

- [a] Please confirm, or explain if you are unable to do so, that the actual travel time utilized in transporting the mail between points A and B will differ from the projected time as determined by the PC Miler software.
- [b] Please confirm, or explain if you are unable to do so, that the primary function of the use of the PC Miler software is to obtain a precise “drive time” number between any two points to allow for a precise “cut-off” figure to separate 2-Day from 3-Day mail and thereby removing much of the subjective evaluation in reaching the decision.

RESPONSE:

- (a) The “actual travel time” may, or may not, match the projected time as determined by the PC Miler software. As noted in the response DBP/USPS-71(b), it is unknown how many might happen to coincide with the routes projected by PC Miler.
- (b) The goal was to project a “reasonable” drive time, not a “precise” drive time. PC Miler was the proxy used to estimate a reasonable time. However, it can be confirmed that one purpose of using the modeled drive time was to remove much of the subjective evaluation from the decision making process regarding which pairs would be either 2-Day or 3-Day and to use a consistent method to determine the Service Standards.

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DBP/USPS-99

Please refer to your response to DBP/USPS-72.

- [a] Please confirm, or explain if you are unable to do so, that the use of highway transportation between points A and B that have a 2-day Service Standard will have a drive time of 12.049 hours or less while the use of other means of transportation [such as air, rail, ferry, or other means] could result in a “drive” [assume to mean fly, rail, sail, or other similar word] time of greater than 12.049 hours.
- [b] Please explain why it is satisfactory to have a travel time of greater than 12.049 hours [as might exist with the use of other forms of transportation] receive a 2-Day Service Standard while for those routes that are transported completely on the highway, the same travel time would result in a 3-Day Service Standard.

RESPONSE:

- (a) This cannot be confirmed, as “other means of transportation” could either be more than, or less than, 12.049 hours.
- (b) It would not be satisfactory, since the Estimated Time of Arrival which was previously outlined in DFC-LR-1, still applies. If a 2-Day pair was “forced” to use another means of transportation, such as air, it still must arrive within 12.049 hours, or it would be a candidate for an exception and be changed to 3-Days. During the 2 & 3-Day modeling, none of these situations were identified.

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DBP/USPS-100

Please refer to your response to DBP/USPS-73 subpart a.

- [a] Your response did not provide a specific response as to why 12.049 hours could meet the conditions for 2-day delivery while 12.050 hours, or 3.6 seconds longer, would mandate a 3-day standard. Please advise.
- [b] Please confirm, or explain if you are unable to do so, that the above cut-off criteria of 12.049 vs. 12.050 hours is an arbitrary cut-off point chosen to be that value which will allow for mail for all ADCs to arrive for 2-day delivery.
- [c] Please confirm, or explain if you are unable to do so, that there are a number of paths where a drive time of greater than 12.049 hours could still result in 2-day delivery but that cutoff was chosen to remove much of the subjective evaluation in reaching the decision.

RESPONSE:

- (a) Having abandoned the 600-mile limit, the Postal Service needed to establish an objective standard for determining what would be considered within reasonable reach from a point of origin. The Postal Service decided to “draw a line in the sand” at some reasonable point and that reasonable point was 12 hours (with 12.049 “rounding back” to 12 hours). Phone company area codes have boundaries, phone rates change at a certain time of night. Lines get drawn all the time. If the Postal Service had chosen 11.549 hours, there would be questions asking “why not 11.550?”; if the line had been drawn at 13.049, there would be questions asking about 13.050. As previously explained in response to DBP/USPS-70, DBP/USPS-73(a), DBP/USPS-75 and elsewhere, when the Clearance Time, the Buffer Time, the Estimated Time of Arrival, and the Critical Entry Time are combined, the Postal Service determined that it could expand its surface reach considerably, which it did, by going to a 12 hour maximum, but no further.

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RESPONSE to DBP/USPS-100 (continued):

- (b) Not confirmed. The 12-hour “cut-off point” is not “arbitrary,” but based on the principles outlined in the response to DBP/USPS-75, and elsewhere. It can be confirmed that it is based on general operating conditions and the need to allow adequate time for the transportation and processing of 2-Day mail in time to achieve the scheduled delivery.

- (c) Confirmed, that it is possible for mail to travel distances greater than 12.049 hours and still, on some occasions, receive 2-Day service.

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DBP/USPS-101

Please refer to your response to DBP/USPS-73 subpart b.

- [a] Please confirm, or explain if you are unable to do so, that any incremental changes in the EXFC performance scores could result from the downgrading of the service standards [thereby allowing more mail to arrive by the service standard] as well as by actual improvements in the mail processing.

- [b] Please estimate the percentage of EXFC performance score changes that resulted from changes in the service standards vs. actual improvements in the mail processing.

RESPONSE:

- (a) Yes, although not just the number of ZIP Code pairs that were 2-Day, but also the number of 2-Day delivery points with the 2 & 3-Day Model were increased, it is conceivable that one could interpret any “downgraded” Service Standard as potentially improving the possibility of meeting performance scores, but only if the performance goals remain static. Naturally, this would also be counter-balanced if there were corresponding upgraded standards, as there were in the case of the 2 & 3-Day Model.

- (b) As previously explained in the response to DFC/USPS-CMG-1, it is impossible to even estimate the impact of the changes in the service standards.

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DBP/USPS-102

Please refer to your response to DBP/USPS-80.

- [a] Please explain why the HASP system is not also utilized for 3-day mail.
- [b] Please provide a listing of the 12 HASP facilities and the facilities from which they consolidate mail.

RESPONSE:

- (a) HASPs are used for some 3-Day surface mail.
- (b) The list of the 12 HASP facilities was provided in the response to DBP/USPS-4. Any facility within commuting distance can use a HASP/HUB for the consolidation or transfer of 2-Day or 3-Day mail volumes. The Postal Service is attempting to construct a comprehensive list of all the facilities which may utilize a HASP for either Originating or Destinating transfers. If it can, the Postal Service will provide that list soon.

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DBP/USPS-103

The following interrogatory is asked as a follow-up to the Ruling made in Presiding Officer's Ruling No. C2001-3/3. To the extent that an extension to established deadlines is required to consider this a follow-up interrogatory, a motion for this reasonable period is requested since I could have filed a follow-up interrogatory rather than a motion to compel to resolve my original concern.

Please provide three separate responses to this interrogatory. The first to indicate the conditions that existed at the time of Docket N89-1; the second to indicate the current Postal Service policy; and the third to explain and discuss any differences between the first two responses. To what extent, if any, arrangements would be made to ensure that in-state mail would be overnight or 2-day service?

RESPONSE:

No records reflecting the conditions that existed at the time of Docket N89-1 have been located. However, it appears that some states, such as Texas and New Mexico, were not totally Overnight or 2-Day within the home state, even after the initial implementation of the first part of Phase 2 in the early 90's.

There is no current policy which applies exclusively to intra-state mail. However, the Postal Service tries to deliver all mail within 2-Days that is within "reasonable reach" of the entry point via surface transportation.

In the FY-00/01 Service Standard changes, there were no specific arrangements made to ensure that all intra-state mail would be either overnight or 2-day service. If the standard was already Overnight, it stayed that way. If it was within a 12-hour drive time, then the 2 & 3-Day Model designated it as 2-Day. If it was 12.050 hours or more, it was modeled for 3-Day.