

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-115 THROUGH 118(b), 123(a-c), AND 124 -126)

The United States Postal Service hereby files its responses to the following interrogatories of David Popkin: DBP/USPS-115 -118(b), 123(a - c), and 124 -126, filed December 3, 2001.

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

Objections to DBP/USPS-118(c), 119 - 122, and 123 (d - t) were filed on December 14, 2001.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux  
Chief Counsel  
Ratemaking

December 21, 2001

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Michael T. Tidwell  
Attorney

## **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 21, 2001

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**DBP/USPS-115** Please refer to your response to DBP/USPS-87 subpart a.

- [a] To use your example, would McDonalds allow 3.4% [13 out of 388 - if the 388 is not the correct total number of postmarking facilities, substitute the correct value and recalculate the revised percentage] of their local franchises to make “square” hamburgers rather than round ones?
- [b] To achieve the inherent corporate advantages of standardization and become a successful organization, when does the Postal Service plan on having these 13 facilities meet the National standard?
- [c] If there are no plans, please explain why not.

**RESPONSE:**

- (a) As it is, McDonald’s sometimes offers certain products, promotions, and prices only at “participating locations.” If, instead of operating strictly as a for-profit business, they operated as a public service and were subject to myriad public service obligations, a breakeven financial constraint, and had compelling reasons for deviations from “standard” procedure, they still might do the same. The response to DBP/USPS-87(a) was intended to convey, by hypothetical example, that the Postal Service used the principles of standardization espoused by the Baldrige Process to move in the direction of setting corporate standards, not that the Postal Service intended to perfectly mimic a private, for-profit, company. As outlined in the PowerPoint Presentation in DFC-LR-1, the Postal Service did, in fact, as part of the 2 & 3-Day Model, standardize the Clearance Times for 1, 2 or 3-Day mail at hundreds of processing facilities across the country, albeit there were a small amount of situational-based exceptions granted.

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**RESPONSE to DBP/USPS-115 (continued):**

- (b) The Postal Service considers itself a successful enterprise, but like all other successful enterprises, one that can improve. As indicated in earlier responses, the Postal Service has not established a compliance date.
  
- (c) The plan is to have these facilities meet the National standard when the obstacles that were defined in USPS LR C2001-3/3, file DBP-33.xls, have been eliminated or corrected.

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**DBP/USPS-116** Please refer to your response to DBP/USPS-87 subparts b and c. Your responses indicate that the time that the Clearance Time [CT] is later than the National CT of 02:30 is just deducted from the available Buffer Time and that the resulting standards are exactly the same as if they cleared on time. The CT for Orlando, Florida is shown as 5:15 or 2 hours and 45 minutes after the National CT. Buffer Times are either 2 hours and 30 minutes for the longer trips of over 8 and up to 12 hours Drive Time and 3 hours and 30 minutes for shorter trips of up to 8 hours Drive Time.

[a] Please confirm, or explain if you are not able to do so, the above understanding.

[b] Please explain how you are able to subtract 2 hours and 45 minutes from 2 hours and 30 minutes and still have the full Drive Time available?

[c] If the Postal Service is able to reduce the Buffer Times for the 7 non-compliant offices and still achieve the desired delivery standards, please explain why any or all of the other compliant offices are not able to also reduce their Buffer Times by a similar amount and thereby add that time to their 12-hour Drive Time and achieve a greater 2-day delivery zone that could be obtained with a Drive Time of up to 14 hours and 45 minutes?

[d] For each of the 7 non-compliant facilities, provide a listing of the ADCs that are in the 2-day delivery standard and the corresponding Drive Times.

**RESPONSE:**

(a) Confirmed.

(b) You cannot.

(c) The offices with facility and operational difficulties requiring them to have an exceptionally late Clearance Time are less likely to still achieve the desired delivery standards than a similarly situated facility which does meet the standard. The National CTs were established on the basis on the latest time that could apply to the majority of facilities, not on those in the “extremes” of the Clearance Time spectrum (i.e. the earliest, or the latest). If, instead, the National CT had been based on the latest CT, so that all facilities would immediately be in compliance, the 2-Day drive time would have been reduced to 9 hours and 15

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**RESPONSE to DBP/USPS-116 (continued):**

minutes, rather than 12 hours. For that reason, the Postal Service requires opportunities to transfer and consolidate mail volumes to ensure economies of scale in purchasing transportation, and therefore, would still need the designated Buffer Times. To reduce the drive time from 12 hours to 9.25 hours would have forced many thousands of ZIP Code pairs from their currently modeled 2-Day status to a 3-Day standard.

- (d) Every single drive time used in the 2 & 3-Day Model has already been provided in an Excel spreadsheet format as part of USPS-LR-1, OCA-12B-1.xls. Feel free to review it.

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**DBP/USPS-117** Please refer to your response to DBP/USPS-87 subpart a.

[a] With respect to the 13 facilities that are not able to meet the National CT for three-day mail, is the time that they clear past the National CT subtracted from the buffer time in a similar manner to the 2-day standard activity as described in the response to DBP/USPS-87 subpart b?

[b] If not, please describe the action taken.

[c] If so, then it would appear that some trips are able to utilize a buffer time of five hours less the normal 9-1/2 hours. Please confirm or explain.

[d] Please advise those facilities that might be able to upgrade the delivery from 3-days to 2-days by use of a smaller Buffer Time.

**RESPONSE:**

- (a) In the planning mode, yes, the *"time that they clear past the National CT"* would be subtracted from the 9.5 hour 3-Day surface buffer time.
- (b) N/A
- (c) Confirmed. In fact, where there are sufficient originating volumes, some trips may not use any of the available Buffer Time, on either 2-Day or 3-Day trips.
- (d) If Buffer Times were reduced, or even eliminated, without regard to associated transportation costs or the obligation to use economical modes of transportation, every single Originating Facility would be able to reach some facilities in 2-Days that are currently 3-Days.

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**DBP/USPS-118** Please refer to your response to DBP/USPS-89 subpart a. Your response indicates that while the Parent Originating P&DC for Midland, Texas, is El Paso, Texas, Midland dispatches 2- and 3-day mail to Dallas, Fort Worth, Lubbock, Abilene, Roswell, and El Paso.

- [a] What is the definition of a Parent Originating P&DC as it appears in Library Reference 3?
- [b] What is the significance of designating El Paso as the Parent P&DC for Midland?
- [c] For each of the other sixteen Outliers, please provide a listing showing the facilities to which they dispatch 2- and 3-day mail similar to the way the response for subpart a provides the data for Midland.

**RESPONSE:**

- (a) Each of the Postal Service's 83 Processing & Distribution Facilities (P&DFs) and 124 Customer Services Facilities (CSFs) was assigned as a "subordinate facility" to one of the larger 174 Processing & Distribution Centers (P&DCs) in the contiguous 48 states. Usually, the designated Parent P&DC is the nearest P&DC, or the P&DC through which the smaller P&DFs and CSFs route their mail for transportation purposes; however, that is not always the case and each Area office determined the final "parent" P&DC designation. These P&DCs were then considered, for Service Standard Mapping purposes, to be the "Parent" P&DC. Excluding Originating Outliers, the 2 & 3-Day Originating Service Standards for a Parent P&DC, and its subordinate P&DFs and CSFs, will be exactly the same.
- (b) As per the above response to DBP/USPS-118 [a], El Paso was the Originating Parent P&DC designated by the Southwest Area for use in constructing the 2 & 3-Day Originating Service Standard Model. Midland is 301 miles from El Paso and 307 miles from Fort Worth. Due to the remote location, Midland was subsequently



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**RESPONSE to DBP/USPS-118 (continued):**

designated as an Originating Outlier, and excluded from the Service Standard changes that are issue in this proceeding.

(c) Objection filed.

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**DBP/USPS-123** Please refer to your response to DBP/USPS-89 subpart I.

[a] Please advise the method to be utilized with Library Reference 4 to obtain the ADCs that are associated with the delivery standards as shown.

[b] Confirm that all outlier facilities dispatch their overnight mail directly to the facility involved as opposed to sending the mail through their parent P&DC or other facility? If there are any exceptions, please advise the specifics.

[c] Please explain why Billings MT P&DC is only able to have 2-day delivery to part of the Seattle WA ADC [835 and 990-994]. Please advise how that mail is dispatched including the facilities that it travels through.

[d] Please advise how the mail is dispatched [including the facilities that it travels through] from Kalispell MT to the Boise ID ADC and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Billings MT has a 3-day delivery standard to the same ADC.

[e] Please advise how the mail is dispatched [including the facilities that it travels through] from Kalispell MT to the Ely NV SCF and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Billings MT has a 3-day delivery standard to the same SCF.

[f] Please advise how the mail is dispatched [including the facilities that it travels through] from Amarillo TX to the Denver CO ADC and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Fort Worth TX has a 3-day delivery standard to the same ADC.

[g] Please advise how the mail is dispatched [including the facilities that it travels through] from Worland WY to the Phoenix AZ ADC and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Cheyenne WY has a 3-day delivery standard to the same ADC.

[h] Please advise how the mail is dispatched [including the facilities that it travels through] from Worland WY to the Ely NV 893 SCF and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Cheyenne WY has a 3-day delivery standard to the same SCF.

[i] Please explain why Worland WY is not able to achieve 2-day delivery to the 821 Yellowstone Park area while it is able to reach the rest of the Billings MT in 2 days.

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**DBP/USPS-123 (continued):**

[j] Please advise how the mail is dispatched [including the facilities that it travels through] from Rapid City SD to the Denver CO ADC and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Sioux Falls SD has a 3-day delivery standard to the same ADC.

[k] Please advise how the mail is dispatched [including the facilities that it travels through] from Missoula MT to the Boise ID ADC and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Billings MT has a 3-day delivery standard to the same ADC.

[l] Please advise how the mail is dispatched [including the facilities that it travels through] from Missoula MT to the Ely NV 893 SCF and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Billings MT has a 3-day delivery standard to the same SCF.

[m] Please advise how the mail is dispatched [including the facilities that it travels through] from Lubbock TX to the Denver CO ADC and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Fort Worth TX has a 3-day delivery standard to the same ADC.

[n] Please advise how the mail is dispatched [including the facilities that it travels through] from Durango CO to the Phoenix AZ ADC and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Colorado Springs CO has a 3-day delivery standard to the same ADC.

[o] Please advise how the mail is dispatched [including the facilities that it travels through] from Durango CO to the Ely NV SCF 893 and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Colorado Springs CO has a 3-day delivery standard to the same SCF.

[p] Please advise how the mail is dispatched [including the facilities that it travels through] from Mobridge SD to the Denver CO ADC and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Sioux Falls SD has a 3-day delivery standard to the same ADC.

[q] Please explain why Minot ND is not able to achieve 2-day delivery to the 821 Yellowstone Park area while it is able to reach the rest of the Billings MT in 2 days.

[r] Please advise how the mail is dispatched [including the facilities that it travels through] from Childress TX to the Denver CO ADC and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Fort Worth TX has a 3-day delivery standard to the same ADC.

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**DBP/USPS-123 (continued):**

[s] Please explain why Bismarck ND is not able to achieve 2-day delivery to the 821 Yellowstone Park area while it is able to reach the rest of the Billings MT in 2 days.

[t] Please advise how the mail is dispatched [including the facilities that it travels through] from Bismarck ND to the Saint Louis MO ADC and explain why that it is possible to obtain a 2-day delivery standard while mail from the parent P&DC Fargo ND has a 3-day delivery standard to the same ADC.

**RESPONSE:**

- (a) Open both the Service Standards Map Program and the Excel GOEZINTA worksheet already in the record as USPS-LR-1, OCA-12B-2.xls. You can then easily examine the ADC assignment of any ZIP Code by referencing, or filtering, columns "A" and "N" in the Excel workbook, while also observing the assigned Service Standards, by color code, on the Service Standard Map program.
- (b) It cannot be confirmed that all Outlier facilities dispatch their Overnight mail directly to the facility involved as opposed to sending the mail through their parent P&DC or other facility. First, Overnight mail was not part of the Service Standard changes at issue in this proceeding. Second, Outliers did not have their standards changed as a result of the 2 & 3-Day Model. Third, as with the dispatch of Overnight mail from all facilities, not just Outliers, there may be direct trips, there may be trips that stop at other local facilities, there may be trips that dispatch the mail to HASPs/HUBs for processing or transfer, and there may be trips that drop Overnight mail off at another local facility to be cross-docked to transportation going to the destination facility. Additionally, since some

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**RESPONSE to DBP/USPS-123 (continued):**

Overnight pairs may have a dozen or more trips between them during a 24-hour period, some or all of these conditions may exist at different times of the day between the same paired cities. There is no way to reduce our various transportation scenarios to such a simplified “confirm” or “not confirm” statement.

- (c) In response to OCA/USPS-14, the Postal Service explained that it created “Mini-ADCs” at Spokane WA, El Paso TX and Reno NV, because they are remotely located SCFs that were exceptional distances from their real Parent ADC. For this reason, as identified in the Excel workbooks provided in USPS LR C2001-3/X, file OCA-12B-1 & 2, the Model was designed to treat the 3 “Mini-ADCs” as if they were real ADCs, just for the purposes of modeling the standards.

- (d-t) Objections filed.

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**DBP/USPS-124** Please refer to your response to DBP/USPS-24 subpart e and the associated Library Reference 2.

- [a] Please confirm, or explain if you are not able to do so, that the Library Reference provides data regarding the timeliness of all flights regardless of whether or not they transport mail.
- [b] Please confirm, or explain if you are not able to do so, that the Library Reference provides data regarding the timeliness of all flights and does not indicate whether mail is being bumped from any given flight.
- [c] Please confirm, or explain if you are not able to do so, that the Library Reference provides data regarding the timeliness of all flights and does not indicate any delays that may be experienced in loading or unloading the mail and transferring it to the AMF/AMC.
- [d] Please confirm, or explain if you are not able to do so, that the Library Reference does not provide any demonstration of the level of reliability of commercial air transportation as it relates to the transportation of mail.
- [e] Please provide details and specific data over at least the past five years which will demonstrate the level of reliability of commercial air transportation as it relates to the transportation of mail.

**RESPONSE:**

- (a) That is correct only with respect to the Department of Transportation summaries.
- (b) Correct.
- (c) The USPS summaries indicate more than “block time” or gate-to-gate timeliness of air flights carrying mail. They include timeliness in transfer of mail at a destinating airport to the postal AMF.

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**RESPONSE to DBP/USPS-124 (continued):**

(d&e) The Postal Service provided the two distinct data sets in the Library

Reference. The DOT reports indicate the reliability of commercial air service generally. The USPS summaries indicate the reliability of commercial air transportation of mail.

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**DBP/USPS-125** Please refer to your response to DBP/USPS-27 subpart f and the associated Library Reference C2001-3/5. Please provide specific references as to which pages and sections of the 90-page handbook are responsive to the original interrogatory.

**RESPONSE:**

The original interrogatory sought information relating to policies regarding dispatch of mail by air. Those policies are reflected in the Handbook M-22, a copy of which was filed as USPS LR C2001-3/5. An examination of the Table of Contents will prove useful. Numerous sections of the M-22 are responsive. Some relate exclusively to air transportation. Other relate to all modes of transportation. Some provisions explicitly relate only to surface transportation. It is best to refer to the Table of Contents and to read the M-22 as a whole to understand which portions relate to the dispatch of mail by air.



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**DBP/USPS-126** Please refer to the Library Reference C2001-3/8.

[a] What is the present status of the conditions at the airport in Atlanta as well as the status of all of the promised corrective action.

[b] Based on the conditions that were discovered in Atlanta, please provide information on the action taken to determine whether similar problems exist at other AMF/AMCs in the country.

[c] What is the result of any investigations made as a result of actions taken as noted in subpart b above?

**RESPONSE:**

- (a) The airline and the postal Air Mail Facility have been working to improve operations. See USPS LR C2001-3/8, at 10-11.
  
- (b) Bear in mind that the report was issued in August, 2001, and that significant emergencies have transpired between that time and the 2001 holiday rush that may result in the report not receiving the undivided attention of all postal Air Mail Facilities. The internal circulation of the August 2001 Office of Inspector General audit report can be expected to prompt self-review by other Air Mail Facilities that could uncover similar opportunities for improvement, provided those facilities are not overwhelmed by other challenges resulting from the events of September 11, 2001, and the subsequent anthrax contamination, and after they get through the 2001 holiday season.

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**RESPONSE to DBP/USPS-126 (continued):**

- (c) It is not known whether the Office of the Inspector General intends to follow up with other Air Mail Facility audits, either based on the Atlanta audit or for other reasons. That audit report came out nearly a year after the audit began. It is not known whether there will be any such future audits or when the fruits of any subsequent audits might be known.