

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
THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS CARLSON
(DFC/USPS-52-56)

The United States Postal Service hereby files the following responses of Charles Gannon on its behalf to the following interrogatories of Douglas Carlson: DFC/USPS-52-56, filed on December 26, 2001.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE
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RESPONSES OF CHARLES GANNON
ON BEHALF OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS CARLSON

DFC/USPS-GAN-52.

Please refer to your response to DFC/USPS-GAN-34. 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 from the point of view of fulfilling the needs and preferences of postal customers as you understand postal customers' needs and preferences for consistent mail service. Also, please explain your reasoning. For this interrogatory, please assume that postal customers do not know the Postal Service's service standard for First-Class Mail originating in city A and destined to city B.

Situation 1

2 Days	3 Days	>3 Days
70%	25%	5%

Situation 2

2 Days	3 Days	>3 Days
65%	30%	5%

Situation 3

2 Days	3 Days	>3 Days
40%	55%	5%

RESPONSE:

In the absence of any description of the needs and preferences of the hypothetical customers who know nothing about the service standard applicable to mail between cities A and B, it is difficult for to say what their needs or preferences may be. Under the scenario described above, it is possible that their needs could be met with either overnight, 2-day or 3-day service. It is also possible that their preference could be for either overnight, 2-day, 3-day or >3-day service.

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RESPONSE to DFC/USPS-52 (continued):

The needs and preferences of a given customer may not always coincide. A customer who needs transportation may prefer a limousine, although his needs could be met with something other than limousine service. In the same vein, a customer who prefers overnight service could have his needs met with two-day service. The needs and preferences of the members of a diverse group of First-Class Mail users, such as the residents and businesses in hypothetical city A, may be quite mixed.

As with DFC/USPS-34, this question does not indicate what the applicable service standard would be. As indicated in my response to DFC/USPS-34, I define consistency, as witness Lazerowitz did in Docket No. N89-1, to refer to the degree to which the applicable service standard is satisfied.

Under that definition, if a 2-day service standard applied to the hypothetical situations above, I would regard Situation 1 to represent the highest degree of consistency, since the highest percentage of mail is delivered within standard in that case. If the standard were 3-day, I would regard all three situations to be equally consistent, based on the aforementioned definition, recognizing that there is fluctuation in the manner in which the standard is satisfied from case to case.

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DFC/USPS-GAN-53.

Please refer to your response to DFC/USPS-GAN-35. 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 from the point of view of fulfilling the needs and preferences of postal customers as you understand postal customers' needs and preferences for consistent mail service. Also, please explain your reasoning. For this interrogatory, please assume that postal customers do not know the Postal Service's service standard for First-Class Mail originating in city A and destined to city B.

Situation 1

2 Days	3 Days	>3 Days
70%	25%	5%

Situation 2

2 Days	3 Days	>3 Days
5%	85%	10%

Situation 3

2 Days	3 Days	>3 Days
40%	55%	5%

RESPONSE:

Please see my response to DFC/USPS-52. On the basis of the explanation for that response, I would regard the situation 1 described above to represent the greatest degree of consistency and situation 3 above to represent the least degree of consistency, if a 2-day standard applied. If a 3-day standard applied, situations 1 and 3 would be tied, using that same definition of consistency.

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DFC/USPS-GAN-54.

Please refer to the Postal Service's response to DFC/USPS-GAN-39(d). In particular, please note that the question referred to the person at the highest level of "management" — not specifically "senior management" — while the response discussed "senior management."

- a. Do you believe that your position is considered a position in management?
- b. Do you believe that your position is considered a position in senior management?
- c. Did you make or approve 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? In your response, if applicable, please identify all individuals in the Postal Service at a higher level of management than you who made or approved this decision.

RESPONSE:

- (a) It is a matter of fact, not belief, that I am in a management position.
- (b) I am under no such delusion.
- (c) As has been explained previously, dedicated air was not considered by the Service Standards Team or recommended to senior management; therefore, there was no decision made not to use it. Accordingly, it is impossible to identify any "individuals . . . at a higher level of management . . . who made or approved this decision" since there was no such decision.

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DFC/USPS-GAN-55. Please refer to your response to DFC/USPS-GAN-40.

- (a) Does the specific SCF that processes the mail destined to a “pseudo” ADC in California change from time to time?
- (b) At some time in the past two years, did the San Francisco P&DC process the incoming mail for ADC Sierra CA and ADC Peninsula CA? (Note that interrogatory DFC/USPS-GAN-40 (b) asked a variation of this question, but the response did not address it.)
- (c) Are the SCF’s that the Pacific Area designated for purposes of projecting drive times in PC Miler the same SCF’s that currently process incoming mail for the four “pseudo” ADC’s in California?

RESPONSE:

- (a) I am informed that the answer to this question is affirmative.
- (b) I am informed that the answer to this question is affirmative.
- (c) I am informed that the answer to this question, at this time, is negative. Mail destined for ADC Sequoia and ADC Twin Valley is targeted to be worked at the Los Angeles P&DC. Mail destined for ADC Sierra and ADC Peninsula is targeted to be worked at the San Francisco P&DC. Due to the nature of the “pseudo” ADC structure that is unique to these California offices, we allowed the Pacific Area to designate the primary facility for purposes of determining the related drive time in PC Miler. Had we used the Los Angeles P&DC and the San Francisco P&DC as the physical ADC “location”

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RESPONSE to DFC/USPS-55 (continued):

to determine the drive times, the following are the only Service Standard changes that would have occurred to the model, versus the current output:

Reno NV P&DC to ADC Twin Valley (Van Nuys) CA is currently 2-Days due to the 11.3 hour drive time. Moving the ADC to the Los Angeles P&DC location would downgrade the standard to 3-Days, due to the drive time of 12.1 hours.

San Diego P&DC to ADC Sierra (San Jose) CA is currently 2-Days due to the 11.3 hour drive time. Moving the ADC to the San Francisco P&DC location would downgrade the standard to 3-Days, due to the drive time of 12.1 hours.

San Diego P&DC to ADC Peninsula (Oakland) CA is currently 2-Days due to the 11.7 hour drive time. Moving the ADC to the San Francisco P&DC location would downgrade the standard to 3-Days, due to the drive time of 12.1 hours.

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DFC/USPS-GAN-56.

Please refer to the response to DFC/USPS-GAN-50. Please provide the number of postal customers who receive the Service Standards CD-ROM.

RESPONSE:

Currently, 732 postal customers receive the Service Standards CD-ROM each Postal Quarter directly by subscription.

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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