

UNITED STATES OF AMERICA
Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Complaint on First-Class Mail Service Standards)

Docket No. C2001-3

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO DOUGLAS F. CARLSON
(OCA/DFC-T1-1-9)
December 18, 2003

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents.

If data requested are not available in the exact format or level of detail requested, any data available in (1) a substantially similar format or level of detail or (2) susceptible to being converted to the requested format and detail should be provided.

The production of documents requested herein should be made by photocopies attached to responses of these interrogatories. If production of copies is infeasible due to the volume of material or otherwise, provision should be made for inspection of responsive documents at the Office of the Consumer Advocate, 1333 H Street, N.W., Washington, D.C. 20268-0001, during the hours of 8:00 a.m. to 4:30 p.m.

If a privilege is claimed with respect to any data or documents requested herein, the party to whom this discovery request is directed should provide a Privilege Log (see, e.g., Presiding Officer Ruling C99-1/9, p. 4, in *Complaint on PostECS*, Docket No. C99-1). Specifically, "the party shall make the claim expressly and shall describe the

nature of the documents, communications, or things not produced or disclosed in a manner that, without revealing information itself privileged or protected, will enable other parties to assess the applicability of the privilege or protection.” Fed. R. Civ. P. 26(b)(5).

The term “documents” includes, but is not limited to: letters, telegrams, memoranda, reports, studies, newspaper clippings, speeches, testimonies, pamphlets, charts, tabulations, and workpapers. The term “documents” also includes other means by which information is recorded or transmitted, including printouts, microfilms, cards, discs, tapes and recordings used in data processing together with any written material necessary to understand or use such punch cards, discs, tapes or other recordings.

“All documents” means each document, as defined above, that can be located, discovered or obtained by reasonable diligent efforts, including without limitation all documents possessed by: (a) you or your counsel; or (b) any other person or entity from whom you can obtain such documents by request or which you have a legal right to bring within your possession by demand.

“Communications” includes, but is not limited to, any and all conversations, meetings, discussions and any other occasion for verbal exchange, whether in person or by telephone, as well as all documents, including but not limited to letters, memoranda, telegrams, cables, or electronic mail.

“Relating to” means discussing, describing, reflecting, containing, analyzing, studying, reporting, commenting on, evidencing, constituting, setting forth, considering, recommending, concerning, or pertaining to, in whole or in part. Responses to requests for explanations or the derivation of numbers should be accompanied by workpapers.

The term “workpapers” shall include all backup material whether prepared manually, mechanically or electronically, and without consideration to the type of paper used. Such workpapers should, if necessary, be prepared as part of the witness's responses and should “show what the numbers were, what numbers were added to other numbers to achieve a final result.” The witness should “prepare sufficient workpapers so that it is possible for a third party to understand how he took data from a primary source and developed that data to achieve his final results.” Docket No. R83-1, Tr. 10/2795-96. Where the arithmetic manipulations were performed by an electronic digital computer with internally stored instructions and no English language intermediate printouts were prepared, the arithmetic steps should be replicated by manual or other means.

Please especially note that if you are unable to provide any of the requested documents or information, as to any of the interrogatories, provide an explanation for each instance in which documents or information cannot be or have not been provided.

Respectfully submitted,

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OCA/DFC-T1-1. Your testimony at page 12 states mail volume "may be a proxy for the needs of customers." You then discuss only mail volume as a measure of customer need throughout your testimony. Is there any other measure that you believe is appropriate in addition to, or in lieu of, mail volume to determine customer need on a nationwide basis?

OCA/DFC-T1-2. You point out, at pages 12 to 13 of your testimony, that 0.5 percent is the volume that the Postal Service used in Docket No. N89-1 to be "significant enough to warrant consideration for two-day delivery." Please refer to page 13 of your testimony where you state that the volume of mail between a P&DC and a destination ADC starting at about 0.5 percent of the originating P&DC's volume continues to be noteworthy. Please explain why you believe that the 0.5 percent volume continues to be noteworthy.

OCA/DFC-T1-3. In your conclusions at page 44, item 6, of your testimony, you suggest the Postal Service "consider" restoring the two-day service between city pairs that exceed the 0.5-percent P&DC volume threshold.

- (a) Is it correct that you are recommending that a 0.5-percent volume threshold should not automatically determine the customers' need for two-day service but that it should be considered along with other factors?
- (b) If your response to part (a) is affirmative, what other factors should be present that would reasonably justify the Postal Service in upgrading the delivery service from three days to two days?

OCA/DFC-T1-4. You recommend at page 43, item 3, that the Postal Service should determine the needs of customers for two-day service.

- (a) To meet your recommendation, would it be sufficient for the Postal Service to do that which you state on page 13 of your testimony you were unable to do, namely: determine nationwide the three-digit ZIP Code pairs that have volume which exceeds the 0.5-percent threshold?
- (b) If your response to part (a) is negative, what additional steps would you recommend the Postal Service take to determine the needs of its customers?
- (c) If the Postal Service took the steps you indicate in response to (b), is it your recommendation, as discussed in interrogatory OCA/DFC-T1-3, that the Postal Service use that information to "consider" upgrading service from three days to two days?
- (d) Would other factors also need to be present in order to justify the Postal Service in upgrading three-day service to two-day service? If so, what are those factors.

OCA/DFC-T1-5. Please refer to your conclusion on page 14 of the section of your testimony concerning mail volume. That section of testimony discusses the 0.5-percent volume threshold for only certain western ZIP Code pairs. You conclude, "The Postal Service may not be meeting the needs of its customers, particularly in the Western States."

- (a) Is this conclusion based only on your determination that certain ZIP Code pairs have volumes greater than 0.5-percent of the originating P&DC's volume? If not, please state the other considerations that led to your conclusion.
- (b) You list "In-State" western areas on page 14 of your testimony where the volume exceeded the 0.5-percent threshold, but the service was not upgraded from three-day to two-day. After the list, you go on to conclude that the Postal Service "may not" be meeting the needs of its customers. Other than looking at the volume threshold, how is the Commission to ascertain whether the Postal Service is meeting the needs of its customers?

OCA/DFC-T1-6. Please refer to page 43 of your testimony, recommendation 4. You recommend the Postal Service restore the use of air transportation to provide two-day service where customer need exists.

- (a) Is customer need defined in your view as 0.5 percent of the originating P&DC's volume? If so, are you proposing that air transportation should be provided in all of those cases?
- (b) Please explain why you do not recommend use of air transportation for all three-day service, regardless of volume or demonstrated need for two-day service.

OCA/DFC-T1-7. On page 16 of your testimony, you provide examples of instances in California where the Postal Service could provide two-day service to customers. Do you know of other instances outside of California and Reno, Nevada where two-day service could be provided to those ZIP Code pairs with a three-day service standard? If so, please identify those locations.

OCA/DFC-T1-8. On page 24 of your testimony, you indicate that California has four “pseudo ADC’s.”

- (a) To your knowledge, is California the only state that has pseudo ADCs?
- (b) If your response to part a of this interrogatory is other than affirmative, then to the best of your knowledge, please identify those states that have pseudo ADCs.
- (c) If you identify additional states with pseudo ADCs, then to the best of your knowledge, please indicate whether those states have similar problems to those discussed in your testimony. (i.e., The problem of letter sorting and processing being done at a different P&DC than that which was selected for the transportation model’s mileage calculation.)

OCA/DFC-T1-9. On page 34 of your testimony, you indicate that the “average days to delivery increased 0.8 days.” Please show the derivation of the 0.8 day increase.