

**BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001**

**Complaint on First-Class Mail
Service Standards**

Docket No. C2001-3

**DOUGLAS F. CARLSON
INTERROGATORIES TO
UNITED STATES POSTAL SERVICE
WITNESS CHARLES M. GANNON
(DFC/USPS-T1-1-25)**

March 19, 2004

Pursuant to sections 25–27 of the *Rules of Practice*, I hereby submit interrogatories to United States Postal Service witness Charles M. Gannon. The instructions accompanying DFC/USPS-GAN-1–2 are incorporated herein by reference.

Respectfully submitted,

Dated: March 19, 2004

DOUGLAS F. CARLSON

DFC/USPS-T1-1. Please refer to your testimony at page 1, lines 10–13. In considering the overall effect of the changes in service standards that are the subject of this proceeding, do you believe that the Commission should give any consideration to whether the net *volume* of First-Class Mail subject to a three-day delivery standard instead of a two-day delivery standard increased or decreased? If not, please explain.

DFC/USPS-T1-2. Please refer to your testimony at page 1, lines 14–16. Please provide the “national average for originating First-Class Mail volume targeted for delivery by Day 2” for the most-recent period *prior to* implementation of any of the changes in service standards that are the subject of this proceeding.

DFC/USPS-T1-3. Please refer to your testimony at page 1, lines 16–18. Please provide the current percentage of First-Class Mail volume originating in California that is destined to a ZIP Code for which the service standard is:

- a. one day;
- b. two days;
- c. three days.

DFC/USPS-T1-4. Please refer to your testimony at page 1, lines 20–21 and page 2, lines 1–2. In your opinion or the Postal Service’s opinion, is the “impact” of the changes in service standards on First-Class Mail originating in California insignificant?

DFC/USPS-T1-5. Please refer to your testimony at page 1, lines 20–21 and page 2, lines 1–2 and my testimony at page 7, lines 6–8. Do you or the Postal Service disagree with my statement that the effect of the changes in service standards *on Postal Service customers* was devastating?

DFC/USPS-T1-6. Please refer to your testimony at page 2, lines 5–11. Do you believe that customers send all their First-Class Mail according to a “custom” that would allow them to send the First-Class Mail in question one day earlier, as you suggest in your testimony?

DFC/USPS-T1-7. Please refer to your testimony at page 2, lines 5–11. Please consider the situation in which a customer needs a First-Class letter delivered on Wednesday. Please confirm that this customer, consistent with your suggestion, should mail the letter two days earlier than was customary — i.e., on Saturday instead of Monday. If you do not confirm, please explain.

DFC/USPS-T1-8. Please refer to your testimony at page 2, lines 5–11. Are you aware that, for some customers, the need for delivery of an item arises exactly two days, and not three days, prior to the necessary delivery date?

DFC/USPS-T1-9. Please refer to your testimony at page 2, lines 13–14. Please specifically identify all statements, contentions, claims, and conclusions in sections I or VI of my testimony that you believe are undermined, weakened, or otherwise negatively affected by the “flaw” in my analysis that you perceive to result from my discussion of a critical entry time (CET) rather than an estimated time of arrival (ETA).

DFC/USPS-T1-10. Please refer to your testimony at pages 2–6 and your response to DFC/USPS-GAN-58(d) and 64. Please explain how the arrival times of the trucks for two-day mail from Reno to ADC Twin Valley CA and San Jose to ADC San Diego CA are or are not consistent with the national model.

DFC/USPS-T1-11. Please refer to your testimony at page 5, lines 15–19. Please identify the specific lines in my testimony to which you refer.

DFC/USPS-T1-12. Please refer to your testimony at page 5, lines 11–14.

- a. Please confirm that an originating P&DC places a label on the container of outgoing mail before dispatch, that this label indicates the expected or targeted delivery day, and that the expected or targeted delivery day is calculated based on the day of origination and the applicable service standard. If you do not confirm, please explain.
- b. Please provide a copy of a sample label described in part (a) of this interrogatory.

DFC/USPS-T1-13. Please refer to your testimony at page 5, lines 11–14. Suppose that two trays of mail from Northern California arrive at ADC San Diego on Tuesday at 17:00. Suppose, further, that one tray originated in Oakland and is labelled for delivery on Wednesday, while the other tray originated in San Francisco and is labelled for delivery on Thursday.

- a. Please confirm that, on some occasions, the destination ADC may defer processing of the tray labelled for delivery on Thursday.
- b. Please confirm that destination ADC's sometimes consider the day of delivery indicated on the container label in deciding when and whether to process a particular container of incoming mail on a particular day. If you do not confirm, please explain the purpose of printing the day of delivery on container labels.

DFC/USPS-T1-14. Please refer to your testimony at pages 7, lines 17–19.

- a. Please confirm that, for mail originating in San Diego and destined to ADC Peninsula CA, the computer projected a drive time from the San Diego P&DC to the Oakland P&DC. If you do not confirm, please explain.
- b. Please confirm that, for mail originating in Reno and destined to ADC Twin Valley CA, the computer projected a drive time from the Reno P&DC to the P&DC in Santa Clarita. If you do not confirm, please explain.
- c. Please confirm that the model normally considers projected drive time from the originating P&DC to the P&DC that processes mail for the destination ADC. If you do not confirm, please explain.

DFC/USPS-T1-15. Do you believe that the service standard for First-Class Mail from Reno to Los Angeles CA 900 should continue to be three days?

DFC/USPS-T1-16. Please confirm that First-Class Mail from Reno to SCF Los Angeles CA 900 arrives at the P&DC that processes mail for SCF Los Angeles CA 900 earlier in the day than First-Class Mail from Reno to ADC Twin Valley CA arrives at the P&DC that processes mail for the destination SCF within ADC Twin Valley CA (e.g.,

Inglewood, Long Beach, Pasadena, Van Nuys, or Industry). If you do not confirm, please explain.

DFC/USPS-T1-17. Please refer to your testimony at page 8, lines 4–14. With the benefit of hindsight, to conform to the model, do you believe that the Postal Service should have implemented a three-day service standard for mail from San Diego to ADC Peninsula CA and from Reno to ADC Twin Valley CA?

DFC/USPS-T1-18. Please refer to your testimony at page 8, lines 15–16. Please identify the lines of my testimony where I supposedly claimed that the “pseudo-ADC” concept was “illogical and detrimental.”

DFC/USPS-T1-19. Please refer to your testimony at page 9, lines 10–12. If the Postal Service had not been phasing out contracts for dedicated air service that was being used primarily to fly mail between points in the West and Southwest, would your team have considered maintaining two-day service between some of these city pairs? Please explain your response.

DFC/USPS-T1-20. Please refer to your testimony at page 11, lines 8–12.

- a. Please describe all uses of the daytime FedEx network that is used “primarily” for transportation of Priority Mail and three-day First-Class Mail.
- b. Please explain why the daytime FedEx network could not be designed to transport two-day First-Class Mail.

DFC/USPS-T1-21. Please refer to your testimony at page 12, lines 4–10. Do you contend that all changes in transportation method for mail whose service standard was downgraded from two days to three days were implemented before August 27, 2001?

DFC/USPS-T1-22. Please refer to your testimony at page 12, lines 11–18. Please explain why the Priority Mail processing network can accommodate arrival times for two-day mail as late as 22:00 while the First-Class Mail processing network cannot. In your response, please discuss the relative level of automation of mail processing in each mail stream.

DFC/USPS-T1-23. Please refer to your testimony at page 12, lines 19–22 and page 13, lines 1–11. Has your team resumed the work described in your testimony to consider whether the FedEx contract might present any opportunities for reconsideration of any downgrades in service standards from two days to three days?

DFC/USPS-T1-24. Please refer to your testimony at page 14, line 18 and page 15, lines 1–2. Please provide the criteria and process by which the Postal Service will consider changing service standards from three days to two days. In your response, please provide all documents that the Postal Service has provided to field offices reminding or advising them that they may request upgrades from three days to two days.

DFC/USPS-T1-25. Please refer to your testimony at page 14, line 18 and page 15, lines 1–2. Please explain the following statement in a different way: “And there has been no mandate that air transportation not be used as a justification for adjusting any current 3-day standards to 2-day.” Does the existence of reliable air transportation continue to be a justification for a two-day service standard?