

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 UNITED STATES POSTAL SERVICE  
WITNESS CHARLES M. GANNON  
(OCA/USPS-T1-1-11)  
March 19, 2004

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. Instructions included with OCA interrogatories OCA/USPS-T1-1-25 dated September 17, 2001 are hereby incorporated by reference.

Respectfully submitted,

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OCA/USPS-T1-1. Please refer to your testimony at page 5 and explain why you believe that the EXFC data which serves as a basis for USPS Library Reference C2001-3/14 would seem, at a minimum, to discourage the claim that mail with a 3-day service standard is being deferred to prevent delivery before the third day.

OCA/USPS-T1-2. Please confirm that your testimony at page 6 says that the four "pseudo-ADCs" located in California were all originally designed to have the same sort schemes as each other on their mail processing equipment in order to "dynamically" manage mail volumes on a daily basis to balance the workloads by shifting it among the four plants. If you do not confirm, please explain.

OCA/USPS-T1-3. Please refer to your testimony at page 8 where you indicate that "Hindsight now informs us that the mail in question is not normally "dynamically" managed, as originally planned in the design of these "pseudo-ADCs."

- a. Please explain what you mean by normally.
- b. Is any mail volume among those four "pseudo-ADCs" currently "dynamically" managed?
- c. If the answer is yes to (b) above, how often is the mail volume "dynamically" managed and what is the volume of mail that is "dynamically" managed in each of the "pseudo ADCs" as compared to the original plan?

OCA/USPS-T1-4. Your testimony states that in hindsight you might have designated Los Angeles and San Francisco as the sole physical plants for calculating Drive-Time Mileage for all four of the "pseudo-ADCs" and that in the future you would probably consider this option as more representative of reality.

- a. At the time you designed the service standards Model, was it apparent through hindsight that the mail in question was not normally being "dynamically" managed?
- b. Please explain why, given hindsight, you would not now treat each ADC as a regular ADC and designate each plant as having its own Drive-Time Mileage rather than lumping them together into Los Angeles and San Francisco locations?
- c. Would it not be even more representative of reality to treat them as regular ADCs for purposes of the drive time Model than designating Los Angeles and San Francisco as the sole ADC locations?

OCA/USPS-T1-5. Please refer to your testimony on pages 7-8 where you state that if you had designated Los Angeles and San Francisco, California as the cities from which to establish service standards, rather than using a representative facility for the four "pseudo-ADCs" as a "host" facility from which to designate service standards, then California would have ended-up with fewer 2-day origin-destination pairs than it did in the actual final Model.

- a. Please indicate whether, if you now designated each of the "pseudo-ADCs" on the basis of the way current volumes are managed (apparently

with little or no "dynamic" management), rather than selecting a representative facility for the Model, would there be more 2-day origin-destination pairs than there are in the current Model?

- b. If you answer part a affirmatively, in view of the fact that hindsight shows there is not normally "dynamic" management of the mail through those four "pseudo-facilities, does the Postal Service have any plans to re-designate these ADCs and so increase the number of 2-day origin-destination pairs in the Model? If not, why not?

OCA/USPS-T1-6. Please refer to your testimony at page 9 where you state the team preparing the National 2 & 3-Day Model "was aware that the Postal Service was phasing out regional contracts for dedicated air service that was being used primarily to fly mail between points in the West and Southwest."

- a. If these regional contracts had not been phased out, would there have been more 2-day origin-destination pairs in those regions than were in the final model?
- b. Why were those dedicated air service contracts being phased out?

OCA/USPS-T1-7. Your testimony on pages 9-12 discusses problems with the reliability of commercial airlines. You do not specifically indicate that similar problems existed with dedicated air contracts.

- a. What data did you have regarding the reliability of deliveries for mail transported under dedicated air contracts?

- b. What cost data did you rely upon to take the cost differences of dedicated air and surface transportation into account to determine, as you say you did on page 10, lines 17-22 of your testimony, that you would need to "make adjustments to service standards" based upon "economical" transportation alternatives?
- c. Did the team ever develop a maximum unit cost or other cost that would be permissible to justify using dedicated air contracts for a 2-day service standard between origin-destination pairs rather than using surface transportation for a 3-day service standard?

OCA/USPS-T1-8. You state on page 11 of your testimony that "Airline on-time performance was not meeting the Postal Service's needs and was expected to deteriorate." Does this testimony apply only to commercial air service or does it also apply to dedicated air service?

OCA/USPS-T1-9. Please refer to page 11 of your testimony. You indicate the agreement with Federal Express for a daytime network was designed, in part, for transportation of 3-day First-Class Mail.

- a. Can either the daytime or nighttime FedEx network be used as backfill for 2-day First-Class Mail service? If so, are they being used for backfill?
- b. If so, how often are they being used for backfill?

OCA/USPS-T1-10. On pages 12-13 of your testimony, you indicate you were directed to verify that the FedEx contract would not significantly aid 2-day First-Class Mail and that the assignment was subsequently rescinded.

- a. Since that time, have you or anyone else in the Postal Service undertaken the planned but terminated analysis to confirm the conclusion that the FedEx contract would not significantly aid 2-day First-Class Mail delivery?
- b. If so, what are the results of that analysis?

OCA/USPS-T1-11. On page 15 of your testimony you state that the final decision on transportation mode in relation to service standard modification requests rests with the Area Offices and that there has never been a mandate that only surface transportation can be used between 2-day origin-destination pairs.

- a. Can the Area Office consider dedicated air transportation in requesting upgrades?
- b. Do the Area Offices routinely review the possibility for dedicated air contracts to upgrade 3-day service to 2-day service? If not, why not?
- c. Do the Area Offices have the authority to negotiate dedicated air contracts in order to determine the potential feasibility or economics of requesting a final decision from the headquarters team to upgrade service from 3-day to 2-day origin-destination service?