

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate Commission
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Complaint on First-Class Mail
Service Standards

Docket No. C2001-3

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS GANNON
TO INTERROGATORIES OF DOUGLAS CARLSON
(April 29, 2004)

The United States Postal Service hereby provides the responses of witness Gannon to the following interrogatories of Douglas Carlson: DFC/USPS-T1-13 and 22 (dated March 19, 2004), and 26-30 (dated April 1, 2004) and 31-33 (dated April 12, 2004). Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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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.

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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 labeled 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.

RESPONSE:

(a) & (b). Confirmed. I am informed that there are times that the processing of mail can be "deferred" until a later operating window, based on the appropriate mail processing hierarchy existing at a particular time or equipment capacity constraints. The Delivery Day on the label is only one of many factors that are under consideration when such a decision is made.

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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 automation of mail processing in each mail stream.

RESPONSE:

I am informed that the primary reasons Priority Mail can be accommodated later in the day than First-Class Mail are as follows:

(1) Volume. The volume of First-Class Mail is well over 100-times greater than that of Priority Mail.

(2) Depth of Sort. Due to the larger volume of FCM, we perform sortations many levels “deeper” than we do for Priority Mail. The plants process FCM down to the Delivery-Point sequence level for carrier routes, which requires multiple passes on automation. Such multiple passes, even with automation, requires a longer operating window. For Priority Mail, the Delivery Units ultimately perform the sortation to the carrier route level.

With regard to the portion of the question concerning the “level of automation of mail processing in each mail stream”, I am informed that Priority Mail is either processed manually or in a mechanized environment, with no automated processing occurring other than at the Twin Cities Metro Hub, where we are currently in First Article Testing an Automated Package Processing System.

For FCM, our “Total Piece Handlings” processed on automation is currently at 96% for Letter Mail and at 83% for Flats.

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DFC/USPS-T1-26. Please refer to your testimony at pages 6–8. In which year were the pseudo ADC's in California created?

RESPONSE:

I was unable to locate specific documents approving the creation of the ADCs in question. However, I have reviewed old Domestic Mail Manual's (DMM) and the first time I could find a record of such ADCs appearing in the Labeling List was in the DMM issued on 6-17-90 which showed the following as ADCs: Twin Valley, San Santa, Sierra, and Peninsula. In the subsequent DMM issued on 9-16-90, the "San Santa" name was changed to Sequoia.

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DFC/USPS-T1-27. Please refer to your testimony at pages 6–8. Please confirm that, even under “dynamic” management of mail sorted and labelled to pseudo ADC’s, First-Class Mail sorted and labelled by the originating P&DC to the destination SCF level would have received its initial incoming processing at the P&DC that corresponds to the destination SCF. If you do not confirm, please explain.

RESPONSE:

Confirmed. I have been informed that First-Class Mail sorted and labeled by the originating P&DC to the destination SCF level would receive its initial incoming processing at the P&DC that corresponds to the destination SCF.

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DFC/USPS-T1-28. Please refer to your testimony at pages 6–8. Please confirm that the Reno P&DC sorts bar-coded First-Class letter mail destined to California to the AADC level.

RESPONSE:

Confirmed. I have been advised that the Reno P&DC sorts bar-coded First-Class Mail letters destined to California to the AADC level.

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DFC/USPS-T1-29. Please refer to your testimony at pages 6–8. Please discuss the level (e.g., ADC or SCF) to which the Reno P&DC sorts non-bar-coded First-Class letter mail destined to Southern California.

RESPONSE:

I have been informed that the Reno P&DC sorts non-bar-coded First-Class letter mail destined to Southern California to the ADC level.

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DFC/USPS-T1-30. Please refer to your testimony at pages 6–8. When did you learn that First-Class Mail destined to the pseudo ADC's in California is not “dynamically” managed.

RESPONSE:

To the best of my recollection, I first became aware of the way the mail in question was actually being handled when I was investigating how to respond to interrogatory DFC/USPS-GAN-55. Although I did not specifically mark this operational epiphany on my calendar, I believe that I became aware of the circumstances sometime early in January 2002.

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DFC/USPS-T1-31. Please refer to your testimony at pages 2–6 and your responses to DFC/USPS-GAN-58(d) and 64 and DFC/USPS-T1-10. Please confirm that the arrival time of the truck for two-day First-Class Mail from Reno to ADC Twin Valley CA is not consistent with the national model. If you do not confirm, please explain.

RESPONSE:

Not confirmed. The National 2 & 3-Day Realignment Model did not model trips between specific Origins and specific Destinations. As previously described, the Model was only used to determine which 3-digit ZIP Code pairs qualified to be a 2-Day standard. Once a pair has been determined to have a 2-Day, or 3-Day standard, based on the Model parameters, then the mode of transportation, departure time of transportation, arrival time of transportation, etc., is all locally determined in pursuit of meeting the established Service Standard in the manner deemed most appropriate, in a case-by-case situation.

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DFC/USPS-T1-32. Please refer to your testimony at pages 2–6 and your responses to DFC/USPS-GAN-58(d) and 64 and DFC/USPS-T1-10. Please confirm that the arrival time of the truck for two-day First-Class Mail from San Jose to ADC San Diego CA is not consistent with the national model. If you do not confirm, please explain.

RESPONSE:

Please see the response to DFC/USPS-T1-31.

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DFC/USPS-T1-33. Please confirm that two-day delivery for First-Class Mail transported from the origin P&DC to the destination ADC by truck is possible even if the truck is scheduled to arrive at the destination ADC later than the latest ETA allowed by the national model. If you do not confirm, please explain.

RESPONSE:

Yes, in some cases it is possible that some mail arriving beyond the “latest ETA allowed by the national model” could receive 2-day delivery.