Postal Rate Commission
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Docket No. MC2003-2
Experimental Parcel Return Services
Second Semiannual Data Collection Report
for the period July 1, 2004 - December 31, 2004
(filed February 28, 2005)

A1. Volume by RDU and RBMC, by weight and zone (as possible).

Due to the fact that only two Parcel Select customers are participating, these data are not provided.[1]

A2. Weekly volume for each RDU and RBMC (identification of facility names/locations not required and data may be provided electronically in a PC-compatible format without hardcopy).

Due to the fact that only two Parcel Select customers are participating, these data are not provided.

A3. Pickup frequency by facility type.

One participant picks up Parcel Select Return Bulk Mail Center (RBMC) product mail at all 21 BMCs, while the second picks up mail at 17 BMCs. The pickup frequency varies by mailer and facility, ranging from two days a week to seven days per week. In most cases, the participants retrieve the PRS mail pieces three or five days per week.

At the end of the reporting time period, both participants conducted very limited and controlled testing of the RDU product. These tests were conducted at 197 Delivery Units (DU) within three districts. The pickup frequency was generally every three to four business days.

A4. Number and types of facilities used as pickup locations.

See response to A3.

A5. Evaluation of whether the process flows match those used to estimate costs.

Please see the report filed on August 25, 2004.

A6. To the extent possible, RDU volume broken down between regular-sized and oversized parcels.

Due to the fact that only two Parcel Select customers are participating, these data are not provided.

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[1] Footnote 1 of the Data Collection Plan filed as Attachment C to the Stipulation and Agreement approved in Docket No. MC2003-2 provides: "For any period of time in which fewer than three BPM and/or Parcel Select mailers are participating, any data that would otherwise be provided, but which, due to the limited number of shippers, would constitute, or could be used to determine, mailer-specific information, would not be reported."

A7. RBMC volume broken down among machinable, non-machinable and oversized parcels.

Due to the fact that only two Parcel Select customers are participating, these data are not provided.

A8. Number of pieces addressed to an RDU but picked up at an RBMC, broken down into machinable, non-machinable, and oversized groups.

As stated in response to A3, there has been only limited and controlled testing of the RDU product by the two participants. It was not possible to develop figures representing the percentage of RDU mail pieces that were picked up at a BMC due to the fact that these statistics were not always reported during the limited testing period described above.

A9. To the extent possible, the number of machinable pieces addressed to an RBMC or an RDU that were transported inter-BMC.

It is estimated, on average, that 9 percent of the mail pieces isolated as PRS at a given BMC were actually entered as origin mail within the service area of another BMC. The Postal Service is working with the participants and the BMC staff to reduce this percentage.

A10. The number of shippers participating in BPM PRS.

Zero.

A11. The number of shippers participating in Parcel Select PRS, broken down into shippers that participate solely in RBMC; solely in RDU; or participate in both.

Both participants primarily use the Parcel Select PRS RBMC product, but have conducted very limited RDU testing as described above.

B1. Review operations being performed and comment upon potential adjustments to the list of RBMC and RDU return service mail processing activities listed on USPS-T-2, Attachment C, at pages 10-15.

Based on the data currently available, the operations, and associated costs, listed in USPS-T-2, Attachment C, pages 10-15 appear to be representative of what has been occurring in the field.

B2. Comment upon the accuracy of the percentage estimates provided in USPS-T-2, Attachment C, page 6, i.e., that containers are as full as estimated, separately for RBMC and RDU activities.

The percentage full estimates appear reasonable. Field observations have shown that most containers being dispatched to PRS processing facilities exceed 100 percent full, if the top of the container is defined as being 100 percent.

B3. Provide a ballpark (or more precise) estimate of the capacity utilization (pieces per container) for parcel return service containers and compare it to the estimate in USPS-T-2, Attachment D.

During limited sampling, there appeared to be some variation among the participants as to the number of machinable pieces per container. The range was from 50 pieces to 110 pieces.

The number of nonmachinable / oversize pieces per NMO container was found to fall between 20 pieces to 30 pieces.

B4. To the extent possible, review and comment upon whether the productivities in USPS-T-2, Attachment C, pages 2 and 3, continue to reflect best current estimates.

More recent GFY 2003 Productivity Information Management System (PIMS) data are provided below. These figures are actual figures and have not been adjusted to reflect the Postal Service's volume variability methodology.

Operation	Pieces / Hour
Primary Parcel Sorting Machine (PPSM)	745
Secondary Parcel Sorting Machine (SPSM)	1,664
Sack Sorting Machine (SSM)	348
Non Machinable Outside (NMO)	69

B5. Review and comment upon the actual sampling operations for manifest review as compared to the planned operations.

At this time, the sampling methods and procedures have been evolving. This issue will therefore be addressed in subsequent reports.

B6. Review and comment upon the accuracy of the travel time estimate incorporated into USPS-T-2, Attachment G, page 1, based upon a sample of actual travel times to shipper locations by Postal Service Return Technicians.

As described in B5, the sampling methods and procedures have been evolving. This issue will therefore be addressed in subsequent reports.

B7. Review and comment upon the accuracy of the estimate for the average number of pieces per manifest in USPS-T-2, Attachment H.

Due to the fact that only two Parcel Select customers are participating, this response is not provided.

B8. Review and comment upon whether the estimated storage days for RBMC and RDU in USPS-T-2, Attachment D are correct or need to be revised.

Based on the response to A3, the estimated storage days are acceptable.

B9. Review and comment upon the extent of the need for adjustments in pick-up schedules to alleviate excessive storage time.

During field observations, several BMC managers mentioned that there were instances when either (1) PRS mail had not been picked up as scheduled, or (2) additional transportation was required due to higher than expected mail volume. In all cases, they mentioned that their efforts to work with the participants to solve the problems had, for the most part, been successful.

B10. Review and comment upon the accuracy of the following estimates used in USPS-T-2, Attachments C and D.

a. The estimated units per hour for sorting parcels to mailers for RBMC machinable returns (125.4 units/hr), RBMC non-machinable returns (100 units/hr) and RBMC non-machinable oversize returns (100 units/hr).

Those figures appear reasonable. The NMO operation productivity may be somewhat overstated given that the GFY 2003 PIMS figure was 69 pieces per hour.

b. The estimated units per hour for sorting parcels to mailers for RDU machinable mail (460.6 units/hr).

Given that both participants have only conducted limited RDU testing, a response is not possible at this time.

c. The estimated space utilization storage costs estimated for RBMC and RDU rate categories beyond what is reported in response to Part B, subpart (8).

Based on field observations, those costs appear adequate at this time. In some cases, the participants are using a "drop and pick" system such that little to no actual floor space is used to store the mail. Rather, the mail is loaded directly onto the trucks.