

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

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES
OF DAVID POPKIN [DBP/USPS-11, 13, 14]
(May 10, 2005)

The United States Postal Service hereby provides its responses to above-listed interrogatories of David Popkin, filed on April 8, 2005.

The interrogatories are stated verbatim and are followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Michael T. Tidwell

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
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DBP/USPS-11 [a] Confirm, or explain and discuss if you are not able to confirm, that the EXFC program has accomplished the following three results, [1] It has allowed the Postal Service to find the root causes for many of the items which delay the mail and correct them so as to improve the service. [2] It has caused the Postal Service to engage in a high cost system for error correction. For example, before EXFC was in place, a post office receiving a quantity of mail for another office in error, just sent the mail back to the P&DC for delivery on the following day. Now the mail will be specially brought over to the other office so that it can be delivered on the scheduled day. and [3] It has caused post offices to come up with creative methods of manipulating the EXFC score such as a post office making collections before 5 PM at box locations that are mandated to be collected at 5 PM or later so as to achieve a better mail arrival profile at the P&DC and therefore improve the likelihood of a higher EXFC score. [b] Provide and explain any other benefits of the EXFC program. [c] Please discuss the extent to which a customer's mail service in an EXFC area will be different than that which would be received by a customer in a non-EXFC area.

RESPONSE:

[a1] EXFC is an observation of service as performed. It is not a true root cause analysis tool. It provides Postal officials results that enable them to apply review methodology to processes over the entire scope of Postal activities.

[a2] The question incorrectly presupposes only one mode of error correction before EXFC was inaugurated and only a different mode of error correction thereafter. While no quantification is available, both methods described in the question have commonly been employed throughout the postal system before and after EXFC, in and out of EXFC zones. The basis for the conclusion regarding costs is unclear from the question, making a response impossible.

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Response to DBP/USPS-11 continued:

[a3] Putting aside the pejorative characterization embedded in the question, the Postal Service cannot state categorically that no employee has ever engaged in the conduct described, but there is no indication from the question that this is a widespread phenomenon, either before or after the inauguration of EXFC.

[b] EXFC provides an independent, external and unbiased source of overall performance information.

[c] No difference should be expected. EXFC is not a system-wide measurement system but it is representative of First-Class Mail performance.

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DBP/USPS-13

[a] Confirm, or explain and discuss if you are not able to confirm, that EXFC is a measurement for First-Class Mail only. [b] Confirm, or explain and discuss if you are not able to confirm, that all EXFC test mail is prepaid at the single piece rate and is deposited in collection boxes. [c] Confirm, or explain and discuss if you are not able to confirm, that EXFC pieces are not sent by any of the presorted / automation rates. [d] Provide the results of any studies that have been made showing the extent to which the delivery times of presorted/automation rate First-Class Mail is achieved. [e] Provide the results of any studies that have been made which would allow the EXFC results to serve as a proxy for the automated / presorted mail. [f] Does the EXFC program check all types of First-Class Mail / by shape such as letter, flat, SPR etc., / by method of addressing such as printed, typewritten, or hand written / by method of postage prepayment such as stamped or metered? [g] What percentage of the country's total mail volume [of EXFC type of mail] is tested by the EXFC program? [h] Does the EXFC program make an effort to sample the origin-destination pairs, shape, method of addressing, and method of postage prepayment in proportion to the volume that exists within the entire universe? If not, why not. If so, provide copies of any study. If necessary, separate and discuss each separate criteria. [i] In the event that a post office wishes to eliminate collection from a collection box on a particular date and time, such as might occur on a holiday or a day surrounding a holiday, are they able to notify the EXFC contractor in advance so that they will not deposit EXFC mail for that omitted collection time [even though the box is posted with that time]? [j] If the response to subpart i is yes, please provide a listing of all instances in which this was done in the past year.

RESPONSE:

[a] EXFC stands for "External First Class" as this is what it measures.

[b] It is prepaid at single piece rates and is deposited in collection receptacles.

[c] EXFC test pieces are not sent at presort/automation rates.

[d] The Postal Service has not conducted or commissioned such a study.

[e] See the response to [d].

[f] EXFC tests mail pieces with the following characteristics: letters, flats, printed

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Response to DBP/USPS-13 continued:

addressing, typewritten addressing, handwritten addressing, stamped and metered.

[g] EXFC areas represent 90 percent of First-Class Mail volume on origination and 80 percent on destination.

[h] No, because the goal has never been to study every aspect of the First-Class Mail universe.

[i] Yes, under controlled conditions a post office may eliminate collection from a collection box for a particular date and time. Notification is provided to the EXFC contractor to prevent the induction of EXFC mail.

[j] Mardi Gras, New Orleans

Mardi Gras, Mobile

Montgomery Jubilee

Crawfish Festival (LA)

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DBP/USPS-14

With respect to the EXFC Program, [a] please advise the ZIP Codes that have been added or subtracted since the last rate case.

RESPONSE:

ZIPs are included at the 3-Digit level. There have been no changes since Q4 FY 2000.