

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

INSTITUTIONAL RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-11, 15-19)  
(May 20, 2005)

The United States Postal Service hereby provides institutional responses to  
interrogatories OCA/USPS-11, 15-19, filed on May 6, 2005.

Each interrogatory is stated verbatim, followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**OCA/USPS-11.** Please refer to Attachment F to the Request, page 35, and the text of Rule 54: (n), which states, in part, “The Request must identify the achieved levels of service for those classes and subclasses of mail and mail services for which performance goals have been set.” Also please refer to the paragraph at the bottom of page 35, where it refers to “[a]chieved levels of performance.”

- a. Please confirm that the Origin-Destination Information System (ODIS) Quarterly Statistics Reports cited and filed with the Commission as LR-K-82 do not provide any data on the achieved levels of performance with respect to the Overnight and 2<sup>nd</sup> Day service standards for Express Mail. If you do not confirm, please explain.
- b. Please confirm that the ODIS Quarterly Statistics Reports are not intended or designed to provide data on the achieved levels of performance with respect to the Overnight and 2<sup>nd</sup> Day service standards for Express Mail. If you do not confirm, please explain. If you do confirm, please identify and describe any statistical or other measurement system that provides data on the achieved levels of performance with respect to the Overnight and 2<sup>nd</sup> Day service standards for Express Mail.
- c. If data on the achieved levels of performance with respect to the Overnight and 2<sup>nd</sup> Day service standards for Express Mail is not included in the Request, please provide the requested data.

**RESPONSE:**

- a. Confirmed.
- b-c. Confirmed that the ODIS Quarterly Statistics Reports do not address levels of achieved performance for overnight and second day Express Mail. See the response to DFC/USPS-5.

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**OCA/USPS-15.** Please refer to Attachment F to the Request, page 35, and the text of Rule: 54(n), which states, in part, “The Request must identify the achieved levels of service for those classes and subclasses of mail and mail services for which performance goals have been set.” Also please refer to the paragraph at the bottom of page 35, where it refers to “[a]chieved levels of performance.”

- a. Please confirm that the ODIS Quarterly Statistics Reports cited and filed with the Commission as LR-K-82 do not provide any data on the achieved levels of performance with respect to the Overnight, 2<sup>nd</sup> Day, and 3<sup>rd</sup> Day service standards for Priority Mail. If you do not confirm, please explain how the ODIS data relate to the achieved levels of performance for Priority Mail, and to the Priority Mail service standards referred to in response to interrogatory OCA/USPS-13, above. If you do confirm, please provide data on the achieved levels of performance with respect to the Overnight, 2<sup>nd</sup> Day and 3<sup>rd</sup> Day service standards for Priority Mail.
- b. Please confirm that the ODIS Quarterly Statistics Reports are not intended or designed to provide data on the achieved levels of performance with respect to the Overnight, 2<sup>nd</sup> Day and 3<sup>rd</sup> Day service standards for Priority Mail. If you do not confirm, please explain.
- c. Please explain how the Postal Service uses ODIS data to improve Priority Mail so as to achieve the Priority Mail service standards.
- d. Please identify and describe any statistical or other measurement system that provides data on the achieved levels of performance with respect to the Overnight, 2<sup>nd</sup> Day and 3<sup>rd</sup> Day service standards for Priority Mail referred to in response to interrogatory OCA/USPS-13, above.

**RESPONSE:**

- a. Confirmed that the ODIS Quarterly Statistics Reports do not address levels of achieved performance for Overnight, 2<sup>nd</sup> Day, and 3<sup>rd</sup> Day service standards for Priority Mail. See the response to DFC/USPS-5.
- b. Confirmed.
- c. ODIS-RPW data relating to days-to-delivery against service standards are used at a local level to find and diagnose transit time failures. However, ODIS-RPW is not the best tool for measurement of service standard performance since it does not collect data more specific than three digit ZIP Codes at origin or destination. On a broader basis, ODIS data have long been used in proceedings before the Postal Rate Commission wherein service performance can become an issue. See *e.g.*, this response and the response to DFC/USPS-5.
- d. Two systems collect information that bears on Priority Mail service performance. ODIS-RPW collects information about time in transit by recording both origin and

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destination three digit ZIP Codes. However, since it does not measure entry to exit (delivery receptacle), an end-to-end measurement, its insight to service performance is only indirect. However, PETE does provide service performance information, as reflected in the response to DFC/USPS-5. The statement of work for PETE is available in USPS-LR-K-127. See also the response to OCA/USPS-105/R2001-1.

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**OCA/USPS-16.** Please refer to USPS-LR-K-82. Refer to page 10 of the ODIS Quarterly Statistics Reports contained therein, and the line "All Priority." Please define the terms "Identified" and "Nonidentified" as they relate to Priority Mail.

**RESPONSE:**

"Identified" refers to markings on the mail piece that contain copyrighted logo, USPS. Examples include a USPS Priority Flat Rate Envelope, USPS tape or label, and USPS Priority Flat Rate Box. "Nonidentified" refers to mail pieces that do not have such marking information.

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**OCA/USPS-17.** Please refer to USPS-LR-K-82, the ODIS Quarterly Statistics Reports. Please explain how the ODIS data is used by the Postal Service to develop information on postal revenues, costs, and in postal operations.

**RESPONSE:**

This question is posed as if the proponent is unaware how ODIS data are used in ratemaking proceedings, which is contrary to fact. Today, ODIS and RPW have merged into the ODIS-RPW system, which is the foundation for Postal Service measurements of volume and revenue. In this docket, witness Pafford's testimony (USPS-T4) is the best source that explains how ODIS-RPW is used in developing information on postal revenues. ODIS-RPW does not collect information on costs, although they are relied upon in the Cost and Revenue Accounting process described by witness Meehan (USPS-T-9). Roadmap witness Alenier (USPS-T-33) relates witness Pafford's testimony to the development of information on postal revenues and costs for the Docket No. R2005-1 filing. Additional responsive information could be identified by researching the Postal Rate Commission's own web site, [www.PRC.gov](http://www.PRC.gov).

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**OCA/USPS-18.** Please refer to USPS-LR-K-82, the ODIS Quarterly Statistics Reports.

- a. Please confirm that ODIS is the only data or measurement system that provides the average number of days to delivery for the mail classes and groups listed. If you do not confirm, please explain.
- b. Please confirm that ODIS is the only data or measurement system that provides the percentage of mail delivered for Day 1 through Day 10 for the mail classes and groups listed. If you do not confirm, please explain.
- c. Please confirm that ODIS is the only data or measurement system that permits comparison of First-Class Mail and Priority Mail in terms of the percentage of mail delivered for Day 1 through Day 10. If you do not confirm, please explain.
- d. Please confirm that ODIS is the only data or measurement system that provides the percentage of intra-P&DC and inter-P&DC volume, and the average number of days to delivery for such volume, for the mail classes and groups listed. If you do not confirm, please explain.

**RESPONSE:**

- a-b, d. Not confirmed. See e.g., the responses to DFC/USPS-5 and 7.
- c. Partially confirmed. ODIS does provide information that is not duplicated elsewhere, but reliance only upon information uniquely available from ODIS would not, by itself, provide a sufficient basis for a meaningful comparison. Despite the surface attraction of comparing First-Class Mail to Priority Mail delivery performance using ODIS-RPW data, that surface perspective fails to recognize material distinctions between the two including such factors as shape, relative numbers of origin/destination pairs with a particular service standard, and respective haul profiles. Opinions about the relative service performance of First-Class Mail and Priority Mail could conceivably rely upon other information, including data from EXFC and PETE as well as personal experience. See also the response to DFC/USPS-26.

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**OCA/USPS-19.** Please describe and provide documentation for any and all methods by which the Postal Service

- a. monitors and verifies that delivery offices actually deliver all mail sent from plants or directly entered,
- b. records volumes sent from plants to delivery offices,
- c. records and verifies payment of postage for mail entered at delivery offices.

**RESPONSE:**

a. Since the primary mission of the Postal Service is to bind the nation together by providing postal services, and since it would be impossible to meet this obligation without delivering mail, it is safe to say that every postal employee shares responsibility for seeing that the mail gets delivered. As a consequence, customers also expect delivery of mail; in the event mail delivery stopped, many of them would immediately demand that delivery resume. As such, this nation's entire population effectively "monitors or verifies that delivery offices actually deliver." The same could be said of essentially any information system kept by the Postal Service. Nationally, the Postal Service uses the Customer Service Daily Reporting System (CSDRS) and the ADVANCE system to monitor the delivery of committed mail by delivery offices. Various special services also entail recordation of information that constitutes evidence of delivery. Local managers complement this reporting process with daily operational teleconferences and on-site audits to monitor both service performance and reporting accuracy. See also the response of witness Lewis to OCA/USPS-T30-2 and materials cited therein. The ADVANCE Technical Guide is available in USPS-LR-K-129.

b. Please see the response of witness Lewis to OCA/USPS-T30-2 and materials cited therein. Delivery offices record volume according to the requirements of the Piece Count Recording System, which is documented in USPS-LR-K-128.

c. Mail entered at delivery units is fundamentally the same as mail entered at other postal facilities such that every system used in support of mail entry anywhere could also be used at a given delivery unit. Where delivery offices also include Bulk Mail Entry Units (BMUE), they follow normal BMEU procedures for recording and verifying payment for mail entered at the acceptance unit. Delivery units do not perform postage verification on mail that arrives at delivery units on postal or drop ship transportation because that mail has already been accepted elsewhere. Mail that arrives at a delivery

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office as a drop-shipment has an accompanying manifest (PS Form 8125) which documents that the Postal Service has accepted the mail at the originating detached mailing unit or BMEU where the mailer holds a permit using the Plant Verification Drop Ship procedures. When mail has been entered elsewhere, delivery units do not check postage; Instead, they validate the volume and condition of the mail they receive with the accompanying manifest, and verify that the mail is being entered at the correct delivery unit.