

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 THE OFFICE OF THE CONSUMER ADVOCATE
[OCA/USPS-9, 22, 23, 25, 26, 28, 29, 37, 40, 41, 42(d), 106, 111, 125]

The United States Postal Service hereby provides its responses to the following
interrogatories of the Office of the Consumer Advocate:

filed on May 6, 2005: OCA/USPS-9;

filed on May 10, 2005: OCA/USPS-22, 23, 25, 26, 28, 29;

filed on May 13, 2005: OCA/USPS-37, 40, 41, 42(d);

filed on June 1, 2005: OCA/USPS-106 and 111; and

filed on June 6, 2005: OCA/USPS-125.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-9. Please refer to Attachment F to the Request, page 35, the text of Rule: 54(n), which states, in part, “This rule required identification of any performance goals which have been established for the classes and subclasses of mail,” and the chart entitled “United States Postal Service Service Standards.” Please explain how the Service Standards chart represents the “performance goals” required to be identified by Rule 54(n) for the classes of mail listed.

RESPONSE:

In a general sense, the service standards reflect the performance goals that the Postal Service strives to achieve for mail, depending on its subclass, origin and destination.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-22. Please refer to the ODIS Quarterly Statistics Reports filed with the Commission as LR-K-82, Tables 6 through 9. For each table, please provide comparable data from the EXFC.

RESPONSE:

EXFC data regarding stamped and metered mail may be found in the response to

DBP/USPS-8(g). There are no EXFC data for presorted mail.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-23. Please refer to Attachment F to the Request, page 35, the text of Rule: 54(n) concerning “identification of any performance goals,” and the chart entitled “United States Postal Service Service Standards.”

- a. Please identify and describe the performance goals and/or service standards for Overnight, 2nd Day, 3rd Day, 4th Day, 5th Day, 6th Day and 7th Day Periodicals Mail.
- b. Please provide a citation to the DMM, January 6, 2005, or any other Postal Service document, supporting the response to subpart a. of this interrogatory.

RESPONSE:

The service standards for Periodicals mail are reflected in the chart filed in response to Rule 54(n). They vary from overnight to seven days, depending on the relationship between the origin and destination 3-digit ZIP Code areas. The service standards for each 3-digit ZIP Code pair are published quarterly in the USPS Service Standards CD-ROM.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-25. Please refer to Attachment F to the Request, page 35, and the chart entitled “United States Postal Service Service Standards.” In the column Mail Class, please confirm that “Standard B” refers to the four subclasses of Package Services Mail, namely Parcel Post, Bound Printed Matter (BPM), Media Mail, and Library. If you do not confirm, please explain.

RESPONSE:

Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-26. Please refer to Attachment F to the Request, page 35, the text of Rule: 54(n) concerning “identification of any performance goals,” and the chart entitled “United States Postal Service Service Standards.”

- a. Please identify and describe the performance goals and/or service standards for 2nd Day, 3rd Day, 4th Day, 5th Day, 6th Day, 7th Day, 8th Day, and 9th Day separately for Parcel Post, BPM, Media Mail, and Library.
- b. Please provide a citation to the DMM, January 6, 2005, or any other Postal Service document, supporting the response to subpart a. of this interrogatory.

RESPONSE:

These subclasses are identified as “Standard B” in the chart filed in response to Rule 54(n). Their service standards vary from 2 to 10 days, depending on the relationship between the origin and destination 3-digit ZIP Code areas. The service standards for each 3-digit ZIP Code pair are published quarterly in the USPS Service Standards CD-ROM.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-28. Please refer to Attachment F to the Request, page 35, and the chart entitled “United States Postal Service Service Standards.” In the column Mail Class, please confirm that “Standard A” refers to the four subclasses of Standard Mail, namely Regular, Enhanced Carrier Route, Nonprofit, and Nonprofit Enhanced Carrier Route. If you do not confirm, please explain.

RESPONSE:

Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-29. Please refer to Attachment F to the Request, page 35, the text of Rule: 54(n) concerning “identification of any performance goals,” and the chart entitled “United States Postal Service Service Standards.”

- a. Please identify and describe the performance goals and/or service standards for 2nd Day, 3rd Day, 4th Day, 5th Day, 6th Day, 7th Day, 8th Day, 9th Day, and 10th Day separately for Regular, Enhanced Carrier Route, Nonprofit, and Nonprofit Enhanced Carrier Route.
- b. Please provide a citation to the DMM, January 6, 2005, or any other Postal Service document, supporting the response to subpart a. of this interrogatory.

RESPONSE:

These subclasses are identified as “Standard A” in the chart filed in response to Rule 54(n). Their service standards vary from 2 to 10 days, depending on the relationship between the origin and destination 3-digit ZIP Code areas. The service standards for each 3-digit ZIP Code pair are published quarterly in the USPS Service Standards CD-ROM.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-37

Please refer to the DMM § 604.1.2, January 6, 2005, which states, in part, “Unless excepted by standard, the total postage affixed must equal at least the postage charge for the class of mail and if applicable, the fee for the extra service requested.” Please explain the phrase “excepted by standard” as used in the context of the above quoted language. Please give examples.

RESPONSE:

Reading it as “authorized elsewhere in the DMM” may help. Examples include the use of Presort First-Class Mail and Presort Standard Mail stamps. These stamps, when used conventionally by bulk permit holders, do not reflect the full applicable postage per piece. The appropriate bulk postage balance due is paid when the mailing is presented by the bulk permit holder for acceptance.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-40. Please refer to the DMM §604.1.10c., January 6, 2005, which states, in part, “The postage value of semipostal stamps purchased before any subsequent change in the First-Class Mail nonautomation single-piece first-ounce letter rate is unaffected by any subsequent change in that rate.”

- a. Please confirm that the Breast Cancer semipostal stamp, when initially issued, was priced at 40 cents. If you do not confirm, please explain.
- b. Please confirm that the “postage value” of the Breast Cancer semipostal stamp, when initially issued, was 32 cents. If you do not confirm, please explain.
- c. Please confirm that the design of the Breast Cancer semipostal stamp has not changed since it was initially issued. If you do not confirm, please explain.
- d. Pursuant to the sentence quoted above, please confirm that customers who purchased a Breast Cancer semipostal stamp when the “postage value” was 32 cents may use that semipostal stamp, without adding any additional postage, for a First-Class Mail nonautomation single-piece first-ounce letter. If you do not confirm, please explain.

RESPONSE:

a-c. Confirmed.

d. Such use may indeed occur, but would be contrary to DMM §604.1.10c. The postage value of the semi-postal stamp described in the question remains at 32 cents. See also, Postal Bulletin 22071 (March 7, 2002), page 3, which indicates:

The nondenominated . . . semi-postal stamps postage value is set at the time of purchase. Customers are welcome to use any . . . semi-postal stamps they purchased when lower rates were in effect, but if stamps were purchased before the last rate change in January 2001, they should affix additional postage to reach the appropriate rate based on the size and weight of their letters or parcels. There is, however, no easy way for the Postal Service to determine when the stamps were purchased. Consequently, employees must assume the stamps are being used properly and at the current First-Class Mail rate, and they should not treat pieces bearing the . . . semipostal as shortpaid.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-41. Please refer to the DMM §604.1.10c., January 6, 2005, which states, in part, “The postage value of semipostal stamps purchased before any subsequent change in the First-Class Mail nonautomation single-piece first-ounce letter rate is unaffected by any subsequent change in that rate.” Also, please refer to USA Philatelic (“Comprehensive Edition”), Summer 2005, Vol. 10, No. 2, page 16, and the Note which states: “Postage value of Breast Cancer semi-postal will be valued at current First-Class rate.” Please reconcile the sentence from the DMM with the Note from USA Philatelic.

RESPONSE:

Both statements refer to the same semi-postal stamps being sold at the time each publication was issued.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-42. Please refer to the DMM §604.3.2.1, January 6, 2005.

* * *

- b. At the end of FY 2004, how many mailers were authorized to use precanceled stamps?

RESPONSE:

- c. The Postal Service does not centrally aggregate local PS Form 3615 data regarding precanceled stamp permits and, therefore, cannot provide a responsive figure.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-106. Please refer to the response to OCA/USPS-18(c).

- a. From a consumer perspective, please confirm that Priority Mail and First-Class Mail have the same service standard, i.e., overnight delivery, 2nd day delivery, or 3rd day delivery. If you do not confirm, please explain.
- b. Please confirm that the service standard for Priority Mail and First-Class Mail is the same irrespective of the shape of the mailpiece entered by the postal customer; that is, for the same 3-digit origin-destination ZIP Code pair, a letter-shaped mailpiece and a flat-shaped mailpiece would have the same service standard. If you do not confirm, please explain.
- c. Please confirm that the 3-digit origin-destination ZIP Code pairs used for overnight Priority Mail are the same for overnight First-Class Mail. If you do not confirm, please explain, and provide the percentage of 3-digit origin-destination ZIP Code pairs for overnight First-Class Mail that coincide with overnight Priority Mail.
- d. Please confirm that the 3-digit origin-destination ZIP Code pairs used for 2nd day Priority Mail are the same for 2nd day First-Class Mail. If you do not confirm, please explain, and provide the percentage of 3-digit origin-destination ZIP Code pairs for 2nd day First-Class Mail that coincide with 2nd Priority Mail.
- e. Please confirm that the 3-digit origin-destination ZIP Code pairs used for 3rd day Priority Mail are the same for 3rd day First-Class Mail. If you do not confirm, please explain, and provide the percentage of 3-digit origin-destination ZIP Code pairs for 3rd day First-Class Mail that coincide with 3rd day Priority Mail.

RESPONSE:

- a. Not confirmed. While both First-Class Mail and Priority Mail have overnight, 2-day and 3-day service standards, Priority Mail has a larger number of origin-destination pairs with a 2-day service standard than First-Class Mail.
- b. Confirmed.
- c. Not confirmed. Data forthcoming.
- d. Not confirmed. Data forthcoming.
- e. Not confirmed. Data forthcoming.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-111. Please refer to the Postal Service's Five-Year Strategic Plan for Fiscal Years 2004-2008, at page 26, where it refers to the Phoenix-Hecht Postal Survey.

- a. Does the Postal Service consider the Phoenix-Hecht Postal Survey an objective, statistically validated measurement system for end-to-end (entry to exit at remittance processor's receiving destination) service performance for First-Class remittance mail? Please explain.
- b. To what extent does the Postal Service use the Phoenix-Hecht Postal Survey to measure the end-to-end service performance for First-Class remittance mail? Please explain.

RESPONSE:

- (a) Unlike, EXFC or PETE, which are designed and operated for the Postal Service by independent contractors, the Phoenix-Hecht Postal Survey is not conducted on behalf of the Postal Service. The Postal Service receives survey results as a subscriber. Questions regarding the statistical validity and objectivity of the survey should be directed to Phoenix- Hecht. The Postal Service regards the Phoenix-Hecht Postal Survey as an attempt to assess lockbox performance, an essential element of which is mail delivery.
- (b) The Postal Service does not regard the results as representative of remittance mail service nationwide. However, Operations and Product Management organizations use the survey results as a general indicator of remittance mail processing and delivery performance. The survey data are used by both departments and local mail processing managers identify potential opportunities for improving remittance mail processing and delivery.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-125. Please refer to the response to DFC/USPS-44. For FY 2001 through FY 2004, please provide the percentage of First-Class Mail destined to one-day, two-day, and three-day delivery areas according to the First-Class Mail service standards.

RESPONSE:

See the response to DFC/USPS-43.