

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 B. POPKIN
(DBP/USPS-244-249, 251, 256-257, 263)
(July 25, 2005)

The United States Postal Service hereby provides its institutional responses to interrogatories DBP/USPS-244-249, 251, 256-257, and 263.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO DAVID B. POPKIN INTERROGATORY

DBP/USPS-244. Please refer to your response to DBP/USPS-185 subpart a. Please confirm, or explain if you are unable to confirm, that when a mailer deposits an Express Mail article in a regular blue collection box that the service guarantee is based on the time that the mailpiece is processed when the collector returns to the postal facility.

RESPONSE:

Confirmed.

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DBP/USPS-245. Please refer to your response to DBP/USPS-185 subpart a. Please confirm, or explain if you are unable to confirm, that when a mailer deposits an Express Mail article in a regular blue collection box that the mailpiece may possibly not be recognized by the collector during the route or upon return to the post office and will not be discovered until the mail is processed at the P&DC (or other facility) and that the service guarantee will be based on the time that the mailpiece is ultimately processed.

RESPONSE:

We suppose that this is possible.

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DBP/USPS-246. Please refer to your response to DBP/USPS-185 subparts b through d. Your response appears to have misinterpreted the intent of the original interrogatory. My original intent was to inquire about the "wholesale" removal of Express Mail collection boxes on the assumption that mailers may use regular blue collection boxes and not what you appear to have responded to which appears to be the removal or addition of a specific Express Mail collection box based on the activity at that specific collection box. Please respond to the intent of the original subparts b through d.

RESPONSE:

The Postal Service is unaware of any "wholesale" removal of Express Mail collection boxes. As the response to DBP/USPS-185 clearly indicates, decisions regarding the placement and removal of Express Mail collection boxes are not based on the presence or absence of regular blue collection boxes.

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DBP/USPS-247. Please refer to your response to DBP/USPS-186. Please confirm, or explain if you are unable to confirm, that the Express Mail Collection Box Decal does not "provide[s] the standards associated with the collection time for the Express Mail deposited in the collection box" but only provides a generic explanation of Express Mail service standards. Furthermore, the generic explanation provided does not take into account the changes in Express Mail service standards that provide delivery on the second delivery day or the third or fourth calendar day after mailing.

RESPONSE:

As is stated in the response to DPB/USPS-186, the decal on each Express Mail collection box generally describes the service standards associated with Express Mail deposited in that box and provides customers with telephone numbers to call to get specific service commitment information. The Postal Service denies that there has been any "changes in Express Mail service standards."

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DBP/USPS-248. Please refer to your response to DBP/USPS-186.

- (a) Approximately what percentage of the collection box decals will show the 1-800-ASK-USPS / 1-800-275-8777 (or any other national number as opposed to a local telephone number for the local post office) as the number to call for local information?
- (b) Will the national call center be able to provide all of the information necessary to allow a mailer to determine the service standards that apply for Express Mail deposited in a given collection box, including, but not limited to, the time that the collector will return to the office, any collection times that occur prior to the final collection time, whether the local office will utilize the collection time or the office scanning time as the determinant of the service standards, and obviously whether they have the information of Express Mail standards to begin with.

RESPONSE:

(a) The Postal Service has no data indicating the extent to which a national number as opposed to a local number is placed in the box designated "For local information call:" on the Express Mail Collection Box Decal.

(b) The national call center can provide the cut-off time that applies to the collection box, and the service standard that the piece would receive based on the destination ZIP Code. If the customer desires to know further information, the call center can provide the phone number of the local post office.

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DBP/USPS-249. Please refer to your responses to DBP/USPS-191 and 192. Please provide all of the reasons why, when the requestor asked for data for an average origin ZIP Code and provided a method to calculate the average, the Postal Service decided to only provide the data for a single ZIP Code (even though there are over 40-thousand ZIP Codes) and that the reasons why the 10001 ZIP Code was chosen as the one single ZIP Code to utilize to respond to interrogatories DFC/USPS-58 and DFC/USPS-76.

RESPONSE:

The response to DFC/USPS-76 has been revised, and the information inquired about here is no longer on the record.

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DBP/USPS-251. Please refer to your response to DBP/USPS-193. Please confirm, or explain if you are unable to confirm, that the data provided in response to DFC/USPS-76 subparts c and d was obtained by individually adding the number of individual addresses in each individual 5-digit ZIP Code for the specific ZIP Codes that are referenced in the response to subparts a and b.

RESPONSE:

Confirmed.

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DBP/USPS-256. Please refer to your response to DBP/USPS-168.

- (a) Please provide a greater narrative of the explanation of the EMVS program.
- (b) Does the EMVS program utilize droppers and reporters?
- (c) Does the PTS system measure the same mailpiece as the EMVS?
- (d) Does the PTS system measure the same origin destination ZIP Code pair as the EMVS?
- (e) Exactly what does it mean when you state that the overall match rate between PTS and EMVS for FY02 QIII was 95.0?
- (f) Exactly what does it mean that the Percentage of Pieces where PTS and Customer Label Match is 95.7 for the same quarter?
- (g) Why are there different numbers of pieces for each of the quarters between the two categories?

RESPONSE:

(a) See the attached.

(b) As the response to OCA/USPS-113 indicates, yes.

(c)-(d) EMVS is an external measurement system designed to validate PTS results. As such, every piece that is measured by EMVS is also measured by PTS.

(e) As noted in the response to DBP/USPS-168, the Validation Report match rate indicates the percentage of pieces in which PTS and EMVS agree that the piece was either on-time or was late. Thus, in FY 02 QIII, for 95% of the pieces measured by that Report, PTS and EMVS agreed that the piece was either delivered on-time or was delivered late.

(f) As noted in the response to DBP/USPS-168, the Service Standard Comparison Report indicates the percentage of pieces where the PTS service standard matches the customer label service standard on a specific piece. Thus, in FY 02 QIII, for 95.7% of

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the pieces measured by that Report, the service standard assigned by PTS matched the service standard assigned by the customer label.

(g) This is because the criteria points for inclusion of a piece on the Validation Report are more stringent than those for the Service Standard Comparison Report.

Overview of EMVS

The measurement of the on-time delivery performance for Express Mail is being tracked by the Product Tracking System (PTS; however, the Board of Governors also requires an independent validation. As a result, Consumer Affairs has developed, with input from Field Managers, the Express Mail Validation System (EMVS) as an external measurement beginning in PQ III, FY 02. IBM performs the EMVS data collection and reporting process. EMVS is designed to measure the delivery performance for Express Mail and will compare EMVS delivery results to PTS information for the test mail pieces.

Sample Design

EMVS is a quarterly, destination-based system, with the sample sizes set to achieve estimates of on-time performance for each area. Nationally, 4,320 pieces of test mail will be created each quarter. In order to achieve the +/- 4% precision level desired at the area level, each of the nine areas (including Capital Metro) should receive at least 384 pieces, the minimum number of pieces required to achieve the precision level.

Test mail origin/destination ZIP Code pairings are selected based on actual Express Mail volume. The sample design will allocate approximately 95 percent of the test mail for inductions at post office counters and 5 percent at collection boxes. EMVS will distribute the test mail induction volume across the days of the week according to actual Express Mail volume.

EMVS test mail will be delivered to both businesses and households.

Reporting

EMVS will provide a direct comparison of the "start and stop the clock" data reported by IBM droppers and reporters with the PTS "start and stop the clock" information for the same test mail pieces. The Validation Report provides a side-by-side comparison of what PTS and EMVS indicate are the percent on mail pieces meeting the PTS service standard. Mail pieces in this report must have a "stop the clock" PTS scan and an EMVS reporter receipt in order to be included.

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DBP/USPS-257. Please refer to your response to DBP/USPS-168. If there are droppers and/or reporters in the EMVS program, (a) Please identify the USPS employees or categories of USPS employees (provide the number of employees in that category) that have knowledge of or access to of the identity of droppers/reporters or the proposed location for dropping or receiving mail (prior to the delivery of the mailpiece)? (b) Please elaborate on the security employed to ensure that other USPS employees do not learn or have access to this information.

RESPONSE:

(a)-(b) For EMVS, no Postal Service employees have knowledge of inductions or plans for inductions, not even the highly restricted information available for EXFC and PETE (see the response to DBP/USPS-73). All planning of, knowledge of, and access to such information is strictly held by the contractor performing the tests.

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DBP/USPS-263. Please refer to your response to POIR NO. 9, Question 2.

- (a) Please confirm, or explain if you are unable to confirm, that this table does not include Priority Mail that is transported on the FEDEX system.
- (b) Please confirm, or explain if you are unable to confirm, that Zone 1 is up to 50 miles and Zone 2 is greater than 50 miles and up to 150 miles.
- (c) What percentage of the mail that is destined to Zones 1 and 2 has the same service standard for both Priority Mail and First-Class Mail.
- (d) What percentage of the First-Class Mail destined to Zones 1 and 2 is transported by air?
- (e) What volume of the First-Class Mail destined to Zones 1 and 2 is transported by air?
- (f) Please explain why over 15-percent of the Priority Mail that is carried by Commercial Air carriers is destined to Zones 1 and 2.
- (g) Please describe the type of mail and/or the types of destinations involved that requires commercial air transportation for destinations that are less than 150 miles apart.

RESPONSE:

(a) Confirmed with the understanding that some of the volume may have traveled on the FedEx network prior to connection with the commercial air service, or may travel on the FedEx network after traveling on the commercial air service (an additional leg).

(b) Confirmed.

(c) These data are not available.

(d) These data are not available.

(e) These data are not available.

(f) The majority of Priority Mail transported on commercial air carriers to Zones 1 and 2 is within Hawaii and the Caribbean (Puerto Rico, U.S. Virgin Islands). Such air service

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facilitates meeting service standards because the alternative -- boat transportation -- would be slower. According to the data, this concentrated use of commercial air service results in Zones 1 and 2 accounting for 15 percent of all Priority Mail (by weight) transported on commercial carriers.

(g) See response to subpart (f).