

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

EVOLUTIONARY NETWORK DEVELOPMENT
SERVICE CHANGES, 2006

Docket No. N2006-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN
(DBP/USPS-16 AND 62-70)
(April 10, 2006)

The United States Postal Service hereby submits its responses to the following interrogatories of David Popkin filed on the following dates:

DBP/USPS-16 (February 16, 2006);

DBP/USPS-62 (March 24, 2006);

DBP/USPS-63 through 67 (March 27, 2006);

DBP/USPS-68 and 69 (March 31, 2006); and

DBP/USPS-70 (April 4, 2006).

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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April 10, 2006

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
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DBP/USPS-16 Please provide a listing of all changes between the Service Standards CD-ROM Fiscal Year 2006 Quarter 2 and Fiscal Year 2006 Quarter 1

RESPONSE

There were none.

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DBP/USPS-62. Please refer to your response to Interrogatory DBP/USPS-52. [a] Please explain why mail from ZIP Code area 049 has a 2-day service standard for mail destined to ZIP Code area 047 even though both of these areas are in the same SCF. [b] For each of the four separate ZIP Code areas [044 / 046 / 047 / 049] served by the Eastern Maine P&DF provide the range of times that the final dispatch of value arrives at that plant from the various Associate Offices in each of the separate ZIP Code areas. [c] Please confirm, or explain if you are unable to confirm, that the mail arriving at the Eastern Maine P&DF from the 049 Associate Offices is segregated from the mail arriving at the plant from the other three ZIP Code areas. [d] Please advise the time or times that the final dispatch of value from the Eastern Maine P&DF containing mail originating in the 044/046/047 ZIP Code areas and destined in the 047 ZIP Code area so that it will be delivered on the next delivery date after mailing. [e] Please advise the time or times that the final dispatch of value from the Eastern Maine P&DF containing mail originating in the 049 ZIP Code area and destined in the 047 ZIP Code area will be dispatched.

RESPONSE

(a) The Service Standard between ZIP Code 049 and ZIP Code 047, for FCM, is no longer 2-Days as it was at the time that we provided our earlier response to DBP/USPS-52. Effective April 1, 2006, the FCM Service Standard between ZIP Code 049 and ZIP Code 047 was changed to 1-Day. The previous 2-Day standard was an error that apparently occurred in 1998 when the Service Standard between Portland ME and Bangor ME was changed from 1-Day to 2-Days. ZIP 049 had previously been part of the Portland ME originating area, before being reassigned to the Eastern Maine P&DF as part of Bangor ME, and the 049-to-047 pair was erroneously changed to 2-Days along with the rest of the Portland ME ZIP Codes, based on that earlier assignment. This error has now been corrected so that the complete Intra-SCF area is now Overnight.

(b-e) N/A

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DBP/USPS-63 Please refer to your response to Interrogatory OCA/USPS-9 subpart b. If the positive 55,874 in the overnight column shows the increase in overnight mail from 2-day delivery shouldn't the negative 55,874 represent a reduction in 2-day delivery for mail shifted to overnight and not the response provided of a shift from 3-day to 2-day?

RESPONSE

Yes.

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DBP/USPS-64 Please refer to your response to Interrogatory OCA/USPS-10. Please explain how you can have an increase of 11,972 overnight mail pieces without a corresponding decrease in either 2- or 3-day pieces [in other words, what was the standard for those 11,972 pieces prior to the consolidation?].

RESPONSE

There should be a corresponding decrease of 11,972 pieces in either 2- or 3-day indicated in column 5 and TOTAL sum C.

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DBP/USPS-65 Please refer to your response to Interrogatory DBP/USPS-51. Witness Shah is the one that used the criteria that apply for 2-day service standards in this Docket. [a] Please confirm, or explain if you are unable to do so, that the Docket No. N2006-1 is more recent than Dockets No. N89-1 and C2001-3. [b] Please advise the specific part or parts of the record in Docket No. N89-1 that provide the reason or reasons why the ZIP Code pairs that are 3-day service within the same state have that service standard. [c] Please advise why Witness Shah used the definition he did in his testimony when it did not apply as shown.

RESPONSE

- (a) Confirmed.
- (b) Docket No. N89-1, USPS-T-2, Appendix A, section 4.2. Also review the Docket No. C2001-3 Gannon Declaration at ¶ 32 (July 30, 2001).
- (c) The Attachment to Docket No. N2006-1 USPS-T-2 summarizes sections 4.1, 4.2, 4.3, and 5.3 of Appendix A to Docket No. N89-1, USPS-T-2. There is no inconsistency between witness Shah's summary and the source documents.

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DBP/USPS-66 Please refer to your response to Interrogatory DBP/USPS-53. Interrogatory DBP/USPS-53 did not ask you to confirm that there are standards for remote ZIPs for Periodicals and Standard Mail and no similar standards for remote ZIPs for Package Services. It asked why this condition exists. Please provide the reason or reasons.

RESPONSE

The condition exists because (1) determinations were made to establish service standards for Periodicals and Standard Mail for the remote ZIPs and (2) no such determination has been made to do the same for Package Services. Until such time as the first two decisions are reversed or a decision is made to establish service standards for Package Services mail to the same remote ZIPs, the difference will continue to exist.

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DBP/USPS-67 Please refer to your response to Interrogatory DBP/USPS-56. [a] Please advise the specific parts of Dockets No. N89-1 and C2001-3 that show all of the detailed criteria for determining which service standards apply to which ZIP Code pairs. [b] Please advise why the data provided in Docket No. N2006-1 contains information which is at variance with the allegedly still current data contained in Dockets No. N89-1 and C2001-3.

RESPONSE

- (a) Please review the response to DBP/USPS-65(b) and Docket No. C2001-3, Gannon Declaration at ¶ 22 (July 30, 2001).
- (b) No such variance exists. Please see the response to DBP/USPS-65(c).

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DBP/USPS-68 For each of the eleven consolidations that are contained in the USPS Library References N2006-1/5 and /6, please provide the following information as it relates to the processing plant that was closed and to the associate offices that were under that closed processing facility: [a] The changes in 3- and 5-digit ZIP Code areas in the overnight Express Mail service area. Please provide both additions and subtractions to the directory and also include changes in the guaranteed delivery time [12 noon or 3 PM]. [b] The changes that were made to those post offices and post office box service for Express Mail delivery on Sundays and holidays. [c] Any changes which were made in the cutoff times at the associate offices or processing plant for the depositing of Express Mail to receive any given level of delivery service.

RESPONSE

(a-c) There were no changes.

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DBP/USPS-69 Please refer to page 2 of the attachment to Witness Shah's Direct Testimony. [a] Under Overnight Delivery Standard for First-Class Mail it states that other areas may be considered for overnight delivery if significant business/mail volume relationships exist. Please explain how the Postal Service makes this determination and the types of studies that are conducted. [b] Please confirm, or explain if you are unable to do so, that the 3-hour dock-to-dock transit time referred to in the seventh paragraph of page 2 constitutes being within the reasonable reach of surface transportation as noted in the third paragraph of page 2. [c] Please refer to the seventh paragraph. Please explain how the Postal Service makes the determination and the types of studies that are conducted to determine the operational and transportation feasibility for providing overnight service. [d] Please refer to the seventh paragraph. Please explain how the Postal Service makes the determination and the types of studies that are conducted to determine customer needs.

RESPONSE

- (a) Potential Overnight areas would be considered at the local level during the initial development of an AMP concept and would be based on the experience of local management and their familiarity with the historical and business needs of their customers. Criteria are considered on a case-by-case basis. There are no criteria, analysis or studies to consider overnight growth areas that are mandated as part of the AMP process. The Attachment to the Docket No. N2006-1 testimony of witness Shah (USPS-T-2), at page 2, under First-Class Mail, is a condensed summary of Docket No. N89-1, USPS-T-2, Appendix A (First-Class Mail Delivery Standards Realignment Plan) to USPS-T-2, page 7, Guidelines,

4.1 Overnight Delivery Standard:

Overnight delivery standards must include all of the intra-SCF area. Other areas may be considered for overnight delivery if significant business/mail volume relationships exist and they are within the reasonable reach of surface transportation.

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RESPONSE TO DBP/USPS-69 (continued)

Docket No. N89-1, USPS-T-2, Appendix A, page 16, Operational Review, under Section 5.3, outlines the criteria that should be used in formulating the new delivery standards:

To assist the Division in identifying possible overnight delivery areas, any single SCF or City (3-digit ZIP) destination within a three hour transit time (dock to dock) that receives more than 1.5% of a facility's total originating volume should be evaluated for inclusion based upon operational and transportation feasibility, and customer needs. [Emphasis in original.]

Therefore, other areas *may* be considered beyond the intra-SCF. The "three hour transit time (dock to dock)" timeframe was listed as a criterion for considering *possible* overnight SCF or City (3-digit ZIP) destinations if they also received more than 1.5% of a facility's total originating volume.

(b) It would be erroneous to interpret this language as anything other than guidance for the consideration of *possible* overnight destinations outside the SCF area. It represents an approximate outer limit for overnight consideration. Destinations more distant may also be considered, but no intention is implied that destinations less distant will always receive an overnight service standard. A 3-hour transit time will not work in all cases, and may be feasible in only a limited number of cases. It is simply a guideline for local managers considering more distant SCF overnight commitments.

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RESPONSE TO DBP/USPS-69 (continued)

- (c) From a headquarters standpoint, we examine the originating facility operating parameters such as Clearance Time (CT), coupled with the Critical Entry Time (CET) requirements of the receiving facility, and evaluate the estimated travel time between the facilities to see if there is the potential operational connectivity for an overnight standard. If there is, then we propose additional local analysis to evaluate the volumes involved, availability of transportation, potential costs and other local factors.

- (d) There are many ways that customer needs can be brought to our attention. In some cases “town hall” style meetings may be scheduled to provide a forum for customer requests. In other cases, an individual customer may arrange a meeting with postal managers to discuss their needs.

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DBP/USPS-70 Please refer to the response to Interrogatory OCA/USPS-T1-15, in particular, the last three lines. [a] Please confirm, or explain if you are unable to do so, that "reasonable reach of surface transportation" is defined as a travel time from an originating processing facility to a destinating ADC of 12 hours or less. [b] Please define and provide a complete listing of all of the criteria that are utilized to determine that air transportation is considered to be "sufficiently reliable." [c] Please provide a complete listing of all of the criteria that are presently [prior to any Docket N2006-1 considerations] utilized to provide 2-day delivery service by the availability of sufficiently reliable air transportation when the travel time as noted in the response to subpart a above would otherwise indicate a 3-day delivery standard. [d] Will there be any change in the response to subpart c above if it results from a processing plant consolidation as contemplated by Docket N2006-1. If so, fully explain.

RESPONSE

- (a) As stated in the Attachment to the testimony of witness Shah (USPS-T-2), page #2, under First-Class Mail "In 2000, the USPS defined "reasonable reach" to include the service areas of destinating Area Distribution Centers that were as far away as 12 hours drive time from the "parent" originating Processing and Distribution Center via surface transportation." Excluding outliers and Headquarters approved exceptions that were defined in Docket C2001-3, this is the criterion that was used to determine 2-Day FCM ZIP Code pairs under the 2 & 3-Day Realignment of FCM standards during FY-00 and FY-01.
- (b) These criteria generally fall into the following categories: percentage of scheduled arrivals that are actually achieved at destination; a determination of whether or not sufficient cargo capacity exists, and if this capacity exists on a dependable basis; analysis of scheduled flights availability within the timeframes demanded by our postal operational

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RESPONSE TO DBP/USPS-70 (continued)

parameters; and consideration of the air carriers effective ground handling techniques. Other issues may require consideration on a case by case basis as determined locally.

(c) Please refer to the response to subpart (b).

(d) No.