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

EVOLUTIONARY NETWORK DEVELOPMENT SERVICE CHANGES, 2006	Docket No. N2006-1

OBJECTION OF THE UNITED STATES POSTAL SERVICE
TO ASSOCIATION OF PRIORITY MAIL USERS INTERROGATORIES
APMU/USPS-T1-2(d) AND 4(a-h)
(April 12, 2006)

The United States Postal Service hereby submits objections to the following

interrogatories of the Association of Priority Mail Users, filed on March 31, 2006:

APMU/USPS-T1-2(d) and 4(a-h).

APMU/USPS-T1-2(d)

The interrogatory asks the Postal Service to explain whether the Priority Mail

service changes that could result from Evolutionary Network Development will have any

effect in either increasing or reducing attributable costs for Priority Mail (e.g., mail

processing, transportation, delivery). Operations have cost consequences. Changes in

operations can be presumed to have cost consequences. Whether or not such changes

affect attributable or institutional costs is a matter beyond the scope of this proceeding.

Exploration of issues related to cost attribution is appropriate for a proceeding brought

under § 3622, not § 3661. Accordingly, the Postal Service objects.

APMU/USPS-T1-4(a-h)

A copy of these questions is attached.   Based on information in the USPS *2005

Statement on Postal Operations* pertaining to the Postal Service's decision to switch

from its Priority End-to-End (PETE) system to its Delivery Confirmation Priority Mail –

Retail (DCPM-R) system as a basis for measuring Priority Mail service performance, APMU/USPS-T1-4 seeks information about PETE and DCPM-R that is far beyond the scope of the issues raised by the request in this proceeding. The Postal Service notes two exceptions, subparts (i) and (j), to which it will provide responses.

Parties in Docket No. N2006-1 who are motivated by the *2005 Comprehensive Statement on Postal Operations* to be interested in the Priority End-To-End (PETE) measurement system and its successor, the Delivery Confirmation Priority Mail –Retail (DCPM-R) system, are free to review the Docket No. R2005-1 record, which contains information about PETE and the Product Tracking System (PTS), which generates Delivery Conformation data. Those parties also will have the opportunity soon in the upcoming omnibus rate case docket to continue to explore such issues. However, the minute details of each of those systems and their relationship to one another are not relevant to the issue of whether service changes that result from the pursuit of Evolutionary Network Development would conform to the policies of the Postal Reoganzation Act. Accordingly, the Postal Service objects.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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APMU/USPS-T1-4. Please refer to the following quotation from page 74 of the Postal Service's 2005 Comprehensive Statement on Postal Operations:

Through 2005, Priority Mail has been measured by the Priority-End-to-End (PETE) system. However, in 2006 Priority Mail measurement will transition from PETE to the Delivery Confirmation Priority Mail–Retail (DCPM-R), a scanning system similar to that described above for Express Mail. PETE will be modified and used as an external validation system, similar to the system used for Express Mail. The changes will reduce costs, improve operational consistency, and increase sample size. PETE reported results primarily for flat-shaped Priority Mail. DCPM-R will expand coverage to other Priority Mail shapes.

a. Please explain how the Priority End-to-End (PETE) performance measurement system operated through 2005. As part of your explanation, please indicate whether (i) the time of deposit at collection boxes was keyed to precede posted pick-up times, and (ii) the time of deposit at Post Office windows was keyed to any particular cut-off time, or was simply made prior to closing.

b. Please explain how the PETE performance measurement system will be changed in 2006. As part of your explanation, please indicate whether Priority Mail with delivery confirmation that is deposited in collection boxes will be scanned at the time of pick-up or after the mail is collected and returned to the originating post office.

c. Please suppose that the consolidation of outgoing processing under network redesign results in moving back the cut-off times for next day and 2-day delivery being in affected locales (e.g., from 5:00 p.m. to 3:30 p.m). Further, after the consolidation has been implemented, please assume that someone enters a piece of Priority Mail with delivery confirmation at the post office after 3:30 p.m. on, say, a Monday. Under the performance measurement system in effect in 2006, will that piece be recorded as Monday mail or as Tuesday mail, and how will the mailing customer know that the piece will not receive overnight or 2-day delivery as it previously did? Please explain.

d. Does the Postal Service plan to have any performance measurement system for Priority Mail that does not utilize delivery confirmation and that is deposited in collection boxes? Please explain how the Postal Service plans to measure performance for all such Priority Mail.

e. Please explain what an "external validation system" is and how PETE will be used in this role.

f. Please explain how these changes will "reduce costs, improve operational consistency, and increase sample size." In particular, please explain what costs will be reduced, and why changing the method of sampling for performance measurement purposes is expected to improve operational efficiency. That is, what changes and improvements in operations are expected as a result of transitioning from PETE to DCPM-R?

g. Please explain the DCPM-R system and how it will be used to measure service for overnight, 2-day and 3-day mail.

h. Please explain how and when the Postal Service will report DCPM-R results, as well as the extent to which statistics from DCPM-R will constitute a representative sample of performance for all Priority Mail.