

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

EVOLUTIONARY NETWORK DEVELOPMENT
SERVICE CHANGES, 2006

Docket No. N2006-1

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SHAH
TO VALPAK INTERROGATORIES (VP/USPS-T1-13(g)(i-ii))
(July 17, 2006) [ERRATA]

The United States Postal Service hereby submits the revised response of witness Shah to the following interrogatories of Valpak: VP/USPS-T1-13(g)(i-ii). The correction replaces the word "models" with the word "process". The revised response supersedes the original response filed on April 25, 2006.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SHAH
TO INTERROGATORY OF VALPAK**

Revised: July 17, 2006

VP/USPS-T1-13.

- (a) Please confirm that the last published edition of the National 5-Digit ZIP Code and Post Office Directory contains a one-page chart labeled "United States Postal Service SERVICE COMMITMENTS."
- (b)
 - (i) Please state whether any of the service commitments indicated in the chart identified in part a currently are operative.
 - (ii) Please identify which of the service commitments for the various classes of mail are included either in the END optimization models or the END simulation models mentioned in your testimony.
- (c) Please indicate the most recent publication date of the Postal Service's National 5-Digit ZIP Code and Post Office Directory.
- (d) Please confirm that the chart identified in part a indicates that the Postal Service has a "service commitment" to deliver Third-Class Mail (now referred to as Standard Mail) between the second and tenth day after acceptance.
- (e) With respect to Third-Class Mail (*i.e.*, Standard Mail), (i) please confirm that the chart referred to in part a indicates in the "Notes" section that "Mail entered at the Destination P&DC has a 2 & 3 day commitment," and (ii) please explain whether and how this commitment may change as a result of the network realignment discussed in your testimony.
- (f) Please confirm that the only discussion of **service commitments** for Standard Mail or for any class or subclass of mail in any Postal Service publication is in the National 5-Digit ZIP Code and Post Office Directory. If you do not confirm, please identify the other Postal Service publications where such a discussion can be found.
- (g)(i) To what extent is the END optimization and simulation models, as well as the AMP process, constrained to honor the above-discussed **service commitments** for each class of mail, and to what extent are they allowed to recommend changes that systematically might alter those **service commitments** or cause some mail to fail to achieve those **service commitments**?
- (ii) To what extent is cost minimization from network realignment being elevated over service commitments? Please explain.

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RESPONSE to VP/USPS-T1-13:

- (a) Not confirmed.
- (b)(i) There does not appear to be agreement between the Postal Service and Valpak regarding the last published ZIP Code Directory. I am informed by our National Customer Support Center in Memphis that they last published the Directory in 2004. The title of the chart in that edition refers to "Service Standards." And, unlike for the other mail classes, there is no note pertaining to Standard Mail on that chart. Accordingly, it is not clear what chart is being referenced in subpart (a) of this interrogatory.
- (b)(ii) All published service standards for each mail class included in Library Reference USPS-LR-N2006-1/2 are used within the END simulation model.
- (c) 2004.
- (d-e) Please see the response to subpart (b)(i).
- (f) Not confirmed. It is entirely possible that not every use of the term "service commitment" in reference to Standard Mail has been eradicated from every current postal publication since Docket No. C98-1.
- (g)(i-ii) The END process attempts to maintain existing service standards to the greatest extent possible, however, there will be instances where the model will recommend changing current service standards to achieve an optimal network national solution. Any changes to existing services standards for any ZIP Code pairs would be evaluated as part of the AMP review process.

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RESPONSE to VP/USPS-T1-13 (continued):

I am informed by witness Williams that the issues of service and cost are considered as a part of each AMP review and the decision-making process there.