

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON DC 20268-0001

Postal Rate Commission
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Postal Rate and Fee Changes, 2006]

DOCKET NO. R2006-1

DAVID B. POPKIN MOTION TO COMPEL RESPONSE TO INTERROGATORIES
DBP/USPS-520, 521, and 534.

I move to compel response to the interrogatories submitted to the United States Postal Service that has been objected to by them.

September 6, 2006

Respectfully submitted,

R20061MTC25A520534

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On August 14, 2006, I submitted Interrogatories DBP/USPS-520, 521, and 534. On August 24, 2006, the Postal Service filed an objection to these interrogatories.

The interrogatories read as follows:

DBP/USPS-520 Please refer to your response to Interrogatory DBP/USPS-409.
[a] Please explain why the EXFC performance for cards and flats is significantly lower than that for letter-size mailpieces in all three categories [Overnight and 2- and 3-day].
[b] Please advise the steps that are being taken to improve this performance.

DBP/USPS-521 Please refer to your response to Interrogatory DBP/USPS-379 subpart b.
[a] Please explain why you believe that post office boxholders should be concerned that the construction of their post office box might not provide sufficient security for their mail.
[b] Please advise the steps that are being taken to improve the security provided to post office box construction.

DBP/USPS-534 Please refer to your response to Interrogatory DBP/USPS-403. Your response provided a listing of some 469 3-digit ZIP Code prefixes that are not part of the EXFC program. This is slightly more than one-half of all of the 3-digit ZIP Code prefixes [since there are 463 3-digit ZIP Code prefixes that are part of the EXFC program].
[a] Please confirm that with this breakdown of areas the mail volume does meet the geographic and volume density from which 90% of First-Class volume originates and 80% destines.

[b] Please provide the raw data that will confirm that the 90% and 80% values referenced above are complied with.

[c] Please indicate why the 463 prefixes have been chosen to be part of the program and/or why the 469 prefixes were not chosen to be part of the program.

The Postal Service objects to all of these interrogatories on the grounds improper follow-up and relevance and materiality.

Interrogatory DBP/USPS-520 is attempting to determine why the level of service for cards and flats is significantly lower than that for letter-size mailpieces. This data is relevant to the value of service of First-Class Mail and in particular for cards and flats. The Postal Service is proposing a 12.5% increase in the rate for cards while the increase for letter-size First-Class Mail is only 7.7% for one-ounce letters and less for heavier weight letters. The Postal Service is also proposing a 19.2% increase for a one-ounce flat.

The Postal Service claims that I could have inquired about the difference in service between cards/flats and letter shaped mail once they made the response to Interrogatory DBP/USPS-48 subpart b on July 20, 2006. The Postal Service's response to Interrogatory DBP/USPS-48 subpart b stated that no changes were needed to the data provided in Docket R2005-1. Since the Postal Service evaluates the EXFC delivery results at least at quarterly intervals, there was little doubt in my mind that the performance data in the chart was obsolete and needed to be updated. Following-up on obsolete data as to why there was a difference between cards/flats and letters is totally inappropriate. The effort had to be in updating the performance figures. Once that was accomplished, I followed-up within seven days to determine why there was a difference in performance. Apparently, the Postal Service wanted me to ask a follow-up interrogatory without having the data to base the Interrogatory on. Just because the R2005-1 data showed the difference between cards/flats and letters is no reason to believe that the R2006-1 data would.

Interrogatory DBP/USPS-521

The Postal Service does not provide any details of the claim of relevance. However, obviously the security of mail in a post office box relates to the value of service.

The response to the original Interrogatory DFC/USPS-T41-8 relates to the level of security that would result from not providing access to post office boxes on a Saturday.

DFC/USPS-T41-8. Please confirm that, all else equal, a postal facility that delivers mail to post-office boxes six days a week provides the same value of service to customers as a postal facility that delivers mail to post-office boxes five days a week. If you do not confirm, please explain.

RESPONSE:

I am unaware of any reliable data that would permit one to confirm or disconfirm. However, the Postal Service provides both five and six day service locations. Customers are free to choose location and service combinations reflective of their evaluation, while resultant Postal Service revenues encourage additional service where there is unmet demand. Some customers likely prefer six delivery days per week, while others are likely just as satisfied with five delivery days per week. An example of the latter might be a post office box customer who obtains service near her workplace and who works a conventional Monday through Friday work week. Indeed, such a customer might even value five day service more highly than six day service based on a perception that the security of her mail is increased by the fact that the box section is inaccessible on Saturdays, when she will not be visiting her post office box. In any case, numerous factors are considered by management in service level decisions, similar to the process summarized in my response to DFC/USPS-T41-6 regarding post office box cutoff times.

By stating that a closed lobby area represents an additional layer of security beyond the post office box's lock leads to the obvious follow-up to that statement, namely, should customers be concerned about the level of security that boxes have when there is access to the lobby. If there is no concern, then their statement is irrelevant and should be challenged. If there is a concern, it should be investigated and it does relate to the value of service. After all, for a post office box to have value, it must be accessible to the boxholder.

Interrogatory DBP/USPS-534

Once the response was made to provide the listing of ZIP Code prefixes that were not included in the EXFC Program, it was possible to evaluate the relationship between the on-list vs. the off-list prefixes. Since the two lists were approximately equal in the number of prefixes, it is a valid follow-up to confirm that the 50-50 split in prefixes still represents an 80/90-20/10 split in mail volume and the raw data to show the compliance.

Other than making a statement in their Objection that to cover all 932 prefixes or some other number between the present 463 prefixes and the full 932 prefixes is a business decision based on the economy of the study, the Postal Service has never explained how they yes group was chosen. That is obvious but the question still remains what criteria, other than flipping a coin, was utilized to divide the full universe of 932 prefixes into the yes vs. no pile.

How these ZIP Code prefixes were chosen relates to the value of service of First-Class Mail.

For the reasons stated, I move to compel response to the referenced interrogatories since it is reasonably calculated to lead to the discovery of admissible evidence.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.

David B. Popkin September 6, 2006
