

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268B0001

SIX-DAY TO FIVE DAY STREET DELIVERY
AND RELATED SERVICE CHANGES, 2010

Docket No. N2010-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CARLSON INTERROGATORIES DFC/USPS-6 THROUGH DFC/USPS-16
(April 26, 2010)

The United States Postal Service hereby provides its responses to the following interrogatories of Douglas Carlson dated April 12, 2010: DFC/USPS-6 through 16. Each interrogatory is stated verbatim and is followed by the response. An objection was filed to DFC/USPS-17 on April 22, 2010.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-6. Please explain the criteria that the Postal Service uses to determine the service standard for Priority Mail between each three-digit ZIP Code pair.

RESPONSE:

Today's Priority Mail service standards are based on business rules developed and implemented in 2008, following the reorganization of some USPS units and functions and the creation of an Expedited Shipping group within Shipping and Mailing Services.

The objective was to match originating and destinating 3-digit ZIP Codes with standardized 1- 2- and 3-day service based on transportation network capabilities.

There is currently a comprehensive review of these Priority Mail business rules and service standards underway to ensure that they are based on current transportation network capabilities.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DOUGLAS F. CARLSON**

DFC/USPS-7. Please explain the criteria that the Postal Service uses to determine whether Next Day Express Mail service will be available between a particular three-digit ZIP Code pair.

RESPONSE:

The criteria for determining whether Express Mail Next Day Service[®] is available between a particular three-digit ZIP Code pair have remained the same since the inception of that service in 1977. The criteria, based on our network capabilities, were explained by witness Knowles, USPS-T-1, in PRC Docket No. MC82-1 in his testimony and interrogatory responses. For example, he explains on page 13 of his testimony that the availability of next day service is dependent on the acceptance cutoff time; available transportation from the origin facility to the destination AMF; the arrival time at the AMF, and the available transportation from the AMF to the delivery unit.

While much has changed operationally since witness Knowles testimony in 1981, the same criteria he described are still in use.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DOUGLAS F. CARLSON**

DFC/USPS-8. For mail pieces that weigh less than 13 ounces for which customers desire no special service, please confirm that the rate to send this mail by First-Class Mail is lower than the rate to send this mail by Priority Mail. If you do not confirm, please explain.

RESPONSE:

Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DOUGLAS F. CARLSON**

DFC/USPS-9. For mail pieces that weigh less than 13 ounces for which customers desire no special service and that are destined to a ZIP Code for which the service standard for Priority Mail is greater than one day, please explain why a customer aware of all relevant facts and information, including rates and service standards, would rationally choose to send this mail by Priority Mail instead of First-Class Mail on a Friday.

RESPONSE:

There are three very common reasons why customers upgrade a First-Class Mail piece to Priority Mail even if the respective service commitments converge to the same day.

1. The use of a Priority Mail envelope, box or other identifying label or sticker often conveys to an observer the impression that the sender considers the piece important. Two, the piece stands out from other pieces delivered contemporaneously, drawing the recipient's attention and often leading to its being opened first. These reflect the brand value of Priority Mail.
2. Customers also benefit from having access to the free supplies of Priority Mail envelopes, boxes and identifying stickers and labels, making it more convenient to use Priority Mail. In addition, these free supplies enhance the price advantage Priority Mail holds over its commercial alternatives.
3. A significant portion of Priority Mail pieces also have Delivery Confirmation, which enables both sender and (an informed) recipient to track its path through the system. Further, Delivery Confirmation is available for all of Priority Mail, either for an additional fee or for free, if purchased online; while Delivery Confirmation is available only for First-Class Mail parcels.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DOUGLAS F. CARLSON**

DFC/USPS-10. For Express Mail accepted on Saturdays, please describe the criteria for Next Day Express Mail service and the circumstances under which Next Day Express Mail service is provided.

RESPONSE:

The criteria used to determine the availability of Express Mail Next Day Service ® are the same each day of the week. See the response to DFC/USPS -7.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DOUGLAS F. CARLSON**

DFC/USPS-11. If the Postal Service implemented the plan that it proposes in this docket, for Express Mail accepted on Saturday, please describe the criteria that would apply for Next Day Express Mail service and the circumstances under which Next Day Express Mail service would be provided.

RESPONSE:

We have no plans to change the current service provided on Saturday for delivery of Express Mail Next Day Service[®] items.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DOUGLAS F. CARLSON**

DFC/USPS-12. If the Postal Service implemented the plan that it proposes in this docket, please explain whether every Express Mail item accepted on Saturday would be guaranteed for delivery not later than Monday (if Monday is not a holiday).

RESPONSE:

Five-day delivery entails no change to how Express Mail Next Day Service® items are accepted on Saturday. If the item is accepted by the applicable local cutoff time, it will have the same guarantee for delivery it now gets.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DOUGLAS F. CARLSON**

DFC/USPS-13. If the Postal Service implemented the plan that it proposes in this docket, please explain whether the Postal Service would deliver Express Mail to street addresses on Saturdays with no extra fee such as the current surcharge for delivery on Sundays and holidays.

RESPONSE:

At this time, the Postal Service has no plan to add a surcharge for Saturday delivery of Express Mail.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DOUGLAS F. CARLSON**

DFC/USPS-14. Please identify all activities for which the Postal Service currently incurs costs on Saturdays, the costs for these activities, and the changes to these costs that the Postal Service estimates if it implements the plan that it proposes in this docket.

RESPONSE:

For purposes of this proceeding, the Postal Service has undertaken to reasonably identify the activities related to mail delivery, processing and transportation that would change if its proposed plan were implemented; and it has undertaken to reasonably estimate the costs associated with those changes. Those activities and costs are presented in the testimonies of Postal Service witnesses filed in this docket. The Postal Service has not attempted to identify absolutely every postal activity that generates costs on Saturdays or to determine with absolute precision the degree to which all such costs would change if it implements its proposed service changes.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DOUGLAS F. CARLSON**

DFC/USPS-15. If the Postal Service implemented the plan that it proposes in this docket, would the availability of Next Day Express Mail service for Express Mail items accepted on Friday change?

RESPONSE:

No.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DOUGLAS F. CARLSON**

DFC/USPS-16. Please explain whether every piece of outgoing First-Class Mail that carriers collect on their route on a Friday should be dispatched to the processing facility on Friday.

RESPONSE:

Outgoing First-Class Mail that carriers pick up on their route on a Friday is generally dispatched to the processing facility on Friday. There can be local situations that may prevent this from occurring, such as excessive distance from the plant, transportation schedules, and Acts of God such as earthquakes, tornados and hurricanes.