

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 QUESTIONS 3-4 OF CHAIRMAN'S INFORMATION REQUEST NO. 7  
(July 13, 2010)

The United States Postal Service hereby provides its responses to Questions 3-4 of Chairman's Information Request No. 7, dated July 2, 2010. Answers were sought no later than July 12. Each question is stated verbatim and is followed by the response.

The responses are sponsored by witnesses in this docket as follows:

Questions 3-4 -- Neri (USPS-T-4)

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

\_\_\_\_\_  
Michael T. Tidwell

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2998; Fax -5402  
July 13, 2010

**RESPONSE OF POSTAL SERVICE WITNESS NERI  
TO CHAIRMAN'S INFORMATION REQUEST NO. 7**

**3.** Service performance is measured in delivery days, that is, the number of days on which the Postal Service makes deliveries that elapse between mailing and delivery. Under the Postal Service's proposal, no change in existing service performance standards is proposed. In some instances, however, the number of calendar days that elapse between mailing and delivery will necessarily increase. Based on current mailing patterns, please quantify (or estimate) the portion of mail that would experience a delay in calendar days to delivery, and break out the number of additional calendar days for delivery of that mail. Please provide results for all mail and by class or product.

|              |   |           |
|--------------|---|-----------|
| For example: | Total First Class pieces  | xx pieces |
|              | Delayed one calendar day  | xx pieces |
|              | Delayed two calendar days<br><i>(e.g., mail delivered Monday instead of Saturday)</i> | xx pieces |
|              | Delayed three or more calendar days   | xx pieces |

**RESPONSE:**

Currently, the acceptance and processing of originating volumes happens Monday through Saturday. Service standards represent the number of days that elapse between the entry of the mail and its planned delivery. These days are normal days (Monday through Sunday) with the proviso that if the planned delivery day falls on a Sunday or observed holiday, then it moved to the next delivery day. In a 5-day delivery environment, acceptance and processing of originating volumes would happen Monday through Friday.

By using this information, we have developed the following table. This table shows the planned delivery day for mail based upon its day of acceptance/entry and its service standard. This table assumes no holidays fall within the delivery period. The columns of this table show the planned delivery day for both the current and the 5-day environments. The highlighted sections indicate the

**RESPONSE OF POSTAL SERVICE WITNESS NERI  
TO CHAIRMAN'S INFORMATION REQUEST NO. 7**

weekday and service standard that will experience a lag in the planned delivery day.

| Serv Std | Monday  |       | Tuesday |       | Wednesday |       | Thursday |       | Friday  |       | Saturday |       |
|----------|---------|-------|---------|-------|-----------|-------|----------|-------|---------|-------|----------|-------|
|          | Current | 5-Day | Current | 5-Day | Current   | 5-Day | Current  | 5-Day | Current | 5-Day | Current  | 5-Day |
| 1        | Tue     | Tue   | Wed     | Wed   | Thu       | Thu   | Fri      | Fri   | Sat     | Mon   | Mon      | Tue   |
| 2        | Wed     | Wed   | Thu     | Thu   | Fri       | Fri   | Sat      | Mon   | Mon     | Mon   | Mon      | Wed   |
| 3        | Thu     | Thu   | Fri     | Fri   | Sat       | Mon   | Mon      | Mon   | Mon     | Mon   | Mon      | Thu   |
| 4        | Fri     | Fri   | Sat     | Mon   | Mon       | Mon   | Mon      | Mon   | Tue     | Tue   | Tue      | Fri   |
| 5        | Sat     | Mon   | Mon     | Mon   | Mon       | Mon   | Tue      | Tue   | Wed     | Wed   | Wed      | Mon   |
| 6        | Mon     | Mon   | Mon     | Mon   | Tue       | Tue   | Wed      | Wed   | Thu     | Thu   | Thu      | Mon   |
| 7        | Mon     | Mon   | Tue     | Tue   | Wed       | Wed   | Thu      | Thu   | Fri     | Fri   | Fri      | Mon   |
| 8        | Tue     | Tue   | Wed     | Wed   | Thu       | Thu   | Fri      | Fri   | Sat     | Mon   | Sat      | Tue   |
| 9        | Wed     | Wed   | Thu     | Thu   | Fri       | Fri   | Sat      | Mon   | Mon     | Mon   | Mon      | Wed   |

The Postal Service does not collect statistics on the amount of mail that is processed by class, weekday of origin, and service standard. However, we can apply information from a couple of sources to approximate what this might look like. In doing so, we have made the following assumptions:

- 1 - Within a class of mail, the percentage of mail with a given service standard is the same regardless of origin weekday.
- 2 - The best indicator of origin processing by weekday for FCM is the AFCS cancellation volumes.
- 3 - The best indicator of origin processing by weekday for Priority mail is the Outgoing Distribution pieces handled for Priority mail operations
- 4 - The best indicator of origin processing by weekday for Package Services is the Outgoing Distribution pieces handled for Package Service operations.

To obtain the percentage of mail by service standard within a class, we pulled reports from the WebODIN system for PQ 2 for FCM, Priority, and Package Services. Standard Mail and Periodicals are not tracked in this system. We then

**RESPONSE OF POSTAL SERVICE WITNESS NERI  
TO CHAIRMAN'S INFORMATION REQUEST NO. 7**

determined the percentage of mail by service standard and class. Next, we took the volumes from the WebMODS system, as noted in assumptions 2-4, to determine the originating processing profile by weekday and class. These 2 datasets were then merged, resulting in our approximation of the origin volume processed by class, service standard, and weekday. Finally, we used the chart from above to add up the total volume subject to a potential lag in planned delivery and divided by the total volume with that delivery standard.

The result is the table shown below. This table shows the percentage of mail which, given our assumptions, we anticipate would experience a lag in planned delivery day.

**RESPONSE OF POSTAL SERVICE WITNESS NERI  
TO CHAIRMAN'S INFORMATION REQUEST NO. 7**

|     |              | Lag in Calendar Days |        |        |       |        |
|-----|--------------|----------------------|--------|--------|-------|--------|
| FCM | Serv Std     | 1                    | 2      | 3      | 4     | Total  |
|     |              | 1                    | 8.66%  | 16.88% | 0.00% | 0.00%  |
|     | 2            | 0.00%                | 25.66% | 0.00%  | 0.00% | 25.66% |
|     | 3            | 0.00%                | 26.28% | 0.00%  | 0.00% | 26.28% |
|     | 4            | 0.00%                | 28.08% | 0.00%  | 0.00% | 28.08% |
|     | 5            | 0.00%                | 20.41% | 0.00%  | 8.66% | 29.07% |
|     | <b>Total</b> | 3.68%                | 22.12% | 0.00%  | 0.00% | 25.80% |

|          |              | Lag in Calendar Days |        |        |
|----------|--------------|----------------------|--------|--------|
| Priority | Serv Std     | 1                    | 2      | Total  |
|          |              | 1                    | 8.11%  | 17.09% |
|          | 2            | 0.00%                | 25.28% | 25.28% |
|          | 3            | 0.00%                | 26.66% | 26.66% |
|          | <b>Total</b> | 1.45%                | 23.93% | 25.38% |

|                  |              | Lag in Calendar Days |        |        |        |        |
|------------------|--------------|----------------------|--------|--------|--------|--------|
| Package Services | Serv Std     | 1                    | 2      | 3      | 4      | Total  |
|                  |              | 2                    | 0.00%  | 28.26% | 0.00%  | 0.00%  |
|                  | 3            | 0.00%                | 29.42% | 0.00%  | 0.00%  | 29.42% |
|                  | 4            | 0.00%                | 29.24% | 0.00%  | 0.00%  | 29.24% |
|                  | 5            | 0.00%                | 16.08% | 0.00%  | 10.16% | 26.24% |
|                  | 6            | 0.00%                | 0.00%  | 10.16% | 0.00%  | 10.16% |
|                  | 7            | 0.00%                | 10.16% | 0.00%  | 0.00%  | 10.16% |
|                  | 8            | 0.00%                | 0.00%  | 0.00%  | 0.00%  | 0.00%  |
|                  | 9            | 0.00%                | 28.26% | 0.00%  | 0.00%  | 28.26% |
|                  | <b>Total</b> | 0.00%                | 23.76% | 0.97%  | 1.40%  | 26.12% |

This chart represents our "worst case scenario", subject to our previously stated assumptions. It does not include any change in mailer behavior regarding entry of mail into the system. It also does not account for the mail addressed to Post Office Boxes, which would still be available for customers on Saturday. Finally, any mail currently processed at origin on Saturday is modeled to be processed on Monday in the 5-day environment.

Standard Mail and Periodicals represent an even bigger challenge in determining these percentages. This stems from the basic structure of the products wherein mailers enter the mail at various levels from originating to destinating DDU. In

**RESPONSE OF POSTAL SERVICE WITNESS NERI  
TO CHAIRMAN'S INFORMATION REQUEST NO. 7**

addition, these mailers are the most likely to make adjustments to their entry dates in order to help ensure delivery of their product when desired.

**RESPONSE OF POSTAL SERVICE WITNESS NERI  
TO CHAIRMAN'S INFORMATION REQUEST NO. 7**

4. Witness Neri calculates the net savings in mail processing workhours in a five-day delivery environment. See USPS-LR-N2010-1/5, workbook "Mail\_processing\_background\_3\_30\_10.xls." Please provide, in the same format (including all the same columns) as provided in the spreadsheet "Box DPS on Sat," site-level P.O. Box Saturday delivery volume for one Saturday in each of the other three quarters of FY 2009. Any Saturday in each quarter will be sufficient, so long as there are data from a Saturday in each quarter of FY 2009.

**RESPONSE:**

The requested site-level P.O. Box Saturday delivery volume data are provided in the Excel file (ChIR.7.Q.4.Attach.xls) attached to this response electronically.