

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS  
DREW MITCHUM TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T40-20-28)

The United States Postal Service hereby provides the responses of witness Drew Mitchum to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T40-20-28, filed on June 6, 2006.

Each interrogatory is stated verbatim and followed by the response:

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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Kenneth N. Hollies  
Attorney

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-3083; Fax -3084  
(June 20, 2006)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
DREW MITCHUM TO INTERROGATORY FROM  
THE OFFICE OF THE CONSUMER ADVOCATE

**OCA/USPS-T40-20.** This interrogatory seeks information on the uses of Confirm information by the Postal Service. Please refer to Postal Service Publication 197, the Confirm User Guide, at page 29, where it states “Preshipment notification enables the Postal Service to use Confirm information to measure, diagnose, monitor, and improve mail processing and delivery service performance.”

- a. Please explain how the preshipment notification “enables the Postal Service to use Confirm information to measure, diagnose, monitor, [or] improve” 1) mail processing or 2) delivery service performance. Please describe and explain the actions taken (if any) and the results achieved (if any) to improve mail processing and delivery service performance as a result of any preshipment notification(s). If no actions have been taken, please discuss the reasons.
- b. Please provide any reports, studies, analysis or other documents in the Postal Service’s possession involving Confirm information that were used by the Postal Service to measure, diagnose, monitor, or improve 1) mail processing or 2) delivery service performance. Please describe and explain the actions taken (if any) and the results achieved (if any) to improve mail processing and delivery service performance as a result of these reports, studies, analysis or other documents. If no actions have been taken, please discuss the reasons.

**RESPONSE:**

a-b. As the question notes, the Postal Service originally expected to rely upon preshipment notifications as a tool to improve the utility of Confirm scans. Publication 197 was accordingly written to emphasize the importance of preshipment notifications. However, as explained further in response to OCA/USPS-T40-23, 25-26, that expectation was not borne out operationally. The use of Confirm as an analytical tool today involves seeding by the Postal Service of the mail with test pieces and analyzing the sequence of scans from those pieces. Similarly, some Confirm customers have relied upon their own scan data when approaching the Postal Service to discuss service issues. Regardless of the source of Confirm scan data, its use “to measure, diagnose, monitor, or improve” mail processing is essentially ad hoc since the data are used to highlight specific problems and resolve them. While the Postal Service

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has concluded that Confirm is ill-suited to evaluation of system performance, some Confirm customers do use it for that purpose by, for example, showing the Postal Service reports on that customer's scan data. The Postal Service has responded by developing reports that permit isolation of each customer's scan data; the purpose of these reports is to help in the evaluation of a customer's claims about what its scan data show. Because preshipment notifications have not been a success, Confirm is not suited to performance management, hence Confirm Service scans are generally not used to evaluate service or delivery performance.

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**OCA/USPS-T40-21.** This interrogatory seeks information on the uses of Confirm information by the Postal Service. Please refer to Postal Service Publication 197, the Confirm User Guide, at page 29, where it states “Preshipment notification enables the Postal Service to use Confirm information to measure, diagnose, monitor, and improve mail processing and delivery service performance.”

- a. Please confirm that the Postal Service is proposing to eliminate from section 991.31 of the Domestic Mail Classification Schedule (DMCS) the requirement that mailers provide “electronic notice of entering Confirm prior to or contemporaneous with mail entry.” If you not confirm, please explain.
- b. Given the importance of preshipment notification to the Postal Service to “measure, diagnose, monitor, and improve mail processing and delivery service performance,” please explain why the Postal Service is proposing to eliminate the requirement of prior electronic notice from section 991.31 of the DMCS.
- c. Please explain what the Postal Service intends to use as a substitute for preshipment notification to enable “the Postal Service to use Confirm information to measure, diagnose, monitor, and improve mail processing and delivery service performance.”

**RESPONSE:**

- a. Confirmed
- b-c. See my response to OCA/USPS-T40-20.

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**OCA/USPS-T40-22.** This interrogatory seeks information on the uses of Confirm information by the Postal Service. Please refer to Postal Service Publication 197, the Confirm User Guide, at page 38, where it states

“A Postal Service representative scans the Shipment ID barcode with a hand-held scanner at the point when the Postal Service takes final possession of the confirm mail shipment—prior to inducting the shipment into the mail processing stream. This entry scan serves to “start the clock” on Confirm mail and generates entry scan data.”

- a. Please confirm that the Shipment ID barcode for a Confirm mailing is to be provided on PS Form 8125 by Standard mailers, and PS Form 3152-A by First-Class mailers. If you do not confirm, please explain.
- b. Please identify and describe means and methods other than PS Form 8125 and PS Form 3152-A that may be used by First-Class and Standard mailers, respectively, to provide the Shipment ID barcode.
- c. Please discuss 1) why First-Class and Standard mailers would or would not choose to provide Shipment ID barcodes on the forms identified in subpart a., above, versus the means and methods identified in subpart b., above; and 2) the Postal Service’s preferred method, either the forms identified in subpart a., above, or the means and methods identified in subpart b., above.
- d. Please provide 1) the number of First-Class and Standard mailers that provide Shipment ID barcodes on PS Form 8125 and PS Form 3152-A, respectively; and, 2) the number of First-Class and Standard mailers that provide Shipment ID barcodes by means and methods identified in subpart b., above.

**RESPONSE:**

- a. Not confirmed. The Shipment ID barcode is provided on PS Form 8125 for plant verified dropshipped mail, which is predominantly Standard Mail. The Shipment ID barcode is provided on PS Form 3152-A for mail inducted at a Postal Service Business Mail Entry Unit or Detached Mail Unit, which is predominantly First-Class Mail.
- b. No other means are available, except for First-Class Mail mailers who induct mail continuously throughout the week while submitting an Entry Scan file in lieu of an actual barcode.

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- c. Mailers would choose not to provide Shipment ID barcodes if they do not wish to comply with Confirm requirements and are not interested in receiving Confirm entry scan information (excepting those First-Class Mail mailers cited in the response to part b).
- d. These data are not available.

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**OCA/USPS-T40-23.** This interrogatory seeks information on the uses of Confirm information by the Postal Service. Please refer to Postal Service Publication 197, the Confirm User Guide, at page 15, where it states

[PS Form 8125 or PS Form 3152-A] accompanies the shipment to its drop site, where Postal Service personnel scan the barcode on the form. For Destination Confirm shipments, the Postal Service's scanning of the Shipment ID barcode on the induction form "starts the clock" and generates entry scan data. This process indicates that mail has entered the mailstream.

Also, please refer to the same page where it states:

A stop-the-clock scan occurs for a mailpiece when it goes through any one of the sort operations that predict same-day delivery. The criteria for a stop-the-clock scan is that if the mailpiece passes through one of these sort operations before 10:00 a.m., it is nearly certain that it will be delivered by the carrier that same day.

- a. Please confirm that the entry scan provides the "start the clock" date and time entry data for a Confirm mailpiece, the facility name of entry, facility ZIP Code, and Shipment ID. If you do not confirm, please explain.
- b. Please confirm that the "start the clock" entry data and the stop-the-clock scan data provide accurate, reliable and consistent measurement of 1) in-transit time within the Postal Service, and 2) delivery service performance as a basis for determining achievement of delivery service standards for First-Class Mail and Standard Mail. If you do not confirm, please explain.
- c. Please identify and describe any and all problems that prevent the "start the clock" entry scan data and the stop-the-clock scan data from providing accurate, reliable and consistent measurement of 1) in-transit time within the Postal Service, and 2) delivery service performance as a basis for determining achievement of delivery service standards for First-Class Mail and Standard Mail.
- d. For each problem identified in subpart c. above, please rank order each problem from most important to least important, provide any data or analysis as to the extent of the problem, describe the actions taken (if any) to correct the problem, and discuss the results achieved (if any). If no actions have been taken, please discuss the reasons.

**RESPONSE:**

- a. The entry scan provides the Confirm mail shipment induction date and time, facility ZIP Code, and Shipment ID. This information can serve as a "start the clock" for a Confirm mailpiece.

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- b. See the response to OCA/USPS-T40-20.
- c. The following prevent Confirm service from being a service performance tool:
  - i) inconsistent mail preparation and barcoding methods by Confirm mailers;
  - ii) inconsistent induction procedures by mailers and the Postal Service;
  - iii) system infrastructure limitations that limit the ability to uniquely identify mailpieces within a pre-shipment notification;
  - iv) lack of integration with postal mail acceptance and verification procedures, and
  - v) incorrect entry of information on mail processing equipment that becomes associated with a Confirm scan.
- d. See the response to part c. Problems are ranked equally. While the Postal Service continues to work on improved integration that should also improve the capability of measuring performance, the Postal Service does not currently view Confirm as a system well suited to performance measurement.

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**OCA/USPS-T40-24.** This interrogatory seeks information on the shipments and mailpiece volume of Confirm.

- a. For Destination and Origin services separately, please provide the number of Confirm shipments provided by First-Class and Standard mailers, respectively, in the base year.
- b. For Destination and Origin services separately, please provide the total volume of Confirm mailpieces provided by First-Class and Standard mailers, respectively, in the base year.
- c. For Destination and Origin services, and First-Class and Standard mailpieces, separately, please provide the average number and the standard deviation of scans for each Confirm mailpiece.

**RESPONSE:**

- a. Not available.
- b-c. The requested data are not available for two reasons.
  - i. As noted in my response to OCA/USPS-T40-14(a-d), Confirm users are not exclusive mailers of either First-Class Mail or Standard Mail. Subscribers often use multiple classes of mail.
  - ii. The data are not available for the base year as the data are stored for just a limited time.

However, based on analysis of the data conducted prior to implementation of the new policy that limits how long data are stored, the following results were developed for the period from October 2003 to July 2005.

Confirm Type	Class	Share	Scan Volume	Mailpiece Volume	Average Scans Per Piece
Origin	First-Class	100%	2,039,135,314	1,100,695,721	1.85
	Other	0%	0	0	N/A
Destination	First-Class	42%	3,831,565,244	1,389,396,899	2.76
	Other	58%	5,177,233,229	2,183,749,517	2.37

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While the data presented above are likely representative of the volume of scans and mailpieces during that time period, they are not necessarily 100 percent accurate.

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**OCA/USPS-T40-25.** This interrogatory seeks information on the accuracy of mailpiece records for Confirm. Please refer to Postal Service Publication 197, the Confirm User Guide, at page 46, where it states “the Postal Service cannot guarantee that every Confirm mailpiece with a PLANET Code will receive a scan.” Please provide the percentage of Confirm mailpieces with PLANET Codes that do not receive a scan. Please describe and discuss the source of the problem, the actions taken (if any) to correct the problem, and discuss the results achieved (if any). If no actions have been taken, please discuss the reasons.

**RESPONSE:**

The Postal Service does not know how many mailpieces with PLANET Codes do not receive scans, and the Postal Service does not even know how many mailpieces have PLANET Codes. A mailpiece with a PLANET Code will receive a scan only if it happens to pass through a machine that is equipped to scan the mailpieces. Below is a partial list of situations in which a piece of mail bearing a PLANET Code might not receive a scan.

- i. Origin Confirm courtesy envelopes have PLANET Codes placed on them, and many of them will not be entered in the mail stream;
- ii. Mailpieces that are sorted to the 5-digit level;
- iii. Mailpieces that are sorted to the destination delivery unit; or
- iv. Mailpieces that have unreadable PLANET Codes;

It may be financially advantageous for a mailer to place PLANET Codes on all of its mailpieces, including those that will never receive a scan, as this process allows them to produce only one type of mail label, thereby reducing complexity. The Postal Service is not aware of any specific problems with scan failures for mail that passes through a suitably equipped piece of equipment.

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**OCA/USPS-T40-26.** This interrogatory seeks information on the accuracy of mailpiece records for Confirm. Please refer to Postal Service Publication 197, the Confirm User Guide, at page 46, where it states “the Postal Service cannot guarantee that every Confirm mailpiece with a PLANET Code will receive a scan.”

- a. Please confirm that a mailpiece scan record provides the facility ZIP Code, mail sortation operation code, date and time a mailpiece was processed, the POSTNET code, and the PLANET code. If you do not confirm, please explain.
- b. For each separately, please provide the percentage of mailpiece scan records that 1) lack a facility ZIP Code, or 2) have an inaccurate facility ZIP Code. If Postal Service-prepared percentages, or estimates thereof, are unavailable, have the requested percentages been estimated by any Confirm subscribers and provided to the Postal Service? Without identifying any Confirm subscriber(s), please provide the requested percentages, as estimated by Confirm subscribers.
- c. For both data elements identified in subpart b. above, please describe and discuss the source of the problem, the actions taken (if any) to correct the problem, and discuss the results achieved (if any). If no actions have been taken, please discuss the reasons.
- d. 1) For each separately, please provide the percentage of mailpiece scan records that have i) dates that pre-date when a mailing was entered, or ii) dates for scans that span more than three days. If Postal Service-prepared percentages, or estimates thereof, are unavailable, have the requested percentages been estimated by any Confirm subscribers and provided to the Postal Service? Without identifying any Confirm subscriber(s), please provide the requested percentages, as estimated by Confirm subscribers. 2) Is the Postal Service aware of mailpiece scan records that have dates for scans that are “future dates;” for example, the entry scan for a Confirm shipment occurs on June 6<sup>th</sup>, but the mailpiece scan record shows processing scans on June 9<sup>th</sup> or beyond? Please explain.
- e. For both data elements identified in subpart d.1), above, please describe and discuss the source of the problem, the actions taken (if any) to correct the problem, and discuss the results achieved (if any). If no actions have been taken, please discuss the reasons.
- f. For each separately, please provide the percentage of mailpiece scan records that have 1) no operation codes, or 2) inaccurate operations codes. If Postal Service-prepared percentages, or estimates thereof, are unavailable, have the requested percentages been estimated by any Confirm subscribers and provided to the Postal Service? Without identifying any Confirm subscriber(s), please provide the requested percentages, as estimated by Confirm subscribers.
- g. For both data elements identified in subpart f. above, please describe and discuss the source of the problem, the actions taken (if any) to correct the problem, and discuss the results achieved (if any). If no actions have been taken, please discuss the reasons.

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- h. For each separately, please provide the percentage of mailpiece scan records that have missing 1) POSTNET barcodes, or 2) PLANET codes. If Postal Service-prepared percentages, or estimates thereof, are unavailable, have the requested percentages been estimated by any Confirm subscribers and provided to the Postal Service? Without identifying any Confirm subscriber(s), please provide the requested percentages, as estimated by Confirm subscribers.
- i. For both data elements identified in subpart h. above, please describe and discuss the source of the problem, the actions taken (if any) to correct the problem, and discuss the results achieved (if any). If no actions have been taken, please discuss the reasons.

**RESPONSE:**

- a. Confirmed.
- b. The Postal Service does not have data regarding the lack of facility ZIP Codes or invalid facility ZIP Codes. Confirm mail industry organizations and specific mailers have reported instances of scans that they believe contain invalid information. One particular Confirm user does provide the Postal Service with the number of scans it uses, as well as the number of scans which it believes contain invalid information. Given that the Postal Service has no means by which to evaluate whether the claim of errors is valid and that only a single user is providing this information, the Postal Service does not believe that providing these data is prudent. Other Confirm users may be aware of which mailer provides such reports to the Postal Service, which could put that mailer at a competitive disadvantage.
- c. The Postal Service does and continues to work with mailers and internal stakeholders to identify and resolve data issues as they arise.
- d. See the response to part b as applied to Confirm date/time stamps.
- e. Refer to the response to part c.

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- f. See the response to part b as applied to Confirm data operation codes.
- g. Refer to the response to part c.
- h. See the response to part b as applied to Confirm data POSTNET and PLANET Codes.
- i. Refer to the response to part c. A POSTNET barcode will not appear in a data record if it is unreadable by postal mail processing equipment. The PLANET Code must appear in a data record for that record to be generated and distributed to subscribers.

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**OCA/USPS-T40-27.** This interrogatory seeks information on the accuracy of mailpiece records for Confirm. Please refer to Postal Service Publication 197, the Confirm User Guide, at page 46, where it states “the Postal Service cannot guarantee that every Confirm mailpiece with a PLANET Code will receive a scan.”

- a. Please explain how the Postal Service compensates Confirm subscribers for mailpieces with a PLANET Code that 1) do not generate a mailpiece scan, or 2) have missing or inaccurate data in the mailpiece scan record.
- b. If the Postal Service does not compensate Confirm subscribers for mailpieces that 1) do not generate a mailpiece scan, or 2) have missing or inaccurate data in the mailpiece scan record, please describe and discuss the Postal Service’s plans to do so.

**RESPONSE:**

- a. The Postal Service does not compensate Confirm subscribers under the circumstances described. The Postal Service states in the guide that there is no guarantee.
- b. The Postal Service has no plans to compensate Confirm subscribers. In particular, as mentioned in the response to OCA/USPS-T40-25, there are numerous reasons why mailpieces bearing a PLANET Code would not receive a scan. Additionally, for incomplete scan records, it is not feasible to offer compensation. As presented in my response to OCA/USPS-T23-3(h), the average price of a scan for a customer will be roughly 6.1 thousandths of a cent. As such it would take 16,856 missed scans to equate to a dollar. The cost of administering a system that verified the validity of bad scans would quickly dwarf all revenue for Confirm.

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**OCA/USPS-T40-28.** This interrogatory seeks information on the value of Confirm service for single-piece First-Class Mail.

- a. In what ways (if any) has single-piece First-Class Mail benefited from Confirm service? Please explain.
- b. In what ways (if any) would single-piece First-Class Mail benefit from a more extensive subscription base for Confirm service? Please explain.
- c. In what ways (if any) could Confirm service be modified to provide accurate, reliable and consistent measurement of delivery service performance as a basis for determining achievement of delivery service standards for single-piece First-Class Mail? Please explain.
- d. Please describe and provide any reports, studies, analysis or other documents involving subpart c., above.

**RESPONSE:**

- a. The Postal Service's use of PLANET Codes for improving the efficiency of the mailstream is separate from the Confirm service offered to subscribers. While Postal Service usage involves the same processes, its costs are not included in the costs for Confirm Service.
- b. See my answers to interrogatory OCA/USPS-T40-20, and to part a of this question. Beyond the extent that Confirm provides a new tool for identifying and resolving mail processing flow problems, I see no connection between a broader Confirm subscription base and single piece First-Class Mail.
- c. See the response to OCA/USPS-T40-20. The Postal Service has no current plans for turning Confirm service into a performance measurement tool.
- d. I have been unable to locate any.