

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON
(DFC/USPS-1, 4, 11-13, 15-20, AND 26-27)

The United States Postal Service hereby files its responses to the above listed interrogatories, filed on June 9, 2006. Interrogatories DFC/USPS-2-3, 14, and 24 have been redirected to witness Berkeley (USPS-T-39). Responses to interrogatories DFC/USPS-6-10, 21-23, and 25 are still being prepared.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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

DFC/USPS-1. Please provide the cost of producing pre-stamped Priority Mail flat-rate envelopes and explain to which service, if any, these costs are attributed.

RESPONSE:

The cost of production and delivery of pre-stamped Priority Mail flat-rate envelopes is \$86.60 per 1,000 envelopes. The entire amount is assigned to Priority Mail.

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DFC/USPS-4. Please provide the percentage of total Express Mail volume that is accepted at a retail window.

RESPONSE:

In FY 2005, approximately 93 percent of Express Mail was processed over the retail window at POS ONE offices.

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DFC/USPS-11. For each year since and including 2004, please identify the percentage of Priority Mail that was destined to one-day, two-day, and three-day delivery areas, according to the Postal Service's service standards for First-Class Mail.

RESPONSE:

Percentage
of Priority
Mail Volume
Under Given
First-Class
Service
Standards

	1-Day Standard	2-Day Standard	3-Day Standard
2004	20.3%	28.5%	51.2%
2005	19.6%	27.5%	52.8%

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DFC/USPS-12. Please identify the volume, percentage, and weight distribution of Priority Mail flat-rate envelopes that were destined to a ZIP Code for which the service standards for Priority Mail and First-Class Mail were identical. The response should provide all available data, including, at a minimum, data derived from transactions at retail terminals. In your response, please separate data derived from transactions at retail terminals from other data.

RESPONSE:

Information from POS ONE retail transactions is compiled in the Retail Data Mart. In the first eight months (October through May) of FY 2006, a total of 7,922,239 Priority Mail flat-rate envelopes in the range of 0 - 13 ounces (the range over which there are service standards for First-Class Mail) were mailed through POS ONE retail terminals. Of that total, 3,927,988, or 49.6 percent, had a service standard that was faster than if the piece had been sent instead as First-Class Mail. The remaining 3,994,251 (50.4 percent) had a service standard identical to the First-Class Mail service standard (on the same route). Those pieces are distributed as follows:

Ounce Increment	Volume	Percent of Total
1	369,657	9.3%
2	839,010	21.0%
3	583,266	14.6%
4	425,697	10.7%
5	335,341	8.4%
6	276,375	6.9%
7	217,586	5.4%
8	90,579	4.8%
9	80,183	4.5%
10	165,689	4.1%
11	147,314	3.7%
12	136,201	3.4%
13	127,353	3.2%
Total	3,994,251	

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DFC/USPS-13. Please provide the percentage of Delivery Confirmation items for which an acceptance scan at a retail terminal exists but for which no scan is on record indicating a final disposition or delivery.

RESPONSE:

The percentage of Delivery Confirmation items for which an acceptance scan at a retail terminal exists, but for which no scan is on record indicating a final disposition or delivery, for January through March of 2006, is 2.2 percent for Priority Mail, 3.3 percent for Package Services parcels, and 2.8 percent for First Class Mail Letters and Sealed Parcels subclass parcels.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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DFC/USPS-15. Please provide a copy of the current Mystery Shopper Handbook.

RESPONSE:

A handbook for the Mystery Shopper program no longer exists.

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DFC/USPS-16. Please provide a copy of the current checklist or other rating sheet that the mystery shopper completes after visiting a retail window.

RESPONSE:

The checklist is attached.



**US Postal Service Mystery Shopper Program
Service Evaluation**

Date:
Overall Score:

Wait Time in Line

- 1 How long was your wait time in line? (minutes:seconds)
- 2 Select the category that includes your wait time.
 - 0:00 - 5:00 - 30 pts.
 - 5:01 - 6:00 - 15 pts.
 - Greater than 6:00 - 0 pts.
- 2a How many stations were there (including all areas where a register is available)?
- 2b What was the highest number of stations staffed from the time you entered the line until completion of the transaction?
- 2c Were there any employees assisting customers in the lobby area or from behind the counter?
- 3 When you entered the line, how many customers were in line ahead of you?
- 3a When you entered the line, how many customers appeared to be conducting transactions at the counter?

Wait Time in Line

HazMat

- 4 Did the employee ask whether the parcel (item, article) contained anything fragile, liquid, perishable, or potentially hazardous?
- 4a If Q4 is "NO", which part(s) of the question did the employee miss?

HazMat

Sales Skills

- 5 Did the employee greet you pleasantly, make eye contact at the beginning of the transaction, and end the transaction in a pleasant manner?
- 5a If Q5 is "NO", which part(s) of the question did they miss?
- 6 Was the employee wearing the complete uniform?
- 6a If Q6 is "NO", the employee was not wearing:
 - 7 Did the employee offer you a mail class?
 - 7a Specify the class(es) of mail offered by the employee.
(Express **OR** Priority must be offered to receive credit)
 - 8 Did the employee offer any special service(s)?
 - 8a Specify the special service(s) offered by the employee.
 - Signature Confirmation AND Insurance **OR** Delivery Confirmation AND Insurance - 6 pts.
 - Any special services **other than** Signature Confirmation AND Insurance **OR** Delivery Confirmation AND Insurance together - 1 pt.
 - No special services - 0 pts.

Delivery Confirmation



**US Postal Service Mystery Shopper Program
Service Evaluation**

Date:
Overall Score:

- 9 Did the employee suggest any additional items to purchase?
- 9a Specify the additional items(s) offered by the employee.
(An additional item **other than** stamps must be offered to receive credit)
- 10 Did the employee provide or offer a receipt without you having to ask for one?
- 11 Was the employee attentive during the entire transaction?
- 11a If Q11 is "NO", these problems were noted:

Sales Skills

Product Knowledge

- 12 Did the employee explain any features of the class(es) of mail offered?
- 13 Did the employee explain or offer to explain any features of the special service(s) offered?
- 13a Specify the special service(s) for which features were explained or offered.
Delivery Confirmation **AND** Insurance - 5 pts.
Delivery Confirmation by itself or with a service **other than** Insurance - 2 pts.
Insurance by itself or with a service **other than** Delivery Confirmation - 2 pts.
Any special services other than Delivery Confirmation or Insurance - 1 pt.
No special services - 0 pts.

Product Knowledge

Promotion and Merchandising

- 14 Were you able to locate the special service form you were instructed to find in the lobby PRIOR to being served?
- 15a Were ReadyPost retail packaging/shipping supplies prominently displayed?
- 15b Were ReadyPost retail packaging/shipping supplies prominently displayed such that a customer would notice them first, prior to the complimentary Express or Priority Mail shipping supplies?
- 16 Were complimentary shipping supplies displayed (Express Mail, Priority Mail)?
- 17 Were all signs and displays professional in appearance, including posting and lettering?
- 17a If Q17 is "NO", these problems were noted:
- 17b Please specify what signage or display(s) had problems.



**US Postal Service Mystery Shopper Program
Service Evaluation**

Date:
Overall Score:

- 18 Were the Point-Of-Purchase menuboards displayed side-by-side, above or behind the retail counter, visible to customers while waiting in line?
- 18a If Q18 is "NO", these problems were noted:
- 19 Were the POP promotional messaging menuboards for the current time period the ONLY ones displayed?
- 20 Was the interior neat, clean and well maintained?
- 20a If Q20 is "NO", please explain why:
- 21 Was the exterior neat, clean and well maintained?
- 21a If Q21 is "NO", please explain why:

Promotion and Merchandising

Evaluation Information

- 22 USPS Scenario ID:
- 23 Day of the week shop performed (e.g., Tuesday):
- 24 Revenue loss (based on scenario expectation):
- 25 Post office zip code on receipt:
- 26 Evaluation Sequence:

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

DFC/USPS-17. Please provide all memoranda and directives issued by Postal Service headquarters since January 1, 2005, including those transmitted by electronic mail, relating to removal of collection boxes or collection receptacles.

RESPONSE:

No such memoranda or directives have been identified.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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DFC/USPS-18.

- a. Please provide the number of collection boxes of all types except Express Mail that were operated by the Postal Service in 2004, 2005, and 2006.
- b. For each year, please identify the database from which the data were extracted.
- c. Please explain whether data from the Collection Program Management System that is available at the headquarters level may differ from data maintained in the CPMS at the district level.

RESPONSE:

a.-b.

2004 Information from CBMS as of Sept. 22, 2004, was provided in Docket No. R2005-1 at Tr. 8C/3945. Those data suggest that the total number of boxes for the box types displayed, excluding the two Express Mail box types, was 272,664.

2005 The only information currently available from 2005 (Dec. 6, 2005) is a CPMS figure for all collection points of 295,053. Details on this figure (e.g., whether or not it is comparable to the 2004 and 2006 figures) are not available.

2006 CPMS data from Feb. 13, 2006 indicate 263,324 collection points, excluding Express Mail collection points.

- c. While CBMS data at the district level could have differed from data at the Headquarters level because of lags in transmission, the nature of CPMS is such that data are consistent between the local level and the national level.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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DFC/USPS-19. Please provide reports from all Postal Inspection Service or Office of the Inspector General audits that have been conducted on Express Mail, Priority Mail, Certified Mail, Registered Mail, Insured Mail, Return Receipt, Post Office Box, or retail window service, or on stamped cards, since January 1, 2005. If any audit reports are filed as a library reference, pursuant to Rule 31(b)(2)(ix) I request that a copy of these audit reports be mailed directly to me.

RESPONSE:

Audit responsibility rests with the Office of the Inspector General, which publishes a list of audit reports, along with the reports themselves, at http://www.uspsoig.gov/audit_reports_all.cfm. For additional about FY 2006 audit reports, the file Audit Plan -- Fiscal Year 2006 is available at <http://www.uspsoig.gov>. It does not appear that any reports dated January 1, 2005 and after specifically address, as a main topic, any of the matters cited in this interrogatory.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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DFC/USPS-20. For each of the past two years, please provide all information that is available in summary form about the types of service problems that customers have brought to the attention of the Postal Service.

RESPONSE:

In FY 2004, of all the complaints the Postal Service recorded, eighty-nine percent of them concerned delivery and/or mail pick-up. Eight percent concerned personnel, three percent concerned post offices and/or equipment, and one percent concerned retail. Less than one percent concerned the behavior or knowledge of 1-800-ASK-USPS agents, or the USPS website.

In FY 2005, of all the complaints the Postal Service recorded, ninety-one percent of them concerned delivery and/or mail pick-up. Seven percent concerned personnel, two percent concerned post offices and/or equipment, and one percent concerned retail. Less than one percent concerned the behavior or knowledge of 1-800-ASK-USPS agents, or the USPS website.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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DFC/USPS-26. Please provide data describing the extent to which delivery employees scan Delivery Confirmation bar codes. Also, please identify the measurement system.

RESPONSE:

Based on Web-Enabled Enterprise Information System (WEBeis) data, the Delivery Confirmation scan rates for January through March of 2006 were 98 percent for Priority Mail, 97 percent for Package Services parcels, and 96 percent for First-Class Mail Letters and Sealed Parcels subclass parcels.

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

DFC/USPS-27. Please provide the percentage of Certified Mail that received an acceptance scan at a retail terminal but that did not receive a scan indicating a final disposition or delivery.

RESPONSE:

For January through March of 2006, WEBeis data show that 6 percent of Certified Mail received an acceptance scan at a retail terminal but did not receive a scan indicating a final disposition, including delivery.