

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 THE OFFICE OF THE CONSUMER ADVOCATE,
REDIRECTED FROM WITNESS MITCHUM
(OCA/USPS-T40-35(F-H), AND 36-42)

The United States Postal Service hereby provides its responses to the above - listed interrogatories of the Office of the Consumer Advocate, filed on June 30, 2006, and redirected from witness Mitchum. The Postal Service's responses to interrogatories OCA/USPS-T40-45 to 48 are still being prepared.

Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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OCA/USPS-T40-35. This interrogatory seeks information on the uses of Confirm information by the Postal Service. Please refer to your response to OCA/USPS-T40-20(a)-(b), which asked about 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.”

- f. Please explain how “seeding by the Postal Service of the mail with test pieces” serves “as an analytical tool today” to improve the utility of Confirm scans. For all instances involving seeding by the Postal Service, please provide a table that categorizes the issues identified by seeding, the frequency of the issues identified. Discuss actions taken (if any) by the Postal Service as a result of seeding to improve the utility of Confirm scans. Provide copies of any data, print-outs, spreadsheets, reports or other documents, electronic or otherwise, on seeding by the Postal Service used to improve the utility of Confirm scans.
- g. Where Confirm customers have presented the Postal Service with reports on system performance based upon the customers’ scan data, how has the Postal Service used the customer’s scan data, or data from its own seeding, to verify, monitor and improve system performance? Please explain.
- h. For Confirm customers that have presented the Postal Service with reports on system performance based upon the customers’ scan data, please provide a table that categorizes the system performance issues identified, and the frequency of the issues identified since Confirm was made a permanent service. Please describe the issues identified.

RESPONSE:

f. The Postal Service uses PLANET code seeding to help monitor the performance of the mail processing network. Since seeding activity is separate from the provision of Confirm service, it is not an effort to “improve the utility of Confirm scans.”

g. When Confirm customers have presented the Postal Service with reports on service performance based upon the customers’ scan data, the Postal Service has reviewed several data sources to determine whether the alleged service problems are systemic. These sources include each customer’s Confirm data, internal seeding data, and systems referenced in witness Mitchum’s response to part e of OCA/USPS-T40-35. Specific issues with mail flows that can be identified such as delays between origin and destination sorting operations are referred to field operations for corrective action.

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Since these requests are made on an ad hoc basis they are not useful for ongoing monitoring of service performance.

h. The Postal Service does not maintain these data.

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OCA/USPS-T40-36. This interrogatory seeks information on the uses of Confirm information by the Postal Service. Please refer to your response to OCA/USPS-T40-20(a)-(b), which addressed Confirm preshipment notifications.

- a. Please describe the Electronic Verification System (eVS) currently used for bulk-entered parcels.
- b. Is eVS being evaluated as a possible alternative to preshipment notification for Confirm service? Please explain.
- c. Please describe the Surface Visibility project.

RESPONSE:

a. The Postal Service and the parcel shipping industry have worked together to develop the Electronic Verification System (eVS), launched in late 2003, as a new manifesting model that simplifies acceptance, verification, and induction of parcel mailings. Under this model, mailers or shippers barcode and manifest all parcels before transmitting an electronic manifest to the Postal Service. eVS is used only for parcel mail.

The eVS manifest lists all barcoded parcels in a mailing and includes pertinent information for each parcel to support postage and fee payment. Under eVS, parcel mailings are no longer verified by the Postal Service at a mailer's or shipper's plant, and the mailer or shipper is no longer required to create paper documentation for induction activities. Mailers or shippers manifest the parcels, transmit the electronic files to the Postal Service, schedule appointments through the Facility Access and Shipment Tracking (FAST) system, and present the parcels at the desired destination entry facilities according to the appointments.

The Postal Service draws random statistical samples of the mailings at the appropriate plants and delivery units, and electronically compares the sampling data against the transmitted electronic manifest to verify the accuracy of the mailing.

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Electronic reports provide information on the discrepancies noted. These reports are available via the eVS Web site and can facilitate an automated reconciliation process.

b. No, eVS is not used with Confirm service.

c. Surface Visability is an extension of our efforts to improve mail processing by providing information to plants about mail flow. A more detailed discussion is available on pages 37 and 41 of the Transformation Plan.

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OCA/USPS-T40-37. This interrogatory seeks information on the uses of Confirm information by the Postal Service. Please refer to your response to OCA/USPS-T40-22(b)-(d).

- a. Refer to your response to part a. of OCA/USPS-T40-22. Please provide a table that displays for PS Form 3152-A or PS Form 8125, the type of entry or facility for each mail class eligible to use Confirm service.
- b. Refer to your response to part b. of OCA/USPS-T40-22. Does the Entry Scan file, provided by First-Class Mail mailers who induct mail continuously throughout the week, serve to “start the clock” on Confirm mail and generate the entry scan data? Please explain. If so, does it result in a more accurate and reliable “start the clock” entry scan than PS Forms 3152-A or 8125? Please explain.
- c. For the Postal Service, is the Entry Scan file provided by continuous mailers of First-Class Mail preferable to PS Forms 3152-A or 8125? Please explain.
- d. Refer to your response to part d. of OCA/USPS-T40-22. Please provide for the Base Year the number of destination and origin Confirm mailpieces entered by mail class for each form type, and the number of scans provided.

RESPONSE:

- a. Typically, 3152-As are used at the point of mail entry at Business Mail Entry Units (BMEU) and Detached Mail Units (DMU), while 8125s are used for mail dropped at plants (e.g., Processing & Distribution Centers) and delivery units.
- b. The information can be used to represent a starting point for a new day’s mail inducted at a specific location. This process increases the likelihood that entry scan data are generated, but does not necessarily increase accuracy, since the file does not actually reflect a scan event made by the Postal Service.
- c. No. The process is merely a method that enables continuous mailers to meet requirements they otherwise would be unable to meet.
- d. This information is not available.

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OCA/USPS-T40-38. This interrogatory seeks information on the uses of Confirm information by the Postal Service. Please refer to your response to OCA/USPS-T40-23(c)(i)-(v).

- a. To what extent do “inconsistent mail preparation and barcoding methods by Confirm mailers” prevent Confirm service from being a service performance measurement tool? Please explain.
- b. To what extent do “inconsistent induction procedures by Confirm mailers” prevent Confirm service from being a service performance measurement tool? Please explain.
- c. Please confirm that mailers that are certified to by the Postal Service do not have “inconsistent mail preparation and barcoding methods” or “inconsistent induction procedures” impacting the use of Confirm service as a service performance measurement tool. If you do not confirm, please explain.
- d. Please confirm that with the exception of inconsistent induction procedures by mailers, subparts (ii-v) of your response are problems internal to the Postal Service. If you do not confirm, please explain. If you do confirm, please describe and discuss the actions taken (if any) to correct the problems, and discuss the results achieved (if any). If no actions have been taken, please discuss the reasons.

RESPONSE:

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

c. Not confirmed. See the Postal Service’s response to OCA/USPS-T40-39(c), redirected from witness Mitchum.

d. Confirmed. As noted in witness Mitchum’s response to OCA/USPS-T40-20, the Postal Service utilizes internal seeding for its process improvement needs. Because of this internal seeding, along with the fact that Confirm service is not being used as a performance measurement tool, the Postal Service has not taken action to resolve these issues. As a result the costs for the service can be kept to a minimum, and it is more likely that the Postal Service can offer a contribution-positive Confirm product.

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OCA/USPS-T40-39. This interrogatory seeks information on the uses of Confirm information by the Postal Service. Please refer to your response to OCA/USPS-T40-23(b) and (c)(i)-(v).

- a. Please describe the certification program for Confirm subscribers, and the process Confirm subscribers must follow to become certified. Is the Postal Service continuing the certification program in its current form? Please explain, and provide all manuals, guidelines, and instructions on how to become certified.
- b. How many Confirm subscribers have been certified by the Postal Service? How many Confirm subscribers have applied to become certified? Please explain the reasons any applications for certification have not been granted.
- c. For Confirm subscribers that are certified, please confirm that the Postal Service is able to evaluate whether claims of error in mailpiece scan records, including “start the clock” entry scans, are valid for purposes of resolving service performance measurement issues. If you do not confirm, please explain. In your explanation, specifically address the purpose of the certification program.
- d. If two or more Confirm subscribers are certified, in what ways could the Postal Service combine their scan data so as to mask the identity of such subscribers? If you do not confirm, please explain.
- e. Without revealing the identify of Confirm subscribers that are certified, please provide a table based upon scan data from the certified subscribers showing the entry scan rate for active versus passive scans, the entry scan rate by facility (without identifying the facility), the number of Confirm mailpieces, the dates for entry scans provided by the subscribers compared to entry scan dates in the mailing records.
- f. Provide the time for delivery of First-Class Mail letters for each certified mailer.
- g. Provide the time for delivery of Standard Mail letters for each certified mailer.
- h. Provide the time for delivery of First-Class Mail flats for each certified mailer.
- i. Provide the time for delivery of Standard Mail flats for each certified mailer.

RESPONSE:

a. Certification was established as a voluntary process that helps to ensure accuracy of Confirm mailing performance reports available to customers. By meeting certification requirements, a Confirm customer has demonstrated the ability to generate Confirm-compatible barcodes, prepare and submit properly formatted preshipment files that adhere to Confirm business rules, and induct mail in accordance with Confirm requirements in a way that increases the likelihood of accurate web-based reports.

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b. Six subscribers have applied for certification: two subscribers have been certified; four subscribers have been denied certification. All subscribers were informed about certification and invited to apply.

c. Not confirmed. Certification only requires that the mailer is capable of accurately providing all of the information to the Postal Service, it does not mean that they do.

d-i. Even if the requested data were available, given that there are only two certified subscribers it would not be possible to mask the information so that one certified subscriber is not identifiable by the other certified subscriber, or possibly other mailers that are aware of who is certified and generally know how many scans a specific subscriber might be using.

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OCA/USPS-T40-40. This interrogatory seeks information on the uses of Confirm information by the Postal Service. Please refer to your response to OCA/USPS-T40-24(b)-(c).

- a. Please explain the Postal Service's data retention rules for scan and other data generated from mail entered by Confirm subscribers. Please provide the date this data retention policy became effective.
- b. Please describe the type and volume of scan and other data generated from mail entered by Confirm subscribers currently retained by the Postal Service, and how long the Postal Service has retained this data.

RESPONSE:

- a. The Postal Service retains CONFIRM mail piece scan data for 15 days on the EPO Servers. Shipment (ASN) scan data are retained for 30 days. Preshipment (EMD) information is retained for 30 days from the planned drop date, or 30 days from the entry scan date if later. This has been the data retention policy since approximately 2000.
- b. The Postal Service assumes that an average of 2.5 individual mail processing are generated per piece. For reporting purposes, the Postal Service maintains data relative to CONFIRM mailings for approximately 120 days. However, these data are transformed and retained in a manner that does not replicate the records collected via the CONFIRM infrastructure.

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OCA/USPS-T40-41. This interrogatory seeks information on the uses of Confirm information by the Postal Service. Please refer to your response to OCA/USPS-T40-25.

- a. Please confirm that the preshipment notification submission file contains the number of mailpieces with a PLANET code. If you do not confirm, please explain. If you do confirm, please provide separately for the Base Year the number of destination and origin Confirm mailpieces displaying a PLANET code from preshipment notification files. If records are not maintained for a full year, provide records for a shorter period of time, and specify the time period.
- b. For destination Confirm mailpieces displaying a PLANET code included in the preshipment notification submission files in the Base Year, please provide the number of destination Confirm mailpieces that did not receive one or more scans.
- c. For destination Confirm mailpieces displaying a PLANET code, please identify 1) the mail processing equipment that has the capability to scan such a mailpiece, and 2) the mail processing equipment that does not have the capability to scan such a mailpiece. For mail processing equipment identified in subpart 2., above, that does not have the capability to scan a mailpiece, please provide the percentage of destination Confirm letters and flats separately that are processed on such equipment, provide the probability that destination Confirm letters and flats separately displaying a PLANET code will be processed on such equipment, and identify and describe the mail processing facilities in which such equipment is found.

RESPONSE:

- a. Confirmed, assuming preshipment notification accurately reflects the actual mail it is supposed to represent. In some cases, preshipment notification may provide a sampling of the total number of PLANET Codes, due to file size limitations of the preshipment notification. Information on piece counts represented in the system cannot be obtained and are not available.
- b. These data are not available.
- c.
 1. All barcode sorting equipment has capability to read PLANET Codes, if the equipment is running in modes that scan barcodes on the mailpiece.
 2. Non-sorting machines (e.g., Facer Cancelers) do not have this capability. As mailpieces bearing PLANET Codes are not necessarily representative of all mailpieces in the mailstream, it is not possible to accurately estimate the number

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of PLANET-Coded mailpieces that are processed on machines that do not have scanning ability.

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OCA/USPS-T40-42. This interrogatory seeks information on the uses of Confirm information by the Postal Service. Please refer to your response to OCA/USPS-T40-26.

- a. Refer to your response to part b. Please confirm that when the Postal Service has seeded the mail with test pieces, it has found mailpiece scan records that lack a facility ZIP Code, or have an inaccurate facility ZIP Code. If you do not confirm, please explain. If you do confirm, 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.
- b. Refer to your response to part c. In the absence of specific mailer or mail industry organizations reporting instances of scans that they believe contains invalid information, is it the Postal Service's response that it has no ongoing quality assurance programs to determine the source of scans that contain invalid information? Please explain and discuss the ongoing programs.
- c. Refer to your response to part d. Please confirm that when the Postal Service has seeded the mail with test pieces, it has found mailpiece scan records that have dates that pre-date when a mailing was entered, or dates for scans that span more than three days. If you do not confirm, please explain. If you do confirm, 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. Refer to your response to part d. 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 26th, but a mailpiece scan record dated June 27th shows processing scans on June 29th or beyond? Please explain.
- e. Refer to your response to part f. Please confirm that when the Postal Service has seeded the mail with test pieces, it has found mailpiece scan records that have no operations codes, or inaccurate operations codes. If you do not confirm, please explain. If you do confirm, 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. Refer to your response to part h. Please confirm that when the Postal Service has seeded the mail with test pieces, it has found mailpiece scan records that have missing POSTNET barcodes, or PLANET codes. If you do not confirm, please explain. If you do confirm, 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.
- g. For parts a., c., e., and f., above, please provide the Postal Service's acceptable and actual error rate for missing or inaccurate data in mailpiece scan records.

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RESPONSE:

- a. The Postal Service has found mailpiece scan records that have the wrong facility identification. This problem usually occurs when Maintenance loads software and leaves the “default ZIP” in the site set up file, or if Maintenance enters the wrong facility ID code. Each week Engineering reviews reports from Mail Processing Equipment and issues a list of sites where the site ID entered in the Mail Processing Equipment (MPE) does not match the correct site ZIP of the facility. The list is sent to the Area Software Specialists, who contact the sites to request correction. Local maintenance then updates the information on the MPE.
- b. The Postal Service uses a variety of sources to identify the source of scans that contain invalid information. If local plants discover that the seeded mail is producing deficient data, the area is notified and corrections are made.
- c. The Postal Service occasionally observes scan records that pre-date when a piece was seeded. This can occur if the incorrect date and time are entered on the MPE. Current versions of MPE computer software synchronize date and time with the local integrated data server (IDS) so these discrepancies should be minimized. Although MPE computer systems have been changed to synchronize time with the IDS system, on some MPE this is done on initial startup, and the date can be changed afterwards. Software changes/enhancements are being put into effect on equipment being deployed, as well as existing equipment. These enhancements will synchronize time at the start of a mail processing run, thereby eliminating the possibility of invalid dates propagating into the run. As part of the internal processes, errors will be found on the

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end-of-run report and corrected. The Postal Service has also observed dates for scans that are more than three days apart. This can occur if a mailpiece was mis-sorted or mis-sent or otherwise mishandled. The Postal Service follows up on these when there is data that indicate there is a recurring problem in mail flowing between operations.

d. As described in the response above (part c), this problem can arise if an incorrect date/time is entered into the MPE computer. Current versions of MPE computer software synchronize date and time with the local integrated data server (IDS) so these discrepancies should be minimized. These errors will be found on the end-of-run report and corrected.

e. Previous versions of the software used the operation codes entered by the machine operators to send with the PLANET Code data. For example, operators would enter 800 as the operation code to pull up a list of sort plan names within the 800 series. The operator could elect to use the default 800 code instead of the specific sort plan for that run, such as 891, 892, or 893. This would cause the operation code in the PLANET Code file to be 800, instead of the correct operation number. This has been corrected through recent software changes that force the operation mapping to the correct operation for the sort plan name. Additionally, significant effort has been placed on integrating the Operation Numbers into sort programs used by MPE to completely eliminate the need for any "mapping" on the systems that could lead to errors.

f. There are missing POSTNET barcode data, but not missing PLANET Code data. Missing POSTNET results are due to the machines' inability to read the POSTNET Code, or the lack of a POSTNET barcode. This could be due to: unreadable barcodes

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or running the mail on an OSS before the ZIP Code of the mailpiece has been resolved.

The Postal Service has investigated instances of lack of PLANET Code scans of customer mailings and found basic barcode errors (missing or incorrect checksum data, missing frame bars, etc). This is one explanation as to how missing PLANET Code scans can occur. However, there is no way to have a PLANET Code Scan without a proper PLANET Code.

g. The Postal Service has not defined an acceptable error rate for missing or inaccurate data in mailpiece scan records.