

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
TO INSTITUTIONAL INTERROGATORIES FROM DAVID POPKIN
DBP/USPS-45(a), 46(a), 47(a), 48(b), 52, 53, 59, 68, and 83
(July 20, 2006)

The United States Postal Service hereby provides its responses to the following institutional interrogatories from David Popkin: DBP/USPS-45(a), 46(a), 47(a), 48(b), 52, 53, 59, 68, and 83, filed on June 5, 2006. Responses to most of the interrogatories, and parts of interrogatories, in interrogatory set DBP/USPS-43-85 were filed on June 19, 2006. The cover page to those responses indicated, "Various interrogatories in this set, or parts of such interrogatories, can only be answered after a contractor completes its research to develop responses." That research now having been completed, the remaining responses are being provided. As a convenience, when the current responses involve only a part of an interrogatory, the entire question and response are reproduced. No responses previously provided have changed.

Each interrogatory is stated verbatim and followed by the response:

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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DBP/USPS-45. Please refer to your response to Interrogatory DBP/USPS-18 subpart c. You have indicated that information that might help an individual identify test pieces has been redacted.

- [a] How many letter size mail pieces were mailed in the EXFC program in a recent year?
- [b] What is the total number of letter size mail pieces that were mailed by the public during the similar year long period?

RESPONSE:

- a. 2,443,496.
- b. The Postal Service does not count mail pieces mailed by “the public.” However, the billing determinants (USPS-LR-L-77, Table A-1) and RPW (USPS-T-3, Table 1) show that over 43 billion single-piece nonpresorted letters, flats and IPPs/parcels were mailed in FY 2005.

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DBP/USPS-46. Please refer to your response to Interrogatory DBP/USPS-18 subpart c. You have indicated that information that might help an individual identify test pieces has been redacted.

[a] How many flat size mail pieces were mailed in the EXFC program in a recent year?

[b] What is the total number of flat size mail pieces that were mailed by the public during the similar year long period?

RESPONSE:

a. 162,667.

b. The Postal Service does not count mail pieces mailed by “the public.” However, the billing determinants (USPS-LR-L-77, Table A-1) and RPW (USPS-T-3, Table 1) show that over 43 billion single-piece nonpresorted letters, flats and IPPs/parcels were mailed in FY 2005.

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DBP/USPS-47. Please refer to your response to Interrogatory DBP/USPS-18 subpart c. You have indicated that information that might help an individual identify test pieces has been redacted.

- [a] How many post card mail pieces were mailed in the EXFC program in a recent year?
- [b] What is the total number of post card mail pieces that were mailed by the public during the similar year long period?

RESPONSE:

- a. 70,114.
- b. The Postal Service does not count mail pieces mailed by “the public.” However, the billing determinants (USPS-LR-L-77, Table A-1) and RPW (USPS-T-3, Table 1) show that over 43 billion single-piece nonpresorted letters, flats and IPPs/parcels were mailed in FY 2005.

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DBP/USPS-48. Please refer to your response to Interrogatory DBP/USPS-18 subpart c. You have indicated that information that might help an individual identify test pieces has been redacted.

- [a] Please confirm, or explain if you are unable to confirm, that information was provided in Docket R2005-1 that allowed for the preparation of the following chart:
- [b] Please provide any corrections or updating that is necessary to update this chart.
- [c] Please advise why this information was provided in Docket R2005-1 and yet it was felt to be necessary to redact it in the current Docket.

EXFC EVALUATION BY MAILPIECE CHARACTERISTICS

CODE	TYPE	WIDTH	LENGTH	ADDR	ZIP	CODE	POST	CFM	OVNITE	2DAY	3DAY	
A	C	4	6	PRIN	5	NO	MTR	NO	91.58	85.11	80.31	A
B	C	4	6	HAND	5	NO	STM	NO	89.13	80.86	79.47	B
C	OC	4.75	6.5	HAND	5	NO	STM	NO	95.21	89.77	85.18	C
D	F	9	12	HAND	5	NO	STM	NO	89.38	79.55	70.08	D
E	F	9	12	PRIN	5	NO	MTR	YES	88.78	79.02	69.43	E
F	L	4.125	9.5	PRIN	9	NO	MTR	YES	94.03	89.08	83.20	F
G	L	4.5	10.31	HAND	5	NO	STM	NO	96.32	92.20	86.26	G
H	L	4.125	9.5	HAND	5	NO	STM	NO	96.17	90.99	85.16	H
I	L	3.625	6.5	HAND	5	NO	STM	NO	93.66	88.78	82.71	I
J	L	4.125	9.5	PRIN	5	NO	STM	YES	96.79	92.26	85.71	J
K	L	4.125	9.5	PRIN	9	NO	MTR	YES	95.47	90.71	85.08	K
L	L	4.125	7.25	PRIN	9	NO	MTR	YES	95.26	88.92	82.66	L
M	L	4.125	9.5	PRIN	9	NO	STM	YES	94.61	93.41	85.19	M
N	L	4.125	9.5	PRIN	5	NO	MTR	NO	96.15	91.61	84.85	N
O	L	4.375	7.625	PRIN	9	YES	MTR	YES	95.69	91.00	83.64	O
P	L	3.875	7.5	PRIN	9	YES	MTR	YES	95.55	90.88	83.99	P
Q	L	3.625	6.375	PRIN	9	NO	MTR	YES	94.19	88.98	82.55	Q
R	L	4.125	9.5	PRIN	9	NO	MTR	YES	96.62	92.33	85.57	R
S	L	3.875	8.875	PRIN	9	YES	STM	NO	94.93	93.14	87.13	S

CODE Mailpiece code A through S
TYPE Mailpiece type // C=card OC=Oversize card F=Flat L=Letter
WIDTH Width in inches
LENGTH Length in inches
ADDR PRIN=address is printed HAND=address is handwritten
ZIP Address is shown with either 5- or 9-digit ZIP Code
CODE Mailpiece contains a preprinted 11-digit barcode
POST Method of postage // MTR=postage meter STM=postage stamp
CFM Mailpiece contains a CONFIRM barcode
OVNITE Percent on-time for Overnight Mail for PQ 2 FY 2005
2DAY Percent on-time for 2-Day Mail for PQ 2 FY 2005
3DAY Percent on-time for 3-Day Mail for PQ 2 FY 2005
 No mailpiece utilizes additional services such as Certified Mail, Registered Mail, COD, or Insured Mail.
 All mailpieces are either one ounce or two ounces [other than cards].

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RESPONSE (DBP/USPS-48):

- a. Confirmed.
- b. None are necessary.
- c. The Postal Service still considers mail piece information for EXFC test pieces sensitive information that should be kept out of the public domain.

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DBP/USPS-52. Please advise the total number of reporters utilized in the First-Class Mail EXFC program.

RESPONSE:

12,604 reporters were used in FY 2006, Q2.

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DBP/USPS-53. Please advise the total number of reporters utilized in the Priority Mail PETE program.

RESPONSE:

[2709 reporters were used in FY 2005, Q4.

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DBP/USPS-59.

- [a] Please advise why presorted First-Class Mail is not measured by the EXFC program.
- [b] Please advise and provide the reasons for all other categories of First-Class Mail that are not measured by the EXFC program.
- [c] Please provide a breakdown of the total number of EXFC reporters utilized for the most recent available time for each of the following address categories:
 - [1] Residential City Delivery customer
 - [2] Business City Delivery customer
 - [3] Post Office Box customer
 - [4] General Delivery customer
 - [5] Rural Delivery customer
 - [6] Highway Contract Delivery customer
 - [7] Other [please specify]
- [d] For the ZIP Codes that are included in each of the performance clusters that are part of the EXFC program, please provide the total number of delivery points in each of the seven categories shown in subpart c.
- [e] Please provide a similar breakdown showing the number of mailpieces received by EXFC reporters during a reporting period in each of the seven categories shown in subpart c.
- [f] Same as subpart d except provide the total number of mailpieces received by all addressees in each of the seven categories shown in subpart c.
- [g] Please provide the level of confidence the data represents with the use of the number of reporters as shown in subpart c are utilized to measure the data for all of the potential addresses as shown in subpart d and the number of mailpieces shown in subpart e are utilized to measure the total mail volume shown in subpart f. Does the level of confidence change when the individual Performance Cluster data is evaluated? If so, please discuss and explain.
- [h] Please provide similar information for the PETE program and the Express Mail program.
- [i] Are the number of reporters utilized based on the number of potential addresses in an area or are the number of mailpieces tested based on the total number of mailpieces in the area or both? Please discuss the reasons.
- [j] Please discuss the relative percentages of subpart c compared to subpart d and subpart e compared to subpart f as they are spread across the eighty-some Performance Clusters that are in the program. In other words, provide data that shows that all involved Performance Clusters are evaluated equally.
- [k] Please discuss and explain any other criteria that are evaluated to ensure equal treatment between Performance Clusters, such as, whether the Performance Cluster does or does not make collections that comply with the Postal Operations Manual.

RESPONSE:

a-b. The population of interest is consumer oriented mail, *i.e.*, single-piece First-Class Mail; consumers by and large do not have permits for entering presorted mail.

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c.

Category	Total Number of EXFC Reporters*
[1] Residential City Delivery customer	8651
[2] Business City Delivery customer	523
[3] Post Office Box customer	251
[4] General Delivery customer	0
[5] Rural Delivery customer	2987
[6] Highway Contract Delivery customer	192
[7] Other [please specify]	0

*Data are from Q2 FY2006.

d. The requested data are not available.

e.

Category	Total Number of EXFC Mail pieces*
[1] Residential City Delivery customer	465680
[2] Business City Delivery customer	30418
[3] Post Office Box customer	11446
[4] General Delivery customer	0
[5] Rural Delivery customer	158873
[6] Highway Contract Delivery customer	10117
[7] Other [please specify]	0

* Data are from Q2 FY2006.

f. The Postal Service does not track the number of mailpieces received by customers.

g. At a national level, the precision around the performance estimates by type of address varies greatly. The estimates with the highest number of reporters and test pieces have ranges of less than +/-0.5 percent, while the performance estimates for those categories with few reporters and test pieces have ranges of +/-7 percent to +/-12 percent.

The precision changes significantly when considering a Performance Cluster. In some cases, a type of address is not represented in the sample at all at this level, making estimation impossible. The estimates with the largest number of reporters or test pieces have ranges of approximately +/-1 percent while those with relatively few reporters and test pieces vary between +/-5 percent to +/-26 percent.

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h. The following table provides the requested information for PETE. As you were informed in response to the identical question in Docket No. R2005-1, no similar information for Express Mail are available. See the response to DBP/USPS-74(f)/R2005-1.

Category	Total Number of PETE Reporters*	Total Number of PETE Mail pieces*
[1] Residential City Delivery customer	1111	43960
[2] Business City Delivery customer	952	44321
[3] Post Office Box customer	37	1770
[4] General Delivery customer	0	0
[5] Rural Delivery customer	577	25245
[6] Highway Contract Delivery customer	32	1257
[7] Other [please specify]	0	0

* Data are from Q4 FY2005.

i. The number of reporters utilized is based on both the mail volume and the number of delivery points in an area. The determination of the number of reporters needed in each 3-digit ZIP Code area is based primarily on the mail volume, while the number and distribution of reporters in each 5-digit ZIP Code areas are based on the number of delivery points in the area.

j. Not applicable.

k. No analyses of such criteria have been located.

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DBP/USPS-68. With respect to the discussion number of days to deliver as shown in Section D.3 of USPS-LR-L-134, please confirm, or explain if you are unable to confirm, the following:

- [a] A letter mailed from New Jersey on Saturday May 27, 2006, to California [normally having a 3-day service standard] and delivered on Tuesday, May 30, 2006 [Monday May 29 was a holiday] will be considered to have been delivered in one day even though it took three calendar days.
- [b] Please provide a breakdown for a recent one year period of the percentage of 3-day service standard mail that is delivered in 1-day, 2-days, 3-days, 4-days, and 5+ days utilizing the method of counting days as described in Section D.3.
- [c] Please provide a breakdown for a recent one year period of the percentage of 3-day service standard mail that is delivered in 1-calendar day, 2-calendar days, 3-calendar days, 4-calendar days, and 5+ calendar days.
- [d] Please provide a breakdown for a recent one year period of the percentage of 2-day service standard mail that is delivered in 1-day, 2-days, 3-days, 4-days, and 5+ days utilizing the method of counting days as described in Section D.3.
- [e] Please provide a breakdown for a recent one year period of the percentage of 2-day service standard mail that is delivered in 1-calendar day, 2-calendar days, 3-calendar days, 4-calendar days, and 5+ calendar days.

RESPONSE:

a. Confirmed.

b.

FY 2005	Percent Delivered Within				
	1 Delivery Day	2 Delivery Days	3 Delivery Days	4 Delivery Days	5 Delivery Days
Service Standard Three Day	3.25	29.02	56.91	6.92	3.90

c.

FY 2005	Percent Delivered Within				
	1 calendar day	2 calendar days	3 calendar days	4 calendar days	5+ calendar days
Service Standard Three Day	0.01	14.66	57.48	19.23	8.62

d.

FY 2005	Percent Delivered Within				
	1 Delivery Day	2 Delivery Days	3 Delivery Days	4 Delivery Days	5 Delivery Days
Service Standard Two Day	17.29	74.19	5.51	1.64	1.37

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e.

FY 2005	Percent Delivered Within				
	1	2	3	4	5+
Service Standard	1 calendar day	2 calendar days	3 calendar days	4 calendar days	5+ calendar days
Two Day	5.80	67.35	19.85	5.00	2.00

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DBP/USPS-83.

- [a] What percentage of the EXFC mail pieces that are reported as having been mailed are never reported as having been received?
- [b] What percentage of the PETE mail pieces that are reported as having been mailed are never reported as having been received?
- [c] Please advise how a mail piece which is reported as having been mailed but is never reported as being received is counted in the EXFC and PETE programs.

RESPONSE:

- a. In Quarter 2, FY06, 3.6 percent of EXFC mail pieces that were reported as having been mailed were not reported as having been received.
- b. In Quarter 4, FY05, 2 percent of PETE mail pieces that were reported as having been mailed were not reported as having been received.
- c. Mail pieces that are reported as having been mailed, but which are not reported as having been received are treated as reporter nonresponse and are excluded from service performance calculations because the data needed to calculate transit-time are not complete.