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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

OCA-T-1
Docket Nos. R2001-2
MC2001-2

DIRECT TESTIMONY
OF
KATHIE J. KLASS
ON BEHALF OF
THE OFFICE OF THE CONSUMER ADVOCATE

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DIRECT TESTIMONY
OF
KATHIE J. KLASS

1 I. STATEMENT OF QUALIFICATIONS

2 My name is Kathie J. Klass. I am a Consumer Professional in the Office of the
3 Consumer Advocate (OCA). I began my employment at the Postal Rate Commission
4 on October 9, 2001.

5 Prior to my employment with the Postal Rate Commission, from November 1993-
6 January 2001, I served as Chief, Consumer Information Division for the National
7 Highway Traffic Safety Administration (NHTSA) at the U.S. Department of
8 Transportation. From January 1990 – November 1993, I was the Executive Vice
9 President of the Fight Back! Foundation for Consumer Education. During the 80's, I
10 served as Executive Officer of the California Consumer Advisory Council in the
11 California Department of Consumer Affairs. I began my career as Consumer
12 Coordinator for Santa Cruz County Consumer Affairs, in the District Attorney's Office.

13 I received my MA in 1975 and my BA in 1973 from California State University at
14 San Jose, San Jose, California.

15 II. PURPOSE AND SCOPE OF TESTIMONY

16 The purpose of my testimony is to support the proposed Suspension of the Fee
17 for Manual Delivery Confirmation Service for Priority Mail.

18 OCA has a history of supporting the extension of Delivery Confirmation benefits
19 to Priority Mail users. In Docket No. R2000-1, for example, OCA proposed extending
20 the fee-free Electronic Delivery Confirmation Service to individual users of Priority Mail
21 (Initial Brief of the OCA at 211-213, filed September 13, 2000). I commend the Postal

1 Service's proposal to offer free Manual Delivery Confirmation for the first 16 days of
2 December. It is my hope that this trial proves fruitful for the Postal Service and that the
3 free Manual Delivery Confirmation will be a permanent addition to Priority Mail.

4 III. CLASSIFICATION CHANGES BENEFICIAL TO CONSUMERS

5 Witness O'Hara has testified that the advantages of this proposal may not be
6 fully realized in the upcoming holiday season when free Manual Delivery Confirmation
7 is first introduced. He indicates that the Postal Service may wish to make free Manual
8 Delivery Confirmation available permanently on a seasonal basis (Tr. 2/99 and 157),
9 an idea I endorse. The long-term benefits of a permanent seasonal classification are
10 the possibility of reduced supplemental air transportation expenses (Tr. 2/111) and
11 savings in clerk and carrier overtime (USPS-T-1 at 5).

12 Counsel for the Postal Service indicated during oral argument that the Postal
13 Service is even considering rolling Manual Delivery Confirmation Service into Priority
14 Mail as is done with Electronic Delivery Confirmation (Tr. 1/12). I strongly endorse a
15 classification of this kind.

16 I was gratified by Dr. O'Hara's testimony that he is devoting attention to reducing
17 costs for retail customers (Tr. 2/127). I am hopeful that such reduced costs may result
18 in reduced rates for retail mailers.

19 IV. NO-FEE FREE ELECTRONIC DELIVERY CONFIRMATION

20 In Docket No. R2000-1, OCA urged the Postal Service to offer fee-free
21 Electronic Delivery Confirmation to individual users. I give the Postal Service kudos for
22 now making this possible on their website. Individual users who prepare, print and affix

1 a Priority Mail Delivery Confirmation label (see Attachment) will obtain Electronic
2 Delivery Confirmation free of charge (Tr. 2/45; witness O'Hara's response to
3 interrogatory OCA/USPS-T1-1).

4 During settlement discussions, OCA asked the Postal Service to consider
5 notifying consumers that even after December 16, 2001, they could still obtain free
6 Delivery Confirmation by printing a label for Priority Mail/Delivery Confirmation at the
7 USPS website. This notice would be incorporated into lobby posters, mail, or whatever
8 media the Postal Service uses to inform the public about the suspension of the Manual
9 Delivery Confirmation fee. I recommend that the Postal Service adopt this suggestion.

10 V. LEARNING FROM OFFERING

11 In my opinion, the trial proposed by the Postal Service provides the consumer
12 with a valued service and offers the Postal Service the opportunity to perform a market
13 analysis while facilitating mail delivery earlier in the heavy holiday mailing season. The
14 Postal Service will have the opportunity to evaluate the public's response to free
15 Manual Delivery Confirmation with Priority Mail. A marketing study tends to provide
16 consumer predictions about future actions, but this trial will demonstrate consumers'
17 actual interest in the service.

18 VI. REACTION TO RECENT EVENTS

19 In light of recent events and with the new safety challenges the Postal Service is
20 facing, this is an appropriate time to offer a new service to consumers to induce them to
21 mail their holiday packages early. This may allow the Postal Service additional time to
22 screen packages, and, even if mail is delayed because of new procedures, holiday gifts

1 are more likely to arrive in time for the holidays. I support the Postal Service's proposal
2 to offer free Manual Delivery Confirmation Service during the holiday season to
3 encourage consumers to mail early. I should add, however, that no matter what the
4 outcome of this proceeding, I continue to believe that Manual Delivery Confirmation
5 should be offered free to consumers of Priority Mail.

6 VII. HOLIDAY MEDIA ATTENTION

7 As someone who has prepared numerous holiday public relations campaigns, I
8 know that offering this service during the holiday season allows local media to present
9 another angle on their traditional holiday postal stories. From my experience, the
10 offering of free Delivery Confirmation will receive more media attention during the
11 holiday season than it would at any other time of the year. It is important to note that
12 during the holiday season local media typically encourage the mailing of holiday parcels
13 in a timely manner, so all carriers benefit from the added publicity. The media stories
14 promoting early mailing of holiday parcels for the Postal Service also serve as a
15 reminder to consumers to send parcels in timely manner, regardless of the company
16 they choose.

17 In December, the media look for holiday traditions, which means if the Postal
18 Service introduces free Manual Delivery Confirmation on a permanent seasonal basis
19 to encourage early mailing of holiday packages, consumers will learn to expect the
20 announcement and will be reminded to take advantage of the service.

1 VIII. CONCLUSION

2 In closing, I support the introduction of free Manual Delivery Confirmation
3 Service for this holiday season. With the current safety challenges the Post Office is
4 facing, the introduction of free Manual Delivery Confirmation may have an additional
5 benefit of encouraging consumers to mail early this year to assure that their holiday
6 gifts arrive on time. I recommend that the Postal Service offer permanent free Manual
7 Delivery Confirmation with Priority Mail year round. At the very least, I urge the Postal
8 Service to offer free Manual Delivery on a permanent seasonal basis.



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Shipping Solutions *Shipping Label*

Print a Priority Mail® Shipping Label online and have Delivery Confirmation™ service included at no additional charge!**

▶ Select one:

- Create an online label for shipping a package **Today**
- Create an online label as a sample (not to be used for shipping)

▶ Please complete the following information: Fields marked by * are required.

Shipper Information

Recipient Information

* Name	<input type="text"/>	* Name	<input type="text"/>
Company	<input type="text"/>	Company	<input type="text"/>
* Address 1	<input type="text"/>	* Address 1	<input type="text"/>
Address 2	<input type="text"/>	Address 2	<input type="text"/>
* City	<input type="text"/>	* City	<input type="text"/>
* State	--Choose A State--	* State	--Choose A State--
ZIP+4	<input type="text"/> - <input type="text"/>	ZIP+4	<input type="text"/> - <input type="text"/>

Submit >

† Delivery Confirmation service gives you the delivery ZIP Code as well as the date and time that your article was delivered. If delivery was attempted you will get the date and time of attempted delivery. You can find this information at our Track & Confirm Web site.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with Rule 12 of the rules of practice.


h'Enri Whiteyjohnson

Washington, D.C. 20268-0001
October 29, 2001