

UNITED STATES OF AMERICA
Before the
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Complaint on Charges for the)
Bulk Parcel Return Service)

Docket No. C99-4

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
(OCA/USPS-14-31)
(December 10, 1999)

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-1-5 to the United States Postal Service, dated December 3, 1999, are hereby incorporated by reference.

Respectfully submitted,



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OCA/USPS-14. Please refer to USPS witness Adra's testimony in Docket No. MC97-4 (USPS-T-2), which OCA has moved to be admitted into this record, and the discussion at page 16 concerning the value of mail service of the then proposed BPRS service pursuant to criterion 2 of Section 3622(b) of the Postal Reorganization Act. The testimony states, "Value of service (criterion 2) for returned parcels would be similar to that of parcel post as described previously in terms of level of service. At the same time BPRS provides shippers of outbound parcels a convenient means of receiving returned parcels from customers, suggesting a higher value of service than the absolute level of service would indicate." Is this testimony still applicable to the BPRS service today?

OCA/USPS-15. Please refer to USPS witness Adra's testimony in Docket No. MC97-4 (USPS-T-2), which OCA has moved to be admitted into this record, particularly pages 13-14 which discuss the characteristics of the BPRS pieces.

- a. Is it still true that, "The BPRS pieces tend to be fairly homogenous in terms of weight and dimensions, with the majority of the volume concentrating in the upper weight increments range?" If not, please explain.
- b. Witness Adra's testimony referring to a market survey stated that "there are no BPRS pieces weighing less than 7.5 ounces." Is this still true? If not, please indicate the proportion of current BPRS pieces that weigh less than 7.5 ounces.
- c. If there are more than a minimal number of BPRS pieces that weigh less than 7.5 ounces, please indicate the lightest weight of BPRS pieces and the proportion of the lightest BPRS pieces of the total number of BPRS pieces.

OCA/USPS-16. Please refer to the DMM, section F010.5.3g (forwarding and related services).

- a. Please confirm that if the Postal Service forwards a parcel endorsed "Address Service Requested—BPRS," and it is delivered, the fee charged the mailer in addition to the initial postage, is an "ACS address correction fee and postage at single-piece First-Class or Priority Mail rate as applicable for weight of piece charged via ACS participant code."
- b. If the piece described in a, above, is then returned by the addressee, does the mailer pay the BPRS fee in addition to the single piece First-Class rate or does the mailer pay only the BPRS rate?
- c. In situation b, above, please confirm that the mailer using BPRS service avoids the weighted fee set out in Section F010.5.3f which would be the appropriate single-piece First-Class or Priority Mail rate, as applicable, multiplied by 2.472 and rounded up to the next whole cent.
- d. Please confirm that the weighted fee for a parcel otherwise eligible for BPRS service and weighing 13 ounces but returned pursuant to the weighted fee schedule referenced in c, above, would pay a charge of the First-Class rate of \$2.97 multiplied by 2.472 for a total fee of \$7.35. If not, please explain.

OCA/USPS-17. Please refer to USPS witness Adra's testimony in Docket No. MC97-4, (USPS-T-2), which OCA has moved to be admitted into this record, discussing at pages 4-6 the reasons shippers needed a BPRS type service to relieve them from the high return postage costs.

- a. Is it still true that, "An effective and efficiently operating parcel return service is especially needed by mail order firms in general, and by continuity and negative option marketing firms in particular?" If not, please explain.
- b. Is it still true that, "With continuity marketing, refusals and cancellations are handled by return of the product?" If not, please explain.
- c. Is it still true that, "As described above [in the testimony], continuity and negative options mailers in particular, incur a relatively high parcel return rate as a normal course of business and their parcels tend to be concentrated mostly in the upper weight increments?" If not, please explain.

OCA/USPS-18. Please refer to witness Adra's testimony in Docket No. MC99-4

(USPS-T-1) in which he presented the Postal Service's classification proposal to amend the BPRS service to allow into BPRS parcels that have been opened, resealed and re-deposited into the mail for return to the mailer.

- a. At page 4, lines 5-6, of the testimony he noted that the deficiencies in the original BPRS service were such that "original mailers may experience delays or lapses in having their merchandise returned, and may be denied customer payments and information." Please confirm that the amendment to the BPRS service in Docket No. MC99-4 reduced these problems and thereby increased the value of the BPRS service.
- b. At page 4 of the testimony, witness Adra describes the following benefits of the amendment of the BPRS service to mailers: (a) "giving [original mailer's] an effective vehicle to retrieve (and pay for the return of) merchandise that their

customers refuse after opening and inspection;" (b) "gives [original mailer's] direct control to minimize customer dissatisfaction;" and (c) "provides the mailer with both the merchandise and any customer payment and correspondence included in a resealed parcel." Please confirm that the above benefits to mailers were not present under the BPRS service initially approved and that these benefits increase the value of the BPRS service.

OCA/USPS-19. Should the Commission seek to establish a cost coverage for the BPRS service in this proceeding that is identical to the coverage for Standard Mail (A) service? Please explain your response.

OCA/USPS-20. Is the cost coverage for Special Standard Mail (B) relevant to a determination of the coverage for the BPRS rate? If so, what is the reasonable range of difference between the two coverages assuming their current service characteristics?

OCA/USPS-21. Is the system-wide coverage average relevant to a decision in this proceeding as to the appropriate BPRS coverage? If so, should the Commission recommend a coverage for the BPRS service that is higher or lower than the system-wide average? Please explain your response.

OCA/USPS-22.

- a. If the Commission is to recommend a new BPRS rate in this proceeding, should inflation adjustments be made to the total unit cost determined in the BPRS cost study, as revised December 2, 1999?
- b. If inflation adjustments should be made, for what period of time should they be made?
- c. If inflation adjustments should be made, please provide the inflation adjustment factor or factors to be used.

OCA/USPS-23.

- a. Please confirm that the Standard Mail (A) mailstream consists of letter shape, flat shape, and parcel shape mail. If you do not confirm, please explain.
- b. Please confirm that nearly all of Standard Mail (A) parcel shape mail consists of merchandise ordered by customers or product samples. If you do not confirm, please explain and provide any data to support your contrary assertions.
- c. Please confirm that nearly all Standard Mail (A) letter shape and flat shape mail consists of printed material. If you do not confirm, please explain and provide any data to support your contrary assertions.

OCA/USPS-24.

- a. Please confirm that the Postal Service proposed Bulk Parcel Return Service (BPRS) facilitates the return of Standard Mail (A) parcel shape mail. If you do not confirm, please explain.

- b. Please confirm that neither the DMCS nor the DMM authorize a service specifically dedicated to the return of Standard Mail (A) letter shape or flat shape mail. If you do not confirm, please explain.

OCA/USPS-25.

- a. Please confirm that the BPRS service offering effectively deaverages the Standard Mail (A) parcel shape mailstream for the return of merchandise. If you do not confirm, please explain.
 - b. Please confirm that Standard Mail (A) parcel shape mail returned via BPRS consists of merchandise having an intrinsic value far in excess of the cost of postage. If you do not confirm, please explain.
 - c. Please confirm that Standard Mail (A) parcel shape mail returned via BPRS consists of merchandise that may be proprietary to the mailer. If you do not confirm, please explain.
 - d. Please confirm that Standard Mail (A) parcel shape mail returned via BPRS preserves the integrity of the merchandise. If you do not confirm, please explain and describe the preparation of Standard Mail (A) parcel shape mail for auction at Mail Recovery Centers (MRCs).
 - e. Please confirm that Standard Mail (A) parcel shape mail returned via BPRS reduces the expense and effort of mailers billing and collecting from customers who have returned merchandise. If you do not confirm, please explain.
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- f. Please confirm that Standard Mail (A) parcel shape mail returned via BPRS serves to protect mailers against false claims by consumers that merchandise was not received. If you do not confirm, please explain.

OCA/USPS-26.

- a. Please confirm that Standard Mail (A) parcel shape mail bearing a BPRS endorsement cannot be returned via any subclass of Standard Mail (A). If you do not confirm, please explain.
- b. Please confirm that a customer receiving a Standard Mail (A) parcel shape mail piece bearing a BPRS endorsement cannot re-enter the parcel into the mail for return to the mailer at any Standard Mail (A) rate. If you do not confirm, please explain.

OCA/USPS-27.

- a. With respect to mail processing, does the Postal Service process both Special Standard (B) and Standard Mail (A) in the same manner. Please explain.
- b. With respect to transportation, does the Postal Service transport both Special Standard (B) and Standard Mail (A) in the same manner. Please explain.
- c. With respect to delivery, does the Postal Service deliver both Special Standard (B) and Standard Mail (A) in the same manner. Please explain.
- d. Please confirm that the Special Standard (B) subclass is preferred rate mail. If you do not confirm, please explain.

OCA/USPS-28. Please confirm that BPRS may be used by mailers for the return of parcels in the case where the parcels were originally delivered to customers via a delivery service other than the Postal Service. If you do not confirm, please explain.

OCA/USPS-29. What is the service standard for BPRS?

OCA/USPS-30. Is only ground transportation used to transport BPRS returns?

OCA/USPS-31. Does the Postal Service have the option of requiring BPRS users to pick up the returns?

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 section 12 of the rules of practice.


STEPHANIE WALLACE

Washington, D.C. 20268-0001
December 10, 1999