

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-51)

The United States Postal Service hereby provides its response to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-51, filed on January 28, 2000.

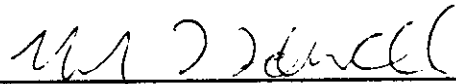
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Chief Counsel, Ratemaking



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February 16, 2000

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES  
OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-51. Did the Postal Service conduct any review or analysis of the process of changing First Class Mail rates in January 1999? If not, why not? Provide all related documents.

RESPONSE: The Postal Service did conduct an assessment of the implementation process at a March 3, 1999 meeting. The meeting had representation from Headquarters offices (Pricing and Classification Implementation, Retail, Rates and Classification Service Centers) and Area offices (Area Marketing Specialists, Area Retail Specialists). The assessment was not limited to First-Class Mail, but covered the process as a whole and was conducted in a meeting setting to discuss how successful the Postal Service had been and what it might do to improve for the next implementation. The group was not assembled to develop specific action plans, but was assembled for a brainstorming discussion about suggestions/recommendations for the next implementation.

Because of the character and purpose of the meeting, no formal report was produced. However, an abbreviated set of notes in bullet form was produced and is attached. As indicated by these notes, the group at the March 3 meeting was divided into two teams and each team was tasked with considering different sets of issues, for example, Team 1 was tasked with discussion of training and implementation kits. As further indicated by the notes, each team then came up with a list of "recommendations" about their assigned issues. The recommendations listed are not meant to represent consensus positions of each team, but rather a compilation of suggestions flowing out of the process.

As the implementation effort for Docket No. R2000-1 begins to take shape in the coming months, these notes will likely be revisited for ideas on how to improve the implementation effort this time. To date, one change has already been undertaken. The Postal Service has established a Gateway To The Household implementation readiness team for Docket No. R2000-1 implementation. The team will evaluate the assessment recommendations and

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES  
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RESPONSE to OCA/USPS-51 (Continued)

develop retail implementation initiatives. It is anticipated that the initiatives will concentrate on the retail lobby and the interaction between the post office and the household customer. It is also anticipated that the initiatives will focus on ensuring stamp availability in all outlets and ensuring that other retail issues are identified and addressed as well.

While not directly related to the March 3 meeting, the Postal Service is also developing a new rates section for its redesigned web site. The new site is expected to go "live" this spring and will include separate rate pages for business and household customers. These new pages will be used extensively to target Docket No. R2000-1 implementation to the appropriate audiences.

## R97-1 Retail Assessment Meeting

### Team I

#### Tasks:

- Training and Implementation Kits
  - Elements
  - Distribution and Timelines
- Local Communications/Marketing
  - Build Awareness among residential customers
  - Large Stamp purchasers to buy early
- Vending

#### Recommendations:

1. Two separate Coordinators dedicated specifically to:
  - Technical information
  - Implementation
2. Implementation Kits
  - Have Quality Control Committee for accuracy
  - Contract officer's representative
    - Responsible for all aspects of kit
    - Ad hoc position
  - Contract with Ad Agency for materials and fulfillment efforts
    - Contains dollar penalties for late delivery (default clause)
  - Kits
    - Delivered using delivery confirmation
    - Quantity is tailored for office size
    - Addresses provided are correct
  - Ratefolds (123) mailed to all businesses
  - Additional promotions
    - Nationally developed postcard sent to all residential addresses
3. Timeline Review and Development Work Group
  - Cross functional group established to create timeline for future rate implementations.
    - Needs to meet in the next 4-5 weeks while issues are fresh.
    - Suggested participants by functional areas:
      - Stamps
      - Retail Operations
      - Vending
      - IRT/POS1
      - Area/Implementation coordinators
      - "External" software companies

- USPS (ad hoc) Information Service (IS). Integration Manager
- Business Mail Acceptance
- Permit System

#### 4. Stamps

- Encourage large stamp purchasers to buy early /avoiding stamp stock shortages
  - Canvass field NOW -while still fresh (who bought large quantities of makeup stamps on January 10, 1999?)
  - Capture current data on stamp stock/stamp sales
  - Automatic distribution
  - Promote early makeup stamp availability with retail counter cards and clerk buttons...."Buy Early!" or "Ask me About the Makeup Stamp"
- Vending
  - Better timeline established from our contractor, MDI
  - Quality Control check on products
  - Dollar penalty for late delivery
  - More variety

#### 5. Residential Customer Awareness

- National postcard developed to send to every residential address
- Pocket ratecard for all window clerks, along with standup talk

#### 6. Solicit field now for "best practices" used during R97-1. Examples include:

- Postal Lobby Video Network (PLVN)
- "Ben Franklin"- type video segmented into functional areas; i.e., retail, plant, delivery etc.)

## **R97-1 Retail Assessment Meeting**

### **Team 2**

#### **Tasks:**

- Team makeup
  - Titles and responsibilities
  - Area and district support needed
- National Support needed (other than implementation kits and training)
- Stamp Envelopes

#### **Recommendations:**

1. Team make-up - District
  - District coordinators and team members need to be rate specific (i.e. R97-1 involved transportation because of drop shipments etc. being added)
  - Two coordinators
    - Marketing
    - Operations
  - Include areas that would have most impact on the rate case)
    - Manager, Post Office Operation or Level 24 Postmaster - Responsibility - Postmasters and the Managers of Post Office Operation
    - Plant Manager or Manager, Distribution Operations (MDO) - Responsibility - plant managers, maintenance
    - Transportation - Responsibility - impact on transportation issues; i.e., drop shipments
    - Manager, Business Customer Relations - Responsibility - business customers
    - Manager, Bulk Mail Entry - Responsibility - acceptance
    - Manager, Retail - Responsibility - Stamp Distribution Offices, retail outlets, signage
    - Corporate Relations - Responsibility -media help with a local 1-800 number
2. Team makeup - Area
  - Marketing and Operations coordinators - same functional area as district
3. National support
  - Rate cards for retail clerks
  - Canned letters (rate specific)
  - Timelines (implementation guidelines and functional areas)
  - Direct mailings (nationwide)
  - Presentations (powerpoint for postal customer councils/ training videos)
  - Signage (quality improvement team to ensure accuracy before printing)

- PSTN broadcasts
- Budget - project workhours/ non personnel

#### 4. Stamped Envelopes

- An exception rather than the rule
- Decisions, such as whether re-evaluation or destruction, needs to be made earlier
- Information sent out to the field earlier

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in black ink, appearing to read "Michael T. Tidwell", written over a horizontal line.

Michael T. Tidwell

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