

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

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
TO INTERROGATORIES OF DOUGLAS F. CARLSON
(DFC/USPS-T39-30-36(A), 37-38(D), 38(F)-41)

The United States Postal Service hereby provides the responses of witness Mayo to the following interrogatories of Douglas F. Carlson: DFC/USPS-T39-30-36(a), 37-38(d), and 38(f) to 41, filed on February 17, 2000. An objection was filed to interrogatory DFC/USPS-T39-36(b-d) on February 28, 2000. Interrogatory DFC/USPS-T39-38(e) has been redirected to witness Davis.

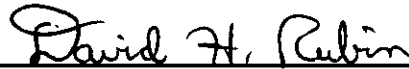
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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March 2, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
TO INTERROGATORIES OF DOUGLAS F. CARLSON (USPS-T-39-30-41)**

DFC/USPS-T39-30.

- a. Please confirm that your response to DFC/USPS-T39-5(c) represents the full extent to which the Postal Service has issued directives and other documents to alert employees to the redesign of Form 3811 and to train delivery employees on the proper completion of the new Form 3811. If you do not confirm, please provide the missing information.
- b. Please provide all evidence that the Postal Service possesses indicating that delivery employees are familiar with the new Form 3811 and are completing it properly.
- c. Please confirm that a Form 3811 that is returned to the customer with neither box checked has not been completed correctly by the Postal Service.
- d. Please provide any available evidence confirming that stand-up talks have been conducted at the local level to discuss the new Form 3811.
- e. Please provide all evidence revealing the extent to which delivery employees are checking either the "yes" box or the "no" box on new Forms 3811.

RESPONSE:

- a. I cannot confirm that my response to DFC/USPS-T39-5(c) represents the full extent to which the Postal Service has alerted employees about the redesign and proper completion of Form 3811. See my response to DFC/USPS-T39-5(h).
- b. I am not aware of any "evidence", but my experience as a letter carrier and continued contact with postal field employees is the basis for my belief that delivery employees are being properly trained in completing new and revised forms.
- c. I cannot answer the question without knowing which boxes you are referring to.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
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DFC/USPS-T39-30. (CONTINUED)

- d. I am not aware of any "evidence".

- e. See my response to part (d) above.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
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DFC/USPS-T39-31.

- a. Please confirm that the Postal Service has a measurement system to determine the extent to which delivery employees are scanning Delivery Confirmation bar codes. If you do not confirm, please explain.
- b. Please provide documents explaining the function and operation of the system described in (a).
- c. Please provide the percentage of delivery offices that this system measures.
- d. Which percentage of Delivery Confirmation mail is delivered in areas subject to this measurement system?
- e. Does this measurement system compare the actual time of delivery with the time of the delivery scan or the time of the delivery scan recorded in the tracking system? Or does this system only check to ensure that the test piece was scanned, regardless of the time of the scanning?
- f. Please provide recent performance results from the system described in (a).

RESPONSE:

- a. Confirmed.
- b. I am not aware of any documents explaining the function and operation of the measurement system. It is my understanding that the scan percentage is calculated by taking the number of pieces with acceptance records scanned by delivery employee divided by the number of pieces with acceptance records.
- c. All delivery offices are covered by this system.
- d. All Delivery Confirmation mail is delivered in areas subject to this measurement system.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
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DFC/USPS-T39-31 CONTINUED

- e. This system only checks to ensure that the piece was scanned, regardless of the time of the scanning.
- f. In Accounting Period 5 of Fiscal Year 2000 the scanning percentage was 96 percent.

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DFC/USPS-T39-32. Please refer to your response to DFC/USPS-T39-7.

- a. Please explain the process by which the Postal Service solicits, reviews, or responds to input from non-organized groups of mailers, such as consumers and the general public.
- b. Please provide all evidence concerning the percentage of transactions for certified mail plus return receipt where the mailer would have purchased solely the return receipt if certified mail had not been a prerequisite for purchasing return receipt.
- c. Please confirm that a stand-alone return-receipt service would not be popular with customers. If you do not confirm, please explain.

RESPONSE:

- a. Different departments within the Postal Service solicit, review or respond to input from consumers and the general public in different ways. For example, I review and respond to some inquiries directed to the Postmaster General, the Consumer Advocate, or the Vice President of Pricing and Product Development if these inquiries relate to special services. With respect to solicitation, my department performs market research or other special studies. Also, the Postal Service holds a Postal Forum twice annually as a means to both solicit input from mailers and respond to input from mailers.
- b. I know of no evidence.

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DFC/USPS-T39-32 CONTINUED

- c. Not confirmed. I do not know whether a stand-alone return receipt would or would not be popular. However, the Postal Service has never proposed such a service. See my response to DFC/USPS-T39-7. Presumably, the Postal Service has not received much interest from non-parcel mailers for that type of service. I have not heard of much interest in such a service, other than by individual intervenors, like you, in Commission cases.

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DFC/USPS-T39-33. Please refer to your response to DFC/USPS-T39-9 and explain the basis for a ten-dollar rounding constraint for the fee for caller service.

RESPONSE:

I determined a ten-dollar rounding constraint was more appropriate than the current twenty-five-dollar rounding constraint, particularly when aiming to have the proposed fee for caller service match the rounding constraint applied to the proposed reserve number fee.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
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DFC/USPS-T39-34. The Inspection Service audit report provided in response to DFC/USPS-T39-3 states, "We found an antiquated computer system made it difficult and time consuming to research the many claims which were received by the District's Consumer Affairs Office." Attachment to Response to DFC/USPS-T39-3 at page 3 (final sentence). Please provide all available information on the number of claims.

RESPONSE:

It is my understanding there is no information on the number of claims.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
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DFC/USPS-T39-35.

- a. Please explain why the Postal Service does not offer Delivery Confirmation along with First-Class Mail service.
- b. Please confirm that a customer who wishes to mail a one-ounce letter via First-Class Mail and who desires to know only that the letter was delivered currently must purchase return receipt *plus* certified mail, registered mail, or insured mail to obtain this information. If you do not confirm, please explain.
- c. Please confirm that most customers who purchase certified mail and return receipt for their First-Class Mail desire more information than just knowledge that the article was delivered. If you do not confirm, please explain and provide all available evidence.

RESPONSE:

- a. Delivery Confirmation was designed to meet the needs of expedited and parcel shippers. For that reason, the service is currently available for Priority Mail and Standard Mail (B) only.
- b. Not confirmed. The insurance option would generally not be available, because I don't believe a one-ounce First-Class Mail eligible letter would qualify as Standard Mail matter eligible to receive insurance. Furthermore, one could mail a one-ounce letter and receive knowledge that it was delivered using the Priority Mail subclass of First-Class Mail with either return receipt for merchandise or Delivery Confirmation.
- c. Not confirmed. I have no idea how many certified mail plus return receipt customers desire more information than knowing that the mailpiece was delivered.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
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DFC/USPS-T39-36. Please refer to your response to DFC/USPS-T39-10.

- a. Please provide the national policy or other guidelines that explain the "unique local circumstances" under which no delivery or access to post-office boxes is permissible.
- b. To enhance the record on this subject via examples, please explain why customers may not receive mail and access their post-office boxes on Saturdays at the Byron Rumford Station in Oakland, California, the post office in Babb, Montana, and the station located in the Port Authority Bus Terminal in New York, New York.
- c. Please provide the approximate year in which the building housing the Byron Rumford Station was constructed.
- d. Please confirm that access to the box section on Saturdays at the Byron Rumford Station could not have been accommodated architecturally. If you do not confirm, please explain.

RESPONSE:

- a. I am not aware of any national policy or other guidelines explaining the unique local circumstances.
- b. Objection filed.
- c. Objection filed.
- d. Objection filed.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
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DFC/USPS-T39-37. Please explain how the Postal Service determined that the boxholder's city of residence was a significant enough factor to warrant a special fee (see Docket No. MC96-3) while the number of days on which a customer can receive mail at his box is not significant enough to warrant fee differentiation. Please provide the policy governing establishment of separate fee categories.

RESPONSE:

See my Docket No. MC96-3 USPS-T-7 testimony at pages 23 to 34 and 37 to 43 that explains the Postal Service proposal for a non-resident fee for box service. The proposed fee was founded on the beliefs that non-residents could present costlier box service administration and receive a variety of benefits from a mailing address other than in the post office serving one's residence. Also see witness Landwehr's testimony, USPS-T-3, at pages 3 to 10 from that same docket which summarized problems caused by non-resident boxholders that could inevitably lead to increased service costs. In any case, the non-resident fee proposal was rejected by the Commission, so that proposal does not serve as Commission precedent for what types of factors should warrant fee differentiation.

I believe that fee differentiation is not warranted if a customer cannot receive box mail on Saturdays. I am not aware of how many facilities do not deliver box mail on Saturdays, nor am I aware of any hardship for any boxholders not receiving mail delivery to their post office box on Saturday. On the other hand, I am aware of the costly situations imposed by non-resident boxholders.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
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DFC/USPS-T39-38. These questions concern Form 3800, Certified Mail Receipt.

- a. Please confirm that the version issued in April 1995 had a number consisting of 10 alphanumeric characters. If you do not confirm, please explain.
- b. Please confirm that the bar-coded version issued in July 1999 has a number 20 numeric characters long. If you do not confirm, please explain.
- c. Please confirm that either the customer or the window clerk must write the certified-mail number on the return receipt if the customer wishes to purchase a return receipt. If you do not confirm, please explain.
- d. Please confirm that a certified-mail number that is twice as long as the old one will increase the length of time required for a customer or window clerk to place this number on the return receipt. If you do not confirm, please explain.
- e. Please confirm that the length of the new number may increase window-service costs associated with certified mail and return receipt.
- f. Has the Postal Service considered designing a Certified Mail Receipt that has a tiny removable label on which the certified-mail number is printed that can be peeled off and placed in the box for article number on the return receipt? Please provide details.
- g. If the Postal Service has not considered the label described in (f), do you believe that this removable label might increase the value of certified-mail service to customers or reduce window-service costs? Please explain.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
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DFC/USPS-T39-38 CONTINUED

- d. Confirmed.
- e. Redirected to witness Davis.
- f-g. It is my understanding that the Postal Service considered using a removable number label and has determined it currently would not be desirable. I have been informed that a removable label could present machinability problems on high-speed equipment that could increase costs. Also, it is my understanding that the costs of producing and distributing forms with such a label could offset any hypothetical window service transaction cost savings. The Postal Service is continually reviewing forms for improvements and a removable label could possibly be included in a future redesign, along with other changes. I do not believe that a peel-off label would necessarily increase the value of service for certified mail, particularly if, in the alternative, the window clerk recorded the number.

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DFC/USPS-T39-39. Please provide the overall cost coverage for post-office boxes that resulted from implementation of the fees approved in Docket No. R97-1.

RESPONSE:

See Appendix G, Schedule 1 of the Docket No. R97-1 Recommended Decision for the post office box and caller service overall cost coverage.

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DFC/USPS-T39-40. For each box group and box size, please provide the cost coverage that resulted from implementation of the fees approved in Docket No. R97-1.

RESPONSE:

The cost coverages can be calculated by annualizing the fees in Fee Schedule 921 of Appendix One of the Docket No. R97-1 Recommended Decision and dividing by witness Lion's costs that are included in an attachment to the response to your interrogatory DFC/USPS-T39-1, also from Docket No. R97-1 (Tr. 3/572).

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
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DFC/USPS-T39-41. Please provide the cost coverage for each box group and box size proposed in Docket No. R2000-1.

RESPONSE:

The cost coverages can be calculated by annualizing the proposed fees in my testimony on page 102 and dividing by witness Kaneer's costs presented in Exhibit USPS-40B, page 2.

DECLARATION

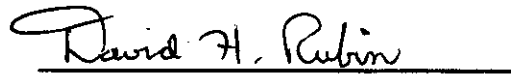
I, Susan W. Mayo, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Susan W Mayo

Dated: MARCH 2, 2000

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 cursive script that reads "David H. Rubin". The signature is written in black ink and is positioned above a horizontal line.

David H. Rubin

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
March 2, 2000