

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON DC 20268-0001

Postal Rate and Fee Changes, 2000]

DOCKET NO. R2000-1

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

INTERROGATORIES OF DAVID B. POPKIN TO THE UNITED STATES POSTAL SERVICE

David B. Popkin hereby requests the United States Postal Service to answer, fully and completely, the following interrogatories pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure. If the designated witness is unable to respond to my interrogatory, I request a response by some other qualified witness. If necessary to provide the information requested, the question should be directed to the USPS employee who has knowledge of the information desired. Particularly since the Postal Service is encouraging cooperation from the intervenors, I request that similar cooperation in liberally interpreting the requests made by my interrogatories and provide the desired information. To reduce the volume of paper, I have combined related requests into a single numbered interrogatory, however, I am requesting that a specific response be made to each separate question asked. To the extent that a reference is made in the responses to a Library Reference, I would appreciate receiving a copy of the reference since I am located at a distance from Washington, DC. Any reference to testimony should indicate the page and line numbers.

February 29, 2000

Respectfully submitted,



DAVID B. POPKIN, POST OFFICE BOX 528, ENGLEWOOD, NJ 07631-0528

DBP/USPS-1 With respect to the July 1999 version PS Form 3800, Certified Mail Receipt, [a] Confirm that the article number has changed from one letter and nine digits in previous forms to twenty digits in the present form. [b] Confirm that either the customer is expected to show this number on the Return Receipt form when that service is utilized or the number must be entered by the acceptance postal employee. [c] Confirm that it will take a longer time to enter a 20-digit number than a 10-character number. [d] Do you feel that the doubling of the article number's size will add, subtract, or be neutral with respect to the value of this service to the customer and explain your answer? [e] Confirm that the numbers on a group of the previous forms ran in numerical order while the new forms do not since they appear to change by 3 in the next to the last digit and the final digit appears to be a check

digit. [f] Confirm that some mailers previously have been able to utilize some manual/automated system for entering the article number, such as a numbering machine or rubber stamp, and the new numbering system will not allow for this convenience. [g] Do you feel that the change to non-consecutive numbers will add, subtract, or be neutral with respect to the value of this service to the customer and explain your answer? [h] What percentage of Certified Mail articles also utilize Return Receipt service? [i] Confirm that the USPS window clerk will take a longer time to enter a 20-digit number than a 10-character number both on the Return Receipt, if necessary, and also on the manually generated delivery receipt, if necessary. [j] Why was it necessary to double the size of the article number? [k] Was any thought given to having a small peel off label on the receipt that could be removed and placed on the Return Receipt card to indicate the article number? [l] Was that suggestion made to the Postal Service in comments that were filed in the Postal Service's request for comments with respect to the introduction of these new forms? [m] If so, why was it not adopted? [n] Confirm that transcribing a 20-digit number to a Return Receipt and/or manual delivery receipt will be likely to double the chance for an error as compared to a 10-character number. [o] Explain and discuss any subparts you are not able to confirm.

DBP/USPS-2 In addition to the new barcoded Certified Mail receipt, please provide the following information for any of the other accountable mail services that have/are introduced/ing a new form: [1] Name of Service [2] Number of characters utilized on the old form for the article number [3] Number of characters utilized on the new form for the article number [4] Whether the article numbers will run in consecutive order in a group of forms [5] A listing of all instances where this number has to be transcribed to another form - list the form[s] and whether the transcription is made by the customer, USPS employee, or could be made by either [6] The percentage of return receipts utilized for that service [7] Whether the receipt and article number label are a single form, such as with Certified mail, or whether they are separate forms, such as with the present Registered Mail forms.

DBP/USPS-3 [a] Confirm that the Postal Service has both a manual and automated system for processing First-Class Mail. [b] Explain the types of mail that are handled in each of the systems. [c] What are the average costs per 1000 letters for handling in each of

the systems? [d] Does the Postal Service make any effort on a regional [as small as a single P&DC area] or on a national basis to remove Certified Mail articles [prior to arrival at the delivery office] from an automated system to a manual system. [e] Confirm that the PS Form 3800 has a tagging applied to the sticker that is affixed to the article. [f] What purpose[s] does this tagging serve? [g] Confirm that in order for the Postal Service to properly provide the Certified Mail service, it is necessary for the article to either arrive at the delivery office separated from the normal mail stream or for the delivery office to perform such separation. [h] Describe the various methods that are utilized to perform this separation [include in your response, in addition to the normal mail flow, the methods that are utilized for those addressees that have a unique 5-digit ZIP Code and for those government agencies that receive large volumes of Certified Mail]. [i] For any of the automated systems that are used to "trap" Certified Mail, advise the number of units that have been installed as of this time, the number of processing machines that do not have this unit installed, the percentage of overall mail which is processed through machines which have this device, and an estimation of the effectiveness of these machines in trapping Certified Mail. [j] If there are processing machines which do not have these devices installed on them, outline the plans for installing the device on all remaining processing machines and the date when 100% of the mail will be processed in this manner. [k] If the completion date for installation of these devices in all processing machines has changed from that which was advised in Docket R97-1, explain why it was necessary to change the date. [l] Explain and discuss any subparts you are not able to confirm.

DBP/USPS-4 [a] Confirm that the Postal Service has run a pilot program for more than a year now with some 250 Mail Boxes Etc. [MBE] franchises, including the MBE franchise in Tenafly, New Jersey. [b] Confirm that Postal Service soon plans to add some 700 additional MBE franchises to the program. [c] Confirm that these MBE franchises utilize an official USPS "round dater" for authenticating various mailing receipts and/or postmarking mail accepted by them. [d] Confirm that these MBE franchises sell postage stamps and postal stationery. [e] Advise which of the following services [assume that this refers only to single piece mail and not to any bulk mailings] a mailer may present to an MBE franchise for determination of the mailability, the postage required, and the acceptance of the mail in behalf of the United States Postal Service: [1] First-Class Mail / [2] Priority Mail / [3]

Express Mail / [4] Standard Mail [B] including all classes of individual subclasses / [5] International Mail / [6] Certificates of Mailing / [7] Certified Mail / [8] Registered Mail / [9] Insured Mail / [10] Return Receipt / [11] Postal Money Orders. If any of these services are not provided, please explain why not. If additional services are provided, please advise the nature of the service. [f] Confirm that these MBE franchises normally will provide shippers with a choice of other private carriers, such as UPS and Fedex, for their shipments. [g] Provide a listing of any differences that exist between the level and types of available service between an MBE franchise and the standard type of contract station or branch that has existed for many years. [h] Provide a copy of the standard contract that is utilized between the Postal Service and the MBE franchise. [i] Explain and discuss any subparts you are not able to confirm.

DBP/USPS-5 [a] Confirm that with respect to a flat-rate envelope which is utilized by a mailer for Priority Mail under the present rates, there is no additional charge for using the flat-rate envelope vs. any other type of enclosure [Namely, an flat-rate envelope will cost \$3.20 regardless of weight and another type of enclosure will cost the same \$3.20 for weights up to two pounds and more than \$3.20 for weights over two pounds]. [b] Confirm that under the proposed rates, Priority Mail would have the following rates:

Weight	Flat-rate Envelope	Other type of enclosure
Under one pound	\$3.85	\$3.45
One to two pounds	\$3.85	\$3.85
Over two pounds	\$3.85	\$5.10 or more

[c] Confirm that these new rates being proposed will change from a scenario where a mailer will not have to pay more [and could even pay less if the weight is over 2 pounds] for using a flat-rate envelope [vs. any other type of container] to one where the mailer could pay an extra 40 cents postage for just using a flat-rate envelope if the weight is under one pound.

[d] What plans does the Postal Service have to publicize this change of scenarios to the USPS acceptance employees? [e] What plans does the Postal Service have to publicize this change of scenarios to the mailing public? [f] Do you feel that this change in scenarios could result in confusion to the mailing public? If not, explain why not. [g] Do you feel that many mailers could pay 40 cents extra postage either without understanding why or because they don't want to go to the trouble of switching envelopes? If not, why not? [h] Will a

mailer be able to cross out and/or cover over the flat-rate envelope markings so as to eliminate the requirement to utilize the flat-rate postage rate? If not, why not? [i] Please provide a complete listing of all types of containers [envelopes, boxes, etc.] that the Postal Service provides to mailers for either Express Mail or Priority Mail including the following specific data: [1] USPS designation [such as EP-13A] / [2] Date of the current version / [3] Whether utilized for Express Mail or Priority Mail [Indicate any containers that may be utilized for both Priority and Express Mail] / [4] Description of the container [such as 9.5" by 12.5" envelope] / [5] Whether the container meets/mandates the requirements for mailing at the flat-rate envelope rate / [6] The wording that is on the container to indicate that it is a flat-rate envelope and the postage required / [7] The weight of the container without contents / [8] The cost to the Postal Service to purchase the container from its supplier [Please show the price for 1000 containers so that the rounding errors will be less significant]. [j] Explain and discuss any subparts you are not able to confirm.

DBP/USPS-6 [a] Confirm that under the present rates, PO to Addressee Express Mail would have the following rates:

Weight	Flat-rate Envelope	Other type of enclosure
Under eight ounces	\$15.75	\$11.75
Eight to 32 ounces	\$15.75	\$15.75
Over two pounds	\$15.75	\$18.50 or more

[b] Confirm that under these rates, a mailer will have to pay \$4 more for mailing an article under 8 ounces in a flat-rate envelope rather than in a non-flat-rate envelope. [c] Confirm that under the proposed rates, that difference would be \$3.75 for mailing an article under 8 ounces in a flat-rate envelope rather than in a non-flat-rate envelope. [d] Explain and discuss any subparts you are not able to confirm.

DBP/USPS-7 [a] Confirm, or explain if you are not able to, that the box rents for Englewood Cliffs, New Jersey 07632 were recently changed from Fee Group C to Fee Group B. [b] What were the parameters utilized to determine whether to change Fee Groups for a specific facility [please provide all six scenarios for changes between A, B, and C]. [c] Please describe, in detail, how the calculations were made which resulted in the Englewood Cliffs change. [d] Please provide the specific numbers utilized for that change.

DBP/USPS-8 To enable me to better understand the changes in Fee Groups for Post Office Boxes, please advise both the present and the proposed Fee Groups for each of the facilities with Post Office Boxes in the 076 ZIP Code area [07601 through 07675].

DBP/USPS-9 [a] Confirm that many facilities with Post Office Boxes are located in government-owned buildings. [b] Confirm that the Englewood, NJ 07631 post office is located in a government owned building. [c] What percentage of postal facilities with Post Office Box Service are located in government owned buildings? [d] Please provide, in detail, the procedure that will be utilized to determine the equivalent rental fee for space located in government owned buildings. [e] Please provide the calculations with specific numbers that will be used to determine the Fee Group for Englewood, NJ 07631. [f] Explain and discuss any subparts you are not able to confirm.

DBP/USPS-10 In the response to Interrogatory DFC/USPS-T34-1, a total of ten Priority mail Processing Centers [PMPC] were listed along with the areas that each cover. [a] Is there an outside contractor that operates each of the ten PMPC facilities. If so, provide the name of this contractor. [b] Are there any plans to change the number of PMPC facilities or the area covered by each of the existing facilities? If so, please explain and detail the change and projected date. [c] Describe the method that is utilized by the Postal Service to process Priority mail for each of the following scenarios: [1] Originating and destinating within the same PMPC area / [2] Originating in one PMPC area and destinating in another PMPC area / [3] Originating in a PMPC area and destinating outside of the PMPC area, and / [4] Originating outside of a PMPC area and destinating within a PMPC area. Other scenarios may be necessary to provide for a full description of the methods utilized. These descriptions should indicate when mail is transferred between the Postal Service and the contractor and who is providing the transportation. For example, a possible response could be in the following format: Local post office sends mail to P&DC, P&DC delivers mail to originating PMPC, PMPC transports mail to destinating PMPC, mail is picked up from PMPC by local P&DC, and mail is sent to local post office. [d] Is all transportation between the P&DC and the serving PMPC done by ground transportation? If not, provide a listing of those P&DC that utilize air transportation to ship mail to or from the serving PMPC.

DBP/USPS-11 [a] Confirm that a number of post offices throughout the country are in the format of a Postal Retail Store. [b] Approximately what percentage of all postal facilities operated by the USPS, that is main offices and classified branches/stations, are in this format? [c] Approximately what percentage of the total revenue received at all main post offices and classified stations/branches is sold at a postal retail store? [d] Confirm that in a postal retail store, prepackaged stamps are posted on the walls where a customer takes one or more of them off the wall or displays and brings them to the clerk to pay for them. [e] Confirm that in a non-postal retail store [namely, the traditional format] the clerk has a stock of stamps and will not turn them over to the customer until payment has been received. [f] Confirm that in a postal retail store an inventory is not taken every time that there is a transfer of clerks, such as when one clerk goes to lunch. [g] How often are inventories conducted at postal retail stores? [h] How often are inventories conducted at traditional post offices? [i] What action, including any action that may be taken against the employee, is taken if an inventory of an individual's stamp stock in a traditional post office is determined to be under or over? [j] What action is taken if the inventory of the stamp stock is under or over at a postal retail store? [k] Approximately what percentage of stamp stock at main offices and classified branches/stations in the traditional format turns up short as a result of inventories? [l] Approximately what percentage of stamp stock turns up short at postal retail stores? [m] Who has the initial financial responsibility for the stamp stock at both types of facilities?

DBP/USPS-12 [a] Confirm, or explain if you are unable to do so, that there are two main reasons why customers utilize the Registered Mail service, namely, first, by providing a more secure protection of their mail to ensure that it will not be lost in transit and second, to obtain indemnity in the event of loss. [b] Provide any other reasons why a customer would utilize Registered Mail [as opposed to Certified Mail or Insured Mail].

DBP/USPS-13 USPS-LR-I-200 provides Audit Reports on Special Services in the Northeast Area. Please provide me with copies of any Special Services audits that have been conducted since 1990 [the date on which the Postal Service was to conduct a study of return receipts] in any area in the country, including the Northeast Area.


DBP/USPS-14 [a] In those post offices that have City Delivery service, is it required to deliver mail six days a week [Monday through Saturday except legal holidays] at the following types of addresses: [1] City Delivery Route [2] Post Office Box [3] General Delivery [4] Rural Route [5] Highway Contract Route? Provide a regulatory reference which permits any negative responses. [b] Provide a similar response for post offices that do not have City Delivery service [Except, no response is needed for City Delivery routes]. Provide a regulatory reference which permits any negative responses. [c] If exceptions may be made to the level of service, advise the level of management required for approval.

DBP/USPS-15 [a] Confirm that Insured Mail does not receive any special security from the time that the mail is accepted until it arrives at the delivery office, namely, it is transported in a similar manner to the same type of mail without insurance. [b] Confirm that mail insured for \$50 or less does not receive any special security at the delivery office. [c] Confirm that it will not be possible to determine, with absolute certainty, the amount of insurance that has been purchased [any value from \$50.01 to \$5000] by examination of the article. [d] Explain and discuss any subparts you are not able to confirm.

DBP/USPS-16 [a] Please explain how a retail window clerk will determine whether an Express Mail article will be overnight or second day. [b] If a customer is waiting in line prior to the facility's cut-off time but does not have the article processed until shortly after the cut-off time [due to waiting on line or clerk's diversion or other reason beyond their control] does the retail terminal automatically default the guaranteed time of delivery.

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.

David B. Popkin  February 29, 2000