

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 DAVIS
TO INTERROGATORIES OF DOUGLAS F. CARLSON
(DFC/USPS-T30-12-14)

The United States Postal Service hereby provides the responses of witness Davis to the following interrogatories of Douglas F. Carlson: DFC/USPS-T30-12 to 14, filed on February 25, 2000.

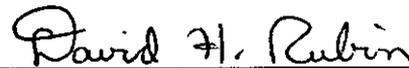
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



David H. Rubin

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March 10, 2000

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DFC/USPS-T30-12. Please refer to your response to DFC/USPS-T30-1.

- a. Please provide, for both Docket No. R97-1 and Docket No. R2000-1, the raw data of the labor time per return-receipt transaction for clerk and carrier review functions, clearing-clerk time, and window-clerk time.
- b. If the times described in (a) have increased in Docket No. R2000-1 compared to Docket No. R97-1, please explain why.
- c. Is the "new field study" to update clearing clerks' labor time different in methodology from the study conducted for Docket No. R97-1? If so, please explain the differences.
- d. Why does your response refer to return receipts showing "to whom, addressee's address, and date delivered" given that Docket No. MC96-3 changed return receipt to provide a single service, which provides a return receipt showing to whom and date delivered, plus the addressee's address *if it is different*?
- e. In the electronic version of USPS-LR-I-108, why does the Excel file titled "return receipt" appear to differentiate between "whom and date delivered" and "whom, where and date delivered"?
- f. Please provide the percentage of all return receipts for which the Postal Service provides a new address on the return receipt.

RESPONSE:

- a. Please see the attached spreadsheet for the raw data used in Docket No. R2000-1 for the labor times for clearing clerks' review of carriers' PS Form 3811 cards. The window acceptance time for Docket No. R2000-1 is based on the time reported in the Docket No. R97-1 cost study. The raw data upon which Docket No. R97-1 costs are based are not available since the original field study was conducted in 1976.

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- b. The time for clearing clerk / carrier review as measured in the Docket No. R2000-1 cost study falls within the range of the two times (for whom and date delivered and for whom, where and date delivered) reported in the Docket No. R97-1 study. The difference between the new data and old data can be explained by differences between the two studies, including when the data were collected and the sampled facilities at which the data were collected.
- c. Yes, the new field study to update clearing clerks' labor time is different in methodology from the previous study. The new field study obtained data from 25 randomly selected post offices over a period of one week, while the previous study obtained data from 26 non-randomly selected post offices over a period of two weeks.
- d. My response refers to return receipts showing "to whom, addressee's address, and date delivered" because existing cost data must be weighted to reflect the single service, which provides the addressee's address for a portion of return receipt transactions .
- e. The Excel file titled "return receipt" differentiates between "whom and date delivered" and "whom, where and date delivered" because the cost study is based in part on data that were obtained prior to Docket No. MC96-3, before these two services were consolidated.

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- f. The exact percentage of all return receipts for which the Postal Service provides a new address on the return receipt has not been quantified. My cost study uses as a proxy 2.72 percent, which is the percentage of total mail volume that is undeliverable as addressed (UAA). Please refer to USPS-T-30, p. 12. Presumably, the Postal Service would provide a new address for all UAA mail. Therefore, the use of UAA mail as a proxy for return receipts for which the Postal Service provides a new address is both reasonable and appropriate.

Accountable Mail - Return Receipt Study: Field Survey Data
Individual Site Data

FACILITY		DAY	DAY	DAY	DAY	DAY	DAY
ID#	QUESTION#	1	2	3	4	5	6
1	1	0	1	3	1	1	2
	2	0	1	1	1	1	1
2	1	3	2	2	3	3	2
	2	1	1	1	1	1	1
3	1	5	6	9	12	10	10
	2	2	2	2	5	5	5
4	1	1	0	0	1	1	0
	2	3	2	0	1	0	0
5	1	400	630	1000	0	600	1200
	2	45	55	65	0	50	115
6	1	5	11	10	1	4	1
	2	1	2	2	1	1	1
8	1	5	4	4	6	5	4
	2	5	4	4	6	5	4
9	1	0	3	3	2	2	2
	2	0	1	1	1	1	1
10	1	1	1	1	2	0	2
	2	2	1	2	2	0	2
11	1	16	13	6	10	18	8
	2	0.53	0.43	0.17	0.42	0.83	0.25
12	1	40	30	30	0	50	40
	2	20	15	15	0	25	20
13	1	63	51	31	12	123	47
	2	10	10	8	5	30	10
14	1	2	2	2	1	2	0
	2	1	1	1	0	1	0
15	1	56	38	54	53	56	35
	2	3	2	4	3	4	2
16	1	0	0	0	0	0	0
	2	0	0	0	0	0	0
17	1	33	39	41	29	24	37
	2	5	5	5	5	5	5
18	1	20	18	31	12	26	17
	2	1	1	2	1	2	1
19	1	21	15	35	20	46	21
	2	2	1	2	2	4	1.5
20	1	191	196	175	253	179	252
	2	20	25	20	30	15	20
21	1	53	49	23	16	72	28
	2	10	12	5	3	15	6
22	1	2	1	0	0	2	2
	2	1	1	0	0	2	2
23	1	6	4	6	0	6	5
	2	1	1	1	0	1	1
24	1	63	104	92	56	143	56
	2	10	13	12	3	16	10
25	1	209	255	167	362	308	221
	2	105	128	84	181	154	111

QUESTION #1: "How many PS Form 3811 ("Return Receipt") cards did you review today?"

QUESTION #2: "How many minutes did you spend reviewing PS Form 3811 cards today?"

NOTE: Data from Facility ID #7 excluded due to incomplete reporting.

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DFC/USPS-T30-13. These questions refer to the electronic version of USPS-LR-I-108 that is available at the Commission's Web site.

- a. For each section listed in the file named "contents for USPS-LR-I-108", please provide the name of the file that contains the section and page numbers associated therewith.
- b. Please provide the name of the electronic file that contains pp. 47-55 of USPS-LR-I-108.
- c. Please provide the name of each file that contains information relevant to costs for return receipt.
- d. Please provide the name of each file that contains information relevant to costs for return receipt for merchandise.

RESPONSE:

- a. Please see next page.

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CONTENTS OF USPS-LR-I-108 ELECTRONIC FILES BY SECTION

- CONTENTS / SUMMARY
 - “contents for USPS LR-I-108.doc”
 - “cost summary.doc”
- SECTION A: Delivery Confirmation Special Studies (pp. 1-9)
 - “del con special studies.xls” (pp. 2-9)
- SECTION B: Supporting Spreadsheets: Delivery Confirmation (pp. 10-23)
 - “del con input cost data.xls” (pp. 11-23)
- SECTION C: Supporting Spreadsheets: Signature Confirmation (pp. 24-40)
 - “sig con input cost data.xls” (pp. 25-40)
- SECTION D: Supporting Spreadsheets: Accountable Mail Cost Updates (pp. 41-61)
 - “certificate of mailing.xls” (p. 42)
 - “insured mail.xls” (p. 43)
 - “insured mail – bulk.xls” (pp. 44-45)
 - “restricted delivery.xls” (p. 46)
 - “return receipt.xls” (pp. 47-55)
 - “elec sign capt - before rates.xls” (p. 56)
 - “elec sign capt - after rates.xls” (p. 57)
 - “elec sign capt unit cost deltas.xls” (pp. 58-61)
- SECTION E: Supporting Spreadsheets: On-Site Meter Setting Services (pp. 62-67)
 - “on-site meter service.xls” (pp. 63-67)
- SECTION F: Supporting Spreadsheets: PO Box Key & Lock Change Svc (pp. 68-70)
 - “po box lock & key.xls” (pp. 69-70)
- SECTION G: Special Studies: Field Survey Data (pp. 71-75)
 - “on-site meter serv survey data.xls” (p. 72)
 - “on-site meter serv ddc data.xls” (p. 73)
 - “return receipt survey data.xls” (p. 74)
 - “po box lock & key survey data.xls” (p. 75)
- SECTION H: Special Studies: Field Survey Materials (pp. 76-86)
 - “ret rcpt data collection writeup.doc” (p. 77)
 - “instructions for ret rcpt survey.doc” (p. 78)
 - “return receipt survey.xls” (p. 79)
 - “instructions for osms survey.doc” (pp. 80-81)
 - “osms survey.doc” (p. 82)
 - “instructions for po box survey.doc” (pp. 83-84)
 - “po box lock & key survey.doc” (pp. 85-86)

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- b. The name of the electronic file that contains pp. 47-55 of USPS-LR-I-108 is "return receipt.xls".
- c. The following files contain information relevant to costs for return receipt:
- "cost summary.doc"
 - "return receipt.xls"
 - "elec sign capt – before rates.xls" [for return receipt after mailing only]
 - "elec sign capt – after rates.xls" [for return receipt after mailing only]
 - "elec sign capt unit cost deltas.xls" [for return receipt after mailing only]
 - "return receipt survey data.xls"
 - "ret rcpt data collection writeup.doc"
 - "instructions for ret rcpt survey.doc"
 - "return receipt survey.doc"
- d. The following files contain information relevant to costs for return receipt for merchandise:
- "cost summary.doc"
 - "return receipt.xls"
 - "elec sign capt – before rates.xls"
 - "elec sign capt – after rates.xls"
 - "elec sign capt unit cost deltas.xls"

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DFC/USPS-T30-14. Suppose a carrier is delivering a letter that was sent via certified mail, return receipt requested.

- a. Please confirm that the process of contacting the addressee (or agent) to obtain signatures (e.g., walking to the door, ringing the doorbell, waiting for a response) incurs a cost. (For this interrogatory, the process of contacting the addressee does not include obtaining the signatures.)
- b. Please confirm that the process of contacting the addressee is necessary for certified mail whether or not a return receipt is attached.
- c. To which service or service(s) are the costs described in (a) allocated — certified mail only, or both certified mail and return receipt? Please explain.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. The costs described in (a) are allocated to certified mail only. It is my understanding that the data systems assign these costs to the certified mail delivery cost segment. The special study for return receipt costs excludes the costs described in (a), but includes carrier delivery-related costs such as obtaining a signature on the Form 3811, ensuring the appropriate sections of Form 3811 are completed, and detaching the Form 3811 from the mailpiece.

DECLARATION

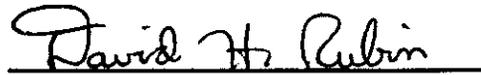
I, Scott J. Davis, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Scott J. Davis

Dated: MARCH 10, 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.


David H. Rubin
David H. Rubin

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
March 10, 2000