

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON DC 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 2000]

DOCKET NO. R2000-1

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. The instructions contained in my Interrogatories dated February 29, 2000, are incorporated herein.

March 16, 2000

Respectfully submitted,



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

DBP/USPS-66 [a] In comparing the proposed rates for Media Mail [presently called Special Standard Mail] and Library Mail, confirm that the rates for all of the 350 rate cells [Single Piece / 5-digit / BMC / with and without barcoded discount] the rate for Media Mail is always one cent greater than the corresponding rate for Library Mail. [b] Confirm that there are special criteria to determine the eligibility for a mailer to utilize the Library Mail rate. [c] Confirm that a mailer who is eligible to utilize the Library Mail rate will always be able to utilize the Media Mail rate. [d] Confirm that only certain types of material may be mailed at both the Media Mail and/or Library Mail rates. [e] Provide a complete listing of the type of material, if any, that qualifies for mailing at the Library Mail rate but does not qualify for mailing at the Media Mail rate. [f] With respect to any categories listed in response to subpart e, provide data, or an estimate if data is not available, of the percentage of all Library Mail packages that these items represent. [g] Confirm that the one cent discount for all of the 350 rate cells is not cost based. [h] Confirm that the one cent discount represents a "token discount" only with the main purpose of making the Library Mail rate less than the Media Mail rate. [i] Provide and discuss the historical and current reasons for maintaining a separate Library Mail rate. [j] Provide reasons why you feel that the one cent discount will continue to provide a continuing utilization of the service. [k] Explain and discuss any items that you are unable to confirm.

DBP/USPS-67 [a] Confirm that Postal Operations Manual Exhibit 125.22 [Issue 8 7/16/98] and Domestic Mail Manual Exhibit G011.1.5 [Issue 55 1/10/00] both show level of service that is provided on holidays and the day[s] before and/or after the holiday. [b] What is the significance, if any, that the definitions for Holiday and Sunday are not shown in the POM Exhibit? [c] Confirm that, while the DMM version allows a District Manager to authorize any exceptions to the level of service, the POM version requires that exceptions be approved by the Chief Operating Officer and Executive Vice President and therefore would be the controlling requirement. [d] Provide a listing of the exceptions, if any, that have been approved by the Chief Operating Officer and Executive Vice President in the past three years. [e] Explain and discuss any items that you are unable to confirm.

DBP/USPS-68 Refer to the Attachment to response to DFC/USPS-T30-12[a], [a] What is the total number of delivery facilities in the country [all independent post offices plus certain branches and stations plus any other category that provides delivery service to the public]? [b] Confirm that this study utilizes only 24 facilities to predict the clearing clerk's time for return receipt review nationwide. [c] What level of confidence in the data does using a sample of 24 facilities out of the total number in the country provide [show all calculations]? [d] What is the total count for all return receipts in a recent year? [e] Confirm that this study utilizes only 8918 receipts to predict the clearing clerk's time for return receipt review nationwide. [f] What level of confidence in the data does using a sample of 8918 return receipts out of the total number in the country provide [show all calculations]? [g] Refer to facility #25 and advise whether this data is for a single clearing clerk or for more than one clerk [provide the number]. [h] Confirm that the month of July would be expected to be a high vacation period as compared to non-summer months. [i] Confirm that if the normal clearing clerk was on vacation that a substitute would fill in to do the review. [j] Confirm that in general it would take more time for a substitute clerk to perform a process than it would take for the person who normally does the function. [k] Was the clearing clerk who conducted each of the surveys at the 24 office the regular clerk or a substitute clerk? [l] Explain and discuss any items that you are unable to confirm.

DBP/USPS-69 Please advise whether the Internal Revenue Service will accept as proof of mailing and/or delivery letters that are sent to them with each of the following services: [a] Certificate of Mailing [b] Certified Mail [c] Certified Mail / Return Receipt [d] Delivery Confirmation [e] Signature Confirmation [f] Express Mail. [g] Please provide any instructions or posters, in the past three years, which relate to the use of special services with respect to mail sent to the IRS.

DBP/USPS-70 In regard to the Service Commitments / performance goals for First-Class Mail, with regard to the delivery standards realignment that took place as a result of Docket N89-1 along with the experimental [which became permanent on September 23, 1989] realignment that took place prior to that in the Metropolitan New York City area, what percentage of the mail profile prior to that Docket and experiment shifted from [a] one-day to two-day delivery, [b] one-day to three-day delivery, [c] two-day to one-day delivery, [d] two-day to three-day delivery, [e] three-day to one-day delivery, and [f] three-day to two-day delivery? [g] What were the purposes of this realignment? [h] Did this realignment result in an increase in or a savings of costs associated with the mail processing and transportation [or any other areas]? [i] If so, provide the yearly change in costs for each year since the change. [j] Did this realignment result in a change in the consistency of mail delivery? [k] If so, provide the data for each year since the change. [l] Have there been any changes in delivery standards since this experiment/docket? [m] If so, enumerate them. [n] Is there a specific request to the mailing public at regular intervals to inquire about potential changes desired in delivery standards? [o] If so, explain and provide details. If not, explain why not.

DBP/USPS-71 With respect to the delivery standards / commitments for First-Class Mail, I am interested in obtaining the criteria that are utilized to determine whether a given path will be committed for overnight, 2-day, or 3-day delivery. [a] Confirm that for any given ZIP Code pair [other than the military ZIP Codes] will be committed for delivery in three days or less. [b] Provide copies of any directives and guidelines that are utilized to determine those areas that fall into and or all of those three categories. [c] Provide the guidelines that are utilized to determine those offices that will be included in the area to receive overnight service. [d] Is the minimum area that is overnight an entire 3-digit ZIP Code prefix, namely, if A to B is overnight then it is also overnight to all facilities with the same 3-digit ZIP Code

prefix as B? [e] If A to B is overnight, then will all offices that are served by the P&DC/P&DF serving B be overnight from A? [f] Must overnight service be reciprocal, namely if A to B is overnight, then B to A will also be overnight. [g] Provide the guidelines that are utilized to determine those offices that will be included in the area to receive 2-day service. [h] Is the minimum area that is 2-day an entire 3-digit ZIP Code prefix, namely, if A to B is 2-day then it is also 2-day to all facilities with the same 3-digit ZIP Code prefix as B? [i] If A to B is 2-day, then will all offices that are served by the P&DC/P&DF serving B be 2-day from A? [j] If A to B is 2-day, then will all offices that are served by the ADC serving B be 2-day from A? [k] Must 2-day service be reciprocal, namely if A to B is 2-day, then B to A will also be 2-day. [l] Must all offices within a given state be overnight or 2-day from anywhere within the same state? [m] Must all adjacent ZIP Code areas be either overnight or 2-day service? In other words, any two neighbors may not have 3-day service between them. [n] Is the minimum area that is 3-day an entire 3-digit ZIP Code prefix, namely, if A to B is 2-day then it is also 3-day to all facilities with the same 3-digit ZIP Code prefix as B? [o] If A to B is 3-day, then will all offices that are served by the P&DC/P&DF serving B be 3-day from A? [p] If A to B is 3-day, then will all offices that are served by the ADC serving B be 3-day from A? [q] Must 3-day service be reciprocal, namely if A to B is 3-day, then B to A will also be 3-day. [r] Please indicate the guidelines that were utilized in Docket N89-1 along with any changes that have been implemented since then. In these guidelines, also indicate the minimum percentages of a facility's mail that would mandate a higher level of service. [s] Please discuss, explain, and provide appropriate data of any of the sub-parts d through q above that you are not able to provide an unqualified yes response.

DBP/USPS-72 [a] Confirm in general that air transportation will be more costly than surface transportation. [b] Confirm in general that air transportation will provide more expeditious service than surface transportation. [c] If not, explain. [d] Is air transportation utilized in all instances where it would advance the delivery time for First-Class Mail by one or two days over that which may be obtained by utilizing surface transportation in whole or in part? [e] If not, why not and explain how the handling of this mail could be considered to be handled expeditiously. [f] Provide copies of any regulations, directives, or memoranda issued at Area or above level which specify when to utilize air transportation service. [g] Provide copies of any press releases, directives, or other memoranda which were issued at

the Headquarters level to indicate the level of service that would be provided to First-Class Mail at the time that Air Mail was eliminated as a separate domestic service some twenty years ago. [h] Does the level to which air transportation is utilized today match the level that was stated when Air Mail was eliminated as a separate service? [i] If not, explain how and why it does not.

DBP/USPS-73 In regard to the Service Commitments / performance goals for First-Class Mail, [a] do the delivery standards apply to all types of First-Class Mail regardless of whether it is a letter, card, parcel, flat, or other shape or type? [b] Do the delivery standards apply regardless of the method by which the article is addressed such as printed vs. handwritten? [c] Do the delivery standards apply regardless of whether the article has no ZIP Code or a 5- or 9- digit ZIP Code? [d] Do the delivery standards apply regardless of whether or not the article contains a 5-, 9-, or 11-digit barcode applied by the mailer? [e] Do the delivery standards apply regardless of any other services that are utilized such as Certified Mail, Registered Mail, COD, Insured Mail? [f] Do the delivery standards apply whether or not the postage is paid by stamps which require cancellation or by some other means, such as a postage meter, which does not require cancellation. [g] Are the EXFC results broken out by any sub-scores for different characteristics of mail as noted in subparts a through f above? If so, provide results for the most recent period. [h] Elaborate and explain any negative answers.

DBP/USPS-74 [a] Is mail addressed to a government agency in Washington DC [ZIP Codes 202 through 205] included in the EXFC results for Washington DC? [b] If not, why not? [c] Have any studies been completed in the past three years to evaluate the delivery service to these agencies? If yes, please provide copies. If not, why not? [d] What special methods, if any, are utilized to process mail to these agencies. [e] Is the Postmaster at Washington responsible for the delivery of mail to these agencies? If not, please provide the name, title, and address of the responsible individual.

DBP/USPS-75 [a] Does the USPS have a requirement that all mail which is placed into the system on a given day will be postmarked that day and will be processed that same day? [b] Does the USPS have a requirement that all mail turned in over a service window that is

open to the public will be postmarked that day and will be processed that same day? [c] Does the USPS have a requirement that all mail turned into a city delivery, rural, or HCR carrier or which is collected by a carrier will be postmarked that day and will be processed on that day? [d] Does this apply to all delivery dates including Saturday? [e] Explain and elaborate on any negative answers.

DBP/USPS-76 [a] Are POM Sections 322.233 and 322.343 [Issue 8 7/16/98] still current with respect to the requirement for at least one collection on Sundays and holidays? [b] If not, provide a copy of the latest version as well as copies of any Headquarters directives or memoranda related to any changes. [c] To what extent would elimination of Sunday collections and mail processing have on the processing and delivery of First-Class Mail? [d] Would this result in any reduction or additional costs? [e] If so, elaborate and enumerate. [f] If Sunday and holiday collections and mail processing have been eliminated, are there any plans to resume them? [g] If so, explain and elaborate.

DBP/USPS-77 [a] Provide a definition and description of the type of mail service that is provided to a "no office" point in Alaska. [b] Compare the level of service that is provided for mail addressed to one of these delivery points compared to that which is provided at a post office. [c] May all classes of mail be sent to one of these delivery points? If not, provide exceptions. [d] May all classes of mail be sent by a person utilizing this level of service? If not, provide exceptions. [e] What is the address format for mail destined to one of these no office points? Please provide a specific address utilizing generic designators as John Doe for a name and 99XXX for a ZIP Code, etc. [f] Is the ZIP Code utilized for a no office delivery point unique to one or more no office points or is it shared with other address points that are not served in this manner?

DBP/USPS-78 With respect to Express Mail tracking, [a] Indicate the points at which an Express mail article will be scanned, in the format of "acceptance at the mailing office", "arrival at the delivery office", etc. Distinguish between those points that are required and those that are optional. [b] How often and at what times are the results of the scan uploaded so that the information will be available to the public on the telephone or website? If necessary, provide separate information for different days of the week or otherwise.

DBP/USPS-79 With respect to return receipt service, [a] What percentage of the total volume of return receipts utilize a privately printed form? [b] Confirm that there is no cost to the Postal Service for the form when a mailer utilizes a privately printed form. [c] How is this savings calculated in your rate evaluation? [d] What percentage of the total volume of return receipts are mailed directly by the mailer without the need for window service? This should include both those instances where the mailer does not utilize any window service and those instances where the window service is related to one or more other services other than the return receipt. [e] Confirm that there is no cost to the Postal Service for window service when a mailer directly mails his article. [f] How is this savings calculated in your rate evaluation? [g] If I mail a letter Certified Mail - Return Receipt how is the window time allocated between the mailing of the article itself, the activities related to the Certified Mail service, and the activities specifically related to the return receipt? Provide copies of any studies and raw data utilized to respond to this question. [h] What percentage of the letters that are mailed with a return receipt are returned to the sender as either undeliverable or unclaimed? [i] Confirm that there is no cost to the Postal Service for delivery or processing return receipt costs in this case. [j] How is this savings calculated in your rate evaluation? [k] What percentage of the total number of return receipts are not processed at the time of delivery but are completed by the addressee after delivery has been made, therefore requiring no intervention by the Postal Service at the delivery end other than to transport the mailed return receipt card back to the sender? [l] Confirm that, in the instance noted in subpart k, there is no cost to the Postal Service at the delivery end other than for the cost of a post card back to the sender. [m] How is this savings calculated in your rate evaluation? [n] Is it permissible for a non-USPS recipient of articles containing return receipts to enter into an agreement with the delivering post office for the post office to complete all portions of the return receipt prior to or coincident with delivery or must the addressee complete the signature part at a minimum? In other words, the return receipt cards are removed by the post office and, in most cases, a rubber stamp or other automated means is utilized to "sign" the card without any intervention by the recipient. [o] If yes, what conditions and provisions apply and what section of the DMM/POM authorizes this method? [p] If yes, what percentage of the total return receipt volume are processed in this manner? [q] Confirm that

the method described in subpart n will incur additional costs. [r] How is this added cost calculated in your rate evaluation?

DBP/USPS-80 [a] Confirm that the reverse side of the Customer Copy of Label 11-B for Express Mail starts off with the words "Service Guarantee" and uses the words "guaranteed time" two times in the body of the first paragraph. [b] Confirm that the Postal Service utilizes the word, or a derivative of the word, "guarantee" in its publicity and advertising of Express Mail. [c] What is the definition of the word "guarantee/guaranteed", or its derivative, as utilized in these respects? [d] Confirm that the word "guarantee", or its derivatives, when utilized by the Postal Service with respect to Express Mail means that the mailer will be guaranteed to get a refund of postage if the article is not delivered by the guaranteed time, as opposed to whether or not it will even be possible for the delivery to be made. [e] What percentage of the Express Mail users in the country do you feel will believe that the use of the word guarantee, or its derivatives, will indicate that, barring a failure, delivery will be made by the guaranteed time? [f] Confirm that there are instances where a mailer of Express Mail will be provided a guaranteed delivery time at the time of mailing the article for which it will be impossible for the Postal Service to achieve. [g] Do you feel that this form of advertising is in the best interests of the customer? If so, please explain why? [h] If a private delivery service were to advertise delivery by a guaranteed time when it was impossible to achieve that delivery time, could that be considered false advertising? [i] Is the Postal Service exempt from complying with the Truth in Advertising laws of the Federal Trade Commission? [j] If not, what is their policy on voluntary compliance. [k] Please discuss and explain any items you are not able to confirm.

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 March 16, 2000

