

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
TO INTERROGATORY OF DOUGLAS F. CARLSON
(DFC/USPS-23)

The United States Postal Service hereby provides its response to the following interrogatory of Douglas F. Carlson: DFC/USPS-23, filed on February 15, 2000.

The 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



Scott L. Reiter

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March 21, 2000

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DFC/USPS-23. The following subparts generally concern witness Plunkett's testimony (T-36) at page 2, lines 5-13. Please provide complete and accurate answers on behalf of the Postal Service to each subpart:

- a. Does the Postal Service have the transportation and other logistical requirements in place to ensure that either guaranteed Next Day or guaranteed Second Day Post Office to Addressee Express Mail service is available from any post office in the country to any destination address in the country to which the Postal Service delivers? Please explain fully.
- b. Please confirm that some post offices do not receive mail six days a week. If you do not confirm, please explain.
- c. Please confirm that some post offices receive mail on as few as two or three days per week. If you do not confirm, please explain.
- d. Please confirm that some post offices dispatch mail on as few as two, three, or four days per week. If you do not confirm, please explain.
- e. If you confirm for any post offices in (b), (c), or (d), please confirm that some days will exist when the Postal Service will be unable to meet, for at least one origin-destination pair in the country, either a second-day or an overnight delivery commitment for Post Office to Addressee Express Mail service that either originates at the post offices in (b), (c), or (d) or is destined for the post offices in (b), (c), or (d). If you do not confirm, please explain.
- f. If you confirm in (e) for any origin-destination pair, please explain how, if at all, the Postal Service will notify the customer that neither next-day nor second-day service can be guaranteed. In answering this question, please pay particular attention to the scenario of a customer in a metropolitan area mailing an Express Mail item to a rural destination that does not receive daily mail service.
- g. Please confirm that customers whose Express Mail does not arrive within the time provided by the service guarantee may suffer damages larger than the amount of postage that they paid. If you do not confirm, please explain.
- h. Please confirm that a customer might make other delivery or transmission arrangements in lieu of mailing an article via Express Mail if he were informed at the time of mailing that neither next-day nor second-day service were available to his destination. If you do not confirm, please explain.
- i. Please explain the policies, laws, and regulations that the Postal Service believes restrict its activities to prevent false or misleading advertising or representations.
- j. Please explain the Postal Service's own policies that govern its advertising activities and other representations of service levels to ensure that the Postal Service never guarantees a service for which it does not have the

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transportation and other logistical requirements in place to ensure that, under usual, predictable circumstances, it can provide the guaranteed service level.

RESPONSE:

- (a) Available logistic capability is a predicate to offering guaranteed Express Mail service. Where no such capability is present, guaranteed service cannot be offered. Please see the response to parts (b)-(d) below.
- (b)-(d) Confirmed. Generally, post offices receive and dispatch mail six days per week. In a few limited instances post offices receive and dispatch mail fewer than six days per week and as few as three days per week. This tends to occur in very remote, sparsely populated areas such as the far reaches of Alaska, Montana, South Dakota, etc. Given the high cost of transportation to reach these areas (some only accessible by plane) and the small volumes involved, mail service may be provided in these locations fewer than six days per week.
- (e) Your question incorrectly presupposes a "delivery commitment" in such cases. Please see the responses to parts (a) and (b)-(d) above.
- (f)-(h) At the latest, customers are advised of the service commitment for their destination at the time of acceptance. Customers who are not satisfied with the service commitment for their destination presumably would choose not to use Express Mail and instead would make other arrangements for earlier delivery of their items, and would therefore suffer no unforeseen adverse consequences. The Postal Service's policy is to put in place the necessary operations and

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transportation resources necessary to support its service commitments, and to communicate such commitments as accurately as possible.

- (i) Title 39 contains no express language on what, if any, laws apply to Postal Service advertising. The Postal Service has been sued under the Lanham Act, 15 U.S.C. § 1125(a).

- (j) All advertisements are subject to legal review before publication. Generally, an unqualified service performance claim must be substantiated by statistically valid tests, such as EXFC, showing at least 95 percent performance. Further, the major television networks require that an advertiser demonstrate that its claims are substantiated before they will air an advertisement.

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, appearing to read "Scott L. Reiter", is written above a horizontal line.

Scott L. Reiter

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