

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-T30-16-18, 20, AND
DFC/USPS-56, REDIRECTED FROM THE POSTAL SERVICE)

The United States Postal Service hereby provides its responses to interrogatories DFC/USPS-T30-16-18, and 20, filed by Douglas F. Carlson on March 7, 2000, and interrogatory DFC/USPS-56, filed by Douglas F. Carlson on March 7, 2000, and redirected from the Postal Service. An objection to interrogatory DFC/USPS-T30-15 was filed on March 17, 2000, and interrogatory DFC/USPS-T30-19 has been redirected to the Postal Service.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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March 21, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DAVIS
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-T30-16. Please refer to your response to DFC/USPS-T30-10(f) and provide all evidence confirming that the explanations you provided that can or may explain the reasons why the costs for certified mail plus return receipt are higher than the cost for return receipt for merchandise *actually explain* the cost differential.

RESPONSE:

While I do not have quantitative measurements demonstrating the extent to which the explanations I provided in response to DFC/USPS-T30-10(f) actually explain the cost differential, I conclude that these explanations are reasonable and valid based on my knowledge of these services and discussions with personnel. Upon further review, however, I believe that the absence of the restricted delivery option for return receipt for merchandise most likely does not explain the cost differential.

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DFC/USPS-T30-17. Please refer to your response to DFC/USPS-T30-10(f) and, specifically, your discussion about costs associated with restricted delivery. Suppose a customer sends a letter via certified mail with return receipt and restricted delivery. Suppose, further, that the carrier must make a second delivery attempt because the addressee was not available to accept delivery, but another person at the addressee's residence or business was available. Under these circumstances, are the costs associated with a second delivery attempt or a call window attributed exclusively to certified mail or restricted delivery, or does return receipt bear some of these costs? Please explain fully the allocation of costs for a second delivery attempt or a call window under the scenario described in this interrogatory. If return receipt bears some of these costs, please explain the logic of this cost allocation given that, absent the restricted delivery, a person other than the addressee would have been able to sign for the item on the first delivery attempt.

RESPONSE:

Under the aforementioned circumstances, which I believe applies to less than 1 percent of return receipt volume, it is not clear exactly how the costs associated with a second delivery attempt or a call window would be attributed to certified mail or return receipt service. In measuring such second delivery attempt or call window costs, data collectors may not be informed that on the first attempt signatures could have been obtained from someone other than the addressee were it not for the restricted delivery requirement. To the extent that the original return receipt cost study did not observe return receipts fitting all the suppositions stated in this interrogatory (and only about 1 percent of return receipt transactions have restricted delivery, and in most of those cases either the restricted delivery recipient or recipient's agent would be available on the first visit, or no one would be available), such costs are not attributed to return receipt service. The cost study for restricted delivery, however, does reflect the costs for

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a second delivery attempt or a call window, including under the scenario described in this interrogatory.

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DFC/USPS-T30-18. Please refer to your response to DFC/USPS-T30-10(f). Please provide all data confirming that a window transaction for certified mail plus return receipt is, on average, longer than a window transaction for return receipt for merchandise.

RESPONSE:

Based on my knowledge of these services and discussions with personnel on this matter, I conclude that the explanations I provide in response to DFC/USPS-T30-10(f) are reasonable and valid. I do not, however, have quantitative measurements confirming this conclusion.

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DFC/USPS-T30-20. Please refer to your response to DFC/USPS-T30-8. Please provide copies of the pages from Docket No. R97-1 to which you referred that contain information responsive to my interrogatory.

RESPONSE:

It is my understanding that these materials were provided during Docket No. R97-1. These materials are publicly available on the Postal Rate Commission's web site at www.prc.gov. From the homepage, select "Link to Old Web Site". Under "Docketed Cases", select "Rate", then select the "R97-1" link.

For USPS-LR-H-107, select the "Library References" link, then the "USPS" link, then the "H-101 to H-150" link, then the "USPS-LR-H-107" link. You can download this library reference in electronic format. The file named "Return~1.XLS" contains pp. 38-43.

For USPS-T-5 and USPS-T-15, select the "Testimony" link, then the "USPS" link, then the "USPS-T-5" and "USPS-T-15" links. You can download these testimonies in electronic format. If the exhibits are not accessible electronically, they are in the public domain and available from the Commission's Docket Room.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DAVIS
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REDIRECTED FROM THE POSTAL SERVICE
(DFC/USPS-56)**

DFC/USPS-56. Please refer to the response to DFC/USPS-13(d) and explain why the length of a window transaction for certified mail is precisely identical to the length of a window transaction for return receipt for merchandise in this docket. Please explain why this identical length makes sense. Or is it just a coincidence?

RESPONSE:

Given the lack of available data regarding the length of a window transaction for return receipt for merchandise, an assumption has been made in this docket that the length of a window transaction for return receipt for merchandise is the same as that for certified mail. This is a reasonable assumption since each service is a single component window transaction (i.e., one service), not a multiple component transaction (i.e., two or more services) like certified mail plus return receipt service.

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 21, 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

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