

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 MAYO  
TO INTERROGATORIES OF DAVID B. POPKIN,  
REDIRECTED FROM THE POSTAL SERVICE  
(DBP/USPS—81-82, 85-88, 102, 105-106, 107(E-N, R-T, W-X, AA-BB, EE-II),  
117(A-I, L-M), 118(A-G, J-K), 119(K), 124-125(A),  
131(B-D), 132(B-D), 133(B-D), AND 134(B-D))

The United States Postal Service hereby provides the responses of witness Mayo to the following interrogatories of David B. Popkin: DBP/USPS—81-82, 85-88, 102, 105-106, 107(e-n, r-t, w-x, aa-bb, ee-ii), 117(a-i, l-m), 118(a-g, j-k), 119(k), 124-125(a), 131(b-d), 132(b-d), 133(b-d), and 134(b-d), filed on March 23, 2000, and redirected from the Postal Service.

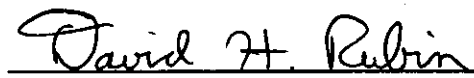
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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April 6, 2000

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**DBP/USPS-81.** On lines 4 and 5 on page 150 of USPS-T-39, the witness stated, "if purchased from a postal facility providing collection." What type of postal facility does not provide collection service?

**RESPONSE:**

Certain postal facilities with administrative functions do not provide mail collection.

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**DBP/USPS-82.** On line 12 on page 123 of USPS-T-39, the witness stated, "Postal insurance is automatic with any registered mail valued above \$100." If this an error? If not, please explain.

**RESPONSE:**

No. Actually, postal insurance is automatic with any registered mail valued at least \$0.01.

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**DBP/USPS-85.** [a] Please provide a listing of prestigious ZIP Code areas that witness 39 is referring to on lines 1 and 6 on page 104 of USPS-T-39. [b] Please confirm, or explain if you are unable to do so, that boxholders might be interested in having an address in a prestigious post office name but not in a given ZIP Code - for example, in the Princeton NJ area, boxholders might find the Princeton address prestigious, while I really can't imagine them beating down to doors to get a 08542 or 08543 ZIP Code. [c] Provide an estimate of the number of prestigious cities or areas that exist in the country and provide a listing of at least five of them and why you feel they are prestigious. [d] What percentage of the total number of facilities having post office boxes does your response to subpart c calculate to?

**RESPONSE:**

- a. Some obviously prestigious ZIP Code areas were identified in Docket No. MC96-3. USPS-T-7, pages 25-28. Any ZIP Code area could be potentially prestigious from the viewpoint of the customer desiring box service.
- b. Confirmed only that some boxholders might be more interested in the name of the ZIP Code area as opposed to the particular ZIP Code.
- c. See my response to (a) above.
- d. See my response to (a) above.

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**DBP/USPS-86.** On lines 8 through 11 on page 104 of USPS-T-39, there are two references to receiving mail early in the day as an advantage of having a post office box. [a] Is a postal facility required to post a sign in the box section indicating the time that all mail will be in the boxes? If not, why not? [b] What percentage of the days would you consider to be reasonable for the mail not to be in the boxes by the posted time. [c] Please discuss your belief why your response to subpart b is reasonable.

**RESPONSE:**

a. Yes

b-c. The Postal Service makes every reasonable attempt to put up all box mail by the posted time. Given unknown extenuating circumstances, what is reasonable could vary from office to office depending upon the situation.

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**DBP/USPS-87.** On lines 17 to 20 on page 108 of USPS-T-39, the witness provides the rounding constraints that were used in determining the final rate for post office boxes. [a] Please confirm, or explain and discuss if you are not able to do so, that the use of rounding constraint is to round off the final rate to an even multiple value of that rounding constraint - namely if one uses a rounding constraint of \$10, then the final rate must be a multiple of \$10 such as \$60 or \$70 but not \$75. [b] Please discuss and support the choice of each of the rounding constraints utilized. [c] Specifically describe why you feel that a rounding constraint of \$5 in Group B2 vs. \$2.50 in Group C3 is appropriate since there is only a \$2.50 difference in Box size 1 rates [I have converted all numbers to the minimum rental period]. [d] In a similar manner a rounding constraint for Group C4 is \$2.50 and Group C5 is 50 cents with a \$3.50 difference in Box size 1 rates. [e] Also, please explain the reasonableness of the large rounding constraints when compared to the 10 cent rounding rate utilized for academic institutions [DMM Section D910.4.11].

**RESPONSE:**

a. Confirmed.

b-d. The one-dollar annual rounding constraints for Groups C5, D6 and D7 are consistent with past and current rounding constraints for all box fees since 1995. The five-dollar annual rounding constraint in Groups C3 and C4 and the ten-dollar annual rounding constraint in Group B2 promote fee simplicity and identifiable relationships between the box sizes and are consistent with Criterion 7.

e. The 10-cent rounding for the charge is applied to a portion of the fee that has already had a larger rounding constraint applied (currently one dollar).

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**DBP/USPS-88.** For each of the special services rates that utilized a rounding constraint greater than one cent, provide a tabulation of the service, specific category, rounding constraint utilized and the reasons for its choice, the rate that would have been used if there was a rounding constraint of one cent, and the final rate chosen.

**RESPONSE:**

The rounding constraints used in the special services fee designs are addressed in the applicable "Fee Design" sections of my testimony.

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**DBP/USPS-102.** [a] Confirm, or explain and discuss if you are not able to confirm, that the Inspection Service Area Coordination Audit Report on Special Services [USPS-LR-I-200] indicates that there were problems in the Northeast Area with the handling and processing of Registered Mail, Certified Mail, and Return Receipt service. [b] Provide a listing of the reasons why it is felt that these problems are unique to the Northeast Area and would not be expected to occur in the remainder of the country. [c] Provide details of any similar studies that have been requested or conducted in other areas of the country to ensure that these classes of mail are being processed in accordance with proper procedures. [d] Have any follow-up audits been conducted in the Northeast Area. If so, provide details. [e] On a scale of 1 [being the lowest] to 10 [being the highest], how would you rate the level and value of service that the mailing public would perceive getting if they knew all of the facts with respect to processing of Registered Mail in the offices covered by the Audit. Explain your reason for choosing that number. [f] Same as subpart e except for Certified Mail. [g] Same as subpart e except for Return Receipts.

**RESPONSE:**

- a. Confirmed.
- b. There are no reasons for the Northeast Area to be considered unique with respect to the handling and processing situations.
- c. I have no knowledge of any similar studies.
- d. I have no knowledge of any follow-up audits conducted.
- e-g. The audit findings do not affect my testimony concerning value of service. See my testimony at pages 125-126 (registered mail), 43 (certified mail), and 135 (return receipts). The audit states that management is addressing the audit findings. See LR-I-200, pages 14-17 and 22-23.



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**DBP/USPS-105.** [a] Within the past five years [up to and including R2000-1], has the Postal Service ever claimed in a pleading before the Postal Rate Commission that an improvement in post office box service would result from a granted post office box rate increase? [b] If so, provide details on the number of facilities that have had their service improved over the past five years, the types of improvements that have been made, the total cost of providing all of those improvements, and the total additional revenue that has been received over the past five years as a result of the rate increases as compared to not having raised the box rents at all.

**RESPONSE:**

- a. No.
- b. Not applicable.

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**DBP/USPS-106.** [a] Confirm, or explain and discuss if you are not able to confirm, that in 1998 the Postal Service attempted to change the rules for processing Return Receipts so as to allow, among other changes, large receivers of accountable mail with Return Receipts to complete the Return Receipt after delivery. [b] What other changes were proposed? [f] Confirm, or explain and discuss if you are not able to confirm, that the purpose for proposing these rules was to change an existing method of processing return receipts from one that was specifically prohibited in the rules to change the rules to make it authorized. [g] Specify any other reasons why this rule was proposed. [h] Provide the reasons why the proposed rules were not adopted. [i] Please provide copies of the Federal Register announcements of the proposed change and resolution.

**RESPONSE:**

- a. Confirmed that a change was proposed to DMM D042.1.7.
- b. The recipient would sign a manifest.
- f-g. The purpose of the proposed change was to make the DMM section more consistent with the practice for large recipients of accountable mail.
- h. See response to DFC/USPS-T39-68.
- i. See Federal Register, Volume 63, p. 12874 (March 16, 1998), and p. 37965 (July 14, 1998). Federal Register notices are available from <http://www.access.gpo.gov/nara/>.

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**DBP/USPS-107.** [e] Confirm that a parcel containing merchandise may be insured regardless of whether the postage is paid at the First-Class Mail, Priority Mail, or Package Services rate. [f] Confirm that a parcel containing merchandise may be registered regardless of whether the postage is paid at the First-Class Mail, or Priority Mail rate. [g] Confirm that when Registered Mail is utilized, there is an accounting for each individual mailpiece between the accountable mail section of the delivering post office and the delivering employee. [h] Confirm that when Insured Mail is utilized, there is no accounting for each individual mailpiece nor even for the total number of insured parcels between the accountable mail section of the delivering post office and the delivering employee. [i] Confirm that when Registered Mail is utilized there is an accounting for the mail as it progresses through the mail system from the acceptance to the delivery. [j] Confirm that when Insured Mail is utilized, there is no accounting for the parcel at any time other than when the acceptance employee provides the mailer with a receipt and when the delivering employee obtains a receipt from the addressee. [k] Confirm that for the acceptance of the article and the delivery of the article, the security and accountability between Registered Mail and Insured Mail is either identical or better for Registered Mail. [l] Confirm that for the time between the acceptance of the article and its ultimate delivery, the accountability and security provided to Registered Mail will be greater than that provided to Insured Mail. [m] Confirm that, ignoring any price differential, a knowledgeable mailer with a merchandise parcel weighing up to 70 pounds [under the proposed rates and 1 to 70 pounds under the existing rates] will always choose Priority Mail - Registered Mail over Package Services - Insured Mail. [n] If you provide any examples where the knowledgeable mailer referred to in subpart m would choose Package Services - Insured Mail over Priority Mail - Registered Mail, provide an estimation of the percentage of parcels out of the total number of parcels handled would fall into that category. Remember, that any price differential must be ignored. [o] Confirm that the fee for Registered Mail for an article with a value of \$5,000 insurance is presently \$9.50 and proposed to be \$12.00. [p] Confirm that the fee for Insured Mail for an article with a value of \$5,000 insurance is presently \$48.35 and proposed to be \$51.10. [q] Confirm that a mailer having a parcel for which \$5,000 insurance is desired presently pays \$38.85 and is proposed to pay \$39.10 more for Insured Mail compared to Registered Mail. [r] Confirm that at the present time the crossover between Registered Mail and Insured Mail fees is \$600.01 value and under the proposed rates will be a \$700.01 value [where the Insured Mail fee becomes higher than the Registered Mail fee]. [s] Based on the above, confirm that a knowledgeable mailer with a parcel containing merchandise and weighing under one pound and for which \$5,000 insurance coverage is desired will always choose Registered Mail over Insured Mail. [t] Based on the above, confirm that a knowledgeable mailer with a parcel containing merchandise and weighing over one pound and for which

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**DBP/USPS-107 (CONTINUED)**

\$5,000 insurance coverage is desired will always choose Registered Mail over Insured Mail in those rate cells where the Priority Mail rate is presently less than \$38.85 [proposed to be \$39.10] more than the Package Services rate for the same zone and weight. [w] What would United Parcel Service charge an individual shipper for \$5,000 insurance? [x] Based on the above, how could a knowledgeable mailer perceive the rates for insurance as being fair and equitable? [y] Confirm that the rate for Express Mail insurance is presently \$42.75 and is proposed to be \$45.00 for \$5,000 coverage. [z] Confirm that a mailer having a parcel for which \$5,000 insurance is desired would pay \$33.25 [proposed to be \$33.00] more for Express Mail Insured Mail compared to Registered Mail. [aa] Confirm that Express Mail may not be registered. [bb] If so, provide a rationale for such a regulation. [ee] What do United Parcel Service, Federal Express, and other major carriers charge their individual overnight shippers for \$5,000 insurance? [ff] Based on the above, how could a knowledgeable mailer perceive the rates for Express Mail insurance as being fair and equitable. [gg] Confirm, or explain if you are unable to do so, that a mailer with a parcel for which \$5,000 coverage may decide to accept the slower Priority Mail compared to the faster Express Mail because of the added \$33.25 difference [proposed to the \$33.00] in insurance rates between Registered Mail and Express Mail insurance rates. [hh] Please provide a logical explanation as to why the insurance rates are much higher than the corresponding registry rates for the higher values of insurance. [ii] Please explain and discuss any subparts that you are not able to confirm.

**RESPONSE:**

- e. Confirmed. Additionally, a parcel containing merchandise may be insured when the postage is paid at the Express Mail rate.
- f. See my response to your Docket No. R97-1 interrogatory DBP/USPS-53(f).
- g. See my response to your Docket No. R97-1 interrogatory DBP/USPS-53(g).
- h. Not confirmed. It is possible that the delivering employee will report the insured mailpieces to the accountable section before delivery.
- i. See my response to your Docket No. R97-1 interrogatory DBP/USPS-53(i).

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**DBP/USPS-107 CONTINUED**

- j. Not confirmed. See my response to (h) above.
- k. See witness Plunkett's response to your Docket No. R97-1 interrogatory DBP/USPS-53(k).
- l. See witness Plunkett's response to your Docket No. R97-1 interrogatory DBP/USPS-53(l).
- m. Not confirmed. Mailers choose insurance over registry service for a variety of reasons peculiar to their individual needs.
- n. There is no information available to provide an estimate, especially since the term "knowledgeable" is subjective.
- o. Objection filed.
- p. Objection filed.
- q. Objection filed.
- r. Confirmed.
- s-t. See my response to (m) above.
- w. See witness Plunkett's response to your Docket No. R97-1 interrogatory DBP/USPS-53(dd).

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**DBP/USPS-107 CONTINUED**

- x. I do not have an opinion as to whether United Parcel Service's insurance charges are fair and equitable.
- y. Objection filed.
- z. Objection filed.
- aa. See my response to your Docket No. R97-1 interrogatory DBP/USPS-53(z).
- bb. See my response to your Docket No. R97-1 interrogatory DBP/USPS-53(aa).
- ee. See witness Plunkett's response to your Docket No. R97-1 interrogatory DBP/USPS-53(dd).
- ff. See my testimony at pages 63-64.
- gg. Confirmed.
- hh. See my testimony at pages 63-64 where I discuss the fee design and pricing criteria for insurance fees.
- ii. See above responses.

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**DBP/USPS-117.** In the response to DBP/USPS-15[c], it appears that the words "with absolute certainty" were overlooked in the response. [a] Please answer again or explain why it is not necessary. [b] If, under the present rates, I bring a three pound machinable package going from New Jersey to California to the post office for mailing with \$400 insurance, confirm that the required postage would be \$4.25 postage and \$4.65 insurance for a total of \$8.90. [c] If the only stamps that I have with me are \$11.75 stamps and I put one of them on the package. Will the package be accepted for mailing? If not, why not? [d] If the package were to be mailed in a California post office addressed to another California city ten miles away in the same BMC but still has my New Jersey return address, confirm that the required postage is \$3.17. [e] If the only stamps that I have with me are \$11.75 stamps and I put one of them on the package. Will the package be accepted for mailing? If not, why not? [f] Now explain to me how you would be able to determine the insurance value, with absolute certainty, for either of these two parcels if you observed them in the mail stream. [g] Please estimate the percentage of insured parcels that you feel an employee will actually take the parcel out of the system, weigh it, calculate the required postage based on any one of several rates, look at the total postage paid on the parcel, subtract the cost of the postage alone, and then assume that the remainder was for the insurance fee and calculate the insurance value from that. Assume that this applies to all employees other than the window clerk who accepted the parcel or others in the immediate area. [h] Since you have indicated that no special security or handling applies to an insured parcel whether it is insured for any value between \$50.01 and \$5000.00, please confirm, or explain and discuss if you are unable to confirm, that the rates for insurance between \$50.01 and \$5000.00 should be based on the paying the claims for lost and damaged parcels. [i] Please provide a tabulation of the total number of parcels that are insured at each rate category, the number of parcels for which a claim was made, and the average value of the claim. [j] Please provide a detailed explanation of how one would convert the data provided in response to subparts i, j, and k into the proposed rates. [m] How did you calculate the proposed rates. Provide a detailed explanation.

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**DBP/USPS-117.**

**RESPONSE:**

- a. The words "with absolute certainty" apply to the answer you received given the reasonable assumption that the correct postage and fees are paid exactly and the total rate is reflected on the package. See my response to your Docket No. R97-1 interrogatory, DBP/USPS-37(r).
- b. Not confirmed. A package sent by Priority Mail or Express Mail could meet the criteria for a machinable parcel and therefore the postage rates would vary. The insurance fee would be \$4.65 for Priority Mail and no additional charge for Express Mail.
- c. See my response to (b) above. I do not know what your postage rate will be, so I do not know if the stamp you have would cover the postage and any applicable fee.
- d. See my response to (b) above.
- e. See my response to (c) above.
- f. See my response to (a) above.
- g. The Postal Service does not collect information on employee guesses or estimates of casual postage and fee calculations.



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**DBP/USPS-117 (CONTINUED).**

**RESPONSE:**

- h. I don't where I have indicated that no special security or handling applies to numbered insured parcels. On the contrary, my testimony on page 61 states that insured mailpieces are eligible to obtain special handling. The proposed fees are based upon the consideration and application of the pricing criteria as discussed in my testimony at pages 63-64.
- i. See my response to OCA/USPS-T39-15.
- l-m. See my testimony at pages 63-64.

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**DBP/USPS-118.** [a] Confirm, or explain and discuss if you are not able to confirm, that generally the same level of security and transportation will be provided for a Registered Mail letter whether it has no insured value or is insured for the \$25,000 maximum. [b] If I were to mail a one ounce letter registered for \$200, please confirm that the required postage would be 33 cents plus \$6.75 registry fee for a total of \$7.08. [c] If the only stamps that I have with me are \$11.75 stamps and I put one of them on the letter. Will the letter be accepted for mailing? If not, why not? [d] Now explain to me how you would be able to determine the insurance value, with absolute certainty, for this letter if you observed it in the mail stream. [e] Please estimate the percentage of registered letters that you feel an employee will actually take the letter out of the system, weigh it, calculate the required postage, look at the total postage paid on the letter, subtract the cost of the postage alone, and then assume that the remainder was for the registry fee and calculate the insurance value from that. Assume that this applies to all employees other than the window clerk who accepted the letter or others in the immediate area. [f] Since no special security or handling applies to an registered letter whether it is insured for any value up to \$25,000, please confirm, or explain and discuss if you are unable to confirm, that the rates for Registered Mail valued up to \$25,000 should be based on the paying the claims for lost and damaged articles. [g] Please provide a tabulation of the total number of letters that are registered at each rate category, the number of letters for which a claim was made, and the average value of the claim. [j] Please provide a detailed explanation of how one would convert the data provided in response to subparts g, h, and i into the proposed rates. [k] How did you calculate the proposed rates. Provide a detailed explanation.

**RESPONSE:**

- a. Not confirmed. Depending upon local situations different security and transportation methods may be employed for a letter with no value than for a letter insured for \$25,000.
- b. Confirmed for the current postage rate and registered mail fee.

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**DBP/USPS-118. CONTINUED**

- c. It should be acceptable for you to overpay the postage and fees.
- d. See my response to DBP/USPS-117(a).
- e. See my response to DBP/USPS-117(g).
- f. See my response to (a) above. Special security or handling might apply to a registered letter insured for high amounts versus an uninsured registered letter. See my testimony at pages 125-126 for the fee design and pricing criteria for registered mail.
- g. See attachment.
- j-k. See my testimony at pages 125-126.

FY 1998 Registered Indemnity Costs

Value Up To	Transactions <sup>1</sup>	Claims <sup>2</sup>				Average Indemnity Per Transaction		
	Number	Volume		Dollar Amount		Lost	Damaged	Total
		Lost	Damaged	Lost	Damaged			
100	999,539	84	83	\$ 4,594	\$ 5,195	\$ 0.00	\$ 0.01	\$ 0.01
500	1,150,152	239	159	\$ 61,573	\$ 43,725	\$ 0.05	\$ 0.04	\$ 0.09
1000	927,555	193	94	\$ 144,038	\$ 70,112	\$ 0.16	\$ 0.08	\$ 0.23
2000	784,526	185	86	\$ 259,397	\$ 126,658	\$ 0.33	\$ 0.16	\$ 0.49
3000	426,329	99	17	\$ 236,396	\$ 40,966	\$ 0.55	\$ 0.10	\$ 0.65
4000	283,376	57	16	\$ 190,298	\$ 53,379	\$ 0.67	\$ 0.19	\$ 0.86
5000	304,569	39	6	\$ 181,025	\$ 27,612	\$ 0.59	\$ 0.09	\$ 0.69
6000	136,637	27	2	\$ 140,754	\$ 11,429	\$ 1.03	\$ 0.08	\$ 1.11
7000	159,589	25	0	\$ 157,970	\$ -	\$ 0.99	\$ -	\$ 0.99
8000	92,666	16	2	\$ 118,333	\$ 14,525	\$ 1.28	\$ 0.16	\$ 1.43
9000	66,503	8	0	\$ 66,221	\$ -	\$ 1.00	\$ -	\$ 1.00
10000	196,867	9	1	\$ 85,681	\$ 9,766	\$ 0.44	\$ 0.05	\$ 0.48
11000	51,605	6	0	\$ 61,390	\$ -	\$ 1.19	\$ -	\$ 1.19
12000	40,124	9	0	\$ 102,797	\$ -	\$ 2.56	\$ -	\$ 2.56
13000	25,939	9	0	\$ 110,921	\$ -	\$ 4.28	\$ -	\$ 4.28
14000	34,630	5	0	\$ 67,285	\$ -	\$ 1.94	\$ -	\$ 1.94
15000	73,340	6	0	\$ 87,884	\$ -	\$ 1.20	\$ -	\$ 1.20
16000	28,816	6	1	\$ 92,449	\$ 15,997	\$ 3.21	\$ 0.56	\$ 3.76
17000	30,199	3	0	\$ 48,563	\$ -	\$ 1.61	\$ -	\$ 1.61
18000	23,679	5	0	\$ 86,189	\$ -	\$ 3.64	\$ -	\$ 3.64
19000	16,399	7	0	\$ 127,407	\$ -	\$ 7.77	\$ -	\$ 7.77
20000	57,450	1	0	\$ 19,570	\$ -	\$ 0.34	\$ -	\$ 0.34
21000	12,463	6	0	\$ 121,097	\$ -	\$ 9.72	\$ -	\$ 9.72
22000	6,023	2	0	\$ 43,127	\$ -	\$ 7.16	\$ -	\$ 7.16
23000	6,816	3	0	\$ 66,474	\$ -	\$ 9.75	\$ -	\$ 9.75
24000	9,927	2	0	\$ 46,964	\$ -	\$ 4.73	\$ -	\$ 4.73
25000	103,577	23	2	\$ 575,098	\$ 50,008	\$ 5.55	\$ 0.48	\$ 6.04
Total	6,049,295	1,074	469	\$ 3,303,495	\$ 469,372	\$ 0.55	\$ 0.08	\$ 0.62

*Notes:*<sup>1</sup> Source for Transactions data is the FY1998 Billing Determinants.<sup>2</sup> Source for Claims data: St. Louis Accounting Service Center

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**DBP/USPS-119. [k]** Do you feel that a large negative rate shock would upset the customer?  
If so, why?

**RESPONSE:**

- k. For the customer getting the fee decrease, a large decrease in a proposed fee should only upset a customer if the customer felt that the decrease was a prelude to a future increase. Other customers might be upset if they felt their fees were higher because of large decreases for some customers.

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**DBP/USPS-121.** On page 20 of USPS-T-30 reference is made to a special study that was conducted to determine the costs for post office box key and lock changes. [j] Does your proposal for a lock replacement fee also apply for the change of combination to the lock? [k] If not, what will the charge be to change the combination? [u] Provide any insight as to the comparison of your \$4 fee for key duplication with the value provided in response to subpart s.

**RESPONSE:**

- j. If the lock change is customer initiated the proposed lock replacement fee would apply to combination locks.
- k. Not applicable.
- u. A comparison of the Postal Service's proposed key duplication fee with what other companies charge for regular key duplication, or their costs, would not provide an accurate comparison. Post office box keys are specialty keys and the duplication process entails steps that vary significantly from the process involved in a regular key duplication. Also, the proposed fee covers window service costs in addition to material and distribution costs. See USPS-T-30, pages 19-20.

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**DBP/USPS-124.** Refer to the response to DBP/USPS-1. [a] Confirm that the use of nineteen [I have omitted the check digit] unique digits will result in a total of ten quintillion unique article numbers. [b] Provide an estimate of the number of years that it would take to use up ten quintillion article numbers before repeating them - please provide details of your estimation procedure. [c] What is the purpose of the check digit and how is it determined? [d] Refer to the response to subpart d, provide a listing of any items which will subtract from the value of service. [e] Provide a listing of any items which will be neutral with respect to the value of service. [f] Evaluate your responses to DBP/USPS-1[d] and subparts d and e above, and indicate what the overall change in value of service will be - positive, negative, or neutral. Discuss the reason for your choice. [g] Please explain why the increase to a 20-digit number was necessary to allow for electronic data capture of delivery information and recipient signatures. [h] Why wouldn't the existing 9-digits serve this purpose? [i] If 9-digits is not sufficient, why wasn't a number between 10 and 19 chosen? [j] Confirm that the present label is broken up into three groups of three digits [plus a single prefix letter]. [k] Explain why you feel that copying five groups of four digits will be an addition to the value of the service when compared to a letter and three groups of three digits. [l] How many mailers print their own Certified Mail labels? [m] What is wrong with the present system that mailers are given a block of numbers? [n] Please reevaluate your response to subpart j in which you state that the same number of digits must be used for all numbers with the response in DBP/USPS-2 for Registered Mail. [o] Refer to your response to DFC/USPS-T39-38 f-g which were referred in the response to DBP/USPS-1 subpart k. How could the removable label create a machineability problem when it would be the same glue and paper as the service label that is already utilized? [p] Please provide that data that you utilized to determine that increasing the height of the gum by approximately 1/4 inch, printing a number on the strip, and adding a second perforation would cost more than the time for a window clerk to record the number. [q] What percentage of all Certified Mail - Return Receipt transactions have the number entered on the receipt by the window clerk?

**RESPONSE:**

- a. Not confirmed. Only the eight-digit identified serial number is unique to the article number.

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**DBP/USPS-124 (CONTINUED)**

**RESPONSE:**

- b. Since my response to (a) above is not confirmed, the requested estimate does not appear to be applicable.
- c. The purpose of the check digit is to validate accuracy of the barcode in every electronic transaction. See pages 27 and 28 of Publication 109 on the Postal Service website for information on how this digit is determined.
- d. None.
- e. None.
- f. Positive. See my response to DBP/USPS-1(d).
- g. The twenty-digit number is required for electronic data capture for several reasons. First, quality controls are necessary for customer/vendor produced forms and labels. It is important to have the ability to identify the producer of unreadable barcodes to avoid costs. If a barcode is unreadable, the carriers will have to key in the numbers in lieu of the barcode scan. Nine of the twenty digits are used to identify every customer printing barcoded labels or forms for corrective action follow-up. Second, the specific product must be identified in the database for later retrieval to provide delivery status and process claims. For postal-printed and customer/vendor-printed labels and forms, two of the twenty digits are for a product code. Third, eight digits are required to allow larger customers and vendors who print their own labels and forms to not repeat article numbers



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**DBP/USPS-124 (CONTINUED)**

**RESPONSE:**

within two years. Finally, for quality control of the postal-printed labels and forms, five digits are for the Julian date for when that batch of labels was printed. For postal and customer/vendor printed labels one digit is a check digit to validate the barcode scan.

- h. Nine digits do not allow for customer identity and enough space for article numbering.
- i. See g. and h. above.
- j. As of March 2000, nine-digit labels are no longer authorized for use.
- k. The increased value does not come from copying digits. The value comes from the new capabilities offered by electronic capture and retrieval. Reliable, electronic capture and retrieval is made possible by a twenty-digit code.
- l. The Postal Service does not collect this type of information.
- m. The present system is labor intensive and requires a person in every postal district and at Headquarters to keep track of assigned numbers. This type of system can create delays for mailers and printing vendors.

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**DBP/USPS-124 (CONTINUED)**

**RESPONSE:**

- n. The exception would be for labels and forms that are also used for international purposes.

The postal-printed international insured mail and registered mail forms and labels have nine-digits with two alpha characters as a prefix and affix. This is required to meet international mail standards. We can get by with only nine digits because little or no customer or vendor printing is done for these labels and forms. Therefore, there is little risk of a printing quality control problem. Customers who print insured mail or registered mail labels or forms for domestic use are required to use the twenty-digit number and barcode. The two alpha prefix serves as the product code in the product tracking database.

- o. Even if the glue and the paper are the same, adding another layer of thickness could increase the potential for non-machineability.
- p. The Postal Service did not collect data to make the determination.
- q. The Postal Service does not collect this type of information.

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**DBP/USPS-125.** Refer to your response to DBP/USPS-2. [a] In response to [5], explain how the number gets transcribed to the original 3849 form. [b] Your response to [6] refers to a library reference. Please provide a copy of the ENTIRE USPS-LR-I-168.

**RESPONSE:**

- a. The delivery employee writes the number.
- b. Objection filed.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO  
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**DBP/USPS-131.** Attached to this pleading is a letter dated September 24, 1999, as Attachment A. [a] Please verify that this letter was prepared and sent to me by an employee of the United States Postal Service. [b] Please confirm, or explain and discuss if you are not able to confirm, that the procedures utilized by the Atlanta Post Office to process the completion of the Return Receipts on accountable mail destined to the Internal Revenue Service and the Georgia Income Tax Division is similar to the problems that were observed by the Inspection Service at the Andover, Massachusetts Internal Revenue Service as noted in the Inspection Service Area Coordination Audit Report on Special Services [USPS-LR-I-200]. [c] Please confirm, or explain and discuss if you are not able to confirm, that the procedures utilized by the Atlanta Post Office to process the completion of the Return Receipts on accountable mail destined to the Internal Revenue Service and the Georgia Income Tax Division do not meet the requirements of the Domestic Mail Manual [Section D042.1.7], Postal Operations Manual [Section 822.11], and Headquarters Directives. [d] Please confirm, or explain if you are not able to do so, that customers who purchased the referenced Return Receipt service did not receive the service that they paid for.

**RESPONSE:**

- a. Objection filed.
- b. Confirmed that, in areas other than the Andover, Massachusetts IRS, the Postal Service may process return receipts destined to the IRS similarly to the method observed by the Inspection Service at Andover in conducting its audit.
- c-d. See the Rebuttal Testimony of witness Plunkett in Docket No. R97-1, USPS-RT-20, at 7-9.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO  
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REDIRECTED FROM THE UNITED STATES POSTAL SERVICE**

**DBP/USPS-132.** Attached to this pleading is a letter dated September 24, 1999, as Attachment B. [a] Please verify that this letter was prepared and sent to me by an employee of the United States Postal Service. [b] Please confirm, or explain and discuss if you are not able to confirm, that the procedures utilized by the Memphis Post Office to process the completion of the Return Receipts on accountable mail destined to the Internal Revenue Service is similar to the problems that were observed by the Inspection Service at the Andover, Massachusetts Internal Revenue Service as noted in the Inspection Service Area Coordination Audit Report on Special Services [USPS-LR-I-200]. [c] Please confirm, or explain and discuss if you are not able to confirm, that the procedures utilized by the Memphis Post Office to process the completion of the Return Receipts on accountable mail destined to the Internal Revenue Service do not meet the requirements of the Domestic Mail Manual [Section D042.1.7], Postal Operations Manual [Section 822.11], and Headquarters Directives. [d] Please confirm, or explain if you are not able to do so, that customers who purchased the referenced Return Receipt service did not receive the service that they paid for.

**RESPONSE:**

- a. Objection filed.
- b. Confirmed that, in areas other than the Andover, Massachusetts IRS, the Postal Service may process return receipts destined to the IRS similarly to the method observed by the Inspection Service at Andover in conducting its audit.
- c-d. See the Rebuttal Testimony of witness Plunkett in Docket No. R97-1, USPS-RT-20, at 7-9.

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**DBP/USPS-133.** Attached to this pleading is a letter dated October 26, 1999, as Attachment C. [a] Please verify that this letter was prepared and sent to me by an employee of the United States Postal Service. [b] Please confirm, or explain and discuss if you are not able to confirm, that the procedures utilized by the Philadelphia Post Office to process the completion of the Return Receipts on accountable mail destined to the Internal Revenue Service is similar to the problems that were observed by the Inspection Service at the Andover, Massachusetts Internal Revenue Service as noted in the Inspection Service Area Coordination Audit Report on Special Services [USPS-LR-I-200]. [c] Please confirm, or explain and discuss if you are not able to confirm, that the procedures utilized by the Philadelphia Post Office to process the completion of the Return Receipts on accountable mail destined to the Internal Revenue Service do not meet the requirements of the Domestic Mail Manual [Section D042.1.7], Postal Operations Manual [Section 822.11], and Headquarters Directives. [d] Please confirm, or explain if you are not able to do so, that customers who purchased the referenced Return Receipt service did not receive the service that they paid for.

**RESPONSE:**

- a. Objection filed.
- b. Confirmed that, in areas other than the Andover, Massachusetts IRS, the Postal Service may process return receipts destined to the IRS similarly to the method observed by the Inspection Service at Andover in conducting its audit Report.
- c-d. See the Rebuttal Testimony of witness Plunkett in Docket No. R97-1, USPS-RT-20, at 7-9.

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**DBP/USPS-134.** Attached to this pleading is a letter dated September 28, 1999, as Attachment D. [a] Please verify that this letter was prepared and sent to me by an employee of the United States Postal Service. [b] Please confirm, or explain and discuss if you are not able to confirm, that the procedures utilized by the Cincinnati Post Office to process the completion of the Return Receipts on accountable mail destined to the Internal Revenue Service is similar to the problems that were observed by the Inspection Service at the Andover, Massachusetts Internal Revenue Service as noted in the Inspection Service Area Coordination Audit Report on Special Services [USPS-LR-I-200]. [c] Please confirm, or explain and discuss if you are not able to confirm, that the procedures utilized by the Cincinnati Post Office to process the completion of the Return Receipts on accountable mail destined to the Internal Revenue Service do not meet the requirements of the Domestic Mail Manual [Section D042.1.7], Postal Operations Manual [Section 822.11], and Headquarters Directives. [d] Please confirm, or explain if you are not able to do so, that customers who purchased the referenced Return Receipt service did not receive the service that they paid for.

**RESPONSE:**

- a. Objection filed.
- b. Confirmed that, in areas other than the Andover, Massachusetts IRS, the Postal Service may process return receipts destined to the IRS similarly to the method observed by the Inspection Service at Andover in conducting its audit.
- c-d. See the Rebuttal Testimony of witness Plunkett in Docket No. R97-1, USPS-RT-20, at 7-9.

# DECLARATION

I, Susan W. Mayo, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Susan W Mayo

Dated: April 6, 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, SW  
Washington, DC 20260-1137  
April 6, 2000