

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED
APR 13 4 40 PM '00
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes

Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
WITNESS ROBINSON TO CARLSON INTERROGATORIES
(DFC/USPS-T34-16-23)

The United States Postal Service hereby provides the response of witness Robinson to the following interrogatories of Douglas F. Carlson: DFC/USPS-T34-16-23, filed on March 30, 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


Richard T. Cooper

475 L'Enfant Plaza West, S.W.
(202) 268-2993; Fax: -5402
Washington, D.C. 20260-1137
April 13, 2000

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

DFC/USPS-T34-16. Please refer to your response to Presiding Officer's Information Request No. 5, Question 7. Please assume that a customer desires to send items via Priority Mail, and these items would fit in a Priority Mail flat-rate envelope. The weight of the customer's mail, including mailing container, is more than two pounds.

- a. Please confirm that, under current rates, this customer may use a Priority Mail flat-rate envelope and pay \$3.20. If you do not confirm, please explain.
- b. Please confirm that, under current rates, this customer may use a mailing container other than a flat-rate envelope and pay the rate corresponding to the weight of the mail piece. If you do not confirm, please explain.
- c. In (b), please confirm that the rate will be \$4.30 or more. If you do not confirm, please explain.
- d. Please confirm that this customer has an incentive, under current rates, to use a flat-rate envelope because the flat-rate envelope would save this customer at least \$1.10 in postage. If you do not confirm, please explain.
- e. Please confirm that, under the proposed rates, this customer may use a flat-rate envelope and pay \$3.85. If you do not confirm, please explain.
- f. Please confirm that, under the proposed rates, this customer may use a mailing container other than a flat-rate envelope and pay the rate corresponding to the weight of the mail piece. If you do not confirm, please explain.
- g. In (f), please confirm that the rate will be \$5.10 or more. If you do not confirm, please explain.
- h. Please confirm that this customer has an incentive, under the proposed rates, to use a flat-rate envelope because the flat-rate envelope would save this customer at least \$1.25 in postage. If you do not confirm, please explain.
- i. Please refer to the incentive discussed in parts (d) and (h). Do you believe that a significant number of price-sensitive customers who would not switch to a flat-rate envelope to save \$1.10 in postage would switch to a flat-rate envelope to save \$1.25 in postage? Please discuss and provide all facts and information supporting an affirmative answer to this question.

RESPONSE:

- a. Confirmed.

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

- b. Not confirmed. The customer would pay the rate corresponding to the weight of the mail piece and the number of postal zones crossed if the mail piece weighs more than five pounds.
- c. Confirmed.
- d. Confirmed.
- e. Confirmed.
- f. Not confirmed. The customer would pay the rate corresponding to the weight of the mail piece and the number of postal zones crossed if the mail piece weighs more than five pounds.
- g. Confirmed.
- h. Confirmed.
- i. No. If a price-sensitive customer does not choose to use the flat-rate envelope under the current rates to save at least \$1.10 there may be other factors influencing the choice of mailing container. For example, it may be difficult or time-consuming for the customer to obtain a flat-rate envelope or the customer may prefer to use an envelope with a corporate logo. I am unable to determine whether the increase in the rate differential between the flat-rate envelope rate and the three-pound rate would alone be sufficient to cause this customer to use a flat-rate envelope.

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

DFC/USPS-T34-17. Please refer to your response to Presiding Officer's Information Request No. 5, Question 7. Please confirm that any upward pressure over time on the one-pound rate caused by price-sensitive customers shifting to the flat-rate envelope would come primarily from customers mailing items weighing more than one pound but not more than two pounds. If you do not confirm, please explain why price-sensitive customers mailing items weighing more than two pounds would not already be using the flat-rate envelope under current rates.

RESPONSE:

Not confirmed. If the flat-rate envelope rate were set at the one-pound rate, the upward pressure on the combined "one-pound and flat-rate envelope" rate would result from customers mailing pieces weighing more than one pound. Some of these pieces could weigh more than two pounds. The response to DFC/USPS-T34-16 describes situations under which a price-sensitive customer may choose not to use a flat-rate envelope.

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

DFC/USPS-T34-18. Is it reasonable to assume that most EP-14B flat-rate envelopes that customers send weigh one pound or less, given that the dimensions of this envelope are 6" x 10"? Please explain and provide any available data on this subject.

RESPONSE:

No. There is no data on the average weight of Priority Mail pieces mailed in EP-14B flat-rate envelopes.

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

DFC/USPS-T34-19. Please provide all facts and information indicating that a significant portion of the Priority Mail volume that weighs more than one pound but not more than two pounds that currently is not mailed in a flat-rate envelope would shift to a flat-rate envelope if the proposed one-pound rate applied to flat-rate envelopes. In your answer, please acknowledge the likelihood that some portion of the volume in question would not fit in a flat-rate envelope or that a flat-rate envelope would not provide sufficient packaging protection for the items being mailed.

RESPONSE:

I am unaware of any study that addresses this question. However, I would agree that some proportion of the Priority Mail volume weighting between one and two pounds does not fit into the flat-rate envelope and that some mailers may believe that the flat-rate envelope does not provide "sufficient packaging protection" for items being mailed.

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

DFC/USPS-T34-20. Suppose a Priority Mail article weighs three ounces or less. Is it reasonable to assume that a substantial portion of postal customers is able to discern, without the aid of a scale, that this Priority Mail article does not weigh over one pound? If your answer is not an unqualified yes, please explain.

RESPONSE:

No. While it is possible that some customers may be able to discern without the aid of a scale that a Priority Mail article weighing three ounces or less does not weigh over one pound, I am unaware of any study that evaluates what proportion of customers could do so.

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

DFC/USPS-T34-21. Please refer to your response to Presiding Officer's Information Request No. 5, Question 7. Suppose a Priority Mail article weighs less than one pound.

- a. Is it reasonable to assume that a weight exists for this item such that a substantial portion of postal customers is able to discern, without using a scale, that this Priority Mail article does not weigh over one pound? If your answer is not an unqualified yes, please explain.
- b. Is it reasonable to assume that the maximum weight for which a substantial portion of postal customers is able to discern, without using a scale, that this Priority Mail article does not weigh over one pound is more than three ounces? If your answer is not an unqualified yes, please explain.
- c. For customers who know, without using a scale, that their Priority Mail items weigh less than one pound, please confirm that the absence of the need to weigh their flat-rate envelopes in order to determine the postage rate does not add value to these flat-rate envelopes for these customers. If you do not confirm, please explain.

RESPONSE:

- a. No. While it is possible that some customers may be able to discern without the aid of a scale that a Priority Mail article weighing less than one pound does not weigh over one pound, I am unaware of any study that evaluates what proportion of customers could do so or at what weight these customers, if any, could determine whether the mail piece weighed less than one pound.
- b. No. While it is possible that some customers may be able to discern without the aid of a scale that a Priority Mail article weighing less than three ounces does not weigh over one pound, I am unaware of any study that evaluates what proportion of customers could do so or at what weight these customers, if any, could determine whether the mail piece weighed less than one pound.

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

- c. Not confirmed unless a customer is able to make this determination with
100% certainty for every potential mailpiece weighing less than one pound.

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

DFC/USPS-T34-22. Please refer to your response to Presiding Officer's Information Request No. 5, Question 7. Please estimate the length of time required for upward pressure to be placed on the one-pound rate in a way that would cause you concern.

RESPONSE:

I am unaware of any study that has evaluated the length of time that would be needed to place upward pressure on the one-pound rate.

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

DFC/USPS-T34-23. Suppose the Commission recommends and the Postal Service implements the Priority Mail rates as they currently are proposed.

a. If a customer visits a retail window to mail documents that will weigh one pound or less (including the mailing container) via Priority Mail, which type of packaging should the retail clerk recommend - (1) a Priority Mail flat-rate envelope or (2) Priority Mail packaging other than a flat-rate envelope? Please explain.

b. Will the Postal Service provide a mailing container similar to the current flat-sized EP-14F flat-rate envelope (9.5" x 12.5") that will qualify for the weight-based rate, not the rate for flat-rate envelopes?

c. Please confirm that the customer described in (a) would pay 40 cents extra postage if he, accustomed to having the rate for flat-rate envelopes correspond to the lowest Priority Mail rate, used a flat-rate envelope instead of his own packaging or Priority Mail packaging other than a flat-rate envelope.

RESPONSE:

a. The retail clerk should explain the characteristics and rates associated with the various packaging options to allow the customer to determine what packaging material would best meet his or her needs.

b. It is my understanding that the Postal Service is considering offering a mailing container with characteristics similar to the current flat-rate envelope EP-14F. If offered, the postage rate for this container would be based on weight and number of postal zones crossed (if over five pounds in weight) and would not qualify for the flat-rate envelope rate.

c. Confirmed that if a customer mailed a Priority Mail piece weighing one pound or less in a flat-rate envelope that under the proposed Priority Mail rates that he or she would pay \$3.85, 40 cents more than the proposed \$3.45 one-pound rate.

DECLARATION

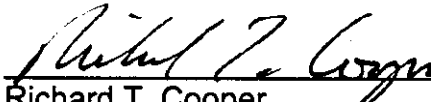
I, Maura Robinson, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


MAURA ROBINSON

Dated: 4.13.2000

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.


Richard T. Cooper

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
April 13, 2000