

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

RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN
(DBP/USPS-62 and 80)

The United States Postal Service hereby provides its responses to the following interrogatories of David B. Popkin: DBP/USPS-62 and 80, filed on March 20, 2000. The Postal Service objected to these interrogatories on March 30, 2000, and Mr. Popkin moved to compel answers to these and other interrogatories on April 12, 2000. In lieu of opposing the motion with respect to these two interrogatories, the Postal Service is providing responses.

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



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April 19, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE
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DBP/USPS-62 With respect to the delivery of Post Office to Addressee Express Mail, [a] Provide information on the percentage of articles that are delivered by the guaranteed delivery time. Provide records for the past year or more. [b] Confirm that only the mailer [and not the addressee] may make a postage refund claim for delivery made after the guaranteed time. [c] How many articles and what percentage are delivered later than the guaranteed time over the past year or more? [d] How many claims have been filed for return of postage for late delivery for the same time period as utilized in Subpart [c]? [e] Confirm that a mailer must take a specific action to determine that an Express Mail article was delivered late and that without this information will be unaware of the late delivery of the article. [f] Explain any reasons why the percentage of refunds is less than the total number of articles delivered late. [g] Please explain and discuss any subparts you are not able to confirm.

RESPONSE:

- (a) Information available from March 27, 1999, to March 31, 2000, shows that 91.2% were delivered by the guaranteed time.
- (b) According to DMM §§ S010.21 and S500.21, only the sender can file a claim for a refund.
- (c) Information available from March 27, 1999, to March 31, 2000, shows that 8.8% were not delivered by the guaranteed time.
- (d) This information is not available. Refund data are tracked by revenue, not by the number of claims.
- (e) Please see response to part (b). A sender would have no basis for filing a claim without first determining that the article was delivered late.
- (f) One can surmise that customers choose not to apply for a refund because they are satisfied with the service they received. They may not be concerned about the precise delivery date and time and may have chosen Express Mail for other reasons, such as the impact on the sender, or for the insurance provided. Or they may be satisfied that the article was delivered some time the next day, even if not, for instance,

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by the guaranteed time of noon. In the case of isolated destinations, one can surmise that customers mailing to such locations are likely to be aware of the difficulty in reaching that location and may very well be satisfied with the fastest delivery available at a reasonable price or indeed at any price, even if it was not delivered within the guaranteed time.

(g) Explanations are Included in above answers.

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DBP/USPS-80 [a] Confirm that the reverse side of the Customer Copy of Label 1 I-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.

RESPONSE:

- (a) Confirmed.
- (b) Confirmed.
- (c) The word "guarantee" used with respect to Express Mail means that if the item is not delivered by the guaranteed date and time, the mailer is entitled to claim a refund of postage.
- (d) If Express Mail is not delivered or attempted by the guaranteed time, the mailer is entitled to a refund of postage.
- (e) The Postal Service does not have this information.
- (f) Please see the response of the Postal Service to DFC/USPS-79 and 80.

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(g) Please see the response of the Postal Service to DFC/USPS-79 and 80 and to DBP/USPS-62(f) above.

(h)-(j) Objection.

(k) Explanations are Included in above answers.

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 solid horizontal line.

Scott L. Reiter

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