

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

EXPERIMENTAL SUSPENSION OF FEE FOR
MANUAL DELIVERY CONFIRMATION CATEGORY

Docket No. R2001-2
Docket No. MC2001-2

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS O'HARA TO INTERROGATORIES OF UNITED PARCEL SERVICE
(UPS/USPS-T1-12-24)

The United States Postal Service hereby provides the responses of witness
O'Hara to the following interrogatories of United Parcel Service: UPS/USPS-T1-12-24,
filed on October 10, 2001.

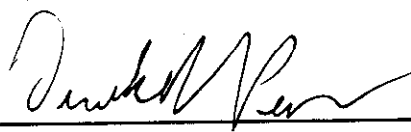
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Chief Counsel, Ratemaking



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October 17, 2001

RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO INTERROGATORIES OF
UNITED PARCEL SERVICE

UPS/USPS-T1-12. Refer to page 14, lines 1-3, of your testimony, where you state that "[w]ith respect to the impact on competitors...the Postal Service...anticipates that the experiments impact would be minimal."

(a) Provide all empirical data upon which you rely that supports the assumption that the experiments impact will be minimal.

(b) Did the Postal Service consider the impact of the experiment on competitors in deciding whether to go forward with the experiment? If so, describe the factors which were considered and describe the relative weights the Postal Service assigned to each factor.

RESPONSE:

(a) In addition to the considerations discussed in my response to UPS/USPS-T1-13, I did consider whether witness Musgrave's Priority Mail volume forecasting model could be used to obtain even rough quantitative information on the potential for increased Priority volume as a result of the proposal. While the model would not have distinguished between expanded use of Priority Mail by existing USPS customers and increases due to volume shifts from competitors, the total volume increase would have provided some indication of the upper limit of the effect on competitors. I concluded, however, that because the model had been designed to provide quarterly forecasts of total (not just window-entered) Priority Mail for a period of several years in response to price changes that customers expect to remain in effect for at least several quarters, the specification of the model, as reflected for example in witness Musgrave's choice of trail, could render it ill-suited to analyzing a temporary and brief (about one-sixth of one quarter) change in the fee of an ancillary service ordinarily associated with only a modest fraction of Priority Mail.

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(b) Yes; see my testimony at page 14, lines 3-8. As indicated there, the most important factor was that commercial shippers already have access to electronic Delivery Confirmation without charge if they choose to use Priority Mail instead of a competitor's service. As a result, the experiment would have no impact on position of Priority Mail relative to competitors' products in the commercial shipping market.

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UPS/USPS-T1-13. Have you or anyone else in the Postal Service studied, investigated, or otherwise evaluated the potential volume shift from private delivery companies that may result from the proposed suspension of the fee for Manual Delivery Confirmation? If so:

- (a) Describe the studies in detail.
- (b) Describe the results of the studies.
- (c) Provide the studies and all reports or other documents generated as a result of those studies.

RESPONSE:

(a) – (c) No studies were conducted and no reports generated. As stated in my testimony (page 14, lines 1-8), the effect on competitors was evaluated and judged to be minimal based on the limited scope and duration of the experiment and on the established availability of electronic Delivery Confirmation without additional charge in conjunction with Priority Mail for commercial shippers.

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UPS/USPS-T1-14. Have you or anyone else in the Postal Service studied, investigated, or otherwise evaluated the potential volume shift from Parcel Post that may result from the proposed suspension of the fee for Manual Delivery Confirmation for Priority Mail users? If so:

- (a) Describe the studies in detail.
- (b) Describe the results of the studies.
- (c) Provide the studies and all reports or other documents generated as a result of those studies.

RESPONSE:

(a) – (c) I considered the potential for Parcel Post volume shifting to Priority Mail as a result of the experiment, and concluded that while some shift would probably occur, the potential magnitude was small enough that it could reasonably be neglected in evaluating the financial and other impacts of the experiment. My reasoning was as follows. The great bulk of Parcel Post (about 80%) is mailed at workshared rates. The alternative of faster Priority Mail delivery combined with no-fee electronic Delivery Confirmation has been available to these shippers for some time and yet they have opted for rate/service combination provided by workshared Parcel Post. The experiment would not change the options available to these shippers, so there should be no shift to Priority from the 80% of Parcel Post that is workshared.

The experiment would change the options available to single-piece package mailers who would choose to use Parcel Post absent the experiment. However, the volume of window-entered Parcel Post is only about one-sixth the volume of window-entered Priority. Within window-entered Parcel Post, the experiment would be most likely to induce shifts to Priority Mail by mailers who value Delivery Confirmation enough to purchase it at the current fee, which is only about 5% of window-entered Parcel Post at present. Thus, although some

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shift from window-entered Parcel Post to Priority can be expected, it is likely to be sufficiently limited that it can reasonably be neglected.

**RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO INTERROGATORIES OF
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UPS/USPS-T1-15. Refer to page 8 of your testimony, where you discuss methods the Postal Service intends to use to inform customers about the limited-time offer of free delivery confirmation.

(a) Describe the window cards and other displays to which you refer on page 8, line 6, of your testimony.

(b) For each window card or display, state the costs involved in producing and displaying it, on a per-piece and total aggregate basis, and identify the class or classes of mail to which that cost is attributed under the experiment.

(c) Provide a copy of each window card or display.

(d) Regarding the press coverage to which you refer on page 8, line 3, of your testimony, describe the press coverage the Postal Service intends to use, the cost of that press coverage, and whether that cost is included in the cost for delivery confirmation contained in your testimony and workpapers. Provide a copy of all press releases developed regarding the proposed fee suspension.

(e) With respect to the local postmaster customary holiday communications with their communities to which you refer on page 8, lines 13-14, of your testimony, describe these customary communications. Identify the costs of these communications, and state whether any of these costs are included in the cost for delivery confirmation service contained in your testimony and workpapers.

(f) Refer to page 2 of your workpaper, in which you identify a "cost of informing customers" of \$150,000. Describe in detail the components of that cost, the products or services purchased or to be purchased by the Postal Service that are included in that cost, and how the figure was calculated.

RESPONSE:

(a) & (c) The window cards and other displays are still under development; no copies are available.

(b) Costs for individual items are not available; the estimated aggregate cost is \$150,000. In page 2 of my workpaper, one-half of this cost is attributed to Delivery Confirmation and one-half to Priority Mail, as explained on page 9, lines 13-18 of my testimony.

(d) & (e) No costs for press coverage or local postmaster holiday communications are included in my workpaper; it is my understanding that the costs of such activities are generally treated as institutional. The only press release thus far is that announcing the filing, a copy of which is attached. Postal

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Bulletin 22036, pages 1 through 15, also attached, contains examples of materials developed to facilitate local postmaster holiday communications.

(f) The \$150,000 "cost of informing customers" in my workpaper is the estimated cost of the window cards and other display items referred to in parts (a) - (c) of this interrogatory. For information on how this estimated cost was developed, please see my response to OCA/USPS-T1-3.

DRAFT GF 9-21-01 2 p.m.



POSTAL NEWS

September 21, 2001
FOR IMMEDIATE RELEASE

Contact: Greg Frey
202-268-2168
Release No. xxx
USPS Web Site: www.usps.com

Holiday Mail-Early Incentive

NO-FEE TRIAL PERIOD FOR DELIVERY CONFIRMATION PROPOSED FOR DECEMBER

WASHINGTON – The U. S. Postal Service yesterday filed for an experimental no-fee trial period for its delivery confirmation service for Priority Mail. The trial period will run from December 1 through December 16, 2001.

Delivery Confirmation for Priority Mail enables customers to follow the status of their Priority Mail, providing the sender with delivery information, including date and time of delivery, forwarding, or return status.

"This is a great way for customers to learn about this recent service introduction and should encourage customers to mail early during the busy holiday mailing season to take advantage of the offer," said Anita Bizzotto, Chief Marketing Officer of the Postal Service. "By mailing as early as possible in the season, customers help the Postal Service to better manage this extremely busy time of the year."

This limited time offer waives the regular 40-cent fee. If approved, it will provide many customers with their first experience with this value-added service.

POSTAL BULLETIN

PUBLISHED SINCE MARCH 4, 1880

PB 22036, November 2, 2000

AZEEZALY S. JAFFER
VICE PRESIDENT, PUBLIC AFFAIRS AND COMMUNICATIONS



October 20, 2000

POSTMASTERS

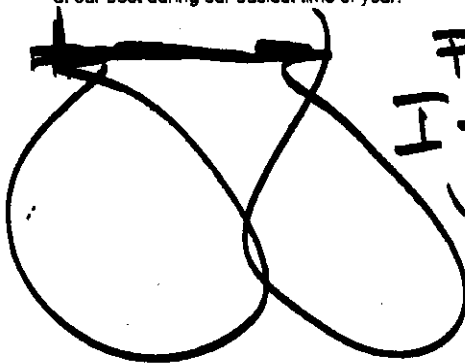
SUBJECT: Holiday 2000 Publicity Kit for Postmasters

The U.S. Postal Service is ready for the "Wholidays." This year we are basing our holiday theme around the Universal Studios movie, *Dr. Seuss' How the Grinch Stole Christmas*. The Postal Service will use the joyful spirit of the Whoville characters to promote our smart shipping solutions for busy customers this season.

In this year's publicity kit you will find important mailing information you can share with your customers. The emphasis will be on the convenience we provide as the one-stop shop for all the delivery needs of harried holiday shoppers. We have provided fill-in news releases on mailing tips, extended hours, correct addressing, alternative locations to buy stamps, and unique gift ideas.

The kit also includes ideas for generating positive publicity for your office. This is the time of year that reporters will be coming to you for mailing information and human-interest stories. It's a good time to promote the caring activities of your employees. We are also joining with Universal and other companies in promoting the First Book charity, as part of our long-standing commitment to literacy.

You can always turn to your area Public Affairs and Communications office for more information and advice on planning your holiday season promotions. They will be happy to help you show us at our best during our busiest time of year.



475 L'ENFANT PLAZA SW
WASHINGTON DC 20260-3100

P.S. As always -
I truly appreciate
your continued
support &
commitment!
Thank you A

Holiday 2000 Publicity Kit for Postmasters continues on page 3.



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Ordering Information: Following is the list of postal stock numbers (PSNs) to use when ordering copies of the *Postal Bulletin* from the MDCs:

| | |
|----------------------------|----------------------------|
| PB 22036: 7690-04-000-5643 | PB 22022: 7690-04-000-5629 |
| PB 22035: 7690-04-000-5642 | PB 22021: 7690-04-000-5628 |
| PB 22034: 7690-04-000-5641 | PB 22020: 7690-04-000-3999 |
| PB 22033: 7690-04-000-5640 | PB 22019: 7690-04-000-3998 |
| PB 22032: 7690-04-000-5639 | PB 22018: 7690-04-000-3997 |
| PB 22031: 7690-04-000-5638 | PB 22017: 7690-04-000-3996 |
| PB 22030: 7690-04-000-5637 | PB 22016: 7690-04-000-3995 |
| PB 22029: 7690-04-000-5636 | PB 22015: 7690-04-000-3994 |
| PB 22028: 7690-04-000-5635 | PB 22014: 7690-04-000-3993 |
| PB 22027: 7690-04-000-5634 | PB 22013: 7690-04-000-3992 |
| PB 22026: 7690-04-000-5633 | PB 22012: 7690-04-000-3991 |
| PB 22025: 7690-04-000-5632 | PB 22011: 7690-04-000-3990 |
| PB 22024: 7690-04-000-5631 | PB 22010: 7690-04-000-3989 |
| PB 22023: 7690-04-000-5630 | PB 22009: 7690-04-000-3988 |

The *Postal Bulletin* is published biweekly; information is effective for one year unless it changes a permanent directive or unless otherwise specified.



Holiday 2000 Publicity Kit for Postmasters

"Happy Wholidays!" This year's U.S. Postal Service holiday campaign will ride the wave of fun and holiday cheer associated with Universal Studio's November release of *Dr. Seuss' How the Grinch Stole Christmas*. Using the movie's feel-good theme and imagery, postal in-store messaging and merchandise, as well as TV and print advertising, will leverage the movie's Whoville community and prominently featured Whoville Post Office. "Wholiday" is Grinch-speak for holiday.

Special die hubs on automated facer-canceler machines will begin spraying "Happy Who-lidays from the U.S. Postal Service!" on cards and letters in early November.



Helping You Leverage the Holidays

Postal retail units offer residential customers many advantages during the busy holiday period. Spread the news. Your post office provides more than stamps. Availability of packaging materials makes mailing easy, convenient, and affordable for customers in a "Heckuvarush" (postmark on the movie's Whoville Post Office mail).

This kit will help you share important holiday mailing information through your local news media and generate positive publicity for your office's activities. Included are fill-in news releases on product and service promotions, extended hours, options for buying stamps, stocking-stuffer gifts, and helpful tips on package wrapping and correct addressing.

Take advantage of the opportunity to talk with news reporters. This is the one time of year that the news media are eager to come to you to discuss mailing options and deadlines, Santa letters, and other caring activities involving your employees.

For additional information and advice on publicity, contact your area Public Affairs and Communications Office and the communications program specialist who covers your performance cluster.

Holiday 2000 Promotional Materials

Every postmaster was mailed a 90-Day Calendar and a Communications Kit that included Holiday 2000 retail lobby signs.

These promotional materials should now be on display in all post offices. Postmasters needing additional promotional materials may call the Holiday 2000 Hotline at 888-999-6623.

Holiday 2000 Advertising Campaign

The Postal Service and Universal Studios have entered into a licensing agreement surrounding Universal's movie release *Dr. Seuss' How the Grinch Stole Christmas*, starring Jim Carrey as the Grinch.

The Whoville Post Office is one of the key locations featured in the film, and as with most small towns, the post office is the heart of the town. In the film the Whoville postal employees embody the spirit of Whoville and the "Who-lidays."

USPS will use the film, and more specifically the Whoville Post Office, as the corporate-wide theme for the Holiday 2000 Advertising and Promotion Campaign, which will run from November 1 to January 7. The campaign will include television, print, and in-store point-of-purchase materials, along with public and employee communications. While framed by the Whoville theme, the focus of the campaign will be on USPS products and services as smart solutions that customers need during the hectic holiday season.

Both TV and print ads focus on convenience for the busy holiday shopper who can purchase, pack, and ship gifts at one location — their local post office. Featured products and services are Priority and Express Mail, packaging supplies, Whoville-themed gifts and stationery, money orders, and phone cards.

The Postal Store at www.usps.com

The new Postal Store is online at <http://www.usps.com>. The Postal Store offers customers the speed and convenience of secure online shopping 24 hours a day for postal products such as stamps and philatelic items, FIRST-CLASS PHONECARDS, stamp-themed stationery, and USPS Pro Cycling Team gear. The Postal Store site replaces StampsOnline and is poised to become a one-stop online shop for everything postal.

The Postal Store can help reduce lobby lines. By promoting the shop-at-home convenience of the Postal Store, you will enhance customer satisfaction and improve operational efficiency while still getting credit for sales. Online sales are credited back to post offices based on the 5-digit ZIP Code of the customer's billing address.

Online stationery and apparel items are offered for the same price as USPS retail store items, plus a charge for shipping and handling. Stamp orders are handled through the Stamp Fulfillment Services center. Orders should be

placed no later than December 18 to guarantee delivery before Christmas day.

Key "Wholiday" Season Messages

- We are providing ease-of-use for our customers this Wholiday season, making their hectic shopping season simpler with convenient services and gifts.
- Reduce long lines by promoting alternative outlets for stamp purchases.
- With the growth in Internet shopping, remind customers of the value of Priority Mail shipping and suggest they request it from their e-tailer for their online gift purchases.

First Book Charity Involvement — A Promotional Partnership to Help Disadvantaged Children

As part of this year's holiday promotion with Universal Studios and our commitment to literacy, the U.S. Postal Service is partnering with First Book, a national nonprofit organization with a mission to give disadvantaged children the opportunity to read and own new books. First Book supports local tutoring, mentoring, and family literacy programs.

From November 1 through January 7, more than 32,000 post offices across the country will display posters promoting First Book Day, encouraging customers to send a child a book this Wholiday season.

A First Book Day kick-off ceremony will be held November 1 in New York City, featuring a guest appearance by Ron Howard, director of the movie *Dr. Seuss' How the Grinch Stole Christmas*, and New York school children. New York postal employees will also participate in the event by packaging books for delivery to a local school.

Retail customers who express an interest in First Book are encouraged to visit <http://www.firstbook.org> or write to:

FIRST BOOK
1319 F ST NW STE 1000
WASHINGTON DC 20004

Other participating partners in the First Book Day promotion are Barnes & Noble.com, Kellogg's, Nabisco, Random House Children's Books, Visa, Wendy's, and Ziploc.

Holiday 2000 Stamps

Due to the pending increase in First-Class postage and a large inventory of last year's holiday stamps, the planned holiday stamps for 2000 will not be issued until 2001. Existing supplies of 1999 holiday stamps will be supplemented this year with a reprint of the *Holiday Greetings (Deer)* stamp.

The following inventory of 1999 holiday stamps will be available for this holiday season:

| Stamp | Stamp Type |
|---|---|
| Hanukkah (Holiday Celebrations) | Self-Adhesive Pane of 20 |
| Holiday Greetings (Deer) | Self-Adhesive Pane of 20 Self-Adhesive Booklet of 20 Self-Adhesive Vendible of 15 |
| Vivarin's Madonna and Child (Holiday Traditional) | Self-Adhesive Pane of 20 |
| Kwanzaa (Holiday Celebrations) | Self-Adhesive Pane of 20 |

Holiday 2000 Publicity Tips

1. Use the sample news releases included in this kit or develop your own. Send the completed releases to local newspapers, radio, and television stations. Several days after mailing your release, follow up with a phone call to the local reporter, editor, or news director.
2. Plan special events to get media attention. Special events could include:
 - Hosting a wrapping demonstration in the post office lobby.
 - Helping promote the First Book charity by bringing a group of children in for a reading of *How the Grinch Stole Christmas*. You can also provide a photo opportunity and promote Priority Mail by demonstrating how customers can bring their book donations in to mail.
 - Holding a Happy Wholidays customer appreciation event to kick off the holiday mailing season. Feature gift ideas at the post office as well as mailing tips to avoid holiday glitches.

Note: Graphics used for the in-store messaging are licensed and should not be copied for other uses. Avoid featuring or calling attention to the *Grinch*.
3. Call local radio and television news and talk show producers. Offer to guest on programs airing before Christmas to discuss mailing deadlines, proper addressing and packaging, and the holiday gifts available at your post office and the new Postal Store online.
4. Invite radio and television stations to:
 - Do a "live remote" on December 11 or 18, the busiest mailing days.
 - Deliver mail with a carrier on December 13 or 20, the busiest delivery days of the year.
 - Follow employees, dressed as "Santa's helpers," delivering Express Mail items on Christmas Eve or Christmas Day (if applicable).

5. Provide reporters and editors with the handy Holiday Mailing Tips sheet in this kit. Consider making copies of the Holiday Mailing Tips available to your post office lobby customers as well.

Holiday 2000 Season Outlook

- The domestic Christmas holiday mailing season begins after Thanksgiving and ends on December 31. We expect Americans to mail more than 20 billion mailpieces — up 3 percent from last year.
- On an average day from October through December, the Postal Service receives about 100 million letters and cards nationwide. This number is expected to increase to 150 million a day from November 24 through December 31.
- Predictions are that more people will be shopping through the Internet this holiday, which means more parcel deliveries. We anticipate an increase in Priority Mail and Standard Mail (B) parcels of 5 percent, or about 9 million more pieces than last year's holiday season.
- The "busiest mail day" will be Monday, December 11. We expect to cancel approximately 280 million cards and letters on that day. Monday, December 18 will also be a busy mail day. The busiest delivery days will be Wednesday, December 13 and 20.

- We don't have suggested holiday mail deadlines for domestic mail. Our goal this holiday is to deliver increased holiday mail volumes at our normal year-round service levels. Delivery standards vary according to location (on average: First-Class Mail takes one to three days; Priority Mail takes two to three days; Standard Mail (B), or Parcel Post, takes one day per zone; and Express Mail is guaranteed for overnight delivery to most major cities). Post offices can provide information on local delivery standards.
- We want to encourage our customers to keep mailing — even at the last minute! However, we ask the general public to mail early to prevent a backup of mail during Christmas week.
- To move the large volumes of mail during the holiday season we will add the following: temporary processing facilities; three holiday network hubs with more than 80 supplemental airplanes dedicated entirely to moving the mail; hundreds of added truck connections; and dozens of additional trains. We will also put about 60 million more mail sacks and trays in service. Nationwide, we plan to add about 40,000 temporary holiday employees.

Holiday 2000 Mailing Tips

Advice for customers on how to avoid "glitches" affecting delivery of their holiday mailings.

Addressing Tips

- Write, type, or print the complete address neatly.
- Always use a complete return address.
- Always provide complete address information, such as AVE, BLVD, and ST. Always use the apartment or suite number as well as correct directionals such as N, W, and SW.
- Don't let an incorrect ZIP Code create a glitch in timely delivery of cards and letters. Local post offices and the Postal Service Web site, <http://www.usps.com>, offer ZIP Code information. (For post offices covered by the National Call Centers, you can also publicize the toll-free phone number.)

Packaging Tips

- Select a box that's strong enough to protect the contents. Leave space for cushioning inside the carton.
- Cushion package contents with shredded or rolled newspaper, bubble wrap, or Styrofoam peanuts.

Plain air-popped popcorn is also good for cushioning — it's inexpensive and environmentally friendly, and you can string leftover popcorn for holiday decoration.

- Always use tape that is designed for shipping, such as pressure-sensitive tape, nylon-reinforced craft paper tape, or glass-reinforced pressure-sensitive tape. Never use string or twine to secure a package.
- The only addresses on packages for mailing should be the delivery and return addresses. It's also a good idea to place a return address label inside the package.
- Carefully pack glass and fragile hollow items, like vases, with newspaper or packing material to avoid damage due to shock. When mailing framed photographs, take the glass out of the frame and wrap it separately.
- Remove batteries from toys. Wrap and place them next to the toys in the mailing box.
- Packages that weigh at least 1 pound must be taken into the post office for mailing.

Holiday 2000 Special Tips

- Purchase convenient packaging materials, including boxes and padding, at your local post office. Express Mail and Priority Mail boxes, envelopes, and tubes are free.
- All former package markings and labels must be removed before a box can be reused for mailing. Parcels cannot be accepted if markings visibly indicate that the box was used for shipping hazardous material. Wrapping boxes to cover markings is not sufficient. If the wrapping is damaged and markings become visible, the package will be returned to the mailer.
- Access the Postal Service's Web site, <http://www.usps.com>, for postage calculations, post office locations, ZIP Code lookup, plus stamps and unique gifts at the Postal Store. (For post offices covered by the National Call Centers, you can also publicize the toll-free phone number.)
- (In areas where we have contracts with Mail Boxes Etc.) Mail Boxes Etc. centers are now fully authorized United States Postal Service retailers offering Priority Mail, Express Mail, and stamps at many locations with convenient hours to accommodate your holiday mailing and shipping needs.
- Avoid waiting in line to purchase holiday stamps by using Stamps-By-Phone (1-800-STAMP-24), Stamps-By-Mail, and postal vending machines, or go online to the Postal Store at <http://www.usps.com>.
- Don't forget, last-minute packages can still be delivered Christmas day to most major metropolitan areas via Express Mail. (Indicate Christmas Eve hours or location of closest open office).
- Procrastinating international mailers should not despair. Global Priority Mail averages three to five days to many countries for items weighing up to 4 pounds. Express Mail International Service averages two to three days to most major cities, and Global Express Guaranteed, our fastest international delivery service, provides day-certain guaranteed delivery in two days.
- For those traditional domestic procrastinators, we offer Priority Mail, which gets packages to their destinations in two to three days. It's a great buy at \$3.20 for up to 2 pounds. For \$11.75, we also have Express Mail service that gets mail to most major cities overnight.
- Want to know when your package was delivered? Delivery Confirmation service is available for Priority Mail and Standard Mail (B) (Parcel Post) shipments. For a fee of 35 cents, customers receive a tracking number and can retrieve delivery information through the Postal Service Web site or a toll-free telephone number.
- Shopping online? Don't forget to request the best-value shipping solution, Priority Mail, from your online retailer for all of your Wholiday gifts.

Holiday 2000 News Releases

News releases should be typed on postal letterhead and double-spaced. The City/State on the first line should indicate the site where the release originates.



POSTAL NEWS

(date, year)

FOR IMMEDIATE RELEASE

(Contact Name)
(Contact Phone)

POST OFFICE READY FOR THE HOLIDAYS

(CITY, STATE) — The (city) Post Office has prepared for your "Wholidays" and is ready to take care of (city) resident's mailing needs during the holiday season.

"About 20 billion cards, letters and packages will be mailed nationwide between November 24 and December 31, up three percent from last year. This translates to about 150 million cards and letters a day, compared to 100 million on an average day," said Postmaster (full name). "Here in (city), we anticipate delivering an additional (number) cards, letters and packages during this time."

To move these large volumes of mail nationwide the U.S. Postal Service has added more transportation, more processing facilities and more temporary holiday employees. With upgrades to mail processing equipment, more handwritten cards and letters will be "read" and sorted by automation than ever before.

— 30 —



POSTAL NEWS

(date, year)

FOR IMMEDIATE RELEASE

(Contact Name)
(Contact Phone)

**(CITY) POST OFFICE OFFERS TIPS TO ACCOMMODATE MAILERS
AND AVOID THE "WHOLIDAY" GLITCHES**

(CITY, STATE) — This year the (city) Post Office offers extended hours and new services designed to bring enhanced ease-of-use for postal customers mailing holiday items.

"We have a number of new options that will make the mailing experience at our post office fast and convenient for customers," says (city) Postmaster (full name). Illustrating the point, Postmaster (last name) offers the following list of "Wholiday helpfuls":

Special hours, deliveries and conveniences

- To help customers this holiday season, we have earlier and later hours. (List extended hours and any Sunday office hours.) (For post offices covered by the National Call Centers, you can also publicize the toll-free 800 number.)
- (In areas where we have contracts with Mail Boxes Etc.®) Mail Boxes Etc. centers are now fully authorized United States Postal Service retailers offering Priority Mail, Express Mail and stamps at many locations with convenient hours to accommodate your holiday mailing and shipping needs.

- We will deliver Express Mail packages on Christmas Eve and Christmas Day.
- We accept all major debit and credit cards. Check out the special holiday VISA card sweepstakes to win all your holiday purchases and a \$1,000 gift card.

Stamps offer selection with ease

- We have a wide variety of self-adhesive holiday stamps: Vivarini's Madonna and Child, Hanukkah, Kwanzaa, Deer, as well as a slightly smaller version of the Deer stamps offered through vending machines.
- Most holiday stamps are available at selected grocery stores, banks and various other locations. There is also a toll-free number, 1-800-STAMP-24, for ordering stamps. Stamps can also be ordered online from the Postal Store at www.usps.com.
- Priority Mail and Express Mail stamps are available for last-minute mailings.
- Forms to receive Stamps-By-Mail are available from letter carriers, and rural carriers can sell stamps on their routes.

Holiday help

- Call the post office (provide number; for offices under the call center system, give the 800 number) or the holiday mail information hotline (if applicable) for answers to questions about mailing options, best dates to mail and packaging pointers.
- The Postal Service's Web site — www.usps.com — also offers advice, ZIP Codes, post office locations and other helpful information.

"As these reminders illustrate," Postmaster (last name) said, "the Postal Service has many options to help customers complete their 'Wholiday' mailings with ease and greater convenience."

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POSTAL NEWS

(date, year)

FOR IMMEDIATE RELEASE

(Contact Name)
(Contact Phone)

POST OFFICE ASKS CUSTOMERS TO MAIL EARLY; AVOID THE UNEXPECTED "WHOLIDAY" GLITCHES

(CITY, STATE) — With the volumes of cards, letters and packages expected to mushroom with the countdown to the holidays, (city) Postmaster (name) advises customers to mail early. "Our goal is to deliver increased holiday mail volumes at our normal year-round service levels," says (last name). "Although we have taken extra measures to handle the added volume, we are asking customers to mail early to avoid a backup of mail the last days before Christmas."

U.S. Postal Service customers will bring 20 billion mailpieces to post offices during the holiday season, from November 24 through December 31.

Postmaster (last name) said that customers can help speed post office transactions by providing retail clerks with full information on packages, such as requirements for insurance, delivery confirmation and desired time for package arrival.

Other helpful mailing tips to avoid glitches include:

- Write, type or print the delivery address neatly.
- Always use a return address.
- Always use complete address information, such as AVE, BLVD and ST. Use the apartment or suite number as well as correct directionals, such as N, W and SW.

- Don't let an incorrect ZIP Code delay delivery of cards and letters. Local post offices and the Postal Service Web site — www.usps.com — offer ZIP Code information. (For post offices covered by the National Call Centers, you can also publicize the toll-free 800 number.)
- Select a container that's strong enough to protect the contents. Leave space for cushioning inside the carton.
- Always use tape that is designed for shipping, such as pressure-sensitive tape, nylon-reinforced craft paper tape or glass-reinforced pressure-sensitive tape.
- Plain air-popped popcorn, shredded or rolled newspaper, bubble wrap or Styrofoam peanuts work well for cushioning package contents.
- The only addresses on packages for mailing should be the delivery and return addresses. It's a good idea also to place a return address label inside the package.
- Carefully pack glass and fragile hollow items, like vases, with newspaper or packing material to avoid damage due to shock. When mailing framed photographs, take the glass out of the frame and wrap it separately.
- Packages that weigh at least one pound must be taken into the post office for mailing.
- Access the Postal Service's Web site — www.usps.com — for postage calculations, the latest address information, and unique gifts at the Postal Store.
- When writing to Santa, be sure to use a return address. Santa may write back!

"The 'Wholidays' are here, and we want to make sure your mail flies like an eagle and is delivered on time. Just help us by mailing early," (last name) said.

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POSTAL NEWS

(date, year)

FOR IMMEDIATE RELEASE

(Contact Name)
(Contact Phone)

(NAME) POST OFFICE EXTENDS HOURS FOR THE HOLIDAY SEASON

(CITY, STATE) — The (city) Post Office, (address), will extend its business hours for the 2000 holiday mailing season, says (city) Postmaster (full name).

The new hours will be from (list new hours) beginning (date) and continue through (date), (he/she) said.

(If applicable:) "We will also be open on Sundays beginning (date) between the hours of (list times)," Postmaster (last name) added.

Postmaster (last name) also reminds customers of other convenient service options such as Stamps-By-Mail, Stamps-By-Phone (1-800-STAMP-24) and the Postal Store on the Postal Service Web site at www.usps.com.

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POSTAL NEWS

(date, year)

FOR IMMEDIATE RELEASE

(Contact Name)

(Contact Phone)

MANY (CITY) POST OFFICES OPEN SUNDAY(S) THIS "WHOLIDAY" SEASON EXPRESS MAIL WILL GUARANTEE CHRISTMAS DELIVERY

(CITY, STATE) — Time keeps on slipping for procrastinators that have not yet sent off holiday cards, letters and packages. "To help ease the last-minute 'Wholiday' rush, a number of (city) area post offices will be open on Sunday(s), December (give date[s])," said (city) Postmaster (full name).

(If applicable:) "(City) post office(s) will also be open on Sunday, Christmas Eve day, Dec. 24, for regular customer service hours and parcel pick up," added Postmaster (last name). (See attached list.) (If applicable, include information pertaining to other holiday celebrations, such as Hanukkah and Kwanzaa.)

To have last-minute holiday gifts and cards arrive on time, Postmaster (last name) advises customers to use guaranteed overnight Express Mail, which is delivered every day of the year — even Christmas Day.

(List local plans for mail collection or processing on Christmas Eve.)

(If applicable:) As a reminder, the (facility name), (address), is open every day of the year, including Christmas (list hours).

Post offices will be closed on Christmas Day, (last name) added.

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[Attach a page to your press release listing the full schedule, including operating hours of post offices open Sunday and other special holiday hour information.]



POSTAL NEWS

(date, year)

FOR IMMEDIATE RELEASE

(Contact Name)

(Contact Phone)

BRING PACKAGES INTO LOCAL POST OFFICE FOR WEIGHING

(CITY, STATE) — The U.S. Postal Service remains an important part of a government service that strives to ensure the safety of the public and its employees, especially during the holidays, said (city) Postmaster (full name).

In order to avoid delays, as a reminder to (city) residents, special security rules still apply when mailing stamped packages that weigh one pound or more.

"Even if you've carefully calculated and applied the correct amount of postage, you must bring these packages to the post office for mailing," (last name) said.

Packages found in mail collection boxes, because of security guidelines, may be returned to the sender, Postmaster (last name) explained. The only exceptions are business packages and letters that use metered postage, (he/she) added.

Packages for international destinations, including military APO and FPO addresses, have special customs requirements and must also be mailed personally at the post office, (last name) added.

In addition, (last name) reminds customers that all former package markings and labels must be removed before a box can be reused for mailing. Parcels cannot be accepted if markings visibly indicate that the box was used for shipping hazardous material. Wrapping boxes to cover markings is not sufficient. If the wrapping is damaged and markings become visible, the package will be returned to the mailer.

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POSTAL NEWS

(date, year)

FOR IMMEDIATE RELEASE

(Contact Name)
(Contact Phone)

NEED GIFT IDEAS THIS "WHOLIDAY"? POST OFFICE IS A GREAT PLACE FOR "STOCKING" UP

(CITY, STATE) — We've all been through it. You have to buy a gift for the office grab bag. Your Uncle Ray unexpectedly sends you a gift, now you have to get one for him. You forgot to get something for the newspaper boy. And, it's that time of year again.

"Come to the post office," says Postmaster (full name). "We have a variety of gift items for your holiday giving," including the following:

- **STAMPS** are a practical gift because everyone needs and uses them. Plus, with the variety of stamps, customers are sure to find a subject to fit the interests of the gift recipient.
- **BOOKS FOR COLLECTING AND DISPLAY** such as *The 2000 Commemorative Stamp Yearbook*, illustrating the stamps of the past year and the stories behind them. A new addition this year is *An American Postal Portrait: A Photographic Legacy*, which provides a photojournalistic retrospective celebrating behind-the-scene postal stories from the early 1800s.
- **MONEY ORDERS** are better than a gift certificate. They are safe and secure. Purchase any amount up to \$700 for just 80 cents.
- **Prepaid FIRSTCLASS PHONECARDS** make ideal gifts for college students, grandparents and small business owners. Customers purchasing two \$20 60-minute FIRSTCLASS PHONECARDS will receive a third one FREE! A Limited Edition 30-minute Whoville Phonecard is also available.
- **UNIQUE STATIONERY AND ORNAMENTS** featuring imagery characteristic of scenes and items in the popular holiday movie *Dr. Seuss' How the Grinch Stole Christmas*. A light-up Christmas ornament features the Grinch. There's also a Whoville Activity Kit for children. Select post offices will sell themed computer paper, note cards, greeting cards, wrapping paper and labels.
- **ONLINE SHOPPING AT THE POSTAL STORE** allows busy shoppers to access www.usps.com any time to buy stamps and philatelic collectibles, FIRSTCLASS PHONECARDS, stationery and exciting USPS Pro Cycling Team gear. Orders should be placed by December 18 to guarantee arrival before Christmas day.

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POSTAL NEWS

(date, year)

FOR IMMEDIATE RELEASE

(Contact Name)

(Contact Phone)

NEED POSTAGE STAMPS? TRY THESE ALTERNATIVES

(CITY, STATE) — Without a doubt, the holidays are the busiest time of the year for the post office. Customers are not only mailing their usual correspondence, they are often sending several packages, adding special services like insurance and asking clerks about different ways to mail. "Like any retailer this time of year, we have more customers with larger and more complex transactions," says (city) Postmaster (full name). For customers simply buying stamps, (last name) recommends several approaches to avoid the holiday lines:

- Purchase from vending machines in post office lobbies. Many post offices provide 24-hour access to vending machines and offer stamps in different quantities and denominations. Plus, many areas have postal vending machines in public areas like business parks, malls and grocery stores.
- Purchase from participating retailers who sell books of stamps at face value, right at the check-out line. Ask your major grocer, drug store or convenience store.
- (In areas where we have contracts with Mail Boxes Etc.®) Mail Boxes Etc. centers are now fully authorized United States Postal Service retailers offering Priority Mail, Express Mail and stamps at many locations with convenient hours to accommodate your holiday mailing and shipping needs.
- Purchase from participating banks selling stamps through 15,000 ATMs nationwide. A surcharge by the bank is usually applied.
- Call 1-800-STAMP-24. Customers can place orders by phone, use a credit card and get stamps delivered to their door.
- Visit www.usps.com. Not only can customers order stamps at the Postal Store, they can look up ZIP Codes, calculate postage and get details on mailing options and special services.
- Order Stamps-By-Mail with forms available in post offices or from letter carriers.

"Getting everything you need to get done for the holidays can be a hassle. By providing alternate means to purchase stamps, the post office hopes to help customers avoid 'Wholiday' hassles and glitches," says (last name).



POSTAL NEWS

(date, year)

FOR IMMEDIATE RELEASE

(Contact Name)
(Contact Phone)

PHOTO OPPORTUNITY

LETTER CARRIER "SANTAS" DELIVER ON CHRISTMAS DAY

(CITY, STATE) — Last-minute Express Mail gifts will be delivered personally by a "Santa's Helper" on Christmas Eve (and/or) Christmas Day (if applicable) again this year to customers living in (city), said (city) Postmaster (full name).

The tradition began 15 years ago when several U.S. Postal Service delivery employees decided to make working on the holiday more fun by donning Santa outfits and becoming "Santa-for-a-Day."

(Talk about local program.)

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POSTAL NEWS

FOR IMMEDIATE RELEASE

Contact: Monica A. Hand
(202) 268-2783
Release No. 94

OVERSEAS CHRISTMAS MAILING DEADLINES RIGHT AROUND THE CORNER

WASHINGTON, D.C. — It's always a shock when the first holiday catalogs arrive in the mailbox — it seems to get earlier every year. But it is a good reminder that if you want your loved ones overseas to get their gifts on time, the recommended mailing deadlines are fast approaching.

Depending on where and how it's being mailed, the first recommended mailing date is October 27 for surface transportation to Africa. For most international destinations, including military bases, the Postal Service advises you to mail packages, cards, and letters no later than December 11. Expedited mail services like Global Express Guaranteed (GXG) and Express Mail International can be used even up to the last few days before Christmas.

This year, between Thanksgiving and Christmas, the Postal Service expects to deliver 20 billion holiday letters, postcards and packages, about one billion of which will be bound for international destinations.

The following information is also available through the Postal Service's Web site, www.usps.com.

| International Mail To | Air Letters/Cards | Air Parcel Post | Surface |
|-------------------------|-------------------|-----------------|-------------|
| Africa | December 4 | December 4 | October 27 |
| Asia/Pacific Rim | December 11 | December 11 | November 3 |
| Australia/New Zealand | December 11 | December 11 | November 3 |
| Canada | December 15 | December 15 | November 24 |
| Caribbean | December 11 | December 11 | November 11 |
| Central & South America | December 4 | December 4 | November 3 |
| Europe | December 11 | December 11 | November 11 |
| Mexico | December 11 | December 11 | November 11 |
| Middle East | December 11 | December 11 | October 27 |

| Military Mail Addressed To | First-Class Letters/Cards | Priority | PAL | SAM | Surface |
|-----------------------------------|----------------------------------|-----------------|------------|------------|----------------|
| APO/FPO AE ZIPs 090-098 | December 11 | Dec. 11 | Dec. 4 | Nov. 27 | Nov. 6 |
| APO/FPO AA ZIPs 340 | December 11 | Dec. 11 | Dec. 4 | Nov. 27 | Nov. 6 |
| APO/FPO AP ZIPs 962-966 | December 11 | Dec. 11 | Dec. 4 | Nov. 27 | Nov. 6 |

Besides mailing early to save money, another international mailing tip is to follow international addressing rules. Overseas addresses:

- Must be in English and use Arabic numerals.
- Have foreign postal codes, if known, in front or after the city or town name and on the same line.
- Place the city or town name and the province or state name on the next line after the street address information.
- Write the name of the foreign country in capital letters on the bottom line of the address.

Example:

| | | |
|------------------|----|--------------------|
| Jacques Molier | or | Ms. Joyce Browning |
| Rue de Champaign | | 2045 Royal Road |
| 06570 St. Paul | | London W1P 6HQ |
| FRANCE | | ENGLAND |

To make it easy to send holiday gifts abroad, the Postal Service's Web site offers additional mailing options, simplified customs forms, and even online assistance.

Additional mailing options to many countries include:

- Global Express Guaranteed – our fastest international delivery service with day-certain guaranteed delivery to over 200 countries and territories.
- Express Mail International – express service to most countries, even up to the last few days before Christmas.
- Global Priority Mail – fast, reliable delivery for items weighing up to four pounds.
- Registered and insured service – available to most countries. International return receipts can also accompany most registered and insured mail items.

All overseas letters and postcards now travel by air. To keep mailing costs low, the Postal Service suggests sending cards or letters separate from gifts. When mailing items overseas, it is always a good idea to check with a local post office about weight, size or item restrictions that may apply and which customs forms are required.



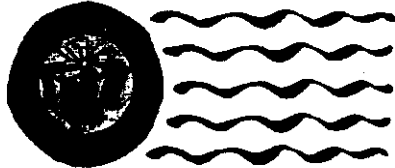
POSTAL NEWS

FOR IMMEDIATE RELEASE

Contact: Gerry Kreienkamp
(202) 268-3051

Release No. 62

USPS Web Site: <http://www.usps.com>



TO HELP YOU SHIP THOSE GIFTS THAT WILL PLEASE THE POSTAL SERVICE WILL BRING YOU DELIVER-EASE

Postal Service turns holidays into "Wholidays"

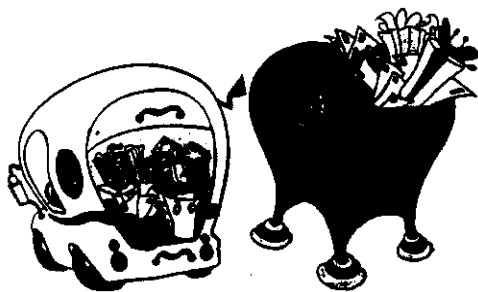
WASHINGTON, D.C. — When customers come in, they know from the start, with service this good, it'd change a Grinch's heart. Even in August, the Postal Service is getting ready for the holiday mailing rush. This holiday season, post offices across the country will be filled with the spirit of the "Wholidays," with the happy denizens of Whoville from the new Universal Pictures movie *Dr. Seuss' How the Grinch Stole Christmas*, to be released November 17th.

*What would make the holidays exciting, we sat around and thought,
To give customers a smile when they shipped what they bought?*

*A happy new movie with characters so fun,
We could use them in our stores. And the deal was done.*

*Universal said, "Great! We'd love to work with you."
We knew our customers would love Whoville, too.*

*With lobbies festooned with the cute little critters,
And great service, too, to ease holiday jitters.*



Caption: The Postal Service is using imagery of the Whoville characters from the Universal Pictures release *Dr. Seuss' How the Grinch Stole Christmas* in its holiday season advertising.

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Editor's note: Graphic images can be downloaded for print or screen from the Postal Service Web site at www.usps.com, with the press releases.

**RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO INTERROGATORIES OF
UNITED PARCEL SERVICE**

UPS/USPS-T1-16. Describe in detail the expected operating plan for window clerks for offering Manual Delivery Confirmation for free to Priority Mail users from December 1 to December 16.

(a) Must customers request the free service, or will window clerks offer it to customers?

(b) Will all Priority Mail items receive free Manual Delivery Confirmation automatically?

RESPONSE: The expected operating plan for window clerks is still under development and details are not available.

(a) – (b) Customers will not have to request the service. Window clerks will offer it in a manner designed to encourage acceptance, but if a customer does not wish to use Delivery Confirmation, his or her wishes will of course be respected.

**RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO INTERROGATORIES OF
UNITED PARCEL SERVICE**

UPS/USPS-T1-17. Provide all market research that the Postal Service has performed, or has contracted to perform, on the potential impact of its proposed fee suspension.

RESPONSE: No such studies have been performed by the Postal Service or its contractors.

**RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO INTERROGATORIES OF
UNITED PARCEL SERVICE**

UPS/USPS-T1-18. Has the Postal Service studied through market research, customer interviews, or any other means the potential increase in Delivery Confirmation usage as a result of this proposal? If so, provide the studies and all results of these studies.

RESPONSE: No such studies have been performed.

**RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO INTERROGATORIES OF
UNITED PARCEL SERVICE**

UPS/USPS-T1-19. Has the Postal Service studied through market research, customer interviews, or any other means the potential increase in Priority Mail volume as a result of this proposal? If so, provide the studies and all results of these studies.

RESPONSE:

No such studies have been conducted, and indeed the Postal Service does not anticipate any significant increase in Priority Mail volume as result of implementing its proposal.

**RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO INTERROGATORIES OF
UNITED PARCEL SERVICE**

UPS/USPS-T1-20. Has the Postal Service studied through market research, customer interviews, or any other means the reason that customers are likely to mail packages during the busiest week of the holiday season? If so, provide the studies and all results of these studies.

RESPONSE:

No such studies have been conducted.

**RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO INTERROGATORIES OF
UNITED PARCEL SERVICE**

UPS/USPS-T1-21. Has the Postal Service studied through market research, customer interviews, or any other means the likelihood that customers will mail packages before the busiest week of the holiday season as a result of this proposal? If so, provide the studies and all results of these studies.

RESPONSE:

No such studies have been conducted. Experience with the proposal is intended to generate such information directly.

**RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO INTERROGATORIES OF
UNITED PARCEL SERVICE**

UPS/USPS-T1 -22. Is it the Postal Service's expectation that, if this proposed program is judged a success by Postal Service management, Manual Delivery Confirmation would be offered at no charge during the same time period in calendar year 2002? Explain.

RESPONSE:

As suggested in my testimony (page 7, lines 1-4), if the proposal were to be implemented as an experiment and were to be judged as a success in noticeably smoothing holiday mailing patterns, the Postal Service would contemplate considering a permanent classification modeled on the proposal. Under that scenario, within the framework of an omnibus rate case, the revenue and cost effects resulting from the "without charge" period could be included in the overall assessment of cost coverages for the Priority Mail and Delivery Confirmation along the lines of Panel C on page 2 of my workpaper.

The Postal Service reserves judgment regarding the 2002 holiday season until it has had the opportunity to assess the outcome of its proposal.

**RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO INTERROGATORIES OF
UNITED PARCEL SERVICE**

UPS/USPS-T1-23. Refer to USPS-LR-I, file 'DC LR.xls', page 'WP-p.2 Exper. Rev & Cost'.

(a) Explain why one-half of the cost of informing customers is assigned to Priority Mail. How was the determination to assign one-half of the cost to Priority Mail made?

(b) Explain why the cost of additional Delivery Confirmation usage during the experiment is assigned to Priority Mail.

(c) Explain why the cost of non-electronic, existing usage is moved from the cost base of Delivery Confirmation to the cost base of Priority Mail.

RESPONSE:

(a) Please see my testimony, page 9, lines 13-18.

(b) – (c) Please see my testimony, page 8, line 18 through page 9, line 10.

**RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO INTERROGATORIES OF
UNITED PARCEL SERVICE**

UPS/USPS-T1-24. Refer to Postal Service witness Tolley's testimony in R2001-1, USPS-T-7, at 136, where he discusses the effect of the availability of delivery confirmation for Priority Mail on Parcel Post volume.

- (a) Describe all studies of the effects of this experiment on Parcel Post volume.
- (b) Explain how considerations of the impact of the experiment on Parcel Post volume affected the Postal Service's decision to propose the experiment.

RESPONSE:

With respect to the cited testimony of witness Tolley, please note that he is referring to the impact on Parcel Post of the introduction of Delivery Confirmation service in March 1999. His testimony addresses total Parcel Post volume, over 80 percent of which is entered at one of the worksharing rates, rather than at the window. Moreover, in March 1999, the Parcel Post Delivery Confirmation fees were 25 cents higher than those for Priority Mail; much larger than today's differences of 12 cents for electronic Delivery Confirmation and 10 cents for manual Delivery Confirmation.

- (a)-(b) Please see my response to UPS/USPS-T1-14.

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 black ink, appearing to read "Frank R. Heselton", written over a horizontal line.

Frank R. Heselton

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
October 17, 2001