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

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS MAYO TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T36-44-51)

The United States Postal Service hereby provides the responses of witness Mayo to the following interrogatories of the Office of the Consumer Advocate:
OCA/USPS-T36-44 to 51, filed on October 15, 2001

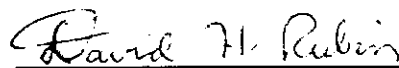
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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October 29, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T36-44-51)**

OCA/USPS-T36-44. Please refer to your testimony at page 5, lines 3-34. You identify the nine rate-making criteria to be considered in determining postal rate and fee levels. Please explain the relative weightings you employed for each of the criteria in determining the proposed rates for each type of service that you address in your testimony.

RESPONSE:

For each of the special services I have proposed new fees for, all applicable pricing criteria are addressed, along with associated significance of each individual criterion if relevant, in the respective pricing criteria sections. No "relative weightings" were used.

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OCA/USPS-T36-45. Please refer to your testimony at pages 23 to 30, where Certified Mail is discussed.

(a) Do you have any studies of the level of customer satisfaction with Certified Mail? If so, please provide them.

(b) You indicate on page 26, lines 10-11, that the enhancement of Certified Mail with the provision of Internet access and call center access to delivery time and data is expected to increase customer use of Certified Mail. How much additional usage and revenue will the enhancement generate? Please provide complete information on estimation procedures.

RESPONSE:

- a. I have been informed that the Postal Service does not have any studies of the level of customer satisfaction for certified mail.

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OCA/USPS-T36-45. (CONTINUED)

RESPONSE:

b. The difference between the volume in my workpaper and the forecast volume for certified mail is the additional estimated volume from the certified mail enhancement, as well as volume effects from the proposed electronic return receipt and Internet availability of return receipt after mailing. The workpaper volume (USPS-LR-J-109, WP-3) of 302,882,000 less the forecast volume of 279,412,000 (USPS-LR-J-109, WP-13) results in an additional volume of 23,470,000. This volume is developed by witness Nieto in Library Reference J-136, based on market research conducted by witness Rothschild (USPS-T-27). This additional volume multiplied by the proposed fee of \$2.30 results in additional revenue of \$53,981,000.

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OCA/USPS-T36-46. In your testimony, pages 3.1 to 39, you discuss Delivery Confirmation.

(a) At page 33, lines 3-8, you indicate that Delivery Confirmation data are available via the Internet and via telephone number. Do you have any information, studies or analyses that measure the accuracy of reported Delivery Confirmation data? Please furnish such studies and the percentage of Delivery Confirmation deliveries that are reported accurately.

(b) Do you have any studies of the level of customer satisfaction with Delivery Confirmation? If so, please provide them and explain how you used them to determine Delivery Confirmation fees.

RESPONSE:

a. The Postal Service does not have any information, studies, or analyses that measure the accuracy of Delivery Confirmation data reported. The 1-800 telephone number providers monitor the agents' performance as a whole, but not specifically for reporting on Delivery Confirmation data.

b. I have been informed that the Postal Service does not have any studies of the level of customer satisfaction for Delivery Confirmation.

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OCA/USPS-T36-47. In your testimony you discuss Insurance on pages 40 to 46. Do you have any studies, analyses, or surveys indicating the degree of consumer satisfaction with this service? If so, please provide them and explain how you used them to determine Insurance fees.

RESPONSE:

I have been informed that the Postal Service does not have any studies, analyses, or surveys of the degree of consumer satisfaction for insurance.

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OCA/USPS-T36-48. In your testimony you discuss Return Receipts on pages 51 to 64.

(a) Do you have any studies, analyses, or surveys indicating the degree of consumer satisfaction with the current services or consumer needs and preferences for projected services? If so, please provide them and explain how you used them to determine Return Receipt fees.

(b) As you recognize on page 56, line 5, there are concerns about unreliable service. Do you have any studies that quantify the degree to which service is unreliable? If so, please provide them.

RESPONSE:

a. *I have been informed that the Postal Service does not have any studies, analyses, or surveys of the degree of consumer satisfaction for the current return receipt service.*

b. *I have no studies that quantify the reliability of return receipt service. My knowledge of any problems with return receipt service was gained entirely from information provided in past rate case proceedings. See my response to interrogatory DFC/USPS-T36-2.*

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OCA/USPS-T36-49. In your testimony you discuss Signature Confirmation on pages 68 to 75. Do you have any studies, analyses, or surveys indicating

- (a) the degree of consumer satisfaction with the current services?
- (b) consumer needs for projected services?
- (c) consumer preferences for projected services?

If the answer to any of a, b, or c above is affirmative, then please provide the studies.

RESPONSE:

a. I have been informed that the Postal Service does not have any studies, analyses, or surveys of the degree of consumer satisfaction for Signature Confirmation.

b.-c. I have been informed that the Postal Service does not have any studies, analyses, or surveys of consumer needs or preferences for projected services for Signature Confirmation. Witness Nieto estimated the volume of certified mail migrating to Signature Confirmation in response to my proposal to extend Signature Confirmation to parcels in the First-Class Mail Letters and Sealed Parcels subclass. USPS-LR-J-136, Table 9.

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OCA/USPS-T36-50. Please refer to your testimony at page 89, lines 10-11. You indicate that many of the special services need to be re-evaluated for redundancy. Please indicate which services need to be re-evaluated.

RESPONSE:

Potential services that could be re-evaluated for redundancy would include certified mail, certificates of mailing, return receipts, registered mail, Delivery Confirmation, and Signature Confirmation.

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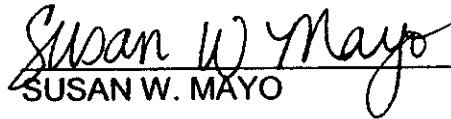
OCA/USPS-T36-51. Please provide any information, quantitative study results, or survey results substantiating your statement on page 100 of your testimony, lines 29-30, that "The Postal Service has made great strides in improving the overall service of both Certified Mail and Return Receipts."

RESPONSE:

Please see my testimony at pages 100, line 30 through page 101, line 13, where I describe the proposed enhancements to certified mail and return receipts. Also, please see my testimony at page 25, line 19 through page 26, line 18, at page 27, line 11 through page 28, line 3, at page 55, lines 1-4, at page 57, line 15 through page 58, line 10, at page 99, lines 32-37, and at page 103, lines 4-9.

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: 10/29/01_____

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

David H. Rubin
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