

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

RECEIVED
Nov 2 4 45 PM '01

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 OFFICE OF THE CONSUMER
ADVOCATE
(OCA/USPS-T35-8-11)

The United States Postal Service hereby provides the responses of witness Mayo to the following interrogatories of Office of the Consumer Advocate: OCA/USPS-T35-8-11, filed on October 19, 2001.

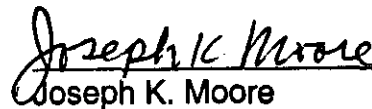
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Joseph K. Moore

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3078, Fax -5402
November 2, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-T35-8. The following refers to your response to OCA/USPS-T35-5. Your response states,

[C]ircumstances within the control of the Postal Service, such as scheduling of transportation to and from the airport, as well as scheduling of delivery personnel to perform on-time delivery, would not be considered to be beyond the control of the Postal Service.

However, one could easily infer that scheduling of transportation to and from the airport and the scheduling of delivery personnel could be considered an example of a "breakdown in the transportation network." Please explain how the USPS can assure the public that a "postmaster or his/her designee" will not deny a claim based upon a generalized interpretation of your proposed DMCS language "breakdown in the transportation network"?

RESPONSE:

The "breakdown in the transportation network" criterion is designed to deal with extraordinary circumstances, such as what the Postal Service experienced as a result of the actions that took place on September 11, 2001. The Postal Service will narrowly define the DMM regulations governing refunds during implementation so as to assure claims would not be denied based upon generalized interpretations.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-T35-9. Your response to OCA/USPS-T35-7 indicates that the Postal Service will update the terms and conditions of the Express Mail refunds appearing on the reverse side of each postage label. Please provide the cost of updating the information on the back of the Express Mail postage label. Provide an estimate of the number of Express Mail postage labels printed in FY 2000, FY 2001 and FY 2002. Provide the full calculation for both the cost data and the estimate of the number of labels. Please provide specific cites to all source documents and provide copies if one has not been previously filed in this docket.

RESPONSE:

The cost of updating the information is absorbed by the printer supplier at no additional cost to the Postal Service. The estimated volume of Express Mail labels printed (which includes Global Express Mail labels) is as follows: FY 2000 – 118.8 million; FY 2001 – 118.0 million; and FY 2002 – 90 to 110 million.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-T35-10. For Express Mail, please provide available data from the most recent year for which data are available that show, by ounce, the volume of Express Mail for each type of mailing envelope or container supplied by the Postal Service. In preparing your answer, please provide the information in a format similar to that provided by USPS witness Scherer in his response to DFC/USPS-T30-1.

RESPONSE:

The Postal Service does not collect information, by ounce, on the volume of Express Mail for each type of Postal Service supplied mailing envelope or container.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-T35-11. In reducing the level of insurance automatically included in Express Mail from \$500 to \$100, please: (a) identify and explain the indemnity costs deducted from Express Mail, and (b) explain the consideration you gave to the Express Mail rate proposals with regard to the decreased value of service due to a reduction in the level of insurance included at no extra cost. Please provide specific cites to all source documents and provide copies if one has not been previously filed in this docket.

RESPONSE:

(a) It is my understanding that the indemnity costs for Express Mail from witness Patelunas's testimony are as follows: Base Year 2000 - \$1,258,000; FY 2001 - \$1,295,000; Test Year 2003 Before Rates - \$1,488,000, and Test Year After Rates 2003 - \$1,347,000. It is also my understanding that there was no adjustment to indemnity costs related to the reduction in free indemnity coverage.

(b) The Express Mail rates proposed in my testimony were developed with a target average increase and target cost coverage in mind. See my testimony at page 28. The value of service criterion consideration for the Express Mail rate proposals is addressed in witness Moeller's testimony, USPS-T-28.

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: 11/2/01

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.



Joseph K. Moore

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
November 2, 2001