

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS KINGSLEY TO INTERROGATORIES OF AMAZON.COM, INC.
REDIRECTED FROM WITNESS MAYO
(AMZ/USPS-T36-4(a), (e)-(f), and (h); 6(b); 7; and 8(b)-(d))

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of Amazon.com, Inc., redirected from witness Mayo: AMZ/USPS-T36-4(a), (e)-(f), and (h); 6(b); 7; and 8(b)-(d), filed on November 21, 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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AMZ/USPS-T36-4

Please refer to your testimony at page 38 (ll. 14-15), where you state “[t]his proposed change [to limit Delivery Confirmation to parcels only within the Package Services mail class] reflects the operational concerns discussed by witness Kingsley. USPS-T-39, at 8-9, 36.”

- a. Please identify clearly and discuss the specific “operational concerns” to which you are referring on pages 8, 9 and 36 of witness Kingsley’s testimony.
- e. Please confirm that witness Kingsley discusses letter processing at pages 8-9 of her testimony. Please explain the relationship between (i) letter processing and (ii) depriving Package Services flats of access to Delivery Confirmation.
- f. Have problems arisen in the utilization of Delivery Confirmation with Package Services flats? Please explain any affirmative answer.
- h. How would the Postal Service’s Delivery Confirmation special service be harmed if your proposed change is not recommended by the Commission?

Response:

- a. The operational concerns I mention are in fact on page 8 (lines 17-30) for letters, page 19 for differences in processing flats and parcels, and pages 27 and 28 for differences in delivery.
- e.
 - i. Confirmed.
 - ii. The impracticalities of expanding Delivery Confirmation for letters as mentioned on page 8 of my testimony also apply to flats. For example, any search by the carrier for Delivery Confirmation on flats would undo much of the efficiency automated processing provided. It is also impractical to obtain delivery scans since flats are unable to be separated from the rest of the mailstream on automation.
- f. It is my understanding that scanning concerns have been raised by various customers. However, there has been no tracking of problems by shape.

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- h. The myriad issues related to additional training, greater carrier costs, inconsistency with delivery point sequencing, potential customer impacts, and missed scans.

These concerns are covered in greater depth in my responses to AMZ/USPS-T36-6 to 8.

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AMZ/USPS-T36-6

According to witness Kingsley, “[o]nce the carrier is on the street, a Delivery Confirmation mailpiece is handled like any other piece except that the barcode on the Delivery Confirmation label is scanned upon delivery.” Response to OCA-USPS-T36-16.

- b. If this statement is correct, then please explain why it is necessary or desirable to eliminate access to Delivery Confirmation to Package Services flats.

Response:

- b. The quote above relates to parcels and Priority Mail only. The original intent of Delivery Confirmation was to provide delivery status for expedited and package products. To ensure we provide the service, the definition is being refined to exclude those volumes that are inconsistent with the original intent.

Carriers and box clerks are looking for Delivery Confirmation (DC) on parcels and Priority Mail, which are unique mailstreams. They are *not* looking for DC on flats and letters, so flats may not be scanned and the service not rendered. If DC were to be allowed for non-Priority Mail flats, then *significant* training and increased costs would be incurred. First, all of the carriers and box clerks would have to be retrained to look for Delivery Confirmation on *all* flats. Secondly, this would greatly hinder carrier casing productivity if the carrier had to identify a DC flat and then “isolate” it somehow to ensure it was scanned on the street (e.g., put it as the first piece for the delivery).

As mentioned on page 20 (ll. 2-20) of my testimony, the Postal Service is looking in the longer term to Delivery Point Sequence (DPS) flats similar to letters. DC is

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inconsistent with DPS. If, like letters, the flats are sorted to DPS, then the carrier will not look at the mail until he/she is out on the street. Additional time on the street would be needed to check through each flat to ensure DC scanning occurred.

Unlike certified mail, Delivery Confirmation labels are often printed by the sender, with no requirement for any special "tagging" or fluorescence. It is my understanding that requiring special label taggants would discourage many of our existing customers from using our products, and would make us less competitive. The current requirements are less expensive and more flexible for our customers. Also see my responses to AMZ/USPS-T36-4 (f and h), 7, and 8(c and d).

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AMZ/USPS-T36-7

The Postal Service currently permits Standard mailers to prepare certain parcels to be handled as flats. DMM C820.3.3 defines an “automation-compatible flat-size mailpiece eligible for FSM [1000] processing” as including mailpieces defined as parcels under DMM C050. Would it be possible to permit Package Services mailers to prepare or present their flats so they will be handled as parcels, and retain eligibility to obtain Delivery Confirmation? Please explain your answer.

Response:

On page 19 of my testimony, I discuss the extensive operational problems with our current practice of allowing Standard Mail parcels to qualify as automation flats, and how the Postal Service expects to address these issues in the future. The intent of allowing parcels to be prepared as automation flats was to move pieces to a more efficient process.

It would be very inefficient for the Postal Service to allow mailers to prepare and label flat-sized pieces as parcels, and then to attempt to process flat-sized pieces in the less efficient parcel mailstream. The flats would very likely be damaged from being sorted on a BMC parcel sorter with much larger parcels. Also, it would be very difficult to ensure that flat-sized pieces labeled as parcels would remain in the parcel mailstream (just as we have difficulty keeping Standard Mail parcels prepared as automation flats from ending up in the parcel mailstream). It is likely that the pieces would be moved to the more efficient flats mailstream, which could ultimately result in the carrier failing to provide Delivery Confirmation service.

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AMZ/USPS-T36-8

Witness Kingsley states in her testimony:

Vertical flats cases are used for most routes while horizontal flats cases, with larger separations for multiple delivery points, are generally used on business routes and routes with a large proportion of centralized delivery. In the case of horizontal holdouts, many of the small parcels and rolls (SPRs) would be cased and collated in with the flats. The identification of Delivery Confirmation and Signature Confirmation items is ensured because parcels and Priority Mail, regardless of shape, are held out and handled separately by clerks and carriers, unlike letters and flats. This is fully consistent with witness Mayo's (USPS-T-36) proposal to limit Delivery Confirmation and Signature Confirmation to parcels and Priority Mail. [USPS-T-39, page 28, ll. 7-15.]

- b. If Package Services SPRs are cased and collated in with the flats, are they still eligible to obtain Delivery Confirmation?
 - (i) If so, why shouldn't the flats they are cased and collated with also be eligible for this service?
 - (ii) If not, how does your proposal plainly disqualify Package Services SPRs from access to Delivery Confirmation?
- c. Please explain in detail how the handling of Priority Mail flats varies from the handling of Package Services flats so as to justify your proposal.
- d. Is Priority Mail which pays the proper postage, but is not otherwise marked as Priority Mail, eligible to receive Delivery Confirmation?

Response:

- b. If the SPRs meet the definition of parcel-shaped that is under development (see response to AMZ/USPS-T36-1(d)), then they would be eligible for Delivery Confirmation. But Package Services parcels are unlikely to be SPRs since SPRs usually weigh less than a pound and are usually First-Class Mail and Standard Mail parcels. As mentioned in the portion of my testimony you quoted, moreover, only a minority of the routes use horizontal flats cases and therefore SPRs are infrequently

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cased and collated with flats. Thus, flats should rarely, if at all, be cased and collated with Package Services SPRs.

- c. Package Services flats (less than $\frac{3}{4}$ " thick) are cased by the carrier into his/her flats case, usually a vertical flats case with First-Class Mail, Periodicals and Standard Mail flats. The flats must be flexible enough to bend since the distance between the shelves is not enough for the flat to "stand up". Priority Mail flats are handled like Priority Mail parcels all the way up to and by the carrier since they are generally stiff and cannot fit into the vertical flats case. Priority Mail flats are not combined with other classes of flats for processing or during preparation for delivery, primarily due to different service standards.
- d. Yes. Unmarked Priority Mail is processed and subsequently provided separately to the carriers and box section clerks regardless of shape. Keeping Priority Mail flats separate from the rest of the flats mailstream ensures that Priority Mail pieces with Delivery Confirmation will be identified by the carrier or clerk as Delivery Confirmation pieces. Excluding any FSM machinability issues for Priority Mail flats, if they were combined with other classes of flats, any Delivery or Signature Confirmation label may very likely go undetected by the carrier or clerk.

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.

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