

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, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-225-230, 235)

The United States Postal Service hereby provides its responses to the following interrogatories of Office of the Consumer Advocate: OCA/USPS-225-230, 235 filed on November 21, 2001. Objections were filed to OCA/USPS-231-233, 243, 245-247, 268-285 and 290 on December 3, 2001. Partial Objections to OCA/SPS-239-242, 248-253 were also filed on December 3, 2001. Responses to OCA/USPS-234, and 236-240 are being prepared for filing at a later date.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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December 5, 2001

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OCA/USPS-225. This question addresses measures within the control of the Postal Service to stanch the decrease in mail volumes, particularly First Class. (Witness Tayman voiced this concern at USPS-T-6 at 52, l. 20-22).

- (a) How many collection boxes were in use on a nationwide basis for each of the following years 1995, 1996, 1997, 1998, 1999, and 2000?
- (b) How many collection boxes are in use on a nationwide basis today?
- (c) If the responses to parts (a) and (b) of this question establish that there has been a decrease in the number of collection boxes. What prompted this decision?
- (d) For those communities that have cluster boxes, is there any way for a mailer to leave outgoing mail safely for pick up by the carrier? Please explain.
- (e) Please confirm that, as the number of collection boxes decreases, mailing First-Class letters is less convenient for mailers.
- (f) Please confirm that the Postal Service now faces competition from e-mail and electronic bill paying.
- (g) What measures is the Postal Service adopting and planning to encourage consumers to continue to use the U.S. mail?

**RESPONSE:**

- a. The applicable database is a working database that is constantly being updated. As a consequence, historical information is available only for a limited number of years – 1999, 2000, and 2001. The total nationwide number of collection boxes (excluding storage boxes) in use at the end of each of those three postal fiscal years were, respectively, 347,169, 342,223, and 333,243.
- b. As of 12/01/01, the nationwide total was 329,689.
- c. Determinations relating to the location, relocation, or removal of collection boxes are made at the local level. Local officials are guided by POM Chapter 3. Therefore, changes in the nationwide number of collection boxes would be the result of an unknown number of local decisions prompted by an unknown number of local conditions, rather than any single national-level decision, as implied by this question.

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- d. Some cluster boxes have a slot for outgoing mail that will be picked up by the carrier when making deliveries. For those cluster boxes that do not, customers have been known to leave outgoing mail in their delivery receptacle, and carriers have been known to pick up that mail, but there is no established procedure on that practice.
- e. Not confirmed. Since any given mailing can be deposited in only one collection box, convenience is not measured by individual customers in terms of the total number of collection boxes, but in terms of having at least one collection box located in a place that is convenient for the needs of that mailer. Even at any given point in time, it is entirely possible that one network of collection boxes at a set of particular locations could be convenient for the needs of more mailers than another network of collection boxes at another (even if substantially overlapping) set of locations, despite the fact that the first network has fewer total boxes than the second network. Moreover, if instead of doing this evaluation at a given point in time, we are comparing collection box networks over time, changing demographics and evolving lifestyles and employment patterns might very well lead to a condition in which a network adjusted to better meet the needs of the current population could require fewer collection boxes than the network that existed to meet the needs of an earlier generation.

Additionally, as implicitly suggested by subpart d. of your question, it is possible that increases in other locations for the deposit of mail (e.g., slots in cluster boxes) may offset any potential decrease in convenience associated with

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a decline in the total number of collection boxes, per se. The Postal Service has no quantitative information on alternative opportunities such as these for the deposit of letter mail.

f. Confirmed.

g. It is impossible to *enumerate* the measures taken and being taken by the Postal Service to encourage mailers to continue to use the postal system. At the most basic levels, postal employees for many years have been continually exhorted to strive to efficiently meet the needs of customers, on the grounds that if we do not meet their service needs, they will find someone else who will. This message is fundamental to the management policy of the organization, and is conveyed to employees by a wide variety of means. As another example, in response to recent events, the Postmaster General is urging the American public not to abandon the traditional exchange of holiday greeting cards. Most obviously, perhaps, much of the work of the Postal Service's entire marketing function could be characterized to fit within the scope of this question.

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**OCA/USPS-226.** How often is the Insured Mail form reprinted?

- (a) What are the set-up and reproduction costs for printing information on the back of the form?
- (b) How often is the information about filing a claim updated, i.e., the information that appears on the back of the Insured Mail form?
- (c) How many Insured Mail forms are in stock?
- (d) How long will it take to exhaust current stock of Insured Mail forms? E.g., 6 months? 1 year? 2 years? Other period of time (please specify).

**RESPONSE:**

The insured mail form (PS Form 3813P) is printed three to four times per year depending on national usage.

- (a) The set-up and reproduction costs for printing one of the two sides of the form 3813P is approximately \$287 to create negatives and approximately \$1,000 for additional ink for each production order
- (b) The claims filing information on the back of the form is updated as often as necessary to reflect changes in procedure, but usually in conjunction with a schedule print run needed to replenish stock.
- (c) On average, 15 to 20 million forms are kept in inventory.
- (d) The inventory will last three to four months.

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**OCA/USPS-227.** At page 35 of USPS-T-36, witness Mayo discusses the popularity of Delivery Confirmation.

- (a) Does the Postal Service have any studies or information on the types of mailers who tend to use Delivery Confirmation regularly? If so, please provide them.
- (b) What types of statistics does the Postal Service keep on Delivery Confirmation?

**RESPONSE:**

- (a) The Postal Service does not have these types of studies, although mail order companies are among the regular users. Over 60 percent of the volume is electronic option.
- (b) The Postal Service tracks scan performance and volumes sold.

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**OCA/USPS-228.** Recently a consumer contacted the OCA concerning a problem he experienced with Delivery Confirmation. On September 12, 2001 he sent an item back to the manufacturer for repair and there was no Delivery Confirmation record of the parcel reaching its destination. He regularly checked Delivery Confirmation for about a month and no record of delivery was noted (USPS website message, dated October 25, 2001, is attached). The item actually did reach its destination and was returned to the owner repaired. However, he never received the Delivery Confirmation service he paid for.

- (a) What are the leading reasons that failures such as this occur?
- (b) What steps has the Postal Service implemented or planned to ensure that such failures do not occur in the future?

**RESPONSE:**

- (a) Human error.
- (b) *The Postal Service provides continual training and communications on proper Delivery Confirmation procedures.*

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**OCA/USPS-229.** Some USPS competitors include tracking and insurance in the purchase price of their 2-3 day delivery service, e.g. ([http://www.ups.com/using/custserv/ups\\_csp/tracking\\_faq.html](http://www.ups.com/using/custserv/ups_csp/tracking_faq.html) and <http://ups.com/using/services/details/terms.html>).

Why doesn't the Postal Service offer the same service for Priority Mail?

**RESPONSE:**

Tracking and insurance would add significant costs to Priority Mail. They are not included in the base product in order to keep Priority Mail as affordable as possible. However, insurance is optionally available for a fee as a special service. In addition, Delivery Confirmation is available to Priority Mail users as a special service option, with all the costs for electronic Delivery Confirmation, and some of the costs for retail Delivery Confirmation, included in the purchase price of Priority Mail.



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**OCA/USPS-230.** Please refer to the response to OCA/USPS-83.

- (a) How can the mailer be assured that the mail piece was in fact delivered to the correct address?
- (b) How can the addressee establish that a mail piece with Delivery Confirmation has been delivered to the wrong address in such instances when that occurs?

**RESPONSE:**

- (a) Delivery Confirmation service does not provide delivery address information, so other special services (e.g., Signature Confirmation, return receipt, or restricted delivery) would be needed for assurance that the mail piece was delivered to the correct address.
- (b) While there is no established process for the addressee, the item may be returned by the incorrect recipient for further processing, or brought by the recipient to the addressee if at a nearby address. The addressee might also inquire of the sender to determine if the piece was correctly addressed, or of neighbors to determine if they received the piece by mistake.

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**OCA/USPS-235.** The following interrogatory refers to the USPS response to OCA/USPS-24. For each of the Post Offices that do not receive daily deliveries of Express Mail, please indicate the following: (a) the time(s) mail is delivered to the Post Offices, and (b) the time(s) mail is picked-up from the Post Offices.

**RESPONSE:**

(a) and (b) Express Mail is delivered to Angle Inlet on HCR route 56711 from Warroad, arriving at 11:00 a.m. and leaving at 1:30 p.m. Oak Island is served by the same HCR, arriving and dispatching at 11:55 a.m. For the remaining 18 Post Offices located in Alaska, see the attached spreadsheet.

			TIME MAIL
	ZIP	AIR STOP	ARRIVES/DEPARTS
<u>DESTINATION</u>	<u>CODE</u>	<u>CODE</u>	<u>POST OFFICES</u>
Chicken	99732	CYX	1235pm
Chignik	99564	KCG	1230pm 150pm
Chignik Lagoon	99565	KCL	100pm 130pm
Chitina	99566	TRUCK	1200pm
Eagle	99738	EAA	1010am
False Pass	99583	KFP	530pm
Hyder	99823	HYD	1215pm
King Cove	99612	KVC	520pm
Lake Minchumina	99757	LMA	0930am 1200pm
Minto	99758	MNT	1210pm
Nikolski	99638	IKO	330pm
Nondalton	99640	NNL	1100am
Perryville	99648	KPV	310pm 230pm
Point Baker	99927	KPB	1200pm 1200pm
Port Alsworth	99653	PTA	1125am
Seldovia	99663	SOV	1210pm 1215pm
Skwentna	99667	SKW	1200pm
Tyonek	99682	TYE	1040am

**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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