

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 WITNESS NIETO
TO INTERROGATORIES OF DAVID B. POPKIN,
REDIRECTED FROM THE POSTAL SERVICE
(DBP/USPS-19(D-G), 25(E-F), AND 45(B-C, E, G, I, L, Q))

The United States Postal Service hereby provides the responses of witness Nieto to the following interrogatories of David B. Popkin: DBP/USPS-19(d-g), 25(e-f), and 45(b-c, e, g, i, l, and q), filed on November 26, 2001, and redirected from the Postal Service.


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



David H. Rubin

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December 11, 2001

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DBP/USPS-19 [a] Confirm, or explain if you are unable to do so, that when delivering a Certified Mail article, that the delivery employee must obtain a single signature from the addressee on the Postal Service delivery record [irrespective of whether there is a single article to deliver this way or multiple articles for delivery on some form of manifest]. [b] Confirm, or explain if you are unable to do so, that when delivering a Certified Mail article which contains a Return Receipt, that the delivery employee must obtain two separate signatures from the addressee, one on the Postal Service delivery record [irrespective of whether there is a single article to deliver this way or multiple articles for delivery on some form of manifest] and the second on the Return Receipt card PS Form 3811. [c] Confirm, or explain if you are unable to do so, that when delivering a Return Receipt for Merchandise article, that the delivery employee must obtain two separate signatures from the addressee, one on the Postal Service delivery record [irrespective of whether there is a single article to deliver this way or multiple articles for delivery on some form of manifest] and the second on the Return Receipt card PS Form 3811. [d] Confirm, or explain if you are unable to do so, that the time and therefore costs for obtaining both signatures for Return Receipt for Merchandise service are charged to that service since there is a single fee. [e] With respect to a Certified Mail - Return Receipt Requested article, how are the time and costs allocated between the two separate services? [f] Explain the rationale for such an allocation. [g] Confirm, or explain if you are unable to do so, that the time that it takes to obtain the second signature will usually be less than the time that it takes to get the first signature, or in general, the time that it takes to obtain both signature will be less than twice the time to obtain only one signature.

RESPONSE:

[a]-[c] Answered by witness Mayo.

[d] Confirmed.

[e] Please refer to the response of witness Davis to USPS/DBP-46[e] from Docket No. R2000-1. For Docket No. R2001-1, Return Receipt costs are presented in LR-J-135, Return Receipt Workbook, Worksheets C-6 through 8.

[f] Please refer to the response of witness Davis to USPS/DBP-46[f] from Docket No. R2000-1.

[g] Please refer to the response of witness Davis to USPS/DBP-46[g] from Docket No. R2000-1.

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DBP/USPS-25 [a] Bottom line, is it a requirement of the United States Postal Service that all accountable mail, including any return receipts that are associated with the mail piece, be signed [this includes the use of a signature stamp under the provisions of POM Section 822.2] for by the addressee at the time of delivery [namely, when the control of the mail piece transfers from the United States Postal Service to that of the addressee] and that the requirements for the completion of the return receipt also be completed at the time of delivery in accordance with the provisions of POM Section 822 and that this applies to any and all addressees throughout the United States who might receive accountable mail and also applies regardless of the quantity of mail involved. [b] If your response to subpart a is not an unqualified yes, provide a complete listing of all exceptions to the requirement and the authority authorizing that exception. [c] Confirm, or explain if you are unable to do so, that the cost for a return receipt is presently \$1.50 and that this charge will apply for each separate accountable mail piece for which return receipt service is desired. [d] Confirm, or explain if you are unable to do so, that should there be 10,000 accountable mail pieces requesting return receipt service being delivered to a single addressee on a given day that each of the senders paid a fee of \$1.50 for the return receipt and that the total revenue received by the Postal Service for processing all ten thousand return receipts will be \$15,000. [e] Confirm, or explain if you are unable to do so, that, on average when there is more than one return receipt involved for a given addressee, the average cost for processing each single return receipt will be less than the cost that would be entailed if the addressee only received a single mail piece requesting return receipt service. In other words, if the cost for handling a single return receipt on average was fifty cents, then the total cost for handling 100 return receipts for a single addressee at one time would be less than fifty dollars [resulting in an average cost of less than fifty cents each]. [f] Do the cost figure for return receipt service take into account the potential savings in delivering multiple pieces at the same time?

RESPONSE:

[a]-[d] Answered by witness Mayo.

[e] Cannot confirm, since I have not conducted studies to verify if potential economies of scale exist for processing multiple return receipts for a single addressee.

[f] Please refer to the response of witness Davis to USPS/DBP-52[f] from Docket No. R2000-1.

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DBP/USPS-45 With respect to return receipt service, [a] What percentage of the total volume of return receipts utilize a privately printed form? [b] Confirm that there is no cost to the Postal Service for the form when a mailer utilizes a privately printed form. [c] How is this savings calculated in your rate evaluation? [d] What percentage of the total volume of return receipts are mailed directly by the mailer without the need for window service? This should include both those instances where the mailer does not utilize any window service and those instances where the window service is related to one or more other services other than the return receipt. [e] Confirm that there is no cost to the Postal Service for window service when a mailer directly mails his article. [f] How is this savings calculated in your rate evaluation? [g] If I mail a letter Certified Mail - Return Receipt how is the window time allocated between the mailing of the article itself, the activities related to the Certified Mail service, and the activities specifically related to the return receipt? Provide copies of any studies and raw data utilized to respond to this question. [h] What percentage of the letters that are mailed with a return receipt are returned to the sender as either undeliverable or unclaimed? [i] Confirm that there is no cost to the Postal Service for delivery or processing return receipt costs in this case. [j] How is this savings calculated in your rate evaluation? [k] What percentage of the total number of return receipts are not processed at the time of delivery but are completed by the addressee after delivery has been made, therefore requiring no intervention by the Postal Service at the delivery end other than to transport the mailed return receipt card back to the sender? [l] Confirm that, in the instance note in subpart k, there is no cost to the Postal Service at the delivery end other than for the cost of a post card back to the sender. [m] How is this savings calculated in your rate evaluation? [n] Is it permissible for a non-USPS recipient of articles containing return receipts to enter into an agreement with the delivering post office for the post office to complete all portions of the return receipt prior to or coincident with delivery or must the addressee complete the signature part at a minimum? In other words, the return receipt cards are removed by the post office and, in most cases, a rubber stamp or other automated means is utilized to "sign" the card without any intervention by the recipient. [o] If yes, what conditions and provisions apply and what section of the DMM/POM authorizes this method? [p] If yes, what percentage of the total return receipt volume are processed in this manner? [q] Confirm that the method described in subpart n will incur additional costs. [r] How is this added cost calculated in your rate evaluation?

RESPONSE:

- [a] Answered by witness Mayo.
- [b] Confirmed that no printing costs are incurred by the Postal Service.
- [c] The unit cost for return receipts does not reflect the use of privately printed forms. However, the only cost avoided by a privately printed form is the printing cost, which is approximately \$0.006 per unit. Since many return receipts are not

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privately printed forms, and since there may be costs for reviewing privately printed forms to ensure conformance with standards, I believe that reflecting any cost avoided by privately printed forms would not have a material effect on the unit costs for return receipt service.

- [d] Answered by witness Mayo.
- [e] Confirmed that there are no window service costs for acceptance if a mailer does not use the retail window to submit his or her mail piece(s).
- [f] Answered by witness Mayo.
- [g] Please refer to witness Davis' response to USPS/DBP-79[g] from Docket No. R2000-1. For return receipt window acceptance costs in this docket, please refer to USPS-LR-J-135, Return Receipts workbook ("returnreceipts.xls").
- [h] Answered by witness Mayo.
- [i] Confirmed.
- [j-k] Answered by witness Mayo.
- [l] Please refer to the response of witness Davis to USPS/DBP-79[l] from Docket No. R2000-1.
- [m]-[p] Answered by witness Mayo.
- [q] Not confirmed. I have not specifically studied what additional costs or cost savings might result from the scenario described in part [n].
- [r] Answered by witness Mayo.

DECLARATION

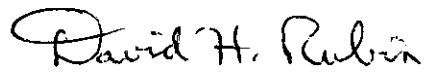
I, Norma B. Nieto, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Norma B. Nieto

Dated: DECEMBER 11, 2001

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 cursive script that reads "David H. Rubin". The signature is written in black ink and is positioned above a horizontal line.

David H. Rubin

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