

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268B0001

RECEIVED  
DEC 19 4 57 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 KANEER TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS--T38-8-9)

The United States Postal Service hereby provides the responses of witness Kaneer to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T37-8 to 9, filed on December 5, 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

  
David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2986; Fax -6187  
December 19, 2001

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

**OCA/USPS-T38-8.** Please refer to your testimony at page 22, lines 15-16.

- a. Please provide a copy of PS Form 1093, which must be completed by customers who desire post office box service.
- b. At postal facilities offering post office box service, are customers who have general inquiries about post office box service provided with a brochure or any other written material concerning the features of post office box service? If yes, please provide copies.
- c. At the time customers request PS Form 1093, or are approved for post office box service, are such customers provided with a brochure or any other written material concerning post office box service, such as terms of service, fees, payment schedules, available ancillary services (e.g., fees for lost or duplicate keys, lock replacement, etc.)? If yes, please provide copies.

**RESPONSE:**

- a. Attached.
- b. PS Form 1093 also serves as a brochure on the features of post office box service. Please see attachment.
- c. Yes, to the extent that these matters are covered in PS Form 1093. Please see attachment. Additional information is available in DMM D910 and DMM R900.19.0.

---

***Apply for Post Office Box Service!***

---

---

*The secure and  
convenient way  
to get your mail*



## Why Not Use a Box?

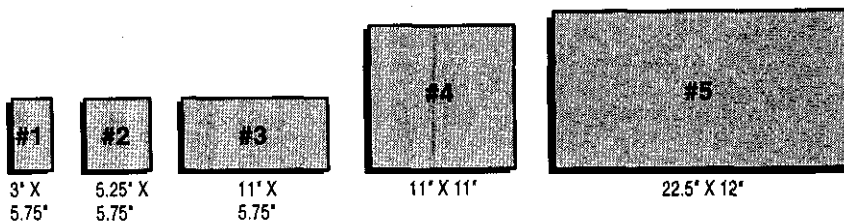
**P**ost office box service is a secure, convenient way to receive mail. People who run a club, business, or professional organization find that post office box service gives them more room for higher volumes of mail.

If your organization gets an extra-large volume of mail, caller service is the answer. Inquire about caller service at your post office.

**Benefits.** With either service, you can enjoy these benefits:

- **Early Morning Mail.** You can generally pick up your mail first thing in the morning and take care of business earlier in the day. Of course, you may also pick up your mail later in the day, if you prefer.
- **Security.** You can rest assured that checks, dividend payments, and other valuable correspondence are secure.
- **Separate Business Address.** You can separate your business mail from your personal mail. That makes it easier for you to keep track of checks, orders, responses, and important correspondence.
- **Accessibility.** You can easily retrieve your mail during post office operating hours. In addition, some of our lobbies and box sections are open 24 hours a day, seven days a week. Check with your local post office for more information.
- **Travel Convenience.** You can go away on short business trips or vacations without worrying about your mail.

**Sizes for All.** We offer several box sizes for different fees. (Some post offices may not have every size.) The approximate sizes are shown here:



**Obtaining Box Service.** It's simple! Just fill in the applicable blocks on the two-part tear-out card and turn it in to your local post office. Once we verify your information and receive your payment, we will begin providing your service.

## Using Box or Caller Service

**Post Office Box or Caller Address Use.** We deliver to your box or caller address using the address as printed on your mail, so be sure to provide correct and current address information to your correspondents. Your post office box or caller service number must appear on a separate line, immediately above the post office's city, state, and ZIP + 4 (*when we assign your box or caller service number, we will provide the corresponding ZIP + 4*). Use the following example as a guide for proper addressing:

JOHN DOE  
PO BOX 1122  
ANYTOWN NY 12345-1122

**Fee Notification.** 20 days before the fee is due, we put a notice in your box (with caller service, we include the notice with your mail). If you go out of town after turning in a temporary forwarding order, we can mail the notice to your temporary address.

**Fee Payment.** With either service, you can pay in advance for six months or one year. It is your responsibility to pay your fee on time. If you pay by mail, we must receive your payment by the due date.

You can pay in cash, by check made out to "Postmaster", or with your credit or debit (ATM) card. Do not send cash by mail. If your check is returned by the bank, your payment is past-due until the payment is made good. You will incur a surcharge to cover our processing costs.

**Late Payment.** If you do not pay your post office box fee on time, you will be denied access to the box and will not be able to retrieve your mail. After 10 days of nonpayment, we remove the mail and treat it as undeliverable and close the box. Mail for caller service is delivered to the street address. Closed boxes/terminated caller service numbers become available for assignment to new customers immediately.

**Terms of Service.** You may not use post office box or caller service just to avoid paying a forwarding charge or for any purpose prohibited by law or postal regulations. We will immediately terminate box or caller service if used for any unlawful purpose. Post office box or caller service may be provided to minors unless parents or guardians submit a written objection to the postmaster.

**Accumulated Mail.** Box customers must remove mail promptly from their boxes. You can make a special arrangement with the postmaster if you won't be able to pick up your mail for more than 30 days.

If the volume of your incoming mail repeatedly exceeds the capacity of the box you are using, you must change to a box(es) of sufficient capacity or use caller service (and pay applicable fees).

## Using Box or Caller Service

(Continued from front of this panel)

**Change of Address.** If you choose to discontinue your box service, please complete a change of address (COA) form found in the *Mover's Guide*, available in the lobby, or on our website: [www.usps.gov/moversnet/](http://www.usps.gov/moversnet/). After completing the form give it to one of our retail associates, or to your letter carrier, or you may mail it to your post office. Only the box customer may file a COA order. We will only forward mail to the box customer. The box customer is responsible for forwarding mail to others receiving mail at the box customer's box/caller service address.

**Box Keys.** We issue up to two keys for key-type post office boxes and issue an access code for combination lock-type post office boxes. Additional keys may be purchased. A refundable deposit is required for each key issued or purchased. Whenever your box service terminates, turn in all keys to the Postal Service. Post office box keys may not be duplicated commercially.

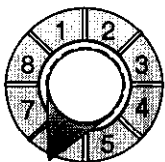
**Updating Information.** The information on your application (PS Form 1093) must always be current. As soon as any information changes (such as address, telephone number, etc.), you are responsible for updating the form. Failure to update the application may result in termination of service. We keep the form on file at the office where you use the service.

**Use of Information.** The U.S. Postal Service is authorized by 39 U.S.C. 403 and 404 to collect the information on PS Form 1093. We use the information in providing post office box or caller service to the applicant, but we may disclose it:

- To anyone authorized by law to serve judicial process.
- To a government agency, in performance of its duties.
- To a congressional office, if the boxholder requests it.
- In response to a subpoena or court order.

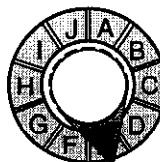
When it pertains to a legal proceeding that involves the Postal Service.

The complete Privacy Act Statement is on the back of the application card.



### How to Use the Combination Lock

1. Clear dial by turning three times RIGHT and stop on \_\_\_\_\_.
2. Turn LEFT and stop the second time around on \_\_\_\_\_.
3. Turn RIGHT and stop on \_\_\_\_\_.
4. Turn latch key LEFT to open.



Your ZIP + 4 is:

# Application Cards

Tear off this page, fill it out, and turn it in to your post office.

## Application for Post Office Box or Caller Service – Part 1

**Customer:** Complete items 1, 3-6, 14-16, and 18-19

**Post Office:** Complete items 2, 7-13, 17 and 20

1. Name(s) to which box number(s) is (are) assigned		2. Box or caller numbers through	
3. Name of person applying, title (if representing an organization), and name of organization (If different from item 1)		4a. Will this box be used for: <input type="checkbox"/> Personal Use <input type="checkbox"/> Business Use (Optional) 4b. Email Address (Optional)	
5. Address (Number, street, apt./ste. no., city, state, and ZIP Code). When address changes, cross out address here and put new address on back.		6. Telephone number (Include area code)	
7. Date application received	8. Box size needed	9. ID and physical address verified by (Initials)	10. Dates of service through
11. Two types of identification are required. One item must contain a photo. Write in identifying information (type of ID and no.)		12. Check eligibility for carrier delivery <input type="checkbox"/> a. City <input type="checkbox"/> b. Rural <input type="checkbox"/> c. RCR <input type="checkbox"/> d. None 13. Service assigned <input type="checkbox"/> a. Box <input type="checkbox"/> b. Caller <input type="checkbox"/> c. Reserve No.	
		14. List name(s) and age(s) of minors or names of other persons receiving mail in individual box. Other persons must present two forms of valid ID. If applicant is a firm, name each member receiving mail. Each member must have verifiable ID upon request. (Continue on reverse side).	
Warning: The furnishing of false or misleading information on this form or omission of material information may result in criminal sanctions (including fines and imprisonment) and/or civil sanctions (including multiple damages and civil penalties). (18 U.S.C. 1001)		15. Signature of applicant (Same as item 3) I agree to comply with all postal rules regarding post office box or caller service.	

PS Form 1093, August 2001 (Page 1 of 2)

## Application for Post Office Box or Caller Service – Part 2

### Special Orders

16. **Postmaster:** The following named persons or representatives of the organization listed below are authorized to accept mail addressed to this (these) post office box(es) or caller number(s). All names listed must have verifiable ID. (Continue on reverse side).

a. Name(s) of applicant(s) (Same as item 3)		Customer note: The Postal Service may consider it valid evidence that a person is authorized to remove mail from the box if that person possesses a key or combination to the box.
b. Name of box customer (Same as item 1)		
c. Other authorized representative	d. Other authorized representative	
17. Box or caller number to which this card applies		20. Post office date stamp
18. Will this box be used for Express Mail reshipment? (Check one) a. Yes <input type="checkbox"/> b. No <input type="checkbox"/>		
Warning: The furnishing of false or misleading information on this form or omission of material information may result in criminal sanctions (including fines and imprisonment) and/or civil sanctions (including multiple damages and civil penalties). (18 U.S.C. 1001)		19. Signature of applicant (Same as item 3) I agree to comply with all postal rules regarding post office box or caller service.

PS Form 1093, August 2001 (Page 2 of 2)

ATTACHMENT TO RESPONSE TO  
OCA/USPS-T38-80, Page 5

Use a separate form for each box number or consecutive group of numbers, and type of service. File part 1 alphabetically by customer's name.

Use a separate form for each box number or consecutive group of numbers, and type of service. File part 2 by box or caller number.

---

**Privacy Act Statement:** The collection of this information is authorized by 39 USC 403 and 404.

This information will be used to provide the applicant with post office box or caller service. As a routine use, the Postal Service may disclose this information to persons authorized by law to serve legal process for the purpose of serving such process; to an appropriate government agency, domestic or foreign, for law enforcement purposes; where pertinent, in a legal proceeding to which the USPS is a party or has an interest; to a government agency in order to obtain or provide information relevant to an agency decision concerning employment, security clearances, security or suitability investigations, contracts, licenses, grants, permits, or other benefits; to a congressional office at your request; to an expert, consultant, or other person under contract with the USPS to fulfill an agency function; to the Federal Records Center for storage; to the Office of Management and Budget for review of private relief legislation; to an independent certified public accountant during an official audit of USPS finances; and to a labor organization as required by the National Labor Relations Act. Information concerning an individual who has filed an appropriate protected court order with the postmaster will not be disclosed in any of the above circumstances except pursuant to the order of a court of competent jurisdiction. Completion of this form is voluntary; however, if this information is not provided, the applicant will not be able to receive a box or use caller service.

---



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

**OCA/USPS-T38-9.** Please refer to your testimony at page 27, where the section entitled "C. Assessment of the Nine Pricing Criteria" begins. In establishing fees for post office box service, to what extent did you consider the views of customers from such sources as customer comment cards, call center comments, consumer surveys, focus groups, etc., as to the value of post office box service provided by the Postal Service? If customers' views from the sources mentioned were part of your analysis, please provide copies of any material relied upon. If customers' views from the sources mentioned were not part of your analysis, please explain.

**RESPONSE:**

These sources were not used in this docket to assess the value of post office box service to customers. The primary reasons are:

- 1) Customer comment cards - while useful in resolving individual cases, customer comment cards usually reflect a "self selected" group of customers and therefore do not represent typical customers.
- 2) Call center comments – like customer comment cards, call center comments reflect a "self selected" group and similarly, therefore, they are unlikely to be representative of the typical customer.
- 3) Consumer surveys and focus groups – these may be an unbiased sample under proper conditions. Indeed, consumer surveys have been used to assess customer response to proposed post office box fee changes in the past. However, this means of estimating customer response to price change may be biased also, if customers tend to overstate their reaction to proposed price increases, when in fact they often will continue to purchase post office box service after the price increases. Therefore, the Postal Service is not presently pursuing consumer surveys, nor focus groups, as a means of gauging customer value for post office box service.

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

OCA/USPS-T38-9, Page 2 of 2

In general, the nine pricing criteria direct that the value of service to customers be considered in pricing post office box service. Several means of assessing customer satisfaction are reasonably available. As discussed above, several of the instruments listed have weaknesses. Also, given this docket's timing, combined with the intent to further align fees and costs, it was impractical to use any rigorous method. I have, however, remained in contact with the team that implemented the most recent set of post office box fees (in part through my attorneys) and discussed the range of concerns that surfaced with them. In addition, a reasonable assessment of customer satisfaction can be gleaned from historical growth trends in post office box usage, which demonstrates a continued customer demand, and indicates that millions of box customers are satisfied. According to economic theory, these considerations, and the availability of alternatives, such as free carrier delivery and private-sector box providers, suggest that post office box customers value the service highly. I conclude that the proposed fee increases are unlikely to significantly affect customers' existing perception of the high value of service.

In sum, customer value considerations were taken into account in this docket's post office box fee proposal. Specific steps were taken to protect customer value, by limiting fee group re-assignments and fee increases, to the extent possible, as balanced against the needs to recover costs, meet the revenue requirement as suggested by historic usage trends, and more equitably align fees with costs. In the future, additional measures of customer satisfaction may be used to evaluate box service proposals as circumstances change.

## DECLARATION

I, Kirk T. Kaneer, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Kirk T. Kaneer

Dated: DECEMBER 19, 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.

David H. Rubin  
David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
December 19, 2001