

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS KINGSLEY TO INTERROGATORIES OF AMAZON.COM, INC.
(AMZ/USPS-T39-10-12)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of Amazon.com, Inc.: AMZ/USPS-T39-10-12, filed on December 12, 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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December 26, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF AMAZON.COM, INC.

AMZ/USPS-T39-10 Please refer to your responses to AMZ/USPS-T36-4(h) and AMZ/USPS-T36-6(b), redirected to you from witness Mayo, where you refer to the “significant” magnitude of additional training for carriers and “increased costs” due to the fact that retention of the current level of service “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 delivery)” (response to AMZ/USPS-T36-6(b)).

- a. Please confirm that carriers (and Post Office box clerks) currently handle and deliver all Delivery Confirmation mail, regardless of whether such items are received as a part of the Standard Mail, Package Services, or Priority Mail mail-streams. If you do not confirm, please explain all exceptions.
- b. Please confirm that all delivery employees are trained to recognize Delivery Confirmation mail pieces and are aware of the processes for handling and delivery of such mail pieces. If you do not confirm, please explain how delivery employees recognize, handle, and deliver such pieces.
- c. How are Package Services Delivery Confirmation mail pieces that are handled in the flats mail-stream currently treated? Please provide a description of the process that the delivering employee would follow to “isolate” a Delivery Confirmation mail piece during in-office handling to ensure that it was properly scanned at the time of delivery.
- d. If your response to preceding part b is affirmative, please explain why you believe that “significant” training would be required to educate delivery personnel regarding procedures with which they are already familiar and which they are already applying.

Response:

- a. As I stated in response to AMZ/USPS-T36-6b, Priority Mail and parcels in other subclasses are separate mailstreams. For Priority Mail and parcels, the Postal Service currently does not have equipment sorting to carrier route, unlike letters and flats. Therefore, it is both expected by clerks and carriers to find Delivery Confirmation on parcels and on Priority Mail, and labels are easy to identify without any extraordinary measures. Sure, carriers (and Post Office box clerks) currently handle and deliver all Delivery Confirmation mail, regardless of whether such items

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are received as a part of the Standard Mail, Package Services, or Priority Mail mailstreams. That does not mean the level of scanning for Delivery Confirmation is consistent.

- b. Not confirmed. It is my understanding that Delivery Confirmation training for the carriers and clerks only covered Priority Mail and parcels. Therefore, employees are currently trained to recognize Delivery Confirmation on parcels and Priority Mail, not “mail” in general.
- c. See my response to AMZ/USPS-T39-3d.
- d. During my discussions with various Delivery managers and staff, virtually every one of them was surprised to find out that Delivery Confirmation was currently available for Package Services flats. Without prompting, they then proceeded to explain the problems of allowing Delivery Confirmation on flats:
 - Identification of the Delivery Confirmation label would be more difficult on flats than on parcels and Priority Mail due to increased graphics (noise) surrounding the address and lack of “recognizability” of the black barcodes that blend into the other information on the flat.
 - Carriers apparently already have a problem identifying Delivery Confirmation on unidentified Priority Mail flats since there is no sticker or Priority Mail packaging as an identifier.
 - Concerns with the increased costs of potentially multiple scans for more delivery points. For example, rural carriers get credit for 20 seconds per scan.
 - Training to-date has been for recognizing and scanning Delivery Confirmation on parcels and Priority Mail. Extensive training and stand up talks would have to be

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done with carriers and clerks to ensure scans on other shapes would also be performed.

- FSMs currently cannot hold out certified mail on any sort programs, and would therefore be unable to hold-out Delivery Confirmation flats (if fluorescent were part of the requirement) to isolate for scanning.
- Firm holdouts are common on FSM incoming secondary sort plans. Therefore, an entire tray of non-Priority Mail flats will go to a firm, without employees needing to go through the tray(s) piece by piece to see if Delivery Confirmation scans are required. Searching for Delivery Confirmation on flats would undo much of the automated efficiency.
- If technology was available and added to segregate Delivery Confirmation pieces on an FSM incoming secondary program, this volume would be manually sorted to carrier and then manually sorted by carrier to the firm, adding in-office time similar to certified mail letters.
- They felt scan rates were lower for Package Service parcels than for Priority Mail and that for DC on flats, even lower scan rates would be likely. Aside from any possible perception of reduced reliability by customers, improving scan rates for flats would likely result in additional carrier time in-office or on the street to look through *all* flats. The low scan rates would also add to the time spent with customers working through any questions about delivery status.

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AMZ/USPS-T39-11

Please refer to your response to AMZ/USPS-T36-6(b), redirected from witness Mayo.

- a. Please estimate the increased cost to the Postal Service to provide the “significant” training that you describe in your response.
- b. Please provide an estimate of the impact on carrier casing productivity caused “if the carrier had to identify a DC flat and then ‘isolate’ it somehow...”
- c. Please confirm that, under current practice, carriers are required to “finger” mail prior to delivery, thus ensuring that the articles to be delivered are in fact addressed to the delivery point that is to be serviced. If you do not confirm, please explain how carriers assure that they are delivering the correct items to recipients.
- d. Please confirm that enveloped flats are now looked at by carriers to see if special services, such as certified mail return receipt requested, are required. If your response is negative, how do carriers determine whether special services are required?
- e. If your response to preceding part c is affirmative, is it not likely that carriers would recognize a Delivery Confirmation mail piece while performing this process, thus allowing the item to be scanned on the street?
- f. If, in your response to preceding part e, you contend that it is not likely that a carrier on the street would recognize a Delivery Confirmation mail piece, thus allowing it to be properly scanned, please provide a thorough rationale that you believe supports your contention.

Response:

- a. While I do not have a cost estimate, it is my understanding that training would need to be developed; therefore, one-half to one hour of training for all carriers and clerks that scan would not be unreasonable.
- b. As provided in response to AMZ/USPS-T39-3d, if the carriers continue to treat Delivery Confirmation flats as parcels in order to isolate and ensure a scan is provided, then I would guess that the carrier productivity impact would be similar to the difference between carrier flat and parcel productivities.

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- c. Confirmed. Carriers are looking for the address only on letters and flats.
- d. Confirmed that these special services apply to accountable mail, which must be signed for by the carrier before being taken out on the route. Thus, carriers identify this mail in the office. Also, certified mail is for First-Class Mail and Priority Mail only. Certified mail is also accountable mail, which must be signed for by the carrier before taken out on the route.
- e. – f. Carriers who are checking the address only might not identify Delivery Confirmation pieces. Also see the difficulties with recognizing Delivery Confirmation on flats in response to AMZ/USPS-T39-10.

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AMZ/USPS-T39-12

Please refer to your response to AMZ/USPS-T36-6(b), redirected from witness Mayo, where you state that “[u]nlike 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.”

- a. Please cite all sources that support your contention that a requirement to use such methods as tagging or fluorescence would discourage current Postal Service customers from using your products.
- b. Has the Postal Service performed any market research that would support this contention?
- c. If your answer to preceding part b above is anything other than an unqualified negative, please cite the studies, identify specifically all relevant data that support your contention, and provide copies of such studies as library references.

Response:

- a. The contention is based on my discussions with parcel consolidators and EPS personnel that interact with existing Delivery Confirmation customers.
- b. I have no knowledge of any market research that would support this contention.
- c. N/A.

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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