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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

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 MAYO TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T36--52-58)

The United States Postal Service hereby provides the responses of witness Mayo to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T36--52 to 58, filed on December 10, 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 28, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T36-52-58)

OCA/USPS-T36-52. The back of the "Insured Mail Receipt," PS Form 3813-P, May 2000, states that:

Insurance is provided only in accordance with postal regulations in the Domestic Mail Manual (DMM)....The DMM and IMM set forth the specific types of losses that are covered, the limitation on coverage, terms of insurance, and conditions of payment.

- a. When questions about insurance coverage arise, do window clerks generally hand over a copy of the DMM to the potential insurance purchasers to puzzle out on their own? If not, how are such questions handled?
- b. Has the Postal Service ever created a plain English, simply written brochure setting out the terms of insurance, coverage, and conditions of payment? If so, please provide a copy. If so, describe where and how such brochures are made available to the public. If not, why not.
- c. Are window clerks given training on the limits of insurance coverage? If so, describe how clerks are trained. Provide any training materials used for this purpose.
- d. Provide representations of any POS (Point of Service) and IRT (Integrated Retail Terminal) computer screens available to window clerks that provide guidance on how to answer mailer questions about insurance coverage, terms of insurance, and conditions of payment.
- e. Provide copies of any hard copy materials available to window clerks that provide guidance on how to answer mailer questions about insurance coverage, terms of insurance, and conditions of payment.
- f. If purchasers of insurance want to insure items of sentimental value that don't have an obvious intrinsic or market value, how do clerks advise purchasers on the proper amount of insurance to purchase?
 - (i) Would potential purchasers be dissuaded from purchasing insurance in such instances? If not, why not?
 - (ii) If insurance is purchased for items of sentimental importance, but little or no intrinsic or market value, and such items are lost, will the Postal Service pay the full amount of the insurance purchased? If not, why not?

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T36-52-58)

OCA/USPS-T36-52. (CONTINUED)

- g. If a mailer wishes to mail items such as used books, how would a window clerk advise such a potential purchaser concerning the amount of insurance to purchase?
- (i) If the mailer does purchase insurance, the item is lost, and the purchaser makes a claim, will the Postal Service pay the amount of the insurance even if no receipts can be produced? If not, why not?
 - (ii) If the mailer does purchase insurance, the item is lost, and the purchaser makes a claim, will the Postal Service pay the amount of the insurance without any independent evidence of the value of the items mailed? If not, why not?
- (h) Please refer to the examples posited in parts (g) and (h). If your answer is that the Postal Service will not pay claims when there is no independent proof of the value of the contents of the package mailed, then are customers so apprised before they purchase insurance? If so, please provide any electronic, computer, or hard copy instructions to window clerks indicating that they should advise potential purchasers of insurance not to waste their money in such instances. If not, why not?

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
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(OCA/USPS-T36-52-58)

OCA/USPS-T36-52. (CONTINUED)

RESPONSE:

a. No. Window clerks are trained to answer questions about insurance coverage, among other things. Also, the portion of the back of the insured mail receipt not quoted in your interrogatory summarizes the Domestic Mail Manual (DMM) and International Mail Manual (IMM) limitations on coverage, and provides information about claims filing. Also, there are publications available in post office lobbies and via the Internet that provide information on insurance. Finally, the DMM and IMM can be made available to a customer at the customer's request.

b. The Postal Service has two brochures which provide information on insurance, "Using Special Mailing Services" (Publication 201) and "Customer Guide to Filing Domestic Insurance Claims or Registered Mail Inquiries" (Publication 122). Both brochures are available at post offices or at the Postal Service's website at <http://new.usps.com>. Copies of the brochures are attached.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
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OCA/USPS-T36-52. (CONTINUED)

RESPONSE:

c. and e. Window clerks are given training on insurance coverage limits as part of their basic training. This training information is located in the Sales and Services Associate Training Course 23501-02. Module 14, Insured Mail, contains information regarding features and benefits, use of postal forms, and requirements. Also, there is a short overview of claims in Module 21, Claims and Inquiry. Finally, Course 23Q01-06, Lesson Plans 5 and 6 demonstrate selling and accepting numbered and unnumbered insured mail. These training modules can be found in Library Reference J-144.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
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OCA/USPS-T36-52. (CONTINUED)

RESPONSE:

d. The IBM POS ONE screen prompting for the amount of insurance indicates that the amount cannot be greater than the article value. A copy of this screen is provided as an attachment. The NCR system does not display any specific guidance concerning entry of the insurance amount. Both POS ONE systems provide user access to the complete text of the DMM. In addition, the IBM system provides information about insurance via the Help key. The IBM insurance Help text is also provided as an attachment.

The IRTs have no Help screens and do not provide access to the DMM. However, the insurance value-entry screen has a large flashing "Insure Actual Value" message. A copy of this screen is not available.

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OCA/USPS-T36-52. (CONTINUED)

RESPONSE:

f. The window clerk would inform the insurance customer that items cannot be insured for more than their actual market value. This same information is also provided at page 13 in Publication 122 and at page 29 in Publication 201. Both publications are referenced in my response to (b) above.

i. It would depend upon the individual customer. Some customers may be dissuaded from purchasing insurance, and opt to purchase registered mail instead, while other customers may choose to purchase insurance.

ii. As stated on the Insured Mail Receipt, PS Form 3813-P, the Postal Service will pay the actual [depreciated] value of the contents.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
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OCA/USPS-T36-52. (CONTINUED)

RESPONSE:

g. See my response to subpart (f) above.

i. There are a number of alternatives to a receipt as evidence of value. These alternatives are listed at page 4 of Publication 122.

ii. The Postal Service can determine evidence of value based upon the customer's individual statement describing the lost article. See page 4 of Publication 122.

h. Not applicable.

Attachment to response to OCA/USPS-T36-52(b)
Page 1 of 6 (Publication 201)

USING SPECIAL MAILING SERVICES

Certificate of Mailing

A certificate of mailing is a receipt showing evidence of mailing. It can be purchased only at the time of mailing. The certificate does not provide insurance coverage for loss or damage, nor does it provide proof of delivery. No record is kept at the mailing office, and a receipt is not obtained when mail is delivered to the addressee.

Certified Mail

Certified mail provides proof of mailing and delivery of mail. The sender receives a mailing receipt at the time of mailing, and a record of delivery is maintained by the Postal Service.

A return receipt to provide the sender with proof of delivery can also be purchased for an additional fee.

CERTIFIED

P 265 235 572

MAIL

Certified mail service is available only for First-Class Mail or Priority Mail. Certified mail is not available for international mail, nor does it offer insurance protection. For valuables and irreplaceable items, use Express Mail or insured or registered mail.

Collect on Delivery (COD)

COD service is used when the mailer wants to collect payment for merchandise and/or postage when the merchandise is delivered. COD service can be used for merchandise sent by First-Class Mail, registered mail, Express Mail, Priority Mail, or Standard Mail. The addressee has the choice of paying for the COD at the time of delivery either by cash or personal check,

Attachment to response to OCA/USPS-T36-52 (6)

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and the merchandise must have been ordered by the addressee.

Fees charged for this service include insurance protection against loss or damage. Insurance coverage is limited to \$600. (For details, see **Insurance**.) This service is not available for international mail or for mail addressed to APO and FPO addresses.

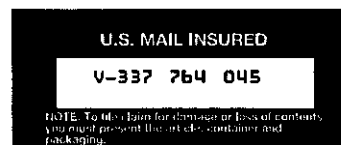
Delivery Confirmation

Delivery Confirmation service provides the mailer with information about the date and time an article was delivered and, if delivery was attempted but not successful, the date and time of the delivery attempt. Delivery Confirmation service is available only at the time of mailing. Proof of mailing is provided by a mailing receipt. No record is kept at the office of mailing. This service may be obtained using the retail option, or, for mailers who provide an electronic file of the transaction, an electronic option is available. Delivery Confirmation service is available for Priority Mail and Standard Mail (B). Additional services that can be purchased include collect on delivery (COD), insurance, merchandise return service, registered mail, return receipt for merchandise, and special handling.

Insurance

You can purchase insurance coverage up to \$5,000 for Standard Mail as well as Standard Mail matter mailed at the Priority Mail or First-Class Mail rate. For our most secure service, see **Registered Mail** for

coverage up to \$25,000.
For articles



insured for more than \$50, a receipt of delivery is signed by the recipient and maintained by the Postal Service.

You may purchase additional special services when you purchase insurance. For items insured for \$50 or less, you may purchase special handling service. For items insured for more than \$50, you may purchase restricted delivery, return receipt, or special handling services.

Do not insure your packages for more than their value. The amount of insurance coverage for loss will be the actual value, less depreciation. No claim payments are made for sentimental losses or for any expenses incurred as a result of the loss. (For information on Express Mail insurance, see **Express Mail**.)

Merchandise Return Service

Merchandise return service allows permit holders to pay the postage and fees for merchandise returned to them. The service enables the recipient to return a parcel and have the postage paid by the sender. Under this arrangement, the shipper provides a special label with instructions to attach it to the returning parcel. Apply this label to the parcel and deposit the parcel at a post office or, if it is under 16 ounces, place it in a mailbox. **Note:** Unless the preprinted merchandise return label is provided by the shipper, you must pay the required postage charges.

Registered Mail

Registered mail is the most secure service option offered by the Postal Service. It provides added protection for valuable and important mail.



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Page 4 of 6

Registered articles are placed under tight security from the point of mailing to the point of delivery. First-Class Mail or Priority Mail postage is required on domestic registered mail. Return receipt and restricted delivery services are available for additional fees, and insurance up to \$25,000 can be purchased on domestic registered mail at the mailer's option. Registered mail to Canada is subject to a \$1,000 indemnity limit. For all other foreign countries, the indemnity limit is currently \$42.30.

Restricted Delivery

Restricted delivery means that the sender's mail is delivered only to a specific addressee or to someone authorized in writing to receive mail for the addressee. Restricted delivery mail addressed to officials of government agencies, members of the legislative and judicial branches of federal and state governments, members of the diplomatic corps, minors, and individuals under guardianship can be delivered to an agent without the addressee's written authorization. Restricted delivery is available only for registered mail, certified mail, COD mail, and mail insured for more than \$50.

Return Receipt

This is the sender's proof of delivery. A return receipt can be purchased for mail sent COD, Express Mail, insured for more than \$50, registered, or certified. The return receipt shows who signed for the item and the date that it was delivered. Unless



prohibited by law, the return receipt also provides the delivery

Attachment to response to OCA/USPS-T36-52(b)

Page 5 of 6

address if the address on the mailpiece is no longer correct. Return receipt service can be purchased in conjunction with restricted delivery service. It can also be requested before or after mailing, except for return receipt for merchandise service.

Return Receipt for Merchandise

This form of return receipt service provides a mailing receipt, return receipt, and record of delivery. It is available only for merchandise sent at the Priority Mail and Standard Mail (B) postage rates. **Note:**



This service does not include insurance.

Special Handling

Special handling service is required for parcels whose unusual contents require additional care in transit and handling.

Note: Special handling is not required for those parcels sent by First-Class Mail, Express Mail, or Priority Mail. Examples of such contents include live poultry or bees. Special handling is available for Standard Mail only, including insured and COD mail. This service provides preferential handling to the extent practical in dispatch and transportation.

Special handling service is *not* necessary for sending ordinary parcels even when they contain fragile items. Breakable items will receive adequate protection if they are packed with sufficient cushioning and clearly marked "FRAGILE." Use registered mail for valuable or irreplaceable items.

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Special Service Endorsements

All endorsements for special services should be placed above the delivery address and below and to the right of the return address on all articles. This requirement applies to endorsements for registered, insured, certified, COD, and return receipt for merchandise services, as well as endorsements for special handling, restricted delivery, and return receipt services.

Customer Guide to
**Filing
Domestic
Insurance
Claims or
Registered
Mail
Inquiries**

Publication 122
August 1997



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We Apologize

We realize that we cannot compensate for the loss of items entrusted to the Postal Service. Despite our best effort, mail is occasionally damaged or lost. We are constantly trying to improve the way we handle your mail to prevent the need to file a claim.

If You Purchased Postal Insurance

If you purchased your insurance at the time you mailed your package, or if you mailed your package COD, registered with postal insurance, or by Express Mail, these services provide compensation in case of loss or damage.

The information on the following pages tells what is covered by the insurance you purchased and steps you can take to recover the value of the articles you mailed, if they are lost or damaged.

Who Can File?

The sender or the addressee may file a claim for damage or loss of contents of a registered, COD, insured, or Express Mail article. When the claim is for complete loss of a registered, COD, insured, or Express Mail article, only the sender may file the claim.

Where to File

Claims may be filed at any post office, station, or branch. Claims do not have to be filed at the post office where the article was mailed or at the delivery post office.

When to File

File claims immediately when the contents of your package are damaged or missing from the packaging. You must present the contents, container, and packaging with your claim.

For a lost article, use the table below to see how much time to allow from the date you mailed the article before you initiate a claim.

How Long to Wait Before Filing for Loss

Type of Mail	When to File (From Mailing Date)	
	Minimum	Maximum
Insured	30 days	1 year
SAM or PAL	45 days	1 year
Surface to APO, FPO, or outside contiguous 48 states	75 days	1 year
Registered	15 days	1 year
Registered COD	60 days	1 year
COD Mail	60 days	1 year
Express Mail	7 days	90 days
Express Mail COD	60 days	90 days

How to File

Step 1 — Evidence of Insurance

Show that insurance, COD, registered, or Express Mail service was purchased for the parcel mailed.

Although it is better to submit the original mailing receipt if possible, either of the following is acceptable:

- The original mailing receipt that you were given at the time of mailing (reproduced copies are not acceptable).
- The wrapper, showing the names and addresses of both the sender and addressee, along with the endorsement, tag, or label showing that the article was sent insured, COD, registered, or by Express Mail. If only the wrapper is submitted, indemnity may be

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limited to \$100 for insured mail, \$50 for COD mail, \$100 for registered mail, and \$500 for Express Mail.

Step 2 — Evidence of Value

Submit evidence to show the cost or value of the article when it was mailed. Evidence of value, other than those listed, may be requested to help make an accurate determination of the value.

One or more of the following are acceptable:

- a. Sales receipt.
- b. Invoice.
- c. Statement of value from a reputable dealer.
- d. Your own statement describing the lost or damaged article. Please include date and place of purchase, amount paid, and whether the article is new or used (only if a sales receipt or invoice is not available). If the article is handmade, include price of materials and labor used. Describe the article in sufficient detail so we can determine whether the value claimed is accurate.
- e. Picture from a catalog showing the value of a similar article (only if a sales receipt, invoice, or statement of value from a reputable dealer is not available). Include date and place of purchase.
- f. Paid repair bills; estimates of repair costs or appraisals from a reputable dealer if the claim is for partial damage. However, appraisals and repair estimates themselves are not payable. Repair costs may not exceed the value at the time of mailing.
- g. Receipt or invoice for costs incurred to purchase bonds, stocks, or similar documents required to reissue a lost article.
- h. Receipt or invoice of costs incurred for reconstructing (duplicating) nonnegotiable documents from retained copies.

Step 3 — Proof of Damage or Loss

Provide proof that the article was lost or damaged.

If the article was damaged or if some or all of the contents were missing, take the article, box, wrapper, and all packing materials to the post office immediately.

Do not return the package to the sender without first showing it to postal officials at the addressee's end.

If the article was lost, submit proof of the loss. This is not required for COD or Express Mail.

The Postal Service accepts any of the following as proof of loss:

- a. A letter or statement from the addressee, dated at least 30 days (15 days for registered mail) after the date the article was mailed, stating that the addressee did not receive the article. The statement, or a copy of it, must be attached to the claim.
- b. A claim form (see step 4) completed by the addressee indicating that the article was not received must be signed and returned to the sender.
- c. A statement from the post office of address (the addressee's post office) stating that a delivery record is *not* on file. To obtain such a statement, send a written request asking for proof of delivery to the post office of address with a check or money order for \$6.60. The \$6.60 charge is reimbursed if the claim is paid. Include names and addresses of the sender and addressee; insured, Express Mail, or register number; and date of mailing.

Step 4 — The Claim Form

Take your proof of mailing, evidence of value, and proof of loss (or damaged article and package) to the post office and complete a Form 1000, Domestic Claim or Registered Mail Inquiry.

The claim form asks for names and addresses of the sender and addressee, date of mailing, amount claimed, and other information.

The information on the claim form is self-explanatory. Please complete all spaces that apply.

If you have any questions or need assistance, the postal employee who provided you with the form will be glad to help you.

When to Expect Payment

A properly completed and supported claim is usually paid within 30 days.

If you have not heard anything within 45 days, please ask your post office to submit a duplicate claim using the same claim number. For registered and Express Mail claims, contact your post office after 45 days.

You can do this by visiting or telephoning the post office where you filed the original claim.

What Else to Know

On the following pages, we have included additional information about what is covered by the insurance you purchased.

- We have answered some frequently asked questions, and
- The center of this brochure contains a checklist showing everything you need for filing a claim.

Postal Insurance Coverage

Insurance is automatically provided with Express Mail, insured mail, and COD mail. It can be purchased separately for registered mail.

In the event of loss or damage, the Postal Service may reimburse you for the value of the article at the time of mailing up to the amount of insurance purchased.

Payable Claims

The times and circumstances under which indemnity claims are payable are listed below.

Costs

- a. Cost of repairing a damaged article or the value of a totally damaged article **not** exceeding actual value of the article at the time of mailing.
- b. Reasonable costs incurred in duplicating documents such as:
 1. Copying service.
 2. Notary fees.
 3. Bonding fees for replacement of stock or bond certificates.
 4. Reasonable attorney's fees if actually required to replace the lost or damaged documents.
 5. Other direct and necessary expenses or costs, as determined by the Postal Service.
 6. Face value of negotiable documents that **cannot be reconstructed up to the amount of insurance coverage purchased, but not to exceed the \$25,000 maximum amount of insurance coverage available if sent by registered mail.**
- c. Extra cost of gift wrapping, if the gift-wrapped article was enclosed in another container when mailed.

What to Check Off When Filing

Action	Type of Mail				
	Insured	COD	Registered	Express Mail	Express Mail COD
Form to fill out	1000	1000	1000	1000	1000
File immediately for damage or partial loss	✓	✓	✓	✓	✓
Minimum days to file from mailing date	30	60	15	7	60
Except: SAM or PAL	45				
Surface to APO, FPO, or outside 48 contiguous states	75				
Maximum time to file from mailing date	1 year	1 year	1 year	90 days	90 days
File at any post office	✓	✓	✓	✓	✓
File for complete loss*	✓	✓	✓	✓	✓
File for damage or partial loss**	✓	✓	✓	✓	✓
Submit original mailing receipt	✓	✓	✓	✓	✓
Submit evidence of cost or value	✓	✓	✓	✓	✓
Submit proof of loss	✓		✓		
Submit item, container, wrapper, and packaging for damage or partial loss	✓	✓	✓	✓	✓

* Only sender may file

** Sender or addressee may file

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- d. Cost of outer container, if specially designed and constructed for the article sent.
- e. Postage (not fee) paid for sending damaged articles for repair. (The Postal Service must be used for this purpose. Other reasonable transportation charges may be included if the Postal Service is not available.)
- f. Cost of film stock or blank tape for photographic film, negatives, slides, transparencies, video tapes, laser disks, x-rays, MRIs, CAT scan prints, etc. (No indemnity is paid for the content of the film or for the photographer's time and expenses in taking the photographs.)
- g. Cost of bees, crickets, or baby poultry destroyed by *physical* damage to package or delay for which the Postal Service is responsible. There are certain limitations, so if you mail any of these, please contact the post office for additional information before mailing.
- h. Cost of filing a lost ticket report with an airline.
- i. Per-page copying cost of lost or damaged blueprints, schematics, etc.

Values

- a. Actual value of lost articles at the time and place of mailing.
- b. Fair market value of stamps and coins of philatelic or numismatic value, as determined by a recognized stamp or coin dealer or current coin and stamp collectors newsletters and trade papers.

Other

- a. Remittance due on a COD parcel not received by the sender, subject to the limitations set by the standards for COD service.
- b. Federal, state, or city sales tax paid on articles lost or totally damaged.

Express Mail Payable Claims

In addition to the types of claims listed on pages 7 and 10, the following are also payable:

- a. For Express Mail Insurance, nonnegotiable documents are insured against loss, damage, or rifling while in transit. Coverage is limited to \$500 per piece (the unit on which postage is paid), subject to a maximum limit per occurrence as provided in paragraph a.4, below. Claims for document reconstruction insurance must be supported by a statement of expense incurred in reconstruction. For this standard, *while in transit* begins when the Postal Service receives custody of the insured material and ends when the material is delivered to the addressee or, if undeliverable, when the sender receives the material on return. Nonnegotiable documents include audit and business records, commercial papers, and such other written instruments for the conduct and operation of banks and banking institutions that have not been made negotiable or cannot be negotiated or converted into cash without forgery. Nonnegotiable documents can be hard copy, disk, tape, microfilm, or other forms of data storage. Articles such as artwork, collector or antique items, books, pamphlets, reader's proofs, repro proofs, separation negatives, engineering drawings, blueprints, circulars, advertisements, film, negatives, and photographs are considered merchandise, not documents. Indemnity for document reconstruction is paid as follows:

1. Payments made (or which are payable) for reasonable costs incurred in the reconstruction of the exact duplicate of a lost or damaged nonnegotiable document. Indemnity is not paid for the cost of preparing the document mailed, or for the mailer's time spent in preparing the

document mailed or reconstructed. Except for per-page copying cost, indemnity is not paid for documents if copies of the lost document are available or if they could have been made prior to mailing.

2. Reasonable reconstruction expenses incurred or obligated between the time of guaranteed or scheduled delivery and actual delivery.
 3. Loss sustained by the use of funds to maintain cash balances during the period of document reconstruction (based on the applicable Federal Reserve discount rate). The period begins at the scheduled delivery time and may not exceed 15 days.
 4. Catastrophic loss for multiple Express Mail items, such as major fire, limited to \$5,000, regardless of the number of Express Mail items, or the identity or number of customers involved. Each claim resulting from a catastrophic loss is first adjudicated individually. If the preliminary adjudication exceeds \$5,000, the percentage of the sum represented by each individual settlement is applied to the \$5,000 to determine each claimant's pro rata share of the final settlement, not to exceed \$500 per piece.
- b. Merchandise insurance coverage is provided against loss, damage, or rifling and is limited to \$500. (Additional insurance, up to a maximum liability of \$5,000, may be purchased for merchandise valued at more than \$500.)
 - c. For negotiable items, currency, or bullion, the maximum is \$15.

Nonpayable Claims

Claims are *not* paid for the following:

Costs

- a. Cost of the contents of film, negatives, slides, transparencies, video tapes, laser disks, x-rays, MRIs, CAT scan prints, etc., the cost of creating or recreating these items, or the photographer's time and expenses in taking the photographs.
- b. Cost for personal time required to replace documents.
- c. Cost for estimates and appraisals.

Values

- a. Sentimental rather than actual value of articles.
- b. Replacement value exceeding the article's actual value at the time and place of mailing.
- c. Negotiable items (defined as instruments that can be converted to cash without resort to forgery), currency, or bullion valued in total at more than \$15 per shipment sent by Express Mail, except under Express Mail Claims, subparagraph c.
- d. Consequential loss of Express Mail claimed, except under Express Mail Claims, subparagraph a.3.
- e. Consequential loss rather than the actual value of the article itself. "Consequential loss" means what might have happened if the article had been delivered. For example, postal insurance covers the cost of a sample of merchandise but not the loss of potential orders for additional merchandise.
- f. Lottery tickets, sweepstakes tickets, contest entries, and similar items.

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Other Claims Not Paid For

- a. Articles without evidence of insurance coverage.
- b. Articles lost, rifled, or damaged after delivery by the Postal Service.
- c. Articles sent COD without the addressee's consent.
- d. Articles or part or all of their contents officially seized while in the military postal system overseas.
- e. Articles lost after they were signed for by the addressee, the addressee's agent, or the authorized delivery employee.
- f. Articles lost, rifled, or damaged by acts of employees or agents of the sender or addressee.
- g. Articles for which the required claim forms are not completed because the sender or addressee fails to cooperate.
- h. Articles affected by war, insurrection, or civil disturbance, or seizure by any agency of the Government.
- i. Loss caused by a delay in the mail.
- j. Claims submitted after the article was transported outside the Postal Service.
- k. Claims, duplicate claims, or appeals not filed within the specified time limits.

Contents

- a. Perishable articles that froze, melted, spoiled, or deteriorated.
- b. Death of baby poultry caused by shipment to points where delivery could not be made within 72 hours from the time of hatching unless determined that transportation was in place to achieve the 72-hour target.
- c. Death of honeybees, crickets, and harmless live animals not the fault of the Postal Service.

- d. Death of adult birds in Express Mail with no physical damage to the container.
- e. Articles whose fragile nature prevented their safe carriage in the mail, regardless of packaging.
- f. Nonmailable items, prohibited items, or restricted items not prepared and mailed according to postal standards, or any item packaged in such a manner that it could not have reached its destination undamaged in the course of the mail.
- g. Articles damaged by abrasion, scarring, or scraping of suitcases, handbags, and similar articles not properly wrapped for protection.
- h. Radioactive injury, or electrical or magnetic injury, or erasure of electrical recordings.
- i. Articles damaged by shock, transportation environment, or x-ray, without evidence of damage to the mailing container.
- j. Damaged articles, mailing containers, and packaging not submitted to the Postal Service for inspection.
- k. Container and packaging not submitted to the Postal Service for inspection on a partial or complete loss of contents claim.

What to Do If Claim Denied

You can appeal a denied claim within 3 months of receiving notification of the denial. Send your appeal to:

MANAGER CLAIMS APPEALS
ACCOUNTING SERVICE CENTER
US POSTAL SERVICE
PO BOX 80141
ST LOUIS MO 63180-0141

Publication 122

Questions and Answers

What happens to the damaged article I give to the Postal Service?

If the article has salvage value, the Postal Service retains it. The article is sent to a Mail Recovery Center where it is auctioned to the public.

What happens if the article is delivered after the claim is paid?

You may accept the article and reimburse the Postal Service the full amount you were paid if the article is undamaged. If the article is damaged, has depreciated in value, or if the contents are not intact, the St. Louis Accounting Service Center informs you of the amount you must reimburse the Postal Service.

Will my postage be reimbursed?

Yes, if the article was lost or all of the contents were totally damaged.

What about fees?

Fees are not reimbursed because they cover the cost of insurance.

What happens if both the sender and the addressee claim the insurance payment?

They should decide between them who receives payment. Otherwise, payment is made to the sender.

Domestic Mail Manual S010 contains detailed information about domestic indemnity claims.

If you need more specific claims information, please contact your local post office.

Attachment to response to OCA/USPS-T36-52(b)
Page 17 of 17

Publication 122

Thank you
for buying
postal insurance!

*Additional copies of this
document may be obtained
from your local post office.*

Attachment to response to OCA/USPS -
T36-52(d)

Mailing Services Information for Insurance

Weight: 1.50oz Destination: 55555 Zone: 6
Class: Parcel Post Services:

Total: \$5.45 S

Enter the dollar amount of insurance required for article. The value cannot be greater than the article value. The amount must be at least \$0.01 and no more than \$5000.00.

Insurance/
Indemnity:

Insurance/
Indemnity:

0.00

	7	8	9	Delete
ABC...	4	5	6	Back
	1	2	3	Clear
	.	0	Enter	
	<	>		

Help

Lock

Quit

Tasks

Cancel

Done

IBM HELP SCREEN: INSURANCE -- BASIC INFORMATION

Insured Mail Label and PS Form 3813-P

Purpose

Insured mail provides up to \$5,000 indemnity coverage for lost, rifled, or damaged articles, subject to the standards for the service and payment of the applicable fee. A bulk insurance discount is available for insured articles entered by authorized mailer who meet certain criteria (See the DMM for more information). The sender is given a receipt, but the office of mailing does not keep a record of the insured mail. For mail insured for over \$50, a delivery record is maintained by the Postal Service. Insured mail is dispatched and handled in transit as regular mail.

The maximum indemnity for both domestic and international insured mail is \$5,000, at a rate of \$.90 per additional \$100 worth of coverage over the previous \$600 limit.

Eligible Matter

The following types of mail may be insured:

- Package Services
- Package Services matter mailed at the First-Class rate. Sealed articles must be endorsed in addition to the First-Class or Priority Mail endorsement.
- Official government mail endorsed "Postage and Fees Paid."

Ineligible Matter

The following types of mail may not be insured:

- Parcels containing matter offered for sale and addressed to prospective purchasers who have not ordered or authorized their sending. If such matter is received in the mail, payment is not made for loss, rifling, or damage.
- Nonmailable matter.
- Articles so fragile that they cannot be safely carried in the mail, regardless of packaging.

- Articles not adequately prepared to withstand normal handling in the mail. As a rule, any mailable package should be insurable.
- Mail not bearing the complete names and addresses of the sender and addressee.
- Matter mailed at Package Services mail rates.
- Matter mail at First-Class rates (including Priority Mail) that consists of items described in the DMM as required for mailing at First-Class rates.

Fees and Postage

Mailers must prepay insurance fees in addition to postage, except on official mail sent under applicable provisions. The mailer guarantees to pay return and forwarding postage, unless the mailer writes instructions on the wrapper or envelope not to forward or return the mail.

Additional Services

Subject to applicable standards and fees, special handling, parcel airlift, merchandise return, and delivery confirmation service may be used with insured mail. Restricted delivery and return receipt service (PS Form 3811) may be obtained for articles insured for more than \$50.

Filing Claims

General Filing Instructions - Who may file:

1. Only the sender, for the complete loss of either of the following mail class or services:
 - Registered Mail
 - Insured Mail
 - Collect on Delivery (COD)
 - Express Mail
2. Either the sender or addressee, for damage or if some or all of the contents of a mail package are missing.

3. Only the merchandise return permit holder, for mail packages registered with merchandise return service.
4. Only the sender, for bulk insured service mail.

When to file:

A customer must file a claim immediately when the contents of a mail package are damaged or missing. For a lost mail package, a customer must file a claim within the time limits as indicated in the chart below.

Mail Type or Service	When to File (From Mailing Date)	
	No Sooner Than	No Later Than
Bulk Insured	30 days	180 days
COD	60 days	1 year
Express Mail	7 days	90 days
Express Mail COD	60 days	90 days
Insured	30 days	1 year
Registered	15 days	1 year
Registered COD	60 days	1 year
Exceptions: Claims for loss of insured and COD articles (including insured articles sent to APO and FPO addresses) originating at or addressed to post offices outside the contiguous 48 states may be filed only:		
a. After 45 days if article sent First-Class Mail, space available mail (SAM), or parcel airtail (PAL).		
b. After 60 days if article sent COD.		
c. After 75 days if article sent by surface.		

For duplicate claims, a customer must file within the time limits as indicated in the chart below. To file a duplicate claim, the customer must either:

1. submit a photocopy of the customer's completed part of the claim form (PS Form 1000), or
2. request the post office where the claim was filed to process a photocopy of the post office's receipt copy of the claim form.

Mail Type or Service	When to File	
	No Sooner Than (From Original Claim Date)	No Later Than (From Original Mailing Date)
COD	45 days	18 months
Express Mail	45 days	6 months
Express Mail COD	45 days	6 months
Insured	45 days	18 months
Registered	90 days	18 months
Registered COD	90 days	18 months
Duplicate registered mail and Express Mail claims may not be filed without authorization by the St. Louis ASC or the Consumer Advocate, USPS Headquarters.		

Where to file claims:

1. At any post office, station, or branch, except for registered merchandise return service.
2. Only at the post office where the merchandise return permit is held, for mail packages sent as registered with merchandise return service.

How to file claims:

A customer may file a claim by presenting evidence of the following:

- insurance
- value
- proof of loss or damage

Proof of loss is not required for COD or Express Mail claims.

If the mail package was mailed Express Mail COD, then the sender must provide the original COD and Express Mail receipts.

For more in-depth information regarding filing claims, see the DMM for more information.

IBM HELP SCREEN: INSURANCE -- MAILING**Where to Mail**

The following rules apply to mailing of insured articles:

- Mailers must mail parcels that they insure at a post office, branch, or station, or give the parcels to a rural carrier.
- Mailers may place insured mail in, but not on, rural mailboxes.
- Insured mail cannot be deposited in post office maildrops nor in or on street letterboxes.
- Mailers may give insured mail to rural carriers or leave the mail in rural mailboxes if stamps are affixed for postage and fees or money for postage and fees is left in the box.
- If insured mail is left in rural mailboxes, mailers must leave a note showing the amount of insurance requested.
- The USPS assumes no responsibility for articles or money left in rural mailboxes until the carrier collects the articles.
- Mailers at nonpersonnel rural units must meet the rural carrier at the unit for insurance service.

USPS Inquiries

USPS sales and services associates are required to ask whether the package presented for insurance contains fragile, perishable, or flammable matter.

Endorsement and Postmarking

Mail packages insured for \$50 or less: Each mail package must be stamped on the address side with an elliptical insured marking as shown below. This marking must be placed above the delivery address and to the right of the return address.

Mail packages insured for more than \$50: Each mail package must have PS Form 3813-P (shown below), affixed above the delivery address and to the right of the return address. PS Form 3813-P must not be used for packages insured for \$50 or less.

All insured mail packages, regardless of insurance amount, must be postmarked, unless a postage meter stamp or permit imprint is used to pay postage.

Privately-Printed Forms

Mailers may use privately-printed PS Forms 3813-P if the following conditions are met:

- Privately-printed labels must be nearly identical to postal-provided forms in design and color.
- Insured numbers must be readable by automated postal equipment.
- Mailers must submit at least three preproduction samples to the postal business center manager serving the mailer's location, and the mailpiece design analyst must review them.

After approval, the analyst issues the mailer a block of insured numbers.

Prohibited Markings

Private insurance endorsements or markings may not appear on the address side of mail, but they may appear elsewhere if they do not resemble and are not confused with official postal endorsements.

Receipts

When the insurance value is \$50 or less, the mailer receives PS Form 3813 as a receipt. When the insurance value is more than \$50, the mailer receives PS Form 3813-P as a receipt.

USPS Records

The USPS does not keep records for insured parcels. Mailers must write the addressee's name and address on the receipt and keep it. Mailers must show the receipt when making a claim for loss or filing an inquiry.

Firm Mailings

If at least three insured articles are presented for mailing at the same time, the sender may use PS Form 3877 (firm mailing book), which the USPS provides at no charge, or privately-printed firm mailing bills. The following guidelines apply to privately-printed firm mailing bills:

- The postmaster may approve privately-printed firm mailing bills that contain the same information as PS Form 3877.
- Mailers may omit columns from PS Form 3877 that do not apply to insured mail.
- The sender must present the books, along with the articles to be mailed, at a post office.
- The sheets of the books become the sender's receipts.
- All firm mailing book entries must be made by typewriter, ink, or ballpoint pen.
- Both the mailer and the sales and services associate must initial alterations.
- All unused portions of the addressee column must be obliterated by drawing a diagonal line through them.

IBM HELP SCREEN: INSURANCE -- DELIVERY

Parcels insured for \$50 or less are delivered as ordinary mail.

Delivery of insured mail is subject to the following additional conditions:

- Before accepting delivery and endorsing the delivery receipt, the recipient (addressee or addressee's representative) may obtain the sender's name and address and may look at the mailpiece while the USPS sales and services associate is holding it.
- The mailpiece will not be opened or given to the recipient until the recipient signs and legibly prints his/her name on the delivery receipt (and return receipt, if applicable) and returns the receipt(s) to the USPS sales and services associate.
- If the recipient is not known to the USPS sales and services associate, suitable identification may be required before the article is delivered.
- Unless the sender requests Restricted Delivery, mail addressed to a person at a hotel, apartment house, etc. may be delivered to any person in a supervisory or clerical position who usually accepts mail for that location.
- USPS responsibility ends when the article is delivered to the recipient.
- Notices are left for articles that cannot be delivered. If the article is not called for or redelivery is not requested, the article is returned to the sender after 15 days (5 days for Express Mail, 30 days for COD), unless the sender specifies fewer days on the mail.
- A postmaster-approved stamp may be used to provide the recipient's signature and name. To obtain approval, the company or individual must submit a written statement to the postmaster that the person whose name appears on the stamp is the same as the person authorized to accept accountable mail, along with a sample of the authorized person's signature that can be verified against the signature on the stamp. After approval, the stamped signature and name are acceptable only if a clean and legible impression is provided.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T36-52-58)

OCA/USPS-T36-53. What kind of assistance do personnel at retail facilities provide to postal patrons who wish to file insurance claims if such patrons lack the reading or language skills necessary to fill out the required forms? Please provide copies of any Postal Service documents reflecting a policy to render/not to render such assistance.

RESPONSE:

The Sales and Services Associate Training Course, 23501-02 provides general information in Module 26, Overview of Customer Relations. Publication 551, Point Talk Translator, includes some helpful information regarding insurance in nine different languages. A copy of this publication will be provided shortly.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T36-52-58)

OCA/USPS-T36-54. If a postal patron lacks sufficient proficiency in English to understand insurance forms, certified mail forms, delivery confirmation forms, return receipt forms, etc., what assistance do window clerks render such individuals? Please provide copies of any Postal Service documents reflecting a policy to render/ not to render such assistance. Also, if brochures or printed information is made available in languages other than English on such matters, please provide them.

RESPONSE:

Publication 551, Point Talk Translator, includes some helpful information regarding several of the issues regarding products and services. It is written in nine different languages. A copy of this publication will be provided shortly.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T36-52-58)

OCA/USPS-T36-55. What is the average length of time for an insurance claim to be paid or rejected? Please provide the source documents used to answer this question.

RESPONSE:

The average length of time for an insurance claim to be processed depends upon whether or not the claim can be locally adjudicated. If the claim is not locally adjudicated, the average time to process a claim of any type is 62 days.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T36-52-58)

OCA/USPS-136-56. Is there a claims resolution pamphlet available to insurance claimants at the time a claim is filed? If so, please provide it. If not, why not?

RESPONSE:

Yes. See Publication 122, pages 6 and 15.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T36-52-58)

OCA/USPS-T36-57. What does the Postal Service view as a reasonable length of time to resolve an insurance claim? Please provide copies of any documents stating such a policy.

RESPONSE:

Thirty days is viewed by the Postal Service as a reasonable length of time to resolve an insurance claim. See Publication 122, page 6.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T36-52-58)


OCA/USPS-T36-58. If an insurance claimant does not have an insurance claim resolved within a reasonable length of time (as specified in response to interrogatory OCA/USPS-T36-57), what steps may then be taken to speed the claims process?

RESPONSE:

See Publication 122, page 6.

DECLARATION

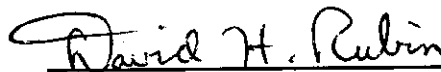
I, Susan W. Mayo, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


SUSAN W. MAYO

Dated: DECEMBER 28, 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

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
December 28, 2001