

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

EXPERIMENTAL RATE AND SERVICE CHANGES
TO IMPLEMENT NEGOTIATED SERVICE AGREEMENT
WITH CAPITAL ONE SERVICES, INC.

Docket No. MC2002-2

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS WILSON
TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T4-13, 16, 17(a), (b)(vii – x), (c)(vii – x), (d), (e)(vii – x) and
(f)(vii – x), 18, 20, 21)

The United States Postal Service hereby provides the responses of witness Wilson to the following interrogatories of Office of the Consumer Advocate: OCA/USPS-T4-13, 16, 18, 17(a), (b)(vii – x), (c)(vii – x), (d), (e)(vii – x) and (f)(vii – x) 20, 21, filed on November 5, 2002. On November 15, 2002, the Postal Service objected to Interrogatory 15 and subparts (i – vi), respectively, of parts (b), (c), (e) and (f) of Interrogatory 17. Interrogatories 14 and 19 have been redirected to the Postal Service. Interrogatories 22 and 23 have been redirected to witness Crum.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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OCA/USPS-T4-13. Please refer to your response to OCA/USPS-T4-6.

- (a) Please confirm that in FY 2001, for every First-Class mailpiece physically returned through the Computerized Forwarding System (CFS) unit, 4.89 (384,040,959/1,878,519,905) pieces were forwarded. If you do not confirm, please explain and provide the correct ratio.
- (b) Please confirm that in FY 2002, for every First-Class mailpiece physically returned through the CFS unit, 5.00 (367,191,524/1,839,557,232) pieces were forwarded. If you do not confirm, please explain and provide the correct ratio.

RESPONSE:

- (a) Confirmed.
- (b) Confirmed.

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OCA/USPS-T4-16 Please refer to your testimony at page 3, lines 15-16, where it states “Keylines are required if the mailer wants to receive electronic ACS notifications for UAA mail pieces that are not move-related.” Also, please refer to your response to OCA/USPS-T1-1(a), where it states “the insertion of these values [ACS Participant Code and keyline] does not generate an electronic notification for ASR-endorsed UAA pieces that are not move-related.” Please reconcile or clarify these statements.

RESPONSE:

Across all mail classes, ACS participants must provide a keyline if they want to receive electronic notifications of UAA mailpieces for a reason other than a customer move. However, First-Class Mail ACS participants using the Address Service Requested endorsement are not provided an ACS electronic notification when the mailpiece is UAA for a non-move-related reason. Instead, the physical mailpiece is returned with the reason for non-delivery shown upon the face of the mailpiece. Only First-Class Mail ACS participants using the Change Service Requested endorsement who have included a keyline are provided an electronic ACS notification when the mail piece is UAA for a non-move-related reason. The piece is then discarded.

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OCA/USPS-T4-17. Please refer to Section V. of your testimony on pages 6-7.

- (a) Please confirm that 15 (1-0.85) percent of mail bearing an ASC endorsement will not receive electronic notification. If you do not confirm, please explain.
- (b) Please state whether the following types of mail pieces are included in the 15 percent of ACS-endorsed pieces not receiving electronic notification:
 - vii. CSR pieces that are move-related, but which are in a region of the country not served by a CFS unit.
 - viii. CSR pieces that are move-related, within 18 months of a recipient's move, and which are in a region of the country served by a CFS unit.
 - ix. CSR pieces that are not move-related and which are in a region of the country not served by a CFS unit.
 - x. CSR pieces that are not move-related, within 18 months of a recipient's move, and which are in a region of the country served by a CFS unit.
- (c) For each type of mailpiece described in part (b), i. – x., above, state whether the mailpiece would be forwarded (accompanied by an electronic notice of the new address), forwarded (but not accompanied by an electronic notice of the new address), physically returned (accompanied by an electronic notice of the reason for the return), physically returned (but not accompanied by an electronic notice of the reason for the return), or not physically returned (but an electronic notice of the reason for the return would be provided).
- (d) Please state the 10 most common reasons (non-move-related) for mail to be UAA.
- (e) For each of the types of mailpieces listed in part (b), i. – x., above, state how the Postal Service handles each type of piece from the time the piece is received by the carrier through and including the last operation performed by the Postal Service.
- (f) If possible, break down the 15 percent figure cited in part (b) above by the 10 types of ACS pieces (i.e., part (b), i. – x.) listed. If precise figures are unavailable, then based upon your knowledge (USPS-T-4 at 7), rank the types of pieces by their frequency of occurrence. Also based upon your knowledge, give a ballpark-estimate-type breakdown of the 15 percent figure if precise figures are unavailable.

RESPONSE:

- (a) Confirmed.
- (b) In formulating my estimate of the number of UAA mail pieces that would receive an ACS electronic notification I did not specifically include or exclude any category of UAA mail based on the reason for non-delivery or its origin. My estimate of 85% electronic ACS address correction notifications was based upon

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the percentages of electronic versus hardcopy notices typically reported by ACS customers and after adjustment for planned enhancements.

- (c) Objection filed on November 16, 2002 for subparts (i – vi). For First-Class Mail pieces submitted to the CFS unit, under Change Service Requested, Option 2, the following services would be provided: where the address on the mail piece has a forwarding order in effect, the piece would be forwarded and the mailer would receive the forwarding address electronically; where the piece cannot be forwarded, the pieces would be disposed of at the CFS unit and an ACS electronic notice of the reason for non-delivery would be provided. For First-Class Mail UAA pieces not submitted to CFS unit, forwardable pieces would be forwarded while others would be physically returned to sender. In neither case is an electronic notice provided.

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(d) The 10 most common non-move related reasons a mail piece is UAA are:

Not Deliverable as Addressed – Unable to Forward (Forwarding Order Expired)
Attempted – Not Known
Refused
No Such Number
Insufficient Address
Moved – Left No Address
Temporarily Away
No Such Street
No Mail Receptacle

(e) Objection filed on November 16, 2002 for subparts i. – vi. See answer to OCA/USPS-T4-17(c) and also my testimony, pp. 1-6.

(f) See answer to OCA/USPS-T4-17(b). I am unable to estimate how the 15 percent of the ACS-endorsed pieces not receiving an electronic notification would be distributed according to the scenarios described in there. Each has the potential to explain why an ACS-electronic notice may not be provided, but I did not base the 15 percent figure on these specific scenarios. Based upon my personal experience, an approximate ranking of the reasons why a mailpiece does not generate an ACS-electronic notification, in descending order of frequency, is as follows:

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- 1) Addressed to a centralized delivery point such as military bases, colleges/universities, or commercial mail receiving agencies. If the piece is UAA, the institution marks the reason for non-delivery and places the piece back in the mail stream thus bypassing the CFS unit.
- 2) Misrouted by the delivery unit, which fails to send the piece to the CFS unit.
- 3) Addressed to an area not served by a CFS unit.
- 4) Other miscellaneous reasons such as incorrect mail piece insertion by mailers which obscures the address block, illegible keylines, addressee deceased handling policy which requires physical return to sender, and CFS handling errors.

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OCA/USPS-T4-18. Please refer to your testimony at page 6, lines 4-5, where it states, “The ACS participant then can download the information and perform an automated process to update its address files.”

- (a) Is an ACS participant required to download ACS information daily, or on some other regular basis? Please explain.
- (b) Does the Postal Service automatically transmit electronic ACS information to ACS participants daily, or on some other regular basis? If so, please explain the process.
- (c) When an ACS participant downloads ACS information, is the “automated process” to update that participant’s address files accomplished automatically upon completion of the download? Please explain.
- (d) Does the Postal Service make software available to permit the ACS participant to perform the automated process to update its address files? Please explain.
- (e) Please list the commercial vendors (if any) that offer software to permit the ACS participant to perform the automated process to update its address files.

RESPONSE:

- (a) The frequency that an ACS participant retrieves, or is provided, electronic notification records is at its discretion, absent a commitment to retrieve the records at a stated frequency. The methods by which the ACS participant receives their ACS records include download or physical media fulfillment.
- (b) The ACS participant establishes the frequency during the enrollment process and the Postal Service outputs the ACS notifications at the appropriate times.
- (c) The process of performing address file updates from an ACS notification is separate from the ACS fulfillment process. The ACS participant mailer is responsible for performing the address file update.
- (d) No, the Postal Service does not provide any software that facilitates update of mailer address files based upon ACS notifications.
- (e) Typically, commercial software vendors who are Coding Accuracy Support System (CASS)-certified will offer add-on products that perform ACS service management, including file updating. A complete listing of CASS-certified

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software vendors is available at <http://ribbs.usps.com/files/vendors>. The Postal
Service does not maintain a list of all vendors that offer file update service.

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OCA/USPS-T4-20. Please refer to your testimony at page 1, lines 24, through page 2, line 1.

- (a) What do you mean by “the carrier returns the piece to the mailstream?” Please explain.
- (b) How is a piece returned to the mailstream handled; and how does this compare to the handling of a typical First-Class mailpiece that is not UAA? Please explain.

RESPONSE:

- (a) My intent was to indicate that UAA mail pieces that are non-move related are typically returned to the mail processing plant for return-to-sender processing.
- (b) My understanding of this operation within the mail processing plant is that UAA mail to be returned to sender is processed by:
 - 1. Placing a label over the original barcode, if required.
 - 2. Running the mail piece across automation equipment to capture the image of the mail piece for transmittal to Remote Encoding Center (REC) operators who key the return address.
 - 3. Applying a barcode to the mail piece representing the sender’s return address.
 - 4. Sorting the barcoded mail piece for delivery to the sender’s address.

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OCA/USPS-T4-21. Please refer to your testimony at page 4, lines 19 – 23.

- (a) Does the carrier handling of Address Service Requested (ASR)- or Change Service Requested (CSR)-endorsed UAA First-Class Mail differ in any way from the carrier handling of non-endorsed UAA First-Class Mail? Please describe in detail any differences.
- (b) Does the Nixie unit clerk handling of ASR- or CSR-endorsed UAA First-Class Mail differ in any way from the Nixie unit clerk handling of non-endorsed UAA First-Class Mail? Please describe in detail any differences.

RESPONSE:

- (a) No, my understanding is that the carrier handling is not different. Whether or not a UAA piece has an ACS endorsement, the carrier separates move-related mail from non-move-related mail.
- (b) Yes, but only for UAA mail pieces that also contain an ACS participant code. For ACS mail pieces that bear the ASR or CSR endorsements and an ACS participant code, the Nixie clerk must separate the mail pieces by ZIP Code and nixie reason prior to dispatch to CFS. Non-ACS mail pieces are directed to the mail processing facility for Return-to-Sender processing.

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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