

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

CUSTOMIZED MARKET MAIL MINOR
CLASSIFICATION CHANGES

Docket No. MC2003-1

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ASHE
TO INTERROGATORIES OF DAVID B. POPKIN (DBP/USPS-T1—1-7)**

The United States Postal Service hereby provides the response of witness Ashe to the following interrogatories of David B. Popkin: DBP/USPS-T1—1-7, filed on March 28, 2003. The interrogatories are stated verbatim and are followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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DBP/USPS-T1--1. On page 11 lines 13-14, you state that additional permits will not be required. Confirm, or explain, that a normal Standard Mail permit will be required for CMM mailing and if postage is paid by permit imprint, a separate permit for that will be required.

RESPONSE:

Confirmed. Please see my testimony at p. 9, line 21, through p. 10, line 8. It should be noted, however, that existing Standard Mail and permit customers will be able to enter CMM mailings under their standing authorizations.

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DBP/USPS-T1--2. On page 7 line 23, you indicate that drop shipment must be by Priority Mail or Express Mail. May drop shipments be made by First-Class Mail or Parcel Post and if not, why not?

RESPONSE:

No, when the program is implemented, the only options will be the existing dropshipment options, which include plant verified dropshipment (PVDS) or Express or Priority Mail dropshipment. The reason is that CMM would be designed to fit within existing dropshipment options.

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DBP/USPS-T1--3. If I have 400 CMM pieces for delivery in Englewood NJ 07631 and each piece weighs one ounce, please advise the total postage for this mailing and provide a detailed explanation on how this value was determined. If the physical dimensions of the mailpiece can affect the postage [assuming that it meets the minimum and maximum size limits and still weighs one ounce], please provide separate responses for each criteria. Assume that it does not meet the Nonprofit criteria.

RESPONSE:

It is assumed that the mailer in this hypothetical avails itself of the plant verified dropshipment (PVDS) entry option. If CMM is elected, then the price would not vary based on the physical dimensions of the mailpiece. The postage cost in this hypothetical situation would be \$229.60, or \$0.574 per piece. The unit price represents the sum of (i) the per-piece non-destination entry rate for the Basic Nonletter category in the Regular subclass (\$0.344) and (ii) the residual shape surcharge (\$0.23).

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DBP/USPS-T1--4. Provide a similar response to DBP/USPS-T1-3 if each piece weighs 4 ounces.

RESPONSE:

CMM pieces are eligible only for the Basic category nonletter per-piece rate. Hence, the maximum weight for items entered as CMM would be 3.3 ounces. Please see my testimony at p. 9, lines 1-4.

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DBP/USPS-T1--5. What is the maximum weight permitted for a CMM piece? If the postage calculations performed in response to DBP/USPS-T1/-3 and -4 would be different for weights of other than one or four ounces [other than the obvious different total weight of all 400 pieces], please provide the criteria and perform a separate calculation.

RESPONSE:

Customized MarketMail pieces must weigh 3.3 ounces or less. Thus, the total postage for a given CMM piece would not vary based on weight.

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DBP/USPS-T1--6. Does the entering of the mail at a DDU mean that the box section for PO Boxes and/or the city delivery/rural/HCR carriers are located at [for PO boxes] or depart [for carriers] from that single building? If not, please explain.

RESPONSE:

Given the depth and breadth of the Postal Service's delivery operations, the Postal Service operates delivery functions under a variety of models. In the majority of cases, the box section for post office box service and the in-office areas dedicated to city delivery, rural, and highway contract route (HCR) carriers are located in a single building. In other instances, the post office box section is located in a separate facility from the facility from which city delivery, rural, and/or HCR carriers depart to deliver the mail to customers receiving mail along delivery routes. The locations of the post office box sections and carrier delivery operations are made by the Postal Service on a case-by-case basis depending upon the delivery requirements of the geographic area in question.

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DBP/USPS-T1--7. On page 12 you indicate that the mailpiece will be left at the addressee's location. Why is the delivery of a CMM any different than a non-CMM piece. If a customer pick-up notice is required for a similarly sized mailpiece, why is a notice left for the non-CMM piece while the CMM piece is left?

RESPONSE:

The proposed requirement for the use of the carrier release marking on Customized MarketMail (CMM) mail pieces will enable carriers to deliver CMM pieces on the first delivery attempt, subject to carrier release guidelines. Without the carrier release marking, if the piece does not fit in the receptacle and the customer is not home, the carrier would likely have to leave a delivery notice requesting that the recipient travel to the station to retrieve the CMM piece. Because it is believed that customers would not want to incur the time and expense of traveling to a delivery unit to retrieve a piece of advertising mail, the product description has incorporated features that eliminate most handling procedures after the first delivery attempt. If the carrier is unable to make a delivery on the first attempt, the piece would be returned to the delivery unit for destruction. Thus, the use of a carrier release benefits not only the recipient, but also the advertiser, since the advertiser would not ordinarily want customers to be inconvenienced.