

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

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EXPERIMENTAL PARCEL RETURNS SERVICES

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Docket No. MC2003-2

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS GULLO TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T1-37-39(a)-(e))

The United States Postal Service hereby files the response of witness Gullo to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T1-37, filed on June 12, 2003, and OCA/USPS-T1-38-39(a)-(e), filed on June 13, 2003. Interrogatory OCA/USPS-T1-39(f) was redirected to witness Eggleston.

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

Scott L. Reiter  
Attorney

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2999; Fax -5402  
June 23, 2003

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TO INTEROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-37. Please refer to the testimony of witness Eggleston, USPS-T-3 at page 8, lines 13 – 18.

- a. Please explain the rationale for making two active scans on RDU parcels, but making no active scans on non-machinable RBMC parcels.
- b. How many passive scans are machinable RBMC parcels likely to receive?
- c. Please explain what use the Postal Service, shippers, and/or consumers will make of scanned information.

RESPONSE:

- a. The rationale for making two active scans on RDU parcels is based on the rate structure and operational differences between the RDU and RBMC service. The RDU volumes available at individual offices are expected to be sparse, and based on a weekly pick up requirement, shippers or agents need a notification mechanism to alert them of available parcels. This information will come from the scans performed at the RDU and will be communicated to the shippers or agents through an electronic file made available three times daily. This information would also be used to generate the payment manifest for the shipper or agent. The RBMC volumes are expected to be more substantial and require the shipper or agent to pick up parcels every 48 hours. This negates the need for identifying the availability of parcels at the RBMC. Additionally, the shipper or agent is responsible for manifesting the parcels for payment eliminating the need to scan each individual parcel for this purpose.
- b. I have been informed that an RBMC machinable parcel would receive 1 – 2 passive scans based on whether the parcel is sorted to the returns run-out on the primary or secondary parcel sorting machine.
- c. As described on page 15 of my testimony, USPS-T-1, the data collected from these parcels would be used by the Postal Service for evaluating the experiment,

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payment manifesting, and to develop reports to be provided to the Postal Rate Commission during the experiment. It is my understanding that shippers will use the information for customer service and accountability for the returns.

Additionally, we would make the information available to consumers to track the status of their returns.

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OCA/USPS-T1-38. You explain in your testimony at pages 3-4 that shippers or agents using Parcel Return Services will be responsible for creating return labels for returning parcels.

- a. Please confirm that the return labels will be provided to the consumer when the product is shipped. In not, please explain.
- b. Please confirm that the Postal Service does not intend to require a return label to be used for a return within a certain period of time.
- c. Please explain how the Postal Service will handle the storage and delivery of RDU parcels returned to the RDU after the shipper has terminated regular deliveries or pickups at the RDU addressed.
- d. Please explain how the Postal Service will handle accounting and collecting for postage for return parcels addressed to RDUs received after the shipper's annual accounting and permit fees have expired and the shipper no longer maintains a Centralized Account Processing System (CAPS) account.
- e. Please explain how the Postal Service will handle the storage and delivery of RBMC parcels returned to the RBMC after the shipper has terminated regular deliveries or pickups at the RBMC addressed.
- f. Please explain how the Postal Service will handle accounting and collecting for postage for return parcels addressed to RBMCs received after the shipper's annual accounting and permit fees have expired and the shipper no longer maintains a Centralized Account Processing System (CAPS) account.

RESPONSE:

- a. The labels may be provided to the consumer in a variety of ways. They may be included with the shipment, mailed to the consumer upon request, or in some instances downloaded and printed from the Internet.
- b. Confirmed.
- c-f. Each participant would be required to provide the Postal Service with a list of their clients and how to identify them by the Mailer ID on the Parcel return Services label. In the event that a participant terminates pickup of return parcels addressed to them and/or their annual accounting and permit fees have expired and/or the shipper no longer maintains a Centralized Account Processing System (CAPS) account, the Postal Service will make every effort to reship the parcels to the customer identified by the label. The customer will be charged the

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appropriate Parcel Post or Bound Printed Matter rate based on the weight and zone calculation.

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OCA/USPS-T1-39. Your testimony at page 7, lines 15-16, indicates RDU return parcels will be captured at the post office identified on the return label.

- a. Please explain in more detail how the return parcels entered into collection boxes within the area of the RDU addressed will be culled from the mailstream at the RDU.
- b. Will the Postal Service reserve the right to approve or reject the use of a specific delivery unit for RDU service?
- c. Will the Postal Service be notified of all delivery units and BMCs for which return address labels have been distributed?
- d. Please indicate whether, at those RDUs with outstanding return labels, an additional mail processing step will be required to manually identify each RDU return piece among the incoming parcel and flat collection mail.
- e. Please indicate whether, currently at delivery units, all collection parcel and flat address labels are manually reviewed for any purpose.
- f. Please indicate whether the cost of reviewing each incoming piece of parcel and flat collection mail to locate each RDU piece from among the collection mail is included in the cost analysis for Parcel Return Services.

RESPONSE:

- a. Consistent with existing practice, parcels placed into a collection box will not be culled from the mailstream. In general, the only consistent form of culling during collection is by mail processing category. The address labels are not manually reviewed unless required for determining the processing category of the parcels.
- b. Yes.
- c. Participants will be required to provide the Postal Service with a list of all RDU and RBMC locations where they plan to pick up parcels.
- d. As stated in part (a) of this response, collection box mail would not be culled and therefore would not require an additional mail processing step.
- e. As stated in part (a), the only consistent form of culling during collection is by mail processing category. The address labels are not manually reviewed unless required for determining the processing category of the parcels.
- f. Redirected to witness Eggleston USPS-T-2.

## **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.

Scott L. Reiter

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Washington, D.C. 20260-1137  
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