

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS PLUNKETT TO INTERROGATORIES OF
DOUGLAS F. CARLSON
(DFC/USPS-T40-7-9, AND 13-15)

The United States Postal Service hereby provides responses of witness Plunkett to the following interrogatories of Douglas F. Carlson: DFC/USPS-T40-7-9, and 13-15, filed on August 29, 1997. Interrogatories DFC/USPS-T40-10-12 were redirected to witness Needham.

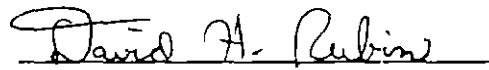
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


David H. Rubin

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September 8, 1997

**RESPONSE OF POSTAL SERVICE WITNESS PLUNKETT TO
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DFC/USPS-T40-7. Please explain the rationale for DMM section § S915.1.2, which restricts the availability of return-receipt service to Express Mail and mail sent certified, COD, insured for more than \$50, or registered.

DFC/USPS-T40-7 Response:

Return receipt service is not designed as a stand alone service, but instead is used in conjunction with other "accountable services" for which unique identifiers are assigned and delivery records are maintained. Delivery records, in conjunction with unique identifiers, are of particular importance when customers request duplicate return receipts and return receipts after mailing, neither of which could be provided in the absence of a delivery record.

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DFC/USPS-T40-8. Please explain the rationale for requiring a person who, at the time of mailing, desires only a return receipt showing proof of delivery of a First-Class letter to purchase either certified mail, which provides proof of mailing and a record of delivery at the delivery post office, or another of the special services listed in DMM § S915.1.2.

DFC/USPS-T40-8 Response:

See the response to DFC/USPS-T40-7, concerning the delivery record feature of return receipt service. Although one could argue that customers who are willing to forgo the opportunity to purchase duplicate return receipts or return receipts after mailing would benefit from availability of return receipts without a delivery record, it is likely that the costs of such a product would be greater than that for the current return receipt service. Currently, the costs of creating the delivery record required for return receipts are attributed to the special services listed in DMM S915.1.2, and not to return receipt service. In the absence of these special services, costs such as the cost of having the carrier wait for the recipient to come to the door to sign the return receipt, would need to be added to the costs of providing return receipt service.

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DFC/USPS-T40-9. Please provide the cost of each element or activity related to return receipt for merchandise (I am seeking information that is similar to the information that you provided in Attachment to DFC/USPS-T40-5).

DFC/USPS-T40-9 Response:

The attachment to DFC/USPS-T40-5 provides the requested costs for return receipt for merchandise service, which include all of the costs for return receipt service, plus an additional cost presented in line 1B.

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DFC/USPS-T40-13. Please refer to DMM § S917.2.3(f). For which situation is the cost of providing return receipt for merchandise service lower: (1) A customer is not home, but the sender signed the waiver on Form 3804, so the delivery employee signs for the article on the first delivery attempt; or (2) A customer is not home and the sender did not sign the waiver on Form 3804, so the Postal Service must make another delivery attempt or hold the article for pickup at the post office. Please explain your answer in detail and quantify cost information.

DFC/USPS-T40-13 Response:

While these costs have not been studied, it appears that the costs for situation (1) would in general be lower.

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DFC/USPS-T40-14.

- a. Please provide the percentage of articles sent via return receipt for merchandise for which the sender signed the waiver on Form 3804.
- b. Please provide the percentage of articles sent via return receipt for merchandise for which the delivery employee signed for the article on the first delivery attempt because the addressee or his agent was not available to accept the shipment. (Assume that the sender signed the waiver on Form 3804.)

DFC/USPS-T40-14 Response

a and b. The Postal Service does not track the number of instances where senders waive the signature requirement, or the number of instances in which the employee signs for the article.

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DFC/USPS-T40-15. Please refer to your response to DFC/USPS-T40-1.

a. Would it be reasonable to conclude that, in a significant number of the instances in which a sender elects to use return receipt, the relationship between sender and recipient is something less than cordial or that the recipient may benefit from the provision of faulty information about date of delivery? If not, please explain.

b. At least in those instances in which the recipient may benefit from provision of faulty information about the existence or date of delivery, does the fact that the Postal Service retains possession of the mail piece until the recipient signs the Form 3811 return receipt contribute significant value to return-receipt service? If not, please explain.

c. At least in those instances in which the recipient may benefit from provision of faulty information about the existence or date of delivery, does the fact that the Postal Service acts as a disinterested third party in confirming the date on which an article was delivered and the address of delivery contribute significant value to return-receipt service? If not, please explain.

d. Please confirm that the Postal Service either places the date of delivery on the Form 3811 return receipt or, if the recipient has already placed the date of delivery on the Form 3811, verifies the accuracy of the date of delivery. If you confirm, does this practice contribute significant value to return-receipt service? Please explain.

DFC/USPS-T40-15 Response:

a. This may be the case for some proportion of these transactions, but it need not be true for all transactions.

b. While I am unaware of any attempt to quantify the value customers derive from this aspect of return receipt service, I believe it is reasonable to conclude that there is some value associated therewith.

c. See the response to subpart b.

d. Confirmed. See the response to part b. The Postal Service in this case acts as a disinterested third party, thus adding value to return receipt service.

DECLARATION

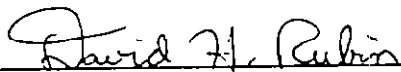
I, Michael K. Plunkett, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


MICHAEL K. PLUNKETT

Dated: 9/8/97

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

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