

DOCKET SECTION

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 SHARKEY TO INTERROGATORIES OF  
DAVID B. POPKIN  
REDIRECTED FROM WITNESS USPS  
(DBP/USPS-T8[I][Q][S][T][V][W], 39[A-J][R], 53, 56)

The United States Postal Service hereby provides responses of witness Sharkey to the following interrogatories of David B. Popkin: DBP/USPS-T8[i][q][s][t][v][w], 39[a-j][r], 53, 56, filed on September 10, 1997, and redirected from witness USPS.

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

  
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September 29, 1997

Response of Postal Service Witness Sharkey to Interrogatories of David B. Popkin

DBP/USPS-8 [i] Enumerate and explain the level of service that I would receive for each of the two articles referenced in subpart g if they are destined to an overnight delivery area. [q] Is there a separate mail processing system for Priority Mail [as opposed to that used for the other two subclasses]? [s] Since Priority Mail is being advertised as having a two- to three-day delivery standard, is there any Priority Mail which is designed to be delivered overnight? [u] If not, why would a mailer utilize Priority Mail for an article weighing 11 ounces or less which was destined for the overnight First-Class Mail delivery area? [v] Are there any plans to improve the delivery standards for Priority Mail? [w] If so, explain and elaborate.

**Response:**

- i. The goal of the operating plan is to provide overnight delivery to each article.
- q. Yes.
- s. Yes.
- t. There may be a number of reasons why a mailer might send such a piece Priority Mail. A mailer might decide to send an article weighing less than 11 ounces or less to use a flat rate envelope, delivery confirmation, pickup service, the image of Priority Mail to impress the addressee or to avoid having to weigh and rate pieces separately between the two categories, particularly if 11 ounce pieces are a small portion of the total mailing.
- v. I am not aware of any current plans to redefine Priority Mail service standards.
- w. Not applicable.

DBP/USPS-39 Refer to your response to UPS/USPS-T33-11[a] and explain [a] the logic behind and the cost data which requires that the jump from 29 to 30 pounds in the Local/Zones 1-3 rate is only 25 cents while all other one pound changes between 10 and 70 pounds are 40 to 50 cents. [b] Same as subpart a, except Zone 5 and 20-21 pounds is 5 cents while 7 to 70 pounds is 75-85 cents. [c] Same as subpart a, except Zone 7 and 9-10 pounds is 90 cents while 8 to 70 pounds is \$1.00-\$1.05. [d] Refer to your response to UPS/USPS-T33-11[b] and explain the logic behind and the cost data which requires that the jump from 6 to 7 pounds for Same Day Airport is only \$1.00 while all other one pound changes between 6 and 31 pounds are \$1.25. [e] Same as subpart d except for Custom Designed where there are numerous unequal cells, including specifically 1-2, 4-5, 5-6, 16-17, 20-21, 21-22, 22-23, 28-29, 29-30, and 50-51 pounds which do not follow in a uniform manner. [f] Same as subpart d except for PO to PO and 5-6, 13-14, 19-20, 20-21, 40-41, 41-42, and 46-47 pounds. [g] Same as subpart d except for PO to Addressee and 9-10, 14-15, 19-20, 39-40, and 46-47 pounds. [h] Explain why the variations between the four types of Express Mail do not all occur at the same weight changes. [i] Wouldn't the rates for Priority Mail and Express Mail be clearer and more understandable if there was a uniform variation for each of the one pound changes in weights [other than the need to uniformly transition in the Priority Mail from the unzoned two to five pound rates and the zoned rates above five pounds]? [j] If not, explain why not. [r] Same as subparts p and q except with respect to adjusting the Priority Mail rates.

Response:

- a. The 25 cents transitions the markup to 120 percent.
- b. See response to a.
- c. See response to a.
- d. The \$1.00 jump is to keep the markup below 130 percent.
- e. The unequal additional pound charges are necessary to keep rate increases below 11 percent and, in some cases to lower rates, in order to keep markups a reasonable levels.
- f. See response to part e.
- g. See response to e.
- h. The variations do not all occur at the same rate changes because the adjustments required to keep the rate increases below 11 percent and the markups within reasonable limits did not come into play at the same weight steps for each service.
- i. A uniform variation in cost for each of the one pound changes in weight would be a requirement if the rates were administered on a formula basis. This is not the case

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for Priority Mail. I agree that a uniform variation in cost for each of the one pound changes in weight would be clearer and more understandable but given the desire to moderate rate increases, keep markups within reason and the need to maintain a progression of rates across the Express Mail service offerings a uniform variation design is unattainable.

j. See i.

r. No.

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DBP/USPS-53 [a] Confirm, or explain if you are not able to do so, that under the proposed regulations if I have merchandise weighing under eleven ounces that I may either utilize First-Class Mail or Priority Mail. [b] Confirm, or explain if you are not able to do so, that under the proposed regulations if I have merchandise weighing between eleven and sixteen ounces that I must utilize Priority Mail. [c] Confirm, or explain if you are not able to do so, that under the proposed regulations if I have merchandise weighing over sixteen ounces that I may either utilize Standard Mail [B] or Priority Mail. [d] Confirm, or explain if you are not able to do so, that a comparison of all of the characteristics of Standard Mail [B] vs. Priority Mail, will show that, neglecting the price, Priority Mail will always be equal to or better than Standard Mail [B], i.e., the delivery standard for Priority Mail is faster, any parcel between 1 and 70 pounds may be sent by either service with the same level of preparation, the place of mailing is either the same or better for Priority Mail, Priority Mail will have free forwarding and return, etc.

**Response:**

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Confirmed.

DBP/USPS-56 [a] Confirm, or explain if you are unable to do so, that the Postal Service instituted on August 16, 1996 mailing restrictions for domestic packages weighing 16 ounces or more and restricting deposit into collection receptacles. [b] Confirm, or explain if you are unable to do so, that these regulations were promulgated to enhance airline security measures. [c] Confirm, or explain if you are unable to do so, that the Federal Register [61FR52702] implementing these changes stated, "Any affected package weighing 16 ounces or more that requires air transportation and that is deposited into a collection receptacle will be returned to the sender.....". [d] Confirm, or explain if you are unable to do so, that mail weighing 16 ounces or more which is paid with postage stamps and which does not require air transportation may be deposited in collection boxes. [e] Confirm, or explain if you are unable to do so, that collection boxes may be utilized for the deposit of any of the categories of Standard Mail [B] parcels, regardless of their domestic destination, and Priority Mail which is destined to an area which will receive surface transportation even though the postage has been paid with postage stamps and the article weighs 16 ounces or over. [f] Explain why the wording in DMM Section D100.2.0 appears to restrict the deposit in collection boxes to all Priority Mail, 16 ounces or more and paid with postage stamps, *regardless of whether it will receive surface or air transportation*. [g] Explain why Priority Mail, which would normally require air transportation, will automatically be returned to the sender rather than just forwarding it by surface transportation. [h] Wouldn't it provide a better level of service if the time differential between air and surface transportation was taken into account in determining whether to ship the parcel by surface or return it to the sender, particularly, if there was no return address? [i] If not, explain. [j] What is the logic in returning a parcel to a sender only to have the sender hand the parcel right back to the carrier? [k] Is a parcel which has both a meter stamp and adhesive postage stamps on it subject to these regulations? [l] Is a parcel subject to these regulations when it is either forwarded or returned to sender, regardless of the method by which the postage was originally paid?

**Response:**

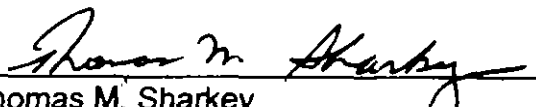
- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Confirmed.
- e. Confirmed for Standard (B) mail. Not confirmed for Priority Mail.
- f. The DMM language reflects the policy as discussed in part g.
- g. Diverting the mail to surface transportation would be a costly operation and provide a level of service much lower the customer may have expected.

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- h. Rather than divert the piece to surface transportation it is probably better to return the piece in most cases so the sender is informed.
- i. Not applicable.
- j. So the customer is informed as to his or her options including perhaps sending the item via a private operator.
- k. No.
- l. Yes.

# DECLARATION

I, Thomas M. Sharkey, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

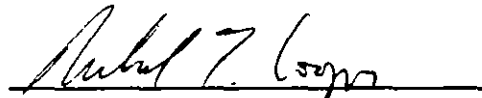
  
Thomas M. Sharkey

Dated: 9/29/17



## 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.

  
Richard T. Cooper

475 L'Enfant Plaza West, S.W.  
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September 29, 1997