

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

EXPERIMENTAL PRIORITY MAIL FLAT-RATE
Box, 2004

Docket No. MC2004-2

TESTIMONY OF
DANIEL J. BARRETT
ON BEHALF OF
THE UNITED STATES POSTAL SERVICE

CONTENTS

AUTOBIOGRAPHICAL SKETCH.....	1
I. PURPOSE OF TESTIMONY.....	3
II. THE PRIORITY MAIL FLAT-RATE BOX WILL PROMOTE RATE SIMPLICITY AND CUSTOMER CONVENIENCE.....	3
III. CHARACTERISTICS OF THE FLAT-RATE BOX.....	4
A. BOX SPECIFICATIONS.....	4
B. PRINTING.....	6
IV. HOW TO ACCESS AND USE THE FLAT-RATE BOX.....	6
A. THE FLAT-RATE BOX WILL BE WIDELY AVAILABLE.....	6
B. PAYMENT AND APPLICATION OF POSTAGE.....	7
C. MAILING THE FLAT-RATE BOX.....	7
D. RELATIONSHIP TO OTHER PACKAGING MATERIALS.....	8
V. CONCLUSION.....	8

AUTOBIOGRAPHICAL SKETCH

1 Since May of 2002, I have held the title of Manager, Expedited Packaging
2 Supplies, Package Services Department, United States Postal Service. My
3 official duty station is at 475 L'Enfant Plaza, SW; Washington, DC 20260. In this
4 position, I oversee a series of marketing-related functions pertaining to the
5 assortment of packaging materials provided to customers for use with Express
6 Mail and Priority Mail. Among my duties is to manage the production of these
7 packaging materials and the way these supplies are offered to Postal Service
8 customers. Prior to serving in this capacity, I held the title of Marketing Specialist
9 in the Postal Service's Retail Marketing department. This was my first position
10 upon joining the organization in 1998.

11 I began my full-time career in sales with Wallace Computer Services, Inc., a
12 publicly traded manufacturer of printing, mailing, and information management
13 products and services, staying with them from 1994-96, and rejoining them in
14 1997-98. Wallace generated over \$1.6 billion in sales in 1998, and has since
15 become part of RR Donnelly, a major printing, warehousing and logistics
16 provider. My experience with Wallace provided me with knowledge of the
17 standards and practices, as well as the technical processes, used within the
18 printing industry.

19 Between stints with Wallace, I accepted a sales position with Jarrett
20 Industries of the Carolinas, a small, privately owned reseller of packaging
21 materials. This position strengthened my knowledge of standards and practices

1 used in printing, and afforded me with an understanding of processes used
2 specifically within the packaging industry.

3 I received my Master's degree in Business Administration from Johns
4 Hopkins University of Baltimore, MD in May 2002. I also hold a Bachelor of
5 Science in Marketing Management from Virginia Polytechnic Institute & State
6 University in Blacksburg, VA, which I received in 1994.

1 **I. PURPOSE OF TESTIMONY**

2 The purpose of my testimony is to support Postal Service efforts to enhance
3 customer convenience through the experimental introduction of two “Flat-Rate
4 Box” options in Priority Mail. I will describe key characteristics of the new service
5 options, as well as the channels through which these options would be offered to
6 Postal Service customers and entered into the mail stream.

7 **II. THE PRIORITY MAIL FLAT-RATE BOX WILL PROMOTE RATE**
8 **SIMPLICITY AND CUSTOMER CONVENIENCE**

9
10 The Postal Service recognizes that many of its customers seek simplicity and
11 convenience when sending a package. At a time when more Americans are
12 spending more time at work, time is truly of the essence. For these customers,
13 products that are easy to access and simple to use provide real value. The “Flat-
14 Rate Box”, proposed as an additional Priority Mail service option, would meet this
15 important customer need, providing enhanced simplicity and convenience.

16 Much like the Flat-Rate Envelope offered since 1991, the Flat-Rate Box would
17 afford customers a single, predetermined rate regardless of the actual weight or
18 destination zone of the mail piece. By eliminating the need for postage
19 calculation based upon these two variables, which are often unknown to
20 customers and may take time and energy to determine, the Postal Service hopes
21 to create a simpler, less time-consuming transaction – a transaction that makes
22 Priority Mail packages easier to mail than ever before.

23 By creating a simplified transaction, the Postal Service also hopes to make it
24 easier for retailers, contract postal units, and individuals or small businesses
25 selling merchandise online to offer Priority Mail to their customers. Those selling

1 merchandise online might see value in the ability to communicate exact shipping
2 costs to customers in advance and up front. In short, the convenience of the
3 Flat-Rate Box is compatible with both the traditional and the alternate channels of
4 access to postal services.

5 The combination of the Flat-Rate Box and the variety of access channels and
6 postage payment options may make a special trip to the post office unnecessary
7 in many cases – thus saving customers' time.

8 Overall, the "Flat-Rate Box" concept represents an opportunity for the Postal
9 Service to enhance value for convenience-oriented customers, especially
10 consumers and small businesses who may not wish to calculate rates using zone
11 charts or scales, by simplifying its rating procedure to make Priority Mail service
12 easier to use.

13 **III. CHARACTERISTICS OF THE FLAT-RATE BOX**

14 The following addresses the production specifications of the proposed Priority
15 Mail Flat-Rate Boxes. The importance of these specifications is that they
16 determine box strength, and therefore affect the amount of mailable material that
17 can be accommodated, while ensuring safe delivery. Also of note is the nature of
18 the printed language on the box itself. Such language will instruct the customer
19 on how to use the box and clearly notes mail entry restrictions.

20 **A. Box Specifications**

21 Two corrugated fiberboard boxes are proposed. The outside dimensions of
22 the two options are 14" x 12" x 3.5" and 11.25" x 8.75" x 6" respectively, equating
23 to inside dimensions (available packing space) of 13.25" x 11.75" x 3.25" and 11"

1 x 8.5" x 5.5". The two box sizes will have the same cube (0.34 cu. ft.), and will
2 therefore afford the same amount of packing space to customers. The two
3 different shapes are intended to accommodate a variety of possible items, and
4 were chosen in part based on their relative similarity to corrugated box items that
5 have proven popular with Priority Mail customers in the past. For instance, the
6 longer, shallower, box might be particularly suitable for garments, while the taller
7 box would accommodate shoes or other items too tall to fit in the "garment" box.

8 One of the two boxes will be constructed as a regular slotted container, while
9 the other will be produced with full overlapping closure flaps and a 'self-sealing'
10 feature achieved through the application of pressure sensitive transfer tape.

11 Both items will be manufactured using 32# edge crushed test board, the same
12 material currently used to construct most Postal Service-provided Priority Mail
13 boxes. Again, these specifications are in line with those used on most Priority
14 Mail boxes offered today to Postal Service customers. Therefore, in terms of
15 protecting the items mailed, the Flat-Rate Boxes are expected to perform equally
16 well.

1 **B. Printing**

2 The boxes will be printed in three colors using flexography – the same
3 technique used for current Priority Mail boxes. Language printed directly on the
4 box will communicate instructions for use, as well as entry options, with specific
5 attention to mail entry limitations due to aviation security.

6 **IV. ACCESS AND USE OF THE FLAT-RATE BOX**

7 There are three main considerations in the discussion of ‘access’ to the Flat-
8 Rate Box offering—obtaining the product to use in mailing, selecting a method of
9 payment, and entering the item into the mail stream. All three are important
10 facets of the convenience the Postal Service seeks to create, and will be
11 discussed here.

12 **A. The Flat-Rate Box Will Be Widely Available**

13 The Flat-Rate Box packaging will be made available via multiple channels.
14 Post offices are expected to remain the primary contact point for consumers and
15 small business customers, providing local access for the core product
16 applications of correspondence and transaction mailing, and domestic and
17 international package shipping, among other services. The Postal Service has
18 an extensive network of over 33,000 retail locations, which provide access to
19 postal services to the estimated seven million customers that visit them each
20 day. The Postal Service also plans to make the new Flat-Rate packaging
21 available along with existing packaging options via the Internet at
22 www.usps.com/shippingsupplies.

23

1 **B. Payment and Application of Postage**

2 The second facet of use, postage payment, may be conducted via any
3 existing means of payment including stamps or electronic postage. Stamps may
4 be purchased from a variety of outlets — via retail locations such as post offices,
5 contract postal units, and third-party retailers participating in the ‘stamps on
6 consignment’ program, via self service (vending), by mail order, or online at
7 usps.com.

8 The Jefferson Memorial stamp released on July 7, 2002 is a \$3.85
9 denomination. Therefore, two of these stamps would exactly cover the postage
10 required for the proposed \$7.70 rate for the Flat-Rate Box – a simple and
11 convenient way to pay postage.

12 Alternatively, electronic postage could also be obtained online, and meter
13 technology could be used where available.

14 **C. Mailing The Flat-Rate Box**

15 The final component of access deals with the completion of the mailing –
16 entry of the item into the mail stream. In today’s business environment with new
17 concerns about the safety of the mail, security considerations are a focal point.
18 To ensure the safety of customers, Postal Service employees, and the traveling
19 public, new measures have been adopted. Priority Mail packages bearing
20 stamps and weighing 16 ounces or more may not be placed in a collection box.
21 These items must be entered at the post office, or may be picked up by a Postal
22 Service letter carrier from the home or place of business if the customer is a
23 ‘known mailer’ and the return address on the package matches the location of

1 pick-up. While the Flat-Rate Box offers convenience as described in my
2 testimony, it will be subject to the same security guidelines that apply to the
3 mailing of other Priority Mail packages.

4 **D. Relationship to Other Packaging Materials**

5 The Postal Service offers customers a range of standard packaging materials
6 for use with Priority Mail. These items will continue to be produced and offered
7 to customers, in addition to the Flat-Rate Box items, as another possible option
8 for use with Priority Mail.

9 **V. CONCLUSION**

10 Overall, the Flat-Rate Box is an effort on the part of the Postal Service to
11 make its expedited services easier to use for its customers. By promoting rate
12 simplicity and enhanced access, the Postal Service believes it can enhance
13 customer value, especially for convenience-oriented customers. With wide
14 availability, multiple options for postage payment, and convenient methods of
15 mail entry, the Postal Service believes the Flat-Rate Box options [have](#) the
16 potential to offer significant new convenience and ease of use to our customers.
17