

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268B0001

EXPERIMENTAL PRIORITY MAIL FLAT-RATE
Box, 2004

Docket No. MC2004-2

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS DANIEL J. BARRETT
TO INTERROGATORIES OF DAVID B. POPKIN
REDIRECTED FROM WITNESS SCHERER
(DBP/USPS-T1-1, 4a, 5bcd)
(July 7, 2004)

The United States Postal Service hereby files the responses of witness Daniel J. Barrett to the following interrogatories of the Office of the Consumer Advocate: DBP/USPS-T1-1, 4a, 5b, c, and d, filed on June 21, 2004. These interrogatories were redirected from witness Scherer.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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RESPONSE OF POSTAL SERVICE WITNESS BARRETT
TO DAVID B. POPKIN INTERROGATORIES REDIRECTED
FROM WITNESS SCHERER

DBP/USPS-T1-1. In your response to Interrogatory DBP/USPS-T2-11 subpart h, you indicate that you were not aware of any customer confusion. Please redirect this subpart to the United States Postal Service for an institutional response from any qualified individual.

RESPONSE:

I am aware of some anecdotal reports of confusion relating to the two very similar Postal Service-provided 9.5" x 12.5" paperboard Priority Mail envelopes (one a flat-rate Priority Mail envelope, the other a weight-and-zone-rated Priority Mail envelope). The confusion related to the difference between the two, which, after June 30, 2002, bore the same rate at one pound or less. In some cases, when the weight exceeded one pound, the non-flat rate envelope could be charged more. Ultimately, the Postal Service decided to eliminate the weight-rated envelope, and stock only the flat-rate envelope.

It is possible that there were misunderstandings regarding the uses of the two envelopes prior to June 30, 2002, when the two-pound rate applied to the flat-rate envelope, creating situations where the flat-rate envelope could have cost more than the weight-rated envelope for the same contents. I do not know how widespread any such potential confusion may have been, nor do I know of anyone who has studied such confusion.

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DBP/USPS-T1-4.

[a] Please advise the types of sophisticated mailers and the perceived conveniences you believe that they will have which will cause them to choose to utilize a flat-rate box when the postage for its use will be greater than the non-flat-rate postage.

RESPONSE:

[a] I have not studied or defined mailer sophistication. There are many possible sources of perceived convenience that might cause a mailer to choose the flat rate box when the postage for its use is greater than a weight-and-zone-rated alternative. Among them are rate certainty (especially useful to sellers of merchandise and their customers, who might value knowing shipping costs in advance), rate simplicity (no need for a scale), and the functional usefulness of the packaging.

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DBP/USPS-T1-5.

[b] Please advise the sources that an unsophisticated mailer will have to obtain a USPS box of the flat-rate box size for use in shipping an article by Priority Mail.

[c] Please provide your best estimate as to the percentage of the total that each of the sources will represent.

[d] Please provide the information the Postal Service will provide with each of these sources to allow the mailer to make an educated decision as to whether to choose a flat-rate box or a similar sized non-flat-rate box.

RESPONSE:

[b] I have not studied or defined mailer sophistication. All mailers will be afforded access to the flat-rate boxes as described in my testimony.

[c] I have no basis for estimating the percentage of total usage by “unsophisticated” customers attributable to each of these channels.

[d] At this time, the Postal Service’s plan for messaging to the public has not been finalized. A communications plan will be developed based, in part, on the outcome of this proceeding, when all details of the offering itself are known and final.

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

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