

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

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 (DBP/USPS-T2-14-18)
(July 7, 2004)

The United States Postal Service hereby files the response of witness Daniel J. Barrett to the following interrogatories of David B. Popkin:

DBP/USPS-T2-14-18, filed on June 21, 2004. Objections were filed to interrogatories DBP/USPS-T2-13 and 19.

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

Richard T. Cooper

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2993; Fax -5402

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

DBP/USPS-T2-14 In your response to Interrogatory DBP/USPS-T2-7, you discuss the mail security protocol. Please provide a full discussion of the mail security protocol that applies to the mailing of all categories of Priority Mail including the Flat Rate Box. Please provide copies of any directives, posters, etc. as well as any DMM or POM references.

RESPONSE:

I am not at liberty to provide a detailed and exhaustive discussion of the Postal Service's mail security protocol, because to do so might compromise the very security that the protocol is designed to promote. However, I have provided a description that I believe is sufficient to enable the Commission to evaluate the Postal Service's flat-rate box proposal, which, itself, does not involve any unique security restrictions. As I have stated elsewhere, certain security limitations apply to packages weighing 16 ounces or more, bearing postage in the form of stamps. See my responses to OCA/USPS-T2-2, and OCA/USPS-T2-4. My response to OCA/USPS-T2-2 includes applicable DMM provisions, and my response to OCA/USPS-T2-4 includes a 1996 DMM revision relating to packages weighing 16 ounces or more bearing stamps. I have also attached below (1) a warning label found on Postal Service collection boxes that explains limitations on mail permitted to be deposited in such boxes and (2) an explanation included with mail returned to the sender indicating why the mail has been returned. The latter, dated August 1996, does not accurately reflect the applicable standards (which would allow for carrier pickup) and is in the process of being revised. I am not aware of any other pertinent public documents relating to security restrictions applicable to Priority Mail parcels in general.

STOP!

Important Customer Information

Because of heightened security, the following types of mail may not be placed in this receptacle:

All domestic mail, weighing 16 ounces or over, that bears stamps.

International mail and military APO/FPO mail weighing 16 ounces or over.

Please take this mail, in person, to a retail clerk in a post office.

AUG 96 DDD1

Important Customer Information

We regret that your mail is being returned to you because of heightened security measures. All domestic mail, weighing 16 ounces or over, that bears stamps and all international and military APO/FPO mail weighing 16 ounces or over, **MUST** be presented to a retail clerk at a post office. Postage that is affixed to the returned mail may be used for re-mailing the item.

AUG 96 DDD2

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

DBP/USPS-T2-15 In your response to Interrogatory DBP/USPS-T2-11 subpart e, you indicate "N/A". The interrogatory requested that, "If so, provide copies of any directives that were issued during the period of that rate to explain the two types of envelopes and the need for similar availability." Please provide this information.

RESPONSE:

To this point, I have not located any directives responsive to your request. I will continue searching, and provide any I may find. See, however, the attachment to my response to DBP/USPS-T2-16, which, although not directly responsive to your question, may be of interest.

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

DBP/USPS-T2-16 In your response to Interrogatory DBP/USPS-T2-11 subpart f, you indicate that you were not aware of any specific "publicity". Please redirect this subpart to the United States Postal Service for an institutional response from any qualified individual.

RESPONSE:

After further researching this issue within the organization, I became aware of the attached article from the Mailers Companion, February/March 2001 issue. There may have been other such "publicity", but I have not been able to identify it, and, to my knowledge, there is no other individual within the Postal Service who would be more qualified to provide such information.

One-Pound Rate Added to Priority Mail Service

New Classification Means Significant Savings for Documents and Lower-Weight Parcels

Priority Mail service has always been a great value for mailers who need delivery of documents and parcels in two to three days.

And with a new rate of \$3.50 for items weighing one pound or less, the service is even more appealing to mailers who were once (prior to this January's rate implementation) required to pay a minimum two-pound rate regardless of the weight of the mailpiece.

The value, however, doesn't end with the new one-pound rate. The Postal Service still offers the Priority Mail Flat Rate — allowing mailers to ship a package of any weight (provided the shipment does not expand the Flat Rate cardboard envelope beyond its normal design) for the two-pound rate of just \$3.95.

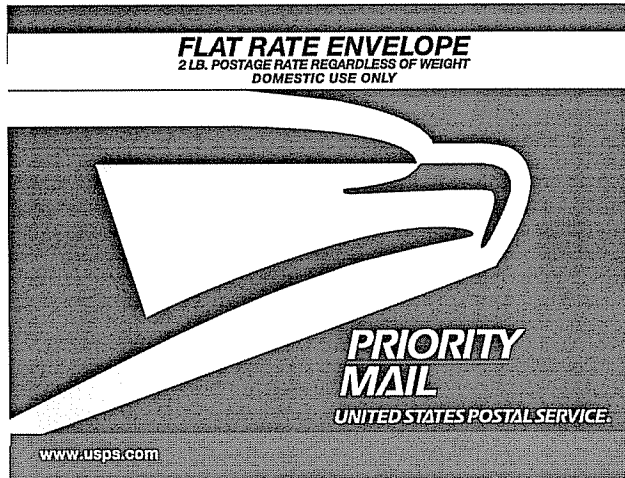
Free Priority Mail shipping supplies, including "documailer" cardboard envelopes, flexible Tyvek® envelopes, tubes and boxes, add yet another valuable service offering related to Priority Mail.

It's important that mailers who want to take advantage of the new one-pound rate use the proper packaging.

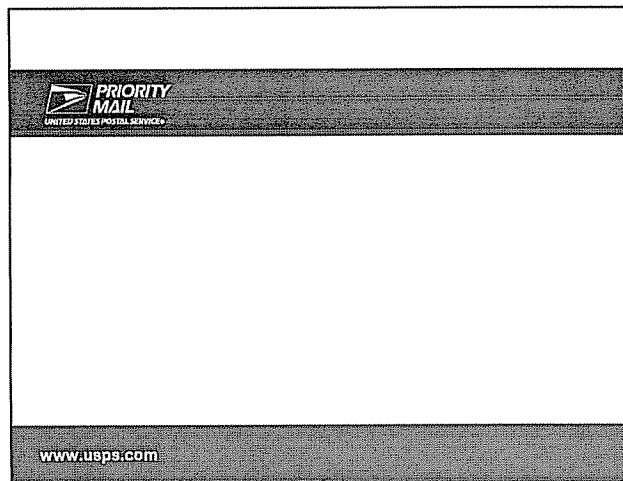
The supplies can be shipped to mailers through requests via a toll-free telephone number or through the Internet (*see story on page 3*).

The Postal Service saw the new rate as an opportunity to enhance the service and offer an even more competitively priced expedited offering to mailers.

When ordering supplies and mailing items using the Priority Mail service, it's important that mailers who want to take advantage of the new one-pound rate use the proper packaging. Any mail shipped in Priority Mail Flat Rate



Using the Flat Rate cardboard envelope allows mailers to ship a package of any weight for the two-pound rate, provided the shipment does not expand the envelope beyond its normal design. Two-pound postage of \$3.95 must be applied when using this envelope.



To take advantage of the new \$3.50 one-pound Priority Mail rate, mailers must use the new weight-rated Priority Mail cardboard "documailer" envelope, other Priority Mail weight-rated packaging, or their own packaging that indicates that the package is Priority Mail. The item must weigh one pound or less.

envelopes must have the \$3.95 two-pound postage applied.

Weight-rated packaging such as the Tyvek® Priority Mail envelope and the new weight-rated Priority Mail cardboard "documailer" can be used to receive the one-pound rate.

Other benefits still offered by using Priority Mail include no extra charge for Saturday and residential delivery, options for adding Delivery and Signature Confirmation and a pickup fee of just \$10.25 per stop — regardless of the number of pieces being mailed.

Priority Mail Competitive Price Facts

\$3.95 Flat Rate for items of any weight using the Flat Rate envelope.

Unzoned rates starting at:

\$3.50 for up to 1 lb.

And going up to:

\$3.95 for up to 2 lbs.

\$5.15 for up to 3 lbs.

\$6.35 for up to 4 lbs.

\$7.55 for up to 5 lbs.

Delivery includes anyplace in the United States, including Alaska, Hawaii, Puerto Rico, the U.S. Virgin Islands, other U.S. points offshore and military addresses (APOs/FPOs).

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

DBP/USPS-T2-17 In your response to Interrogatory DBP/USPS-T2-11 subpart g, you indicate that you were not aware of any confusion. Please redirect this subpart to the United States Postal Service for an institutional response from any qualified individual.

RESPONSE:

My response did not indicate that I was not aware of any confusion in general—only that I was unaware of any confusion on or around June 1, 2002 which I believe stemmed from “having a flat rate postage that was more than the minimum postage rate.” Based on anecdotal reports, I am aware of some level of confusion toward the two very similar 9.5” x 12.5” paperboard envelopes and the purpose of each, which surfaced as a result of policy changes made in response to the rate change of June 30, 2002. See my response to DBP/USPS-T1-1, redirected from witness Scherer.

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

DBP/USPS-T2-18 In your response to Interrogatory DBP/USPS-T2-12 you indicate that the Postal Service intends to avoid creating any potential misimpression that the Flat Rate Box would necessarily be a "lowest cost" mailing solution. [a] Will the message to the public indicate that the mailer may be able to save money by NOT utilizing the Flat Rate Box? [b] If not, why not? [c] If so, please provide details.

RESPONSE:

[a]-[c] At this time the Postal Service's plan for messaging to the public has not been finalized. The communications plan will be developed based on the outcome of this case when all details of the offering itself are known and final. Because a communications plan has not yet been developed, I am not prepared to discuss the specific nature of its content.

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.
Washington, D.C. 20260-1137
(202) 268-2993; Fax -5402
July 7, 2004