

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

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EXPERIMENTAL PREMIUM  
FORWARDING SERVICE

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Docket No. MC2005-1

RESPONSES OF UNITED STATES POSTAL SERVICE  
WITNESS ARNETTA L. COBB TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T1-1-13)  
(December 13, 2004)

The United States Postal Service hereby files the responses of witness Arnetta L. Cobb to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T1-1-13, filed on November 29, 2004.

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 COBB  
TO OCA INTERROGATORY

**OCA/USPS-T1-1.** Please refer to your testimony at page 1, line 21. Please explain in more detail your statement that the Postal Service will reshipe the mail for an entire delivery address "for one or more individual addressees." For instance,

- (a) May one person in a household purchase Premium Forwarding Service (PFS) while the remaining persons in the household may continue to receive service at the permanent address?
- (b) Can two or more persons from the same permanent address each purchase a separate PFS for different temporary addresses?
- (c) Have you considered the error rate caused by permitting individual household members to register for individual PFS service and the cost of correcting such errors? If so, please explain.
- (d) How will pieces erroneously forwarded in a PFS box be handled when returned to the Postal Service if (1) they were addressed to another person in the household at the permanent address of the PFS customer and (2) if the pieces were addressed to another household?

**RESPONSE:**

(a)-(b) Please see my response to DBP/USPS-T1-3.

(c) No. This feature of PFS is modeled upon existing forwarding service options, which are available to individuals at an address or the entire family at that address. Postal Service employees are thus experienced in performing such a service feature.

(d) Misdelaivered mail is typically marked up and re-entered into the mail by the customer who receives it.

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**OCA/USPS-T1-2.** Please refer to your testimony at page 2 where you indicate some informal arrangements have guided the definition of PFS.

- (a) Have any of the informal arrangements in some offices and districts included a fee for the arrangement? If so, please explain.
- (b) Please describe the characteristics of the informal arrangements in some offices and districts which differed from the definition finally proposed here for PFS.
- (c) Are these informal arrangements the same arrangements referred to by witness Rothschild in her testimony at page 4, line 19, and page 5, line 3, as the Snowbird program and Snowbird Temporary Forwarding?
- (d) Are these informal arrangements the same arrangements referred to by witness Rothschild in her testimony at page 7 as "Bundled Reshipping?"

**RESPONSE:**

(a) Not to my knowledge. Customers did pay postage in advance for these informal arrangements, either by presenting prepaid Priority Mail Flat Rate envelopes or depositing funds in a postal administered account. In these latter cases, each package is weighed and rated so that the appropriate postage is applied, with the postage amount deducted from the customer's account.

(b) Please see the attachment to DBP/USPS-T1-5, which illustrates how the informal arrangements in two offices have operated. These informal arrangements differ from the proposed uniform service in several ways. For example, customers in one office could choose Express Mail service rather than Priority Mail service, and were required to apply postage to and address the envelopes used for reshipment. This proposed PFS service would replace all informal arrangements with the standardized and simplified service described in Section II of my testimony.

(c)–(d) All of the references to "Snowbird" and "Bundled Reshipping" in witness Rothschild's testimony and library reference refer to these informal

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arrangements; however, I could find no reference on page 5 of her testimony to “Snowbird Temporary Forwarding.” She does use “Snowbird, Temporary Forwarding” on lines 3-4 of page 5 of her testimony, which I understand is a reference to two of the sampling strata that she used.

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**OCA/USPS-T1-3.** Please explain the "Snowbird program" referenced by witness Rothschild on page 4 of her testimony who says she utilized lists of Snowbird program users from post offices in approximately 25 postal districts.

**RESPONSE:**

Please see page 2 of my testimony and my responses to DBP/USPS-T1-5 and OCA/USPS-T1-2.

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**OCA/USPS-T1-4.** Please refer to your testimony at page 2, lines 21-2 [sic], where you state small Priority Mail pieces will be rerouted unless delivery will not be delayed by placing them in the PFS shipment.

- (a) What will be the standard for the number of days Priority Mail pieces may be held for shipment in the PFS box rather than rerouted immediately?
- (b) Will carriers and clerks be made aware of that standard? If so, how?

**RESPONSE:**

(a)–(b) Priority Mail is an expedited service; such pieces would not be held for reshipment if doing so would delay delivery to the temporary address.

Conceivably, only Priority Mail arriving on Tuesdays after dispatch and on Wednesdays prior to PFS dispatch would be held for inclusion in the PFS package. Standard Operating Procedures have not been developed, but would address this situation and provide instructions to clerks and carriers.

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**OCA/USPS-T1-5.** Please refer to your testimony at page 3, line 2, where you indicate packages and parcels will be shipped PFS if they will fit into the Priority Mail packaging size that is "typically used for a customer's PFS shipments...." Otherwise, they will be forwarded (reshipped) postage due at the Priority Mail rate.

- (a) Will the typical size of Priority Mail packaging vary for each customer depending on each customer's average mail volume?
- (b) If a customer typically has a small volume of mail forwarded by PFS and a typical Priority Mail box size is used, and the customer then receives a small package via parcel post that will not fit into the typically used size of Priority Mail box, is it your testimony that the customer will then be required to pay the Priority Mail rate as postage due for the parcel which was originally shipped at parcel post rates? If so, can customers opt to have such packages forwarded at the rate applicable to the original shipping rate rather than the Priority Mail rate in order to save the more expensive cost of Priority Mail?
- (c) If a large catalog does not fit into the PFS box, will it also be reshipped as postage due Priority Mail?
- (d) Can customers with PFS opt out of having to pay for forwarding packages that do not fit into the typical Priority Mail PFS shipment box that would otherwise be forwarded at the postage due Priority Mail rate? Has this issue been explored in the designing the PFS service? If so, please explain the analysis leading to the current proposal.

**RESPONSE:**

(a)-(b) Please see my response to DBP/USPS-T1-2. In situations where a Parcel Post package is not included in the PFS container, the customer would not be able to opt out of that package being sent Priority Mail postage due. My response to OCA/USPS-T1-13 is also applicable here.

(c) As a general rule catalogs should fit inside the PFS package. My response to DBP/USPS-T1-2 is also applicable here.

(d) Customers would not be able to opt out of this feature. This issue was considered in designing PFS. However, PFS is proposed as a simple experiment without the complication of such a feature.

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**OCA/USPS-T1-6.** Please refer to your testimony on page 3 regarding Standard Operating Procedures. Please describe the amount and type of planned training of Sales and Service Associates and carriers that will be required to explain PFS to all customers who inquire about temporary change of address service.

**RESPONSE:**

The plans for and content of any training have not been developed. However, we do not expect that the existence of PFS will trigger any special training for carriers or SSAs. I understand that craft employees are provided training at regular intervals; only the content changes. If a PFS experiment goes forward, some of that content would need to address PFS. In any event, since PFS is conceptually similar to certain aspects of the respective forwarding options as well as hold mail procedures, I do not expect that training will be at all extensive.

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**OCA/USPS-T1-7.** Please refer to your testimony on page 3 regarding the information required to sign-up for PFS. Many times persons moving temporarily on business assignments or extended vacations do not know how long they will be there.

- (a) What provisions in PFS service do you have for such customers?
- (b) What provisions in PFS service do you have for those customers who need to alter their plans and shorten or lengthen their stay and modify the PFS?
- (c) What provisions do you have to refund prepaid PFS money if the service is purchased and the customers' plans are changed slightly or, in some cases, changed significantly? For instance, a planned long winter vacation may be suddenly interrupted by family emergencies early in the vacation.

**RESPONSE:**

Please see my responses to DBP/USPS-T1-12 and 13. Customers would be required to provide a start and an end date for the service. In instances where customers are unsure of their return date, they would nonetheless be required to provide a best estimate and pay for the service based on that estimate.

Customers would be allowed to extend an existing service to the 12-month limit while paying for all additional weeks in advance. Extensions would not require a new enrollment fee. Customers could also shorten a service period and request an appropriate refund, in accordance with existing procedures.

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**OCA/USPS-T1-8.** Please explain why Wednesday was selected as the day of the PFS shipment. Will local post offices be permitted to establish a different shipment day? If so, will the variation depend on the workload of the office or the number of PFS shipments from any particular office or carrier route?

**RESPONSE:**

Wednesday was chosen because 1) delivery units' mail volume is typically heaviest on Mondays and Tuesdays, and 2) Wednesday is a comparatively light processing and delivery day for most offices. A Wednesday shipment date thus allows for customers to receive most of their mail within the same week. In addition, having a designated shipment day standardizes the service and provides customers with predictable and consistent delivery of their mail. I suppose it is possible that a particular office might justify use of a different day; any requests to change the shipment date would be evaluated during the experiment and considered on an individual basis.

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**OCA/USPS-T1-9.** Please explain your testimony at page 6 as to why PFS would not be available to individuals whose primary address is a commercial mail receiving agency (CMRA).

**RESPONSE:**

CMRA customers sign a formal authorization for that CMRA to act as their agent for the purpose of receiving mail. A PFS customer would sign an authorization asking the Postal Service to reship mail to a different address. As such, a CMRA and PFS are alternative directives by a delivery customer regarding the handling of mail sent to one addressee at one address. Unless a CMRA customer formally revokes the authorization for the CMRA to act as an agent for delivery, the Postal Service would face contradictory obligations for how to deliver that customer's mail. This mutual exclusivity is also consistent with the general obligation of CMRAs to mail (using new postage), ship, or otherwise get mail to former customers.

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**OCA/USPS-T1-10.** Please provide a copy of the PFS label referred to in your testimony on page 6, note 3, what will allow for employee identification and a report on PFS shipments.

**RESPONSE:**

The label has not been developed.

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**OCA/USPS-T1-11.** If a PFS customer's mail volume exceeds the size of available Priority Mail boxes, will the [P]ostal [S]ervice send the PFS shipment in two or more Priority Mail boxes?

**RESPONSE:**

Please see my response to DBP/USPS-T1-2.

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**OCA/USPS-T1-12.** Why do all the pieces in the PFS system have to be shipped Priority Mail?

**RESPONSE:**

Strictly speaking, all pieces subject to PFS reshipment would not be shipped Priority Mail; for example, mail addressed to the primary address that requires a scan at delivery would not be reshipped as Priority Mail. Please refer to Section II.B of my testimony. PFS packages would be sent via Priority Mail because PFS would be a premium service whose goal is to expedite the delivery of all of a customer's mail to a temporary address. Priority Mail provides a rate and speed of service that meets this goal.

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**OCA/USPS-T1-13.** Why must all pieces not fitting into a PFS box be forwarded at Priority Mail Rates regardless of the class they were originally entered under?

**RESPONSE:**

Parcels sent to the primary address that are neither Priority Mail nor Express Mail, and which do not fit in the PFS package, would be sent to the temporary address Priority Mail postage due. This use of Priority Mail would be consistent with two goals. One is the premium nature of the proposed service, whose goal is to expedite the delivery of all a customer's mail to a temporary address. Priority Mail provides a rate and speed of service that meets this goal. The second goal was maintaining the simplicity of the product design.