

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

EXPERIMENTAL PREMIUM
FORWARDING SERVICE

Docket No. MC2005-1

RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS SAMUEL J. KOROMA
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T4-11-16)
(December 28, 2004)

The United States Postal Service hereby provides the responses of witness Koroma to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T4-11 to 16, filed on December 14, 2004.

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

/s/

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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
KOROMA TO INTERROGATORY FROM THE
OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T4-11. Please refer to your testimony at page 4, lines 22-23, where it states, “The experimental charges are fixed, with available data used to identify an appropriate Priority Mail rate cell.”

- (a) Please identify and describe the “available data” used to identify an appropriate Priority Mail rate cell for the PFS experiment.
- (b) Please provide in electronic and/or hardcopy format the “available data” referred to in your testimony quoted above.

RESPONSE:

The data that led me to conclude which Priority Mail rate cell should be used with PFS are discussed at some length in Section V.A, *Pricing Approach and Rationale*, which begins on page 6 and concludes on page 9 of my testimony. The data upon which I rely from the Household Diary Study are included in Attachment C to my testimony.

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KOROMA TO INTERROGATORY FROM THE
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OCA/USPS-T4-12. Please refer to your testimony at page 4, lines 22-23, where you discuss available data. For customers participating in the “Snowbird” and other similar reshipment programs operated by the Postal Service, please provide in electronic and/or hardcopy format the following information:

- a. The number of delivery post offices providing Snowbird service and other similar reshipment programs;
- b. The number of users of the Snowbird service and other similar reshipment programs by delivery post office;
- c. The number of packages reshipped pursuant to the Snowbird service and other similar reshipment programs by delivery post office;
- d. The number of packages reshipped pursuant to the Snowbird service and other similar reshipment programs from each delivery post office by weight, zone, and the amount of postage paid.

RESPONSE:

None of the requested information is available, which is consistent with the fact that arrangements were made informally and locally. However, I understand from witness Cobb that she believes snowbird services were available in approximately 30 districts. Witness Rothschild reports her understanding that approximately 25 districts were involved. USPS-LR-1/MC2005-1 at 2. Witness Rothschild also reports having identified 8,918 snowbird households; this number was reduced to 7,269 after attempting to find a telephone number for each household. USPS-LR-1/MC2005-1 at 3. I understand that no information is available for estimating the number of snowbird packages, let alone any breakdown of their characteristics.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
KOROMA TO INTERROGATORY FROM THE
OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T4-13. Please refer to your testimony at page 6, “Data Collection,” where it states “Additional data elements would be available from respective offices’ Master and Tracking Logs.” Please identify the “[a]dditional data elements” referenced in your testimony quoted above that would be relevant for the Data Collection Plan.

RESPONSE:

The discussions of the data collection plan in my testimony at page 6 and in Attachment A both indicate that the following data elements will be collected and reported, respectively: 1) number of PFS customers, 2) duration of PFS (or number of PFS shipments), 3) revenue, and 4) weight and 5) zone of PFS pieces. In Attachment A, I also indicate that “[t]he Postal Service’s first preference is to rely upon existing data systems.”

Because PFS pieces will have a unique marking, the ODIS-RPW System will be able to identify them and capture per piece weight and three-digit origin and destination ZIP Codes. These estimates will be subject to sampling error which will vary inversely with the number of sampled PFS pieces. Accounting system data would separate enrollment revenue from shipment revenue, thus permitting estimation of the number of enrollments, the number of weekly shipments, and the average number of weeks a customer uses PFS.

If, for some reason, these data sources do not provide the expected information, then other sources of data would need to be pursued. The Master and Tracking Logs are one source of information that could be tapped, albeit with the potential for incurring significant costs. Rolling up nationwide data that exist in hard copy is difficult, so some means of sampling the logs might be a better option.

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OCA/USPS-T4-14. Please refer to Attachment A of your testimony, the MC2005-1 Data Collection Plan. Please confirm that the Data Collection Plan will collect the data listed in subparts a - g, below. If you do not confirm, please explain. (Note: The data listed below is not intended to require the production of data that would identify specific customers or offices.)

- (a) Number of offices providing PFS;
- (b) Number of PFS customers at each office;
- (c) Duration of service in weeks for each PFS customer;
- (d) Number of PFS Priority Mail reshipments at each office;
- (e) The amount of revenue obtained from PFS at each office;
- (f) The weight of each PFS Priority Mail reshipment; and,
- (g) The destinating zone of each PFS Priority Mail reshipment.

RESPONSE:

Not confirmed. See also my response to OCA/USPS-T4-13. None of these data elements is currently projected for inclusion in data collection during any Premium Forwarding Service experiment for the simple reason that this level of detail is not necessary for determining how to proceed with PFS. Moreover, actually collecting this information would be very costly. No Postal Service data system by itself or together with other systems would collect any of these data elements; polling and getting accurate responses from each and every office that has at least one PFS customer would be exceptionally labor intensive. The information that would be available from data systems would not be office specific, customer specific, or shipment specific; however, the total number of PFS enrollments, the total number of service-weeks (which divided by enrollments generates average duration per customer), average weight and zone of PFS pieces, and total revenue should all be available.

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OCA/USPS-T4-15. Please refer to Attachment A of your testimony, the MC2005-1 Data Collection Plan. Please confirm that the Data Collection Plan will collect data listed in subparts a - e, below, concerning the quality of PFS. If you do not confirm, please explain. (Note: The data listed below is not intended to require the production of data that would identify specific customers or offices.)

- (a) Number of PFS customer complaints for each office;
- (b) The nature of PFS customer complaints at each office;
- (c) The number of PFS Priority Mail reshipments occurring on days other than Wednesday (for reasons other than a Federal holiday);
- (d) The number of days elapsing from the day of entry to the day of delivery for each PFS Priority Mail reshipment for each office; and,
- (e) The number of PFS Priority Mail reshipments that did not occur during a week, although purchased by a PFS customer, for each PFS customer at each office, and the reason therefore. For example: At office 1, customer A purchases PFS for a ten week period. On week 8, no PFS Priority Mail reshipment is made to the customer's temporary address.

RESPONSE:

Not confirmed. See also my response to OCA/USPS-T4-13. None of these data elements would be available from any combination of one or more Postal Service data systems. However, none of these is necessary to determine how to proceed with PFS. In particular, no office specific, customer specific, or shipment specific information would be collected.

Complaints might flow into the Postal Service via in-person comments, telephone calls, faxes and letters. Some complaints would end up in the existing system for collecting, analyzing and responding to customer complaints that is overseen by the Postal Service's Consumer Advocate. If enough complaints were received, then analysis of them would be fruitful. The Postal Service does not anticipate that complaints will be all that substantial for PFS, a customer option that is operationally simple and similar to existing services such as forwarding and hold mail.

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PFS pieces will be Priority Mail, so there does not appear to be any justification for studying PFS pieces in isolation from other Priority Mail, or in distinguishing abnormal from normal deviations from the expected day of entry. See also my response to OCA/USPS-T3-14.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
KOROMA TO INTERROGATORY FROM THE
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OCA/USPS-T4-16. Please refer to Attachment A of your testimony, the MC2005-1 Data Collection Plan. Please confirm that as part of the Data Collection Plan, the Postal Service intends to survey PFS customers to obtain their comments concerning the quality of PFS. If you do not confirm, please explain.

RESPONSE:

Unable to confirm. As specified in my Attachment A, "If necessary, special studies would be conducted to generate [needed zone and weight estimates]." The Postal Service has no current plans for surveying customers during the experiment because there is no perceived need to do so. However, it is conceivable that such a need may yet be discerned.

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.

/s/
David H. Rubin

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December 28, 2004