RESPONSE OF POSTAL SERVICE WITNESS COBB
TO OCA INTERROGATORY

OCA/USPS-T1-38. Please refer to your response to OCA/USPS-T1-32(b)-(c), and the table attached thereto entitled, "Disposition of Mail at Office Service Primary Address for PFS Customer." Please explain how tabloid size periodicals will be handled for reshipment if they do not fit into a Priority Mail box.

(a) Will they be forwarded Priority Mail postage due? If not, please explain.
(b) Will a box larger than available Priority Mail boxes be fashioned in order to forward large tabloid size periodicals without postage due? Please explain.

RESPONSE:

(a) As stated in the table attached to OCA/USPS-T1-32, periodicals would be included in the PFS shipment. They would thus never be reshipped Priority Mail postage due.

(b) The employee would choose an appropriate container for the PFS shipment based on the volume, weight, and dimensions of the letters, flats, and periodicals received during the week. A box larger than any of the Priority Mail boxes could potentially be used; presumably, however, a tabloid could be folded if necessary.

RESPONSE OF POSTAL SERVICE WITNESS COBB
TO OCA INTERROGATORY

OCA/USPS-T1-39. Please refer to your testimony at page 5, lines 7-10, and your response to OCA/USPS-T1-19. Please explain why the Postal Service proposes to establish and maintain a Master Log, and explain the purposes for which the information contained in the Master Log will be used.

RESPONSE:

By consolidating the reshipping information of an office's PFS customers into a single source, the Master Log would allow each office's PFS coordinator to more efficiently and effectively manage the office's conduct of PFS.

RESPONSE OF POSTAL SERVICE WITNESS COBB
TO OCA INTERROGATORY

OCA/USPS-T1-40. Please refer to your response to OCA/USPS-T1-31, where it states, "In the absence of any quantitative means for this assessment, qualitative means would need to be pursued." Please describe the "qualitative means" referred to in your response and the information and data sources to be relied upon for these "qualitative means."

RESPONSE:

If qualitative means of collecting the information identified in interrogatory OCA/USPS-T1-31 were necessary, such means would likely include interaction with field postal employees. No specific plans have yet been formulated.

RESPONSE OF POSTAL SERVICE WITNESS COBB
TO OCA INTERROGATORY

OCA/USPS-T1-41. Please refer to your response to OCA/USPS-T1-32(b)-(c), and the table attached thereto entitled, "Disposition of Mail at Office Service Primary Address for PFS Customer." Please confirm that the rows labeled "LETTER w/ SCAN," "FLAT w/ SCAN," and "PARCEL w/ SCAN" should also refer to letters, flats and parcels requiring postage due at the primary address as being reshipped outside the weekly PFS Priority Mail reshipment package. If you do not confirm, please explain.

RESPONSE:

Not confirmed. As the section of the Attachment to OCA/USPS-T1-32 entitled "Postage Due Pieces Found at Office Serving Primary Address" states, such pieces would not be included in the PFS package because doing so would preclude the collection of the postage due. The fact that mail requires the payment of postage due does not in itself *necessitate a scan.*

RESPONSE OF POSTAL SERVICE WITNESS COBB
TO OCA INTERROGATORY

OCA/USPS-T1-42. Please refer to your response to OCA/USPS-T1-32(b)-(c), which discusses the reshipping of certain pieces outside the weekly PFS Priority Mail reshipment package because those pieces require a scan at delivery. Also, please refer to your response to OCA/USPS-T1-22(b), where it states, "In most cases, I do not envision attaching a reshipping label to these pieces." Under what circumstances, or to what pieces, do you envision that a PFS reshipping label would be attached to pieces reshipped outside the weekly PFS Priority Mail reshipment package?

RESPONSE:

As I noted in my testimony at pages 5-6, each PFS package would contain a label that clearly identifies the package as a PFS shipment for which postage has been paid. The Postal Service recognizes that this label must never be affixed to a mail piece that is reshipped outside the PFS package, because doing so would corrupt the data collection process. However, except for my expectation that a reshipping label would not be attached to mail pieces that require a scan at delivery (see my response to OCA/USPS-T1-22), the Postal Service has not determined exactly how outside pieces would be labeled or marked.

RESPONSE OF POSTAL SERVICE WITNESS COBB
TO OCA INTERROGATORY, REDIRECTED FROM WITNESS ABDIRAHMAN

OCA/USPS-T3-14. Please refer to your testimony, revised December 20, 2004, at pages 3-5, referring to the section entitled "B. Per-Shipment Costs."

(a) Please confirm that for PFS customers, Priority Mail pieces not requiring a scan or otherwise accountable arriving after dispatch on Tuesdays and prior to dispatch of the weekly PFS Priority Mail reshipment piece on Wednesdays would be held for inclusion in the weekly PFS reshipment piece. *See* response of witness Cobb to OCA/USPS-T1-4. If you do not confirm, please explain.

(b) Please confirm that the Priority Mail pieces referred to in subpart (a) constitute, on average, one-sixth (i.e., one day per week, Wednesday, divided by six delivery days per week) of Priority Mail pieces received by PFS customers. If you do not confirm, please explain.

(c) Please confirm that the Priority Mail pieces referred to in subpart (a) would increase the average weight of the weekly PFS Priority Mail reshipment piece. If you do not confirm, please explain.

RESPONSE:

(a) Confirmed for pieces likely to fit into the PFS shipment, with the relevant Tuesday "dispatch" being the latest time that Priority Mail can be forwarded prior to Wednesday, and the relevant Wednesday "dispatch" being the time that the PFS weekly shipment is sent.

(b) Not confirmed. Please see my response to part (a), which states that only those pieces that are likely to fit would be held for inclusion. Thus, starting with the simplified assumption that one-sixth of Priority Mail would be received in the time period described in part (a), not all of that mail would be held for inclusion.

(c) Confirmed that any Priority Mail pieces included in the weekly PFS shipment would increase the shipment's average weight. But I do not expect a significant number of Priority Mail pieces to end up in the weekly PFS shipment. First, households often have control over where Priority Mail is sent, so the Postal Service expects that many PFS customers would have such pieces sent directly to their temporary addresses. Moreover, some of the Priority Mail pieces would

RESPONSE OF POSTAL SERVICE WITNESS COBB
TO OCA INTERROGATORY, REDIRECTED FROM WITNESS ABDIRAHMAN

require scans, and others would not fit in the PFS weekly shipment. Thus, I think that the number of Priority Mail pieces that would be included in the PFS weekly shipment is quite small; as a result, any increase in the average weight of the PFS shipment should be insignificant. The experiment would allow the Postal Service to test its assumptions regarding the weight of the PFS shipments.

RESPONSE OF POSTAL SERVICE WITNESS COBB
TO OCA INTERROGATORY, REDIRECTED FROM WITNESS KOROMA

OCA/USPS-T4-23. Please refer to your testimony, Attachment A, the "MC2005-1 Data Collection Plan," and your response to OCA/USPS-T4-15, where it states, "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."

(a) Please describe "the existing system," including the organizational relationship between any component parts, such as the Consumer Advocate at postal headquarters, the USPS Call Center, the "email Us" at http://hdusps.esecurecare.net/cgibin/hdusps.cfg/php/enduser/ask.phpp_sid=IXcRMAwh&p_lva= on the Postal Service's website, and consumer affairs managers and officials in field/district/local facilities and offices.

(b) Please explain the process by which consumer complaints are collected, analyzed and responded to under "the existing system," and any component parts described in subpart (a), above. Will this process be applicable to PFS customer complaints? Please explain.

(c) Please identify and describe the types of information or data collected from customer complaints by "the existing system," and any component parts described in subpart (a), above. Will the same or similar types of information or data be collected from PFS customer complaints? Please explain.

(d) Please describe and explain in what form the information and data collected from customer complaints under "the existing system," and any component parts described in subpart (a) above, are recorded, organized, managed and maintained. Will the information and data collected from PFS customer complaints be recorded, organized, managed and maintained in the same form? Please explain.

  (i) Please explain how persons collecting information and data under "the existing system" generally, and for PFS customer complaints, would record such information and data. Provide examples of physical and electronic forms or pages used.

  (ii) Please explain in what form the information or data at the time of collection is recorded under "the existing system" generally, and for PFS customer complaints, i.e., in narrative or text form, or grouped or categorized, etc.

  (iii) Please provide the name of each program or data base in which the information and data collected under "the existing system" is recorded, organized, managed and maintained, and the relationship between each program and data base.

  (iv) Please explain whether each program and data base is "searchable" so as to permit research by specific class of mail, problem, etc., including PFS, if recommended and approved.

RESPONSE OF POSTAL SERVICE WITNESS COBB
TO OCA INTERROGATORY, REDIRECTED FROM WITNESS KOROMA

(v) Please explain how long information and data that is collected and recorded in electronic form are retained under "the existing system." Specifically, how long would customer complaint information and data collected in FY 2004 be retained by "the existing system?"

(e) Please identify and describe the types of reports, summaries, or other compilations that are routinely generated under "the existing system?" Will the same or similar types of reports, summaries, or other compilations based on PFS customer complaints be generated under "the existing system?" Please explain.

(f) Please identify and describe the types of information that are made public with respect to customer complaints under "the existing system?" Will the same or similar types of information be made public with respect to PFS customer complaints under "the existing system?" Please explain.

RESPONSE:

(a)-(b) The Consumer Advocate oversees Headquarters staff, the USPS call centers, the Postal Service website "email Us" function, and field consumer affairs managers and staff. Customer complaints coming in through the call centers and requiring research are entered into the Corporate Customer Contact (CCC) database using the Service Issue Report (SIR) system. Other customer complaints requiring research are entered into the CCC database using the Customer Activity Response and Exchange (CARE) system. Complaints from a wide variety of sources are tracked: Internet (USPS.com), customer service agents (field or headquarters), Congressional inquiry, USPS call centers, walk-in, and letter or correspondence. The Postal Service tries to resolve most inquiries within 48 hours, except that Congressional inquiries and complaints received by letter or correspondence are afforded a longer response window.

The handling of PFS complaints under this existing system is now being considered. Decisions on the appropriate handling would be made only when

RESPONSE OF POSTAL SERVICE WITNESS COBB
TO OCA INTERROGATORY, REDIRECTED FROM WITNESS KOROMA

and if PFS is recommended or approved. Without any changes to the existing system, PFS complaints could be categorized under existing categories, such as Priority Mail, hold mail, address changes, and delivery problems. I am confident that I would be able to learn about any PFS-related complaints collected by the Consumer Advocate's system.

(c) The following information is collected from customers: name, address(es), contact number, nature of complaint, and whether a call back is desired.

(d) The complaint system tracks and retrieves historical data and provides reports on all customer issues processed by the Consumer Advocate.

The data are stored and reports are generated from the Corporate Customer Contact (CCC) Database. The development of reports to track PFS complaints is under consideration.

i. For call center complaints, the customer service agent uses the SIR system to enter the complaint into the CCC Database. Other complaints are entered into CCC using CARE. Both SIR and CARE are electronic systems; I do not have examples of electronic forms, and any PFS-related forms have not been developed.

ii. The data are captured electronically. Demographic data are captured in fixed fields and complaints are captured in fixed and narrative fields.

iii. The CCC Database houses all of the complaint information. The CARE and SIR systems are front-end applications for entering, tracking, and retrieving customer complaints. Additionally, a reports

RESPONSE OF POSTAL SERVICE WITNESS COBB
TO OCA INTERROGATORY, REDIRECTED FROM WITNESS KOROMA

module that provides trend data for evaluating complaints is contained in the CCC database.

iv. The database is searchable by contact number, complaint/ *confirmation number or by type of problem.*

v. The current policy, which is under review, is to retain all complaints for reporting purposes.

(e) Reports, summaries, and evaluations can be based upon location, source, or type of complaint, but specific plans for PFS reports have not yet been developed.

(f) No information about customer complaints is routinely made public, although the Postal Service has provided counts of complaints in Postal Rate Commission proceedings. The complaint system generally is used internally to evaluate trends and to improve service.

RESPONSE OF POSTAL SERVICE WITNESS COBB
TO OCA INTERROGATORY, REDIRECTED FROM WITNESS KOROMA

OCA/USPS-T4-24. Please refer to your testimony at page 2, lines 4-7, which refer to "temporary forwarding, permanent forwarding, and hold mail." For FY 2003 and FY 2004, please provide the number of temporary forwarding requests, permanent forwarding requests, and requests for hold mail.

RESPONSE:

To the best of my knowledge, Hold Mail numbers are not tracked or rolled up nationally. While Hold Mail requests by phone and via USPS.com are documented, manual requests made at local Post Offices are not. In FY03, the Postal Service received 989,022 Hold Mail requests by phone and 651,590 online. In FY04, the Postal Service received 1,057,682 Hold Mail requests by phone and 1,227,831 online. The following are the permanent (P) and temporary (T) forwarding figures for FY03 and 04:

P	2003	42,427,361
P	2004	43,209,412
T	2003	3,210,000
T	2004	3,443,941

POSTAL RATE COMMISSION
DOCKET NO. MC2005-1
EXPERIMENTAL PREMIUM FORWARDING SERVICE

I, Arnetta L. Cobb, hereby declare under penalty of perjury that:

The interrogatory responses filed under my name, and designated for inclusion in the record of this docket, were prepared by me or under my direction; and

Were I to respond orally to the questions appearing in the interrogatories, my answers would be the same.

Arnetta L. Cobb

Date

Postal Rate Commission
Submitted 11/19/2004 12:47 pm
Filing ID: 42383
Accepted 11/19/2004

USPS T-1

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

EXPERIMENTAL PREMIUM FORWARDING SERVICE	Docket No. MC2005-1

DIRECT TESTIMONY
OF
ARNETTA L. COBB
ON BEHALF OF THE
UNITED STATES POSTAL SERVICE

TABLE OF CONTENTS

AUTOBIOGRAPHICAL SKETCH

My name is Arnetta L. Cobb. I am employed by the Product Management – Direct Mail Group within Marketing at the Postal Service as a Marketing Specialist. My responsibilities include the development and management of programs intended to improve or increase the use of mailing services.

I hold a Bachelor's degree in Sociology from Florida A&M University and a Master's degree in Administration with an emphasis in Marketing from the University of Maryland, University College. I have also studied at the Kellogg School of Management and taken a variety of developmental courses from professional associations.

My employment with the Postal Service began as a Letter Sorting Machine Clerk in 1983. From there I progressed to the position of Management Trainee where for two years I worked in numerous support functions and in mail processing and delivery supervisory positions, including Officer-In-Charge of a United States Post Office®. Once concluding that program, I became an Affirmative Action/Equal Employment Opportunity Programs Coordinator for the Jacksonville, Florida Division. Following this work in the field, I accepted my first position in Headquarters as an Employee Development Specialist. From there I served in permanent and temporary positions as the National Women's Program Manager, trainer, workshop facilitator, Management Intern, eCommerce Specialist and Marketing Specialist. I have roughly fifteen years of program management experience with the Postal Service, in which I have taken ideas from concept to implementation and managed the early stages of development and operations.

I. PURPOSE AND SCOPE OF TESTIMONY

The purpose of my testimony is to describe the Postal Service's proposed experimental special service—USPS® Premium Forwarding Service (PFS)—both in terms of its product definition and how it would work operationally. In providing this description of PFS, this testimony also discusses the rationale for its structure, who the customers would be, and the alternatives to the service both within and without the Postal Service.

II. REVIEW OF PREMIUM FORWARDING SERVICE

A. Proposed Service

PFS is being proposed as a special service for sending nearly all classes of mail from a primary address to a temporary address through a weekly Priority Mail® shipment. This contrasts with existing piece-by-piece forwarding options. Designed for customers who want to receive all of their mail at a temporary address, PFS would package and reship mail to a temporary address while customers are away from their primary addresses for no less than two weeks and no more than one year. A PFS customer would not file a formal temporary or permanent Change of Address (PS Form 3575). Each customer's mail would be reshipped once a week to a temporary address.

This service is designed to provide a convenient way for customers at a temporary address to receive, for a fee, substantially all of their mail in one package, rather than receiving only certain pieces sporadically. The Postal Service would reship the mail for an entire delivery address, or for one or more individual addressees, to a temporary address for the period of time indicated on each PFS application.

Substantially all classes of mail would be reshipped, regardless of any endorsement, as described in the next section. PFS would only be available to and from domestic addresses.

PFS would be a uniform, nationwide service. Some offices and districts have provided customers with reshipping arrangements conceptually similar to PFS, but without any consistency or uniformity. In some respects these informal arrangements have guided the product definition of PFS, especially considering they demonstrate customer interest in such a service. PFS would replace these informal arrangements.

B. Contents of PFS Shipments

Substantially all classes of mail would be reshipped in the PFS package, regardless of any endorsement, except for mail pieces requiring a scan at delivery, Priority Mail (as described below), and large packages. Accordingly, accountable mail, including all Express Mail®, plus all mail using Delivery Confirmation™ or Signature Confirmation™, would not be held for shipment within the PFS package. Instead, such mail would be rerouted immediately to the temporary address. No additional fee would be due for reshipping this mail, but mail requiring a scan would be reshipped Priority Mail postage due if it is a Standard Mail or Package Services parcel.

The treatment of Priority Mail would depend on its size and when it arrives at the primary address' delivery unit. Large Priority Mail parcels that are incapable of fitting into the PFS shipment would be treated like accountable mail and rerouted immediately. Small Priority Mail pieces, meanwhile, would also be rerouted immediately unless they are capable of fitting in the PFS shipment and such inclusion would not further delay delivery to the temporary address.

First-Class Mail, Standard Mail, and Package Services parcels that do not require a scan at delivery and that are capable of fitting inside the Priority Mail packaging typically used for a customer's PFS shipments would be included in the shipment. First-Class Mail parcels that do not fit would be reshipped without additional postage due, while Standard Mail or Package Services parcels that do not fit would be reshipped postage due at the Priority Mail rate. Standardized instructions would be developed to guide the decision whether to include a package in the PFS shipment.

C. Standard Operating Procedures

Sales and Service Associates (SSAs) and carriers would explain PFS to all customers who inquire about Temporary Change of Address service. If a customer is interested in PFS, the SSA would explain how to complete the PFS application.

i. Customer Sign-Up

Customers must complete and sign a four-part hardcopy PFS application and present it to their delivery post office, along with proper identification. A customer would need to supply, among other things, the following information on the application:

- Customer's name
- Primary address from which mail would be reshipped
- Temporary address to which PFS shipments would be sent
- Contact numbers for both primary and temporary locations
- Fax number and email, if applicable
- Beginning and ending dates for PFS.[1]

[1] The last shipment date would be added by the SSA based on the Wednesday of the week of the last desired shipment.

The customer must also pay in advance all postage and fees for the expected duration of the service: the $10.00 enrollment fee and the sum of the weekly per-shipment charges (based on the duration of service specified on the application). The weekly $10.00 per-shipment charge is the sum of the proposed re-packaging fee ($2.85) plus postage, which is fixed at the 3-pound, zone 6 Priority Mail rate ($7.15). Witness Koroma (USPS-T-4) explains the pricing of PFS in detail. Payment can be made using cash, check, credit card, or debit card.

ii. Verification Procedures

The PFS customer identification and verification process is modeled after Post Office box application procedures. SSAs who accept a PFS application would review the application and personal identification to ensure the accuracy of the application, verify the identity of the applicant, confirm that the application is signed, add the last shipment date, and collect all fees and postage in advance for the entire service period. SSAs would also question each customer ordering PFS to ensure that the customer has no active forwarding order (PS Form 3575) in effect. If a PS Form 3575 is currently on file, the forwarding order must be terminated before the PFS application is accepted, since they are operationally incompatible with one another. The SSA would then follow appropriate accounting procedures and give the application to the office's PFS coordinator.[2]

[2] I use the term "PFS coordinator" as a generic reference to the postal employee who would take the lead in administering PFS in each local office. The individual performing this function would likely vary over time, but would be a carrier or clerk.

iii. Mail Collection and Dispatch

Each local post office would set up procedures to accommodate PFS. These procedures would be similar in many respects to existing hold mail, Post Office box reshipping, or Express Mail Reship operations. There would necessarily be some variation among offices since their size, existing procedures, and number of PFS customers would vary.

The local post office copy of the PFS application would be given to the office's PFS coordinator, who would be responsible for maintaining a Master Log of PFS customers, including a copy of each customer's PFS application, and entering each customer's reshipping information into the Master Log. This employee would also provide the PFS Application Card (the last copy of the four-part application, which becomes the PFS Tracking Log) to the appropriate carrier or box clerk, who would hold out a PFS customer's mail and notate the back of the card each time mail is reshipped. The carrier or box clerk would review his or her records to verify that the PFS applicant has no active temporary or permanent Change of Address on file. The regular carrier and the unit supervisor would also ensure substitute carriers and relief clerks are aware of the PFS order, as they do now for hold mail orders.

The PFS coordinator would also ensure that PFS shipments are prepared. Specifically, the coordinator would ensure that all mail for a given shipment is aggregated, packaged, labeled, and entered into the outgoing Priority Mail stream. Machine-printed labels would typically be generated, and the labels would clearly

identify a piece as PFS mail for which postage has been paid.[3] The coordinator would also ensure that accountable mail and other mail requiring a scan is forwarded separately and that parcels too large to be placed in the PFS shipment are entered into the Priority Mail stream postage due (except as noted in Section II.B). Finally, the coordinator would be responsible for ensuring PFS starts and stops on the appropriate dates.

All PFS shipments would be processed and mailed on Wednesdays, with each customer's PFS Tracking Log updated to reflect each shipment. On Wednesdays, the responsible employee would verify that all PFS mail for each shipment is included in an appropriate container, sealed and labeled properly, and entered into the outgoing Priority Mail stream.

iv. Service Rules and Restrictions

As with temporary and permanent forwarding, PFS would not be available to individuals who receive their mail at a central delivery point. Also, while PFS would not be available to individuals whose primary address is a commercial mail receiving agency (CMRA), it would be available to customers who specify a CMRA as their temporary address. Finally, customers whose primary address is a size 3, 4, or 5 Post Office box are ineligible for PFS. PFS is designed for household customers; as noted in witness Koroma's testimony (USPS-T-4), the price is developed using estimates of volume received by households. Post Office boxes of these larger sizes are generally not used by households. However, because some box size 3 customers may be using

[3] The presence of the PFS label would allow employees, including data collectors, to identify and report on PFS shipments.

that size because smaller sizes are unavailable, the Postal Service does plan to allow for the waiver of this box size preclusion.

III. RATIONALE FOR THE PROPOSAL

A. Product Definition

PFS was defined by a cross-functional team that included personnel from field offices and headquarters. A primary design goal was simplicity. By minimizing the complexity of PFS during an experiment, the Postal Service would be able to determine whether PFS has realistic potential as a permanent service. The following paragraphs in this subsection identify critical elements of the product definition, and explain why each was chosen.

Substantially All Mail Classes: Unlike temporary forwarding, which forwards only certain types of mail (primarily First-Class Mail®), PFS would extend to substantially all classes of mail. PFS thus effectively relocates a customer's delivery receptacle to a temporary location, which is what we understand many customers want. Qualitative market research conducted in 2003 found that customers were interested in receiving all their mail, including Periodicals, certain advertisements, and perhaps a church or school newsletter. While the research showed customers did consider First-Class Mail more important, the forwarding of First-Class Mail is already available. The inclusion of essentially all mail thus distinguishes PFS from existing options, and also allows the Postal Service to avoid engaging in costly sortation by class.

One Shipment a Week: Limiting shipments to once a week aids in maintaining the design goal of simplicity and keeping the cost of the experimental service low. PFS shipments would be dispatched each Wednesday.

Two Week Minimum, One Year Maximum: The minimum of two weeks means that the post office would have sufficient time to accumulate and send two shipments; also, the likelihood that a customer would want a single shipment is thought to be low. The maximum time period of one year was adopted from the current ceiling on the duration of temporary forwarding.

Mail Requiring a Scan at Delivery: Mail requiring a scan upon delivery would not be included in PFS shipments because doing so would preclude the requisite scans, while delaying delivery to the addressee. Consequently, mail for a PFS customer that requires a scan is rerouted immediately to the temporary address. Operationally, such handling is similar to forwarding, except that such mail is not considered "undeliverable-as-addressed" [UAA], as discussed below. This choice maintains the higher level of service expected by mailers and by PFS customers; mailers of Express Mail, for example, would expect such pieces to remain in the Express Mail stream.

Domestic Addresses Only: PFS mail may be redirected to domestic delivery points only. This limitation is consistent with Priority Mail, whose rates are only for domestic use, and with the cost estimates underlying the Request. This limitation is also appropriate for an experiment; any demand for non-domestic use may be considered when developing any permanent classification language.

Entire Household or Individual Addressee(s): PFS would offer customers a choice between the reshipment of mail for an individual (two or more individual PFS orders could apply to a single household's mail) and the reshipment of mail for the entire household at a given address. This feature conforms to customer options for temporary and permanent forwarding.

Exclusive Reliance on Priority Mail: Given the typical weight and volume of a household's weekly mail, Priority Mail provides the best compromise of low price and quick service. The exclusive use of Priority Mail also helps keep PFS simple and easy to price; both customers and employees should quickly understand how the service works, which facilitates a customer's decision whether to use it.

Mailer Endorsements: The Postal Service has chosen to handle mail addressed to a PFS customer's primary address as instructed by the customer on his or her written PFS application, in conformity with the last clause of Domestic Mail Classification Schedule (DMCS) § 2021:

> [E]xcept[4] as provided in section 2022, 2030, and 3030, mail will be delivered as addressed *unless the Postal Service is instructed otherwise by the addressee in writing*. (emphasis added)

The three cross-referenced sections pertain to Refusal of Delivery (§ 2022), Forwarding and Return (§ 2030), and Payment of Postage and Fees (§ 3030). PFS does not implicate § 2030, which applies only to UAA mail, because PFS mail is not, strictly speaking, "UAA." Accordingly, the Domestic Mail Manual (DMM®) regulations

[4] The Commission recently published an updated DMCS via its website, dated October 3, 2004. Section 2021 contains a typographical error consisting of the omission of the capital "E" that should begin the word "Except."

that describe temporary and permanent forwarding, and how UAA pieces are treated based on their class and whether they bear a mailer endorsement, are wholly inapplicable to PFS mail.

B. Product Name

The Postal Service chose "USPS Premium Forwarding Service" as the full name for PFS. This name likens PFS to existing forwarding options, with which PFS shares some attributes. Forwarding is something both our customers and employees understand; thus, including the term in the product name should encourage service awareness and early adoption. In addition, inclusion of "Premium" in the product name accurately signals to customers their need to pay for the service.

IV. CUSTOMER ALTERNATIVES

Alternatives to PFS exist both within and outside the Postal Service. Temporary and permanent forwarding are both available to individuals and households. Under both options, First-Class Mail is forwarded, while Periodicals are forwarded for 60 days and parcels are forwarded locally. Standard Mail® is not forwarded, but is discarded unless the mailer agrees via an endorsement to pay forwarding charges. In addition to these forwarding options, the Postal Service will also, upon request, hold the mail of a household for up to 30 days. An individual within a household cannot have his or her mail held separately from the household's. Finally, nonpostal alternatives to PFS range from customers using a commercial mail receiving agency to having friends or family hold, filter, open, and/or reship their mail.

V. CONCLUSION

PFS would provide customers who temporarily relocate with a simple means of receiving all their mail at a modest price. PFS expands upon the existing options for customers who temporarily relocate. Rather than receiving pieces sporadically as under the existing forwarding options, PFS customers would receive a weekly Priority Mail shipment containing all of their mail (except as noted in Section II.B). As such, PFS effectively relocates a customer's delivery receptacle to a temporary location. The simple design of the service should also be attractive to customers. Overall, the Postal Service believes that PFS would likely prove to be an attractive service to many customers who temporarily relocate. An experiment would verify whether this is true, while also providing opportunities to evaluate assumptions regarding the weight and zone of PFS pieces, to validate the propriety of the planned operational procedures, and to consider what form a possible permanent service might take.

Postal Rate Commission
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USPS T-1

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

EXPERIMENTAL PREMIUM FORWARDING SERVICE	Docket No. MC2005-1

DIRECT TESTIMONY
OF
ARNETTA L. COBB
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II. REVIEW OF PREMIUM FORWARDING SERVICE

A. Proposed Service

PFS is being proposed as a special service for sending nearly all classes of mail from a primary address to a temporary address through a weekly Priority Mail® shipment. This contrasts with existing piece-by-piece forwarding options. Designed for customers who want to receive all of their mail at a temporary address, PFS would package and reship mail to a temporary address while customers are away from their primary addresses for no less than two weeks and no more than one year. A PFS customer would not file a formal temporary or permanent Change of Address (PS Form 3575). Each customer's mail would be reshipped once a week to a temporary address.

This service is designed to provide a convenient way for customers at a temporary address to receive, for a fee, substantially all of their mail in one package, rather than receiving only certain pieces sporadically. The Postal Service would reship the mail for an entire delivery address, or for one or more individual addressees, to a temporary address for the period of time indicated on each PFS application.

Substantially all classes of mail would be reshipped, regardless of any endorsement, as described in the next section. PFS would only be available to and from domestic addresses.

PFS would be a uniform, nationwide service. Some offices and districts have provided customers with reshipping arrangements conceptually similar to PFS, but without any consistency or uniformity. In some respects these informal arrangements have guided the product definition of PFS, especially considering they demonstrate customer interest in such a service. PFS would replace these informal arrangements.

B. Contents of PFS Shipments

Substantially all classes of mail would be reshipped in the PFS package, regardless of any endorsement, except for mail pieces requiring a scan at delivery, Priority Mail (as described below), and large packages. Accordingly, accountable mail, including all Express Mail®, plus all mail using Delivery Confirmation™ or Signature Confirmation™, would not be held for shipment within the PFS package. Instead, such mail would be rerouted immediately to the temporary address. No additional fee would be due for reshipping this mail, but mail requiring a scan would be reshipped Priority Mail postage due if it is a Standard Mail or Package Services parcel.

The treatment of Priority Mail would depend on its size and when it arrives at the primary address' delivery unit. Large Priority Mail parcels that are incapable of fitting into the PFS shipment would be treated like accountable mail and rerouted immediately. Small Priority Mail pieces, meanwhile, would also be rerouted immediately unless they are capable of fitting in the PFS shipment and such inclusion would not further delay delivery to the temporary address.

First-Class Mail, Standard Mail, and Package Services parcels that do not require a scan at delivery and that are capable of fitting inside the Priority Mail packaging typically used for a customer's PFS shipments would be included in the shipment. First-Class Mail parcels that do not fit would be reshipped without additional postage due, while Standard Mail or Package Services parcels that do not fit would be reshipped postage due at the Priority Mail rate. Standardized instructions would be developed to guide the decision whether to include a package in the PFS shipment.

C. Standard Operating Procedures

Sales and Service Associates (SSAs) and carriers would explain PFS to all customers who inquire about Temporary Change of Address service. If a customer is interested in PFS, the SSA would explain how to complete the PFS application.

i. Customer Sign-Up

Customers must complete and sign a four-part hardcopy PFS application and present it to their delivery post office, along with proper identification. A customer would need to supply, among other things, the following information on the application:

- Customer's name
- Primary address from which mail would be reshipped
- Temporary address to which PFS shipments would be sent
- Contact numbers for both primary and temporary locations
- Fax number and email, if applicable
- Beginning and ending dates for PFS.[1]

[1] The last shipment date would be added by the SSA based on the Wednesday of the week of the last desired shipment.

The customer must also pay in advance all postage and fees for the expected duration of the service: the $10.00 enrollment fee and the sum of the weekly per-shipment charges (based on the duration of service specified on the application). The weekly $10.00 per-shipment charge is the sum of the proposed re-packaging fee ($2.85) plus postage, which is fixed at the 3-pound, zone 6 Priority Mail rate ($7.15). Witness Koroma (USPS-T-4) explains the pricing of PFS in detail. Payment can be made using cash, check, credit card, or debit card.

ii. Verification Procedures

The PFS customer identification and verification process is modeled after Post Office box application procedures. SSAs who accept a PFS application would review the application and personal identification to ensure the accuracy of the application, verify the identity of the applicant, confirm that the application is signed, add the last shipment date, and collect all fees and postage in advance for the entire service period. SSAs would also question each customer ordering PFS to ensure that the customer has no active forwarding order (PS Form 3575) in effect. If a PS Form 3575 is currently on file, the forwarding order must be terminated before the PFS application is accepted, since they are operationally incompatible with one another. The SSA would then follow appropriate accounting procedures and give the application to the office's PFS coordinator.[2]

[2] I use the term "PFS coordinator" as a generic reference to the postal employee who would take the lead in administering PFS in each local office. The individual performing this function would likely vary over time, but would be a carrier or clerk.

iii. Mail Collection and Dispatch

Each local post office would set up procedures to accommodate PFS. These procedures would be similar in many respects to existing hold mail, Post Office box reshipping, or Express Mail Reship operations. There would necessarily be some variation among offices since their size, existing procedures, and number of PFS customers would vary.

The local post office copy of the PFS application would be given to the office's PFS coordinator, who would be responsible for maintaining a Master Log of PFS customers, including a copy of each customer's PFS application, and entering each customer's reshipping information into the Master Log. This employee would also provide the PFS Application Card (the last copy of the four-part application, which becomes the PFS Tracking Log) to the appropriate carrier or box clerk, who would hold out a PFS customer's mail and notate the back of the card each time mail is reshipped. The carrier or box clerk would review his or her records to verify that the PFS applicant has no active temporary or permanent Change of Address on file. The regular carrier and the unit supervisor would also ensure substitute carriers and relief clerks are aware of the PFS order, as they do now for hold mail orders.

The PFS coordinator would also ensure that PFS shipments are prepared. Specifically, the coordinator would ensure that all mail for a given shipment is aggregated, packaged, labeled, and entered into the outgoing Priority Mail stream. Machine-printed labels would typically be generated, and the labels would clearly

identify a piece as PFS mail for which postage has been paid.[3] The coordinator would also ensure that accountable mail and other mail requiring a scan is forwarded separately and that parcels too large to be placed in the PFS shipment are entered into the Priority Mail stream postage due (except as noted in Section II.B). Finally, the coordinator would be responsible for ensuring PFS starts and stops on the appropriate dates.

All PFS shipments would be processed and mailed on Wednesdays, with each customer's PFS Tracking Log updated to reflect each shipment. On Wednesdays, the responsible employee would verify that all PFS mail for each shipment is included in an appropriate container, sealed and labeled properly, and entered into the outgoing Priority Mail stream.

iv. Service Rules and Restrictions

As with temporary and permanent forwarding, PFS would not be available to individuals who receive their mail at a central delivery point. Also, while PFS would not be available to individuals whose primary address is a commercial mail receiving agency (CMRA), it would be available to customers who specify a CMRA as their temporary address. Finally, customers whose primary address is a size 3, 4, or 5 Post Office box are ineligible for PFS. PFS is designed for household customers; as noted in witness Koroma's testimony (USPS-T-4), the price is developed using estimates of volume received by households. Post Office boxes of these larger sizes are generally not used by households. However, because some box size 3 customers may be using

[3] The presence of the PFS label would allow employees, including data collectors, to identify and report on PFS shipments.

that size because smaller sizes are unavailable, the Postal Service does plan to allow for the waiver of this box size preclusion.

III. RATIONALE FOR THE PROPOSAL

A. Product Definition

PFS was defined by a cross-functional team that included personnel from field offices and headquarters. A primary design goal was simplicity. By minimizing the complexity of PFS during an experiment, the Postal Service would be able to determine whether PFS has realistic potential as a permanent service. The following paragraphs in this subsection identify critical elements of the product definition, and explain why each was chosen.

Substantially All Mail Classes: Unlike temporary forwarding, which forwards only certain types of mail (primarily First-Class Mail®), PFS would extend to substantially all classes of mail. PFS thus effectively relocates a customer's delivery receptacle to a temporary location, which is what we understand many customers want. Qualitative market research conducted in 2003 found that customers were interested in receiving all their mail, including Periodicals, certain advertisements, and perhaps a church or school newsletter. While the research showed customers did consider First-Class Mail more important, the forwarding of First-Class Mail is already available. The inclusion of essentially all mail thus distinguishes PFS from existing options, and also allows the Postal Service to avoid engaging in costly sortation by class.

One Shipment a Week: Limiting shipments to once a week aids in maintaining the design goal of simplicity and keeping the cost of the experimental service low. PFS shipments would be dispatched each Wednesday.

Two Week Minimum, One Year Maximum: The minimum of two weeks means that the post office would have sufficient time to accumulate and send two shipments; also, the likelihood that a customer would want a single shipment is thought to be low. The maximum time period of one year was adopted from the current ceiling on the duration of temporary forwarding.

Mail Requiring a Scan at Delivery: Mail requiring a scan upon delivery would not be included in PFS shipments because doing so would preclude the requisite scans, while delaying delivery to the addressee. Consequently, mail for a PFS customer that requires a scan is rerouted immediately to the temporary address. Operationally, such handling is similar to forwarding, except that such mail is not considered "undeliverable-as-addressed" [UAA], as discussed below. This choice maintains the higher level of service expected by mailers and by PFS customers; mailers of Express Mail, for example, would expect such pieces to remain in the Express Mail stream.

Domestic Addresses Only: PFS mail may be redirected to domestic delivery points only. This limitation is consistent with Priority Mail, whose rates are only for domestic use, and with the cost estimates underlying the Request. This limitation is also appropriate for an experiment; any demand for non-domestic use may be considered when developing any permanent classification language.

Entire Household or Individual Addressee(s): PFS would offer customers a choice between the reshipment of mail for an individual (two or more individual PFS orders could apply to a single household's mail) and the reshipment of mail for the entire household at a given address. This feature conforms to customer options for temporary and permanent forwarding.

Exclusive Reliance on Priority Mail: Given the typical weight and volume of a household's weekly mail, Priority Mail provides the best compromise of low price and quick service. The exclusive use of Priority Mail also helps keep PFS simple and easy to price; both customers and employees should quickly understand how the service works, which facilitates a customer's decision whether to use it.

Mailer Endorsements: The Postal Service has chosen to handle mail addressed to a PFS customer's primary address as instructed by the customer on his or her written PFS application, in conformity with the last clause of Domestic Mail Classification Schedule (DMCS) § 2021:

> [E]xcept[4] as provided in section 2022, 2030, and 3030, mail will be delivered as addressed *unless the Postal Service is instructed otherwise by the addressee in writing.* (emphasis added)

The three cross-referenced sections pertain to Refusal of Delivery (§ 2022), Forwarding and Return (§ 2030), and Payment of Postage and Fees (§ 3030). PFS does not implicate § 2030, which applies only to UAA mail, because PFS mail is not, strictly speaking, "UAA." Accordingly, the Domestic Mail Manual (DMM®) regulations

[4] The Commission recently published an updated DMCS via its website, dated October 3, 2004. Section 2021 contains a typographical error consisting of the omission of the capital "E" that should begin the word "Except."

that describe temporary and permanent forwarding, and how UAA pieces are treated based on their class and whether they bear a mailer endorsement, are wholly inapplicable to PFS mail.

B. Product Name

The Postal Service chose "USPS Premium Forwarding Service" as the full name for PFS. This name likens PFS to existing forwarding options, with which PFS shares some attributes. Forwarding is something both our customers and employees understand; thus, including the term in the product name should encourage service awareness and early adoption. In addition, inclusion of "Premium" in the product name accurately signals to customers their need to pay for the service.

IV. CUSTOMER ALTERNATIVES

Alternatives to PFS exist both within and outside the Postal Service. Temporary and permanent forwarding are both available to individuals and households. Under both options, First-Class Mail is forwarded, while Periodicals are forwarded for 60 days and parcels are forwarded locally. Standard Mail® is not forwarded, but is discarded unless the mailer agrees via an endorsement to pay forwarding charges. In addition to these forwarding options, the Postal Service will also, upon request, hold the mail of a household for up to 30 days. An individual within a household cannot have his or her mail held separately from the household's. Finally, nonpostal alternatives to PFS range from customers using a commercial mail receiving agency to having friends or family hold, filter, open, and/or reship their mail.

V. CONCLUSION

PFS would provide customers who temporarily relocate with a simple means of receiving all their mail at a modest price. PFS expands upon the existing options for customers who temporarily relocate. Rather than receiving pieces sporadically as under the existing forwarding options, PFS customers would receive a weekly Priority Mail shipment containing all of their mail (except as noted in Section II.B). As such, PFS effectively relocates a customer's delivery receptacle to a temporary location. The simple design of the service should also be attractive to customers. Overall, the Postal Service believes that PFS would likely prove to be an attractive service to many customers who temporarily relocate. An experiment would verify whether this is true, while also providing opportunities to evaluate assumptions regarding the weight and zone of PFS pieces, to validate the propriety of the planned operational procedures, and to consider what form a possible permanent service might take.

POSTAL RATE COMMISSION
DOCKET NO. MC2005-1
EXPERIMENTAL PREMIUM FORWARDING SERVICE

I, Arnetta L. Cobb, hereby declare under penalty of perjury that:

The *Direct Testimony of Arnetta L. Cobb on Behalf of the United States Postal Service,* denominated USPS-T-1, was prepared by me or under my direction; and

Were I to give this testimony orally before the Commission, it would be the same.

Arnetta L. Cobb

3-18-05
Date

United States Postal Service

Samuel J. Koroma
(USPS-T-4)

DBP/USPS-T4-1 On pages 7 and 8 of your testimony, you describe your rationale in choosing the 6th zone as the most appropriate choice. [a] Please explain why you chose a single zone rather than allowing the customer to pay the 3-pound rate for the actual zone involved [plus the $10 enrollment fee and $2.85 weekly processing fee]. [b] Please confirm that a 3-pound Priority Mail article will cost between $4.75 and $8.55 depending on the zone and that the 7th and 8th zone would cost $7.70 if a flat-rate box were chosen. [d] [sic] Please confirm that the Priority Mail flat-rate envelope would cost $3.85 regardless of weight or zone.

RESPONSE:

(a) My rationale for choosing a single zone is explained in Section V.A of my testimony, *Pricing Approach and Rationale*.

(b) The postage for a 3-pound Priority Mail piece ranges from $4.75 to $8.55. The postage for a Flat Rate Box is $7.70, regardless of zone.

(c) N/A

(d) The postage for a Priority Mail Flat Rate Envelope is $3.85, regardless of weight or zone.

DBP/USPS-T4-2 Please refer to Attachment C of your testimony as it relates to the Household Diary Study. [a] Please confirm, or explain if you are not able to do so, that the average household contained in this study will receive an average of 10.2 First-Class Mail letters with an average weight per piece of 0.681 ounces per piece and therefore an average total weight of First-Class Mail pieces of 0.434 pounds of mail. [b] What type of mail is included in the Package Services category that the average household receives 3 pieces every 10 weeks and that each piece has an average weight of only 1.953 ounces. [c] Please explain how the average weight of a Package Services article is only 1.953 ounces. [d] What are the dimensions of the average Package Services mailpiece? [e] What percentage of the 23 pieces of First-Class and Standard Mail pieces that the average household will receive in a week will be a number #10 size envelope or smaller? [f] Do you believe, and please explain the reasons for that belief, that a Priority Mail flat-rate envelope will be able to comfortably hold the 23 pieces of First-Class and Standard Mail weighing 1.967 pounds as well as the one or two Periodicals articles that the average household will receive in a week?

RESPONSE:

(a) Confirmed.

(b-c) According to the Household Diary Study, Package Services is used to deliver merchandise, books, catalogs, and media such as CDs, and DVDs. Most are parcel shaped, but there are a few flats as well. The average weights of the Expedited Mail and Package Services pieces were transcribed incorrectly into Attachment C. The weight per piece for a Package Services item is 54.031 ounces according to the Household Diary Study, rather than the 1.971 ounces originally reported. Given that the average weight for a Package Services piece exceeds the weight estimate for a weekly PFS shipment, it seems unlikely that such a heavy mailpiece would be included in a PFS shipment. Appropriate errata correcting these errors will be filed.

(d) The dimensions of the "average" Package Services mailpiece are not available.

(e) No data are available to provide the requested percentage by envelope size.

(f) A Priority Mail flat-rate envelope may occasionally be used for the PFS weekly shipment. See witness Cobb's response to DBP/USPS-T1-2. However, I do not believe that Priority Mail flat-rate envelopes will comfortably hold the 23 pieces of First-Class Mail and Standard Mail (including catalogs, in many cases) and 1.2 Periodicals magazines or newspapers shown in the Household Diary Study (see Attachment C).

DBP/USPS-T4-3 [a] Do the households that are tabulated in the 2003 Household Diary Study contain households that participate in home businesses? [b] Do the households that are tabulated in the 2003 Household Diary Study contain households that participate in non-profit or social activities? [c] Please provide data showing the categories of households that are included in the 2003 Household Diary Study. [d] Do you believe that the households that are utilized in the 2003 Household Diary Study are representative of the users of PFS? [e] Please provide the reasons for your response to subpart d. [f] What percentage of the households utilized in this Diary Study do you believe were temporarily away from their permanent address as noted on lines 13 to 16 of page 7 of your testimony. [g] What percentage of the 2.532 pounds of mail that the average household receives will be reduced by mail sent directly to the PFS users at their temporary location? [h] Please provide your reasons for that belief and explain why you still continued to utilize 2.532 pounds figure in your PFS study.

RESPONSE:

(a) Yes.

(b) It is my understanding that the Household Diary Study does not distinguish households on that basis.

(c) It is my understanding that there is no breakdown as to "category" of households in the study.

(d-e) I believe that households included in the Household Diary Study are representative of potential PFS customers. However, since PFS customers can be just one member of a household, use of Household Diary Study data to estimate the weight of weekly PFS shipments should generate estimates that are conservatively high. I do not believe that more information is available, but you can review the study itself at http://www.prc.gov/docs/41/41355/HDS2003.pdf.

(f) I do not know. See also my response to parts (d-e).

(g) I do not know what percentage of mail will be sent directly to the temporary location.

(h) The "belief" to which this question refers is not clear. As reflected in my response to parts (d-e), my estimate of the weight of the PFS weekly shipment is conservatively high. To the extent that some of the mail reflected in the Household Diary Study may be sent directly to the PFS customer's temporary address, my estimate of the PFS weekly shipment weight is even more conservatively high. While I recognize that some Priority Mail and Package Services mail may also be included in some weekly shipments, the errata to my testimony filed this week explain why I exclude weights for Package Services and Expedited Mail package from my estimate of the weekly shipment weight.

DBP/USPS-T4-4 On page 6 of your testimony you discuss the effect on Postal Service competitors. [a] What services do Postal Service competitors provide that are similar or related to PFS? Please indicate the general form of the service provided by the competitor and the cost for the service. [b] Have you studied the services provided by the competitors? [c] If not, why not? If so, what did you learn and did you utilize any of their activities in your proposal for PFS?

RESPONSE:

(a-c) I studied competitive services sufficiently to reach the conclusions stated in my testimony, but not to the point that I am an expert regarding those services. PFS bears some similarity to existing forwarding and "hold mail" services offered by the Postal Service. Competitors bundle additional services with services like PFS, as stated in the cited portion of my testimony, that are not duplicated by any combination of postal services; they should accordingly be unaffected by PFS.

DBP/USPS-T4-5 Do you feel that PFS will provide a useful service to RV owners referred to on lines 4 to 6 of page 6 of your testimony? If so, please explain. If not, why not?

RESPONSE:

As explained in my testimony, no. Permanently parked RVs make more permanent arrangements for the delivery of mail. Mobile RVs would likely not remain in the vicinity of the single PFS temporary delivery office.

DBP/USPS-T4-6 Please explain why the competitors' services will not allow a customer to keep their current postal address [see lines 2 and 3 on page 6 of your testimony].

RESPONSE:

My statement reflects the understanding that such customers file forwarding orders to deliver their mail to the third party provider.

DBP/USPS-T4-7 On line 6 of page 6 of your testimony, you indicate that you believe that PFS should not impact any of these alternatives. [a] Please explain your reasons for this belief. [b] Do you also believe the reverse, namely, do you believe that the alternatives will impact PFS? Please explain your reasons.

RESPONSE:

(a-b) These services are not direct substitutes, so I do not think that the existence of PFS will affect them, nor that the existence of alternatives will impact PFS.

DBP/USPS-T4-8 In your discussion on pages 7 and 8 of your testimony, you picked a number of north-south pairs that were representative of seasonal moves. [a] It would appear that 1400 miles seems to be a maximum value for a north-south seasonal move and therefore zones 7 and 8 would be less likely to occur. Please explain why you chose the relative maximum zone as the zone to utilize for PFS. [b] What percentage of PFS users do you believe will be making a north-south seasonal move vs. other users of the service such as students at school, individuals away on a job assignment, or any other category of PFS users? [c] How did you take the non-north-south users into account in determining the choice of zone 6?

RESPONSE:

(a-c) My explanation appears on the cited pages of my testimony. I did not choose "the relative maximum"; however, my choice of zone is conservative. Choosing a lesser zone would not be conservative. No projections for the zones required by PFS customers are available; instead, the Postal Service proposes an experiment that will generate an estimate of the average zone for PFS customers.

DBP/USPS-T4-9 On page 11 of your testimony you utilized a financial impact of only 20% of the figure utilized by Witness Rothschild. Please explain why you reduced her testimony value by more than 80%.

RESPONSE:

See my response to OCA/USPS-T4-10, and Section VI of my testimony.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS KOROMA TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-T2-2. On page 8 of your testimony, you indicate the 90% confidence level.

(c) What confidence level would witness Koroma's lower limit for Total Estimated Users be?

RESPONSE:

(c) My volume figure was a judgmental estimate that does not have a confidence level, but does reduce the risk that the number of users has been overestimated.

DFC/USPS-T4-1. Please discuss the extent to which you considered the possibility that carriers could use Priority Mail flat-rate envelopes to reship customers' mail.

RESPONSE:

Depending on the mail makeup and volume, a Priority Mail flat-rate envelope may occasionally be used for a PFS shipment. But, as I said in response to DBP/USPS-T4-2(f), I do not believe that the weekly mail for a typical household would comfortably fit in a flat-rate envelope. Moreover, other PFS shipments may weigh more than three pounds, or be sent farther than zone 6. Therefore, I concluded that the three pound, zone 6 Priority Mail postage is a good average to use in this experiment. See my response to DBP/USPS-T4-2(f) and witness Cobb's response to DBP/USPS-T1-2.

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

OCA/USPS-T4-1. Please refer to your testimony at page 7 where you rely upon the Household Diary Study for the year 2003 as indicating the average household received about 2.53 pounds of mail per week.

(a) Did you rely on any other studies for your decision to assume the average weight per week for reshipped mail will be less than 3 pounds?

(b) Did you rely on any of the observations referred to by witness Abdirahman (USPS-T-3) of informal reshipment services conducted at small, medium and large delivery units?

RESPONSE:

(a) No. I relied on the Household Dairy Study to estimate the average weight of a household's mail per week.

(b) No. It is my understanding that witness Abdirahman did not specifically monitor weight, nor did anything he reported seem to conflict with my data or approach.

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

OCA/USPS-T4-2. Please refer to page 8 of your testimony where you propose a fee of $2.85 to cover the $2.76 cost of repackaging the PFS mail. If the cost for repackaging were shown to be significantly higher than $2.85, such as greater than $3.50, would you modify your recommendation to charge $10.00 for the cost of reshipment?

RESPONSE:

I did not perform "what if" scenarios for cost levels significantly higher than $2.85. If the repackaging costs had been different, I would have considered those costs in concert with other costs, and developed a sound pricing proposal.

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

OCA/USPS-T4-3. Please refer to your testimony at page 8 where you propose an overall PFS cost coverage of 118 percent which "does not include any contribution from new Priority Mail volume." Please calculate the cost coverage if you include the contribution from the new Priority Mail, assuming the volumes and weight per piece which you have assumed in your studies.

RESPONSE:

If one were to combine the revenue from Priority Mail postage (assuming all Priority Mail volume is new) and PFS total charges, and combine the revised costs of PFS[1] with a cost estimate for Priority Mail pieces from Docket No. R2001-1, USPS-T-30, Attachment F for the zone 6, 3 pound rate cell, the ratio of revenue to cost would be 151 percent. I was aware that a cost coverage estimated by this method would be significantly higher than the cost coverage specific to the fees for PFS, which is one reason why the otherwise relatively low PFS-specific cost coverage is proposed. This PFS-specific cost coverage has been revised to 121 percent. See errata to my testimony, filed December 21, 2004.

[1] See United States Postal Service Notice of Errata to Direct Testimony of Abdulkadir M. Abdirahman (USPS-T-3), filed December 20, 2004.

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

OCA/USPS-T4-4. Have you estimated the number of pieces that will be forwarded per year through PFS for each of the following classes of service? If so, please provide your estimates.

(a) First Class letters
(b) Periodicals
(c) Standard Mail
(d) Parcels

RESPONSE:

Note that PFS pieces will be "reshipped" rather than "forwarded". See the response of witness Cobb to DBP/USPS-T1-6. No such estimates have been made. However, using Attachment C's estimates of pieces per household, and assuming that entire households use PFS and that the average duration of service is 10 weeks with 342,000 customers, the following would be estimates of the number of pieces reshipped per year through PFS:

(a) Approximately 35 million pieces.

(b) Approximately 4 million pieces.

(c) Approximately 44 million pieces.

(d) Approximately 1 million Package Services pieces.

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

OCA/USPS-T4-5. (a) Please estimate the number of First-Class letters forwarded by PFS that will be migrating from other forwarding services available to First-Class letters. (b) Please confirm that this number should be lower than the total number of First-Class letters that will be forwarded by PFS because some letters that will be forwarded by PFS may not otherwise be forwarded due to, for instance, personal arrangements with neighbors or other persons within the household.

RESPONSE:

(a) Note that PFS pieces will be "reshipped" rather than "forwarded". See the response of witness Cobb to DBP/USPS-T1-6. No data are currently available to estimate the number of First-Class Mail letters that would have been forwarded via other forwarding services if PFS were not available.

(b) This statement intuitively seems correct, especially in light of existing alternatives available to customers (see section IV of USPS-T-1, at 10).

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

OCA/USPS-T4-6. Please confirm that the latest Postal Service "estimate of the unit cost to forward a First-Class letter is the 30.7 cents as presented in Docket No. MC2002-2" for FY 2000 as testified to by witness Ayub in Docket No. MC2004-4 in response to interrogatory VP/USPS-T1-6. If not, please provide the latest estimate.

RESPONSE:

Confirmed.

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

OCA/USPS-T4-7. Did you estimate for each PFS customer, and for all PFS customers, the savings to the Postal Service resulting from eliminating cost-free forwarding of First-Class Mail for customers using PFS? If so, please provide those calculations.

RESPONSE:

No. As reflected in my response to OCA/USPS-T4-5, I am unaware of data that would permit me to make such as estimate. However, the existence of any such cost savings would constitute an additional reason supporting the proposed cost coverage.

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

OCA/USPS-T4-8. If you did not make the estimates referred to in OCA/USPS-T4-7, above, what is the appropriate cost savings to apply to each piece of PFS First-Class Mail that is not forwarded individually? In other words, please estimate the cost to the Postal service [sic] to forward a piece of First-Class Mail.

RESPONSE:

I have not estimated the cost to the Postal Service to forward a piece of First-Class Mail. See also witness Ayub's response to interrogatory VP/USPS-T1-6 in Docket No. MC2004-4.

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

OCA/USPS-T4-9. According to your testimony, the current proposal to charge a $10.00 fee to reship PFS mail is based upon the current $7.15 Priority Mail 3 pound, zone 6, rate. If the next rate case modifies that rate, the proposed DMCS language you discuss on page 13 of your testimony and included in the application provides for altering the $10.00 rate to reflect the new rate. How do you plan to maintain the simplicity and convenience of a fee rounded to a whole dollar amount of $10.00 if the Priority Mail 3 pound, zone 6, rate changes following the next rate case?

RESPONSE:

My testimony does not speculate as to the timing of the next rate case, which might or might not be implemented prior to consideration of a request for PFS' permanent authorization. Rather, it notes that the structure of the fees hinges upon the zone 6, 3 pound rate for Priority Mail. While $10 is certainly simple and convenient, it is not necessarily true that all other prices would be complicated and inconvenient.

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

OCA/USPS-T4-10. Please refer to page 11 of your testimony where you indicate that you reduced witness Rothschild's estimate of customers in the first year by 80 percent because her projections "assume that all potential customers would be aware of a choice between forwarding and PFS" and "to account for any other factors that might limit participation or awareness of the experiment in the early years...."

(a) Please explain how you derived the 80 percent figure as, opposed say, to a 90 percent or 95 percent figure.
(b) Did you consider the accuracy of witness Rothschild's market estimates in previous marketing test analyses for the Postal Service? If so, did you consider her estimates for Mailing Online?
(c) Did witness Rothschild's market estimates have any bearing on your recommendation for the pricing of PFS?

RESPONSE:

Please see section VI of my testimony, which describes my judgmental approach to volume projections, including the fact that witness Rothschild's estimates rely upon a level of awareness inapplicable to the beginning of an experiment. Note that different market research estimates would not affect the price levels, since all PFS costs are volume variable. USPS-T-4 at 11.

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.

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

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.

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

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.

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

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.

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

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
OFFICE OF THE CONSUMER ADVOCATE

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.

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

OCA/USPS-T4-17. Please refer to your testimony at page 4, lines 22-23, which cites "available data." Also, please refer to the response of witness Cobb to DBP/USPS-T1-5(b)-(c), where it states, "Payment for these informal [reshipping] arrangements entailed . . . deposit by a customer of funds in a postal administered account . . . [which] permitted weighing and rating of each package." Please confirm that the "available data" referred to in your testimony consists, in part, of information from postal administered accounts under these informal reshipping arrangements concerning the "weighing and rating" of packages. If you do not confirm, please explain. If you do confirm, please provide all data related to the weighing and rating of packages reshipped under these informal arrangements.

RESPONSE:

Not confirmed. "Available data" refers to the Household Diary Study information.

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

OCA/USPS-T4-18. Please refer to your testimony at page 6, referring to "Data Collection," and Attachment A, the "MC2005-1 Data Collection Plan." Please explain how the Data Collection Plan will obtain data to verify the assumptions, proxies and time estimates underlying the cost model for PFS developed in the Appendix accompanying the testimony of witness Abdirahman (USPS-T-3).

RESPONSE:

The Data Collection Plan in Attachment A is primarily concerned with the characteristics of the shipments. However, the test will also afford the opportunity to conduct studies to support any permanent filing. No specific studies have been defined; however, as noted in the plan, a qualitative evaluation of planned operations will be enabled which could inform the structure and requirements of the studies, including cost studies, that would be required to support a permanent service.

OCA/USPS-T4-22. Please refer to Attachment C of your testimony, revised January 7, 2005.

(a) Attachment C at page 1 shows Package Services "Pieces per HH per Week" of 0.3, citing the Household Diary Study Table 2.5. Please confirm that 0.3 Package Services "Pieces per HH per Week" represents 3.3 (17 Annual Package Services Pieces per Household / 52 weeks * 10 weeks of PFS reshipments per customer) Package Services pieces for the average PFS customer. If you do not confirm, please explain.

(b) Attachment C at page 2 states that "I expect that PFS customers will tend to receive fewer . . . Package Services parcels at their primary addresses than the Household Diary Study indicates," i.e., less than 0.3 Package Services "Pieces per HH per Week." How many Package Services "Pieces per HH per Week" do you estimate PFS customers will receive? Please show all calculations and explain all assumptions.

RESPONSE:

(a) Not confirmed. As I state in Attachment C, page 2, of my testimony, PFS customers at a temporary address might postpone orders until they return to their primary addresses, and thus receive fewer Package Services pieces than reflected in the Household Diary Study.

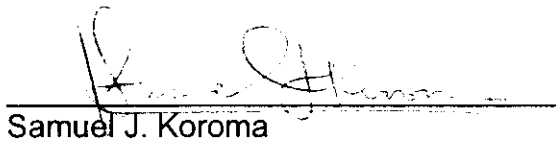
b) I have no basis for quantifying an estimate of packages per week received at the primary address.

POSTAL RATE COMMISSION
DOCKET NO. MC2005-1
EXPERIMENTAL PREMIUM FORWARDING SERVICE

I, Samuel J. Koroma, hereby declare under penalty of perjury that:

The interrogatory responses filed under my name, and designated for inclusion in the record of this docket, were prepared by me or under my direction; and

Were I to respond orally to the questions appearing in the interrogatories, my answers would be the same.



Samuel J. Koroma

3-16-05
Date

USPS-T-4

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

EXPERIMENTAL PREMIUM
FORWARDING SERVICE

Docket No. MC2005–1

DIRECT TESTIMONY
OF
SAMUEL J. KOROMA
ON BEHALF OF THE
UNITED STATES POSTAL SERVICE

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AUTOBIOGRAPHICAL SKETCH

My name is Samuel J Koroma. I am an economist in the Office of Specialty Pricing, Pricing and Classification, of the United States Postal Service Marketing Department. I testified in Docket No. R2001-1 on the Postal Service's proposed fee and classification changes for selected special services (USPS-T-37). I also presented the Postal Service's proposal for a permanent Periodicals "Ride-Along" classification in the same docket (USPS-T-44). My primary responsibilities have included Parcel Post and other pricing issues. Most recently, I have been tasked with developing a pricing and classification proposal for an experimental special service called Premium Forwarding Service, as embodied in this testimony.

Prior to becoming a career postal employee, I worked in1995 as an intern and later as an economic analyst for the National Mail Transportation Purchasing department of the United States Postal Service. My responsibilities included conducting various economic studies on the respective modes of transportation.

I earned a Master of Arts degree in Economics from Howard University, Washington, D.C., and also a Bachelor of Science degree in Economics from the University of Sierra Leone.

I. PURPOSE AND SCOPE OF TESTIMONY

My testimony presents the Postal Service's classification and pricing proposal for an experimental special service called "Premium Forwarding Service" ("PFS"). This testimony discusses the pricing and classification rationale for the proposal, the justification for an experiment, the potential financial impacts, and the statutory criteria supporting the proposed changes.

II. GUIDE TO TESTIMONY AND SUPPORTING DOCUMENTATION

I attach to my testimony supporting spreadsheets. My testimony also uses the description of PFS presented by witness Cobb (USPS-T-1), the cost estimates presented by witness Abdirahman (USPS-T-3), and the market research results for PFS presented by witness Rothschild in her testimony (USPS-T-2) and library reference, USPS-LR-1/MC2005-1.

III. OVERVIEW OF PFS PROPOSAL

A. Description of the Experimental Classification.

The Postal Service is proposing an experimental Premium Forwarding Service (PFS) classification as a supplement to temporary forwarding, permanent forwarding, and hold mail, all of which will remain unchanged. PFS is the term for weekly shipment by Priority Mail of substantially all of a customer's mail to a temporary address. The proposed classification would involve the reshipment of most classes of mail; mail that requires a scan upon delivery, or which is too large for the PFS shipment, would be shipped separately. Customers would sign up for a minimum of two weeks and not more than a year. This service is designed for one or more individual addressees, or an entire household, who want to receive all their mail at a temporary address for a specific period of time while away from the primary residence. Only domestic addresses would qualify for this service. No formal temporary or permanent Change of Address (PS Form 3575) would be filed. For a more detailed description of the proposed experimental service, please refer to USPS-T-1.

B. Description of Experimental Fee Structure.

I propose a one-time nonrefundable $10.00 enrollment fee along with a fixed charge of $10.00 per shipment. The per-shipment charge includes a $2.85 fee plus the Priority Mail postage for a three pound, zone 6 parcel, which currently is $7.15.

C. Rationale for the Proposal.

The Postal Service provides two forwarding options to customers who relocate, vacation from home for an extended period of time, or move out of town on a long-term work assignment. As specified in the Domestic Mail Manual (DMM), Section F, temporary and permanent forwarding include primarily First-Class Mail while excluding most other mail. Some customers, however, want to receive all of their mail while away from home. PFS would allow such customers to continue receiving their catalogs and periodicals beyond the limitations of current options. PFS also offers customers the opportunity to maintain their professional, personal, and community ties with their local areas while temporarily away.

The Postal Service recognizes that some customers spend extended periods of time at second homes, or are away from home for several weeks or months at a time while on business or at school. These customers would welcome the opportunity to receive all of their correspondence, bills, announcements, and publications at an alternate address, without having to change their primary address or notify their correspondents of an address change.

IV. DESIGNATION AS AN EXPERIMENT

A. Objectives of the Proposed Experiment

The goals of the proposed experimental classification are to gather information about the viability of the service, including demand and customer needs, along with information about the weight and zone of PFS pieces. In addition, an experiment would

provide an opportunity to obtain better cost information if a request for permanent authorization follows. Finally, an experiment can help determine the most efficient operational procedures for a nationwide service whose demand may vary geographically or seasonally. The Postal Service would accordingly monitor and collect data on zone profile, revenue, volume, and cost. The data collection plan is addressed more specifically in section IV.B.3 and Attachment A.

B. Compliance with Section 3001.67

1. Novelty

As discussed in witness Cobb's testimony (USPS-T-1), the Postal Service offers conventional forwarding options; however, PFS is a novel concept. It would provide customers the capability of receiving all of their mail while temporarily away from primary addresses. By providing an alternative mail redirection method that combines and reships all mail classes for an entire household or individuals, the Postal Service is proposing a novel approach that warrants an experimental classification change.

PFS would be the first classification, experimental or otherwise, to meet the needs of seasonal residents. It also combines fee elements which, while not necessarily novel in and of themselves, constitute a unique combination of rate and fee design. The experimental classification would entail payment by addressees. An addressee rarely pays for mail service, and the combination of enrollment and weekly fees, plus postage, is unique. PFS' novelty is also enhanced by the flat charge payment mechanism.

The experimental charges are fixed, with available data used to identify an appropriate Priority Mail rate cell. The fixed postage rate is one component of the

reshipment charge. The other component, which is also fixed, is the reshipment fee. Both the postage and fee are combined to get a fixed reshipment charge. This fixed nature facilitates payment of known charges in advance.

2. Magnitude of Proposed Change

The magnitude of the proposed experiment is expected to be minimal. While potential users of the proposed service include customers who now use the existing forwarding options, customers also use a variety of other methods for managing the flow of mail when they are away from their primary addresses. Accordingly, the Postal Service does not anticipate that a significant proportion of mail now being forwarded would migrate to PFS. The proposed experiment is thus expected to have minimal impact on existing forwarding options. These options meet the needs of some customers with a temporary or permanent change of address. But, as witness Cobb notes in section IV of her testimony, customers now use a wide variety of alternative arrangements, many of which are extrinsic to those offered by the Postal Service. The Postal Service is proposing a new option for patrons who want all their mail reshipped in a manner not provided by the existing options.

Some new Priority Mail volume and postage revenue would be generated, since the reshipped mail would travel as Priority Mail. But this revenue is not expected to be substantial in comparison to total Priority Mail revenues. Revenue generated from PFS (the enrollment and reshipment fees) is also expected to be small. Attachment B shows the expected financial impact, which is discussed in detail in section VII.

The impact of the classification change on Postal Service competitors is expected to be minimal, if any. There are other services, but none allows customers to keep their current postal address. Commercial Mail Receiving Agencies (CMRAs) offer a service limited to mail received at a CMRA, while recreational vehicle (RV) owners have a network of RV clubs and associations that will redirect their mail as one element in a package of travel-related services. PFS should not impact any of these alternatives.

3. Data Collection

The Postal Service plans to collect and report various data elements. The primary ones are counts of customers, duration of service, revenue, and weight and zone of the Priority Mail reshipments. These data elements may be available through existing data systems; if not, then some form of special study would be necessary. Additional data elements would be available from respective offices' Master and Tracking Logs. As with any experiment, operational experience would inform judgment as to whether a permanent service is warranted. Such information would, however, be largely qualitative. Attachment A details the data collection plan.

V. PRICING

A. Pricing Approach and Rationale

In an effort to minimize cost and provide a simple product, I propose that a single per-week price be charged for all shipments. Such a structure is easy to communicate and understand, allows the customer to know the total charge for the service in advance, and simplifies the weekly shipment activity. An alternative approach would

have been to vary the weekly charge based on the weight and distance of the shipment. This alternative, however, would not have the positive features that are embodied in the single-price approach: it would be more difficult to understand and communicate; customers would not know in advance how much they have to pay; and there would be higher administrative costs for weighing and rating that would need to be recovered in the price.

The pricing approach entails two critical assumptions that are supported by existing data:

1) I assumed that the average weight per week for reshipped mail would be less than 3 pounds. According to the Household Diary Study, the average household received about 2.5 pounds of First-Class Mail, Periodicals, and Standard Mail per week in postal fiscal year 2003.[1] This weight does not include Expedited Mail and Package Services mail, since those pieces would generally be excluded from the weekly shipments, as described in Attachment C, page 2. Many customers would not receive as much mail at their primary addresses when they are temporarily away, since some correspondents would be aware of this change in location. In particular, parcel volume to primary addresses while customers are temporarily away should diminish for two reasons. First, addressees have control over when and where product fulfillment orders are sent. Thus, addressees could have parcels sent to their temporary rather primary address, or they could simply delay a purchase if an item were needed for a purpose tied to the primary address. Second, another source of parcel volume, gifts, typically involve family or close friends of addressees; these mailers are more likely to know that an addressee is temporarily away, and can also send parcels directly to temporary addresses or delay their shipment until addressees return to their primary addresses. This makes the exclusion of Package Services and Expedited Mail volume from the estimated weight of weekly mail reasonable for the purpose of an experiment. The Postal Service plans to collect data during the experiment on shipment weights to test the 3-pound assumption, and the propriety of a fixed price.
2) I also assumed that PFS customers would on average travel between 1,000 and 1,400 miles from their primary residences, making zone 6 the appropriate choice. See DMM G030.2.2. The rationale for the choice of zone 6 is that potential PFS

[1] Attachment C.

customers traditionally move between the north and south with the seasons, and typically the North-South distance in the continental United States for seasonal moves appears to be within the range of 1000 miles to 1400 miles. A few examples illustrate this: New York to Miami (1088 miles), Detroit to Tampa (995 miles), Chicago to Tampa (1001 miles), and Chicago to Phoenix (1447 miles). The use of zone 6 constitutes a conservative, qualitative choice. As mentioned above, the Postal Service would collect data on the origins and destinations of shipments during the experiment.

These assumptions allow for the selection of the zone 6, 3 pound rate to apply to each weekly shipment. The current postage rate for sending Priority Mail weighing 3 pounds to zone 6 is $7.15.[1]

In addition, for price simplification, I propose a fee of $2.85 to cover the $2.63 cost of repackaging PFS mail for the weekly reshipment. See USPS-T-3 at 5. Adding this fee to the postage rate of $7.15 results in a proposed $10.00 charge for each shipment. I also propose an enrollment fee of $10.00 to cover the set-up costs of $5.58. *Id.* Attachment B supports this analysis. The $10.00 enrollment and $10.00 per shipment fees not only promote price simplification, but also foster ready understanding by customers.

I am proposing an overall PFS cost coverage of 121 percent based on the estimated average number of weeks the service would be used, which is 10 weeks.[2] The proposed cost coverage does not include any contribution from new Priority Mail volume. This cost coverage is calculated by dividing the total revenue from the

[1] No further mark-up is applied to the Priority Mail postage of $7.15.
[2] USPS-T-2, at 8.

repackaging and enrollment fees ($13,167,000) by the total costs of repackaging and enrollment ($10,891,000). See Attachment B, as revised December 20, 2004.

From a marketing perspective, I believe the weekly fee is the more important component for customer acceptance, and have designed the prices accordingly. The proposed weekly fee would accordingly generate relatively little contribution, which together with markup over costs underlying the enrollment fee would collectively achieve the appropriate cost coverage.

B. Pricing Criteria

The proposed fees presented in this testimony were designed using the pricing criteria from Section 3622(b) of Title 39, United States Code:

1. the establishment and maintenance of a fair and equitable schedule;
2. the value of the mail service actually provided each class or type of mail service to both the sender and the recipient, including but not limited to, the collection, mode of transportation, and priority of delivery;
3. the requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to that class or type plus that portion of all other costs of the Postal Service reasonably assignable to such class or type;
4. the effect of rate increases upon the general public, business mail users, and enterprises in the private sector of the economy engaged in the delivery of mail matter other than letters;
5. the available alternative means of sending and receiving letters and other mail matter at reasonable costs;
6. the degree of preparation of mail for delivery into the postal system performed by the mailer and its effect upon reducing costs to the Postal Service;
7. simplicity of structure for the entire schedule and simple, identifiable relationships between the rates or fees charged the various classes of mail for postal services.

8. the educational, cultural, scientific, and informational value to the recipient of mail matter; and

9. such other factors as the Commission deems appropriate.

The proposed pricing is fair and equitable (Criterion 1). It reflects a balanced consideration of the criteria, while mitigating the impact on customers who have been relying upon informal arrangements with their local post offices and who will therefore see substantial price increases.

While PFS would definitely have value to temporary movers, it also most resembles temporary forwarding which is free and which therefore tends to have a slightly moderating influence on the value of service (Criterion 2). For that matter, some of the service's value of service is due to the reliance upon Priority Mail, whose contribution is not accounted for here. One central characteristic of PFS is the convenience it offers customers in the receipt of their mail in one package. It also provides customers with additional flexibility over their mail delivery options. Furthermore, PFS is valuable to customers who want to maintain their professional, personal, and community ties since they can receive all of their mail (including, for example, community newsletters and local newspapers) when they are away from their primary addresses.

As discussed above, the proposed fees for PFS cover the costs of the service and provide a reasonable contribution (Criterion 3). The effect of the fees on customers was carefully considered, resulting in a low weekly fee and a relatively modest cost coverage overall. The effect of the proposed prices on other private sector enterprises was also considered; PFS is not expected to compete directly with private sector

alternatives (Criterion 4). PFS only supplements current forwarding and hold options; existing options will remain unchanged (Criterion 5). Finally, the proposed fee structure is simple and easy for customers to remember (Criterion 7). The fixed weekly charge avoids the complexities of weighing and rating, and provides customers with advance knowledge of the total cost of service.

VI. FINANCIAL IMPACT

Any request dictates an assessment of the expected financial impact. However, unlike most postal services, PFS entails no fixed costs that would need to be spread over the expected volume and built into the price. As such, the price is not dependent upon the volume projections. Nonetheless, the Postal Service recognizes the need to estimate financial impact. Witness Rothschild's estimate of 1,711,544 customers would result in total PFS revenue of about $66 million, and a contribution of about $10 million. However, her projections assume that all potential customers would be aware of a choice between forwarding and PFS. Especially in the first year of an experiment, this assumption is optimistic. Accordingly, to account for any other factors that might limit participation or awareness of the experiment in the early years of the service's life, a factor of 20 percent is applied to the projected participation. This estimate is judgmental and conservative, reducing the potential for overstating demand or contribution. Moreover, since all costs are volume variable (by customer or by week), the volume estimate is not critical from a cost recovery perspective.

The 20 percent factor generates an estimate of 342,000 customers that would use PFS in the first year. Using this projected volume, I calculated the financial impact

of the proposed fees as shown in Attachment B. Total cost for the special service is estimated at approximately $11 million and total revenue is approximately $13 million, with a contribution of approximately $2 million. See attachment B.

VII. CLASSIFICATION CRITERIA

Section 3623(c) of Title 39, U.S.C., requires the Commission to consider the following factors:

1. the establishment and maintenance of a fair and equitable classification system for all mail;

2. the relative value to the people of the kinds of mail matter entered into the postal system and the desirability and justification for special classifications and services of mail;

3. the importance of providing classifications with extremely high degrees of reliability and speed of delivery;

4. the importance of providing classifications which do not require an extremely high degree of reliability and speed of delivery;

5. the desirability of special classifications from the point of view of both the user and of the Postal Service; and

6. such other factors as the Commission may deem appropriate.

The proposed classification is fair and equitable (Criterion 1) because the Postal Service would offer a consistent, standardized service available to all. Customers in all areas would have an equal opportunity to use the service at the same fair and equitable price. The proposal is also fair and equitable in that customers who utilize the service would pay for it without burdening those customer who do not. As discussed above, some customers value receiving all their mail at an alternate address when they are

temporarily away from their primary residence (Criterion 2). By offering this service, the Postal Service is responding to customer demand. Since Priority Mail is used for the reshipments, this service would have a high degree of reliability and speed of delivery, consistent with criterion 3. The stipulation of a specific day for shipments further enhances the degree of reliability, allowing customers to know when to expect their mail. PFS is a desirable special classification from the point of view of the customer and the Postal Service (Criterion 5). With this proposal, the Postal Service would expand upon the existing range of forwarding options from which customers who want access to their hardcopy communication can choose. The proposal is also desirable from the point of view of the Postal Service, which benefits by offering a more consistent and standardized service to all customers. The service also has the potential to generate contribution to help cover the institutional costs of the Postal Service.

VIII. DMCS AND RATE AND FEE SCHEDULE CHANGES

The Postal Service is proposing that the Commission recommend PFS as an experimental service at the proposed fees discussed in this testimony. I propose a one-time, non-refundable enrollment fee of $10.00 and a weekly reshipment charge totaling $10.00. The DMCS would show the $2.85 weekly reshipment fee, along with the application of the Zone 6, 3 pound Priority Mail rate. The proposed DMCS language defines the critical elements of PFS.

Furthermore, I propose that the experiment be nationwide, set to expire two years after implementation. A two year experiment would provide adequate time to obtain data on weight, zone, customer demand and costs, which could be used in

preparing a request for a permanent service. I also propose language that would allow the experiment to continue during the Commission's consideration of a request for a permanent service.

ATTACHMENT A

MC2005-1 Data Collection Plan

This attachment describes the Postal Service's data collection plan for the PFS experiment. A major purpose of the data collection plan is to determine zone and weight of PFS Priority Mail pieces in a context that would inform judgment as to the viability of a permanent classification with appropriate fees. This plan is designed to collect data required by the Commission's Rules 64 and 54 and data needed for postal management's evaluation of the proposed classification change.

The Postal Service's first preference is to rely upon existing data systems to estimate average zone and weight of PFS Priority Mail. If necessary, special studies would be conducted to generate these estimates. The experiment would also permit qualitative evaluation of planned operations as a guide to whether operational changes would be necessary for any permanent service. The Postal Service proposes to file reports with the Commission every six months that estimate: number of customers, number of mail pieces, revenue, and zone and weight of pieces. Each report would also include a qualitative summary of major issues that have arisen.

The first report might cover more or less than six months' activity so that subsequent reports could harmonize with the quarterly data systems reports. Each report would be filed within eight weeks of the close of a reporting period.

ATTACHMENT B

COST AND REVENUE CALCULATIONS

Assumptions/Input

Estimated Demand	**A-1**	**342,000**
# of Shipments	**A-2**	**1**
Average # of weeks	**A-3**	**10**
Repackaging Cost (per week)	**A-4**	**$2.63**
One time set-up Cost	**A-5**	**$5.58**
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Weekly Price	**A-8**	**$10.00**
Enrollment Fee (one time)	**A-9**	**$10.00**

PFS Contribution Calculation ($000)

Repackaging Revenue	A-10	$	9,747
Enrollment Fee Revenue	A-11	$	3,420
Total Revenue	**A-12**	**$**	**13,167**
Repackaging Cost	A-13	$	8,981
One time set-up Costs	A-14	$	1,910
Total Cost	**A-15**	**$**	**10,891**
Total Contribution	***A-16***	**$**	**2,276**
Cost Coverage	***A-17***		***121%***

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A-11	Enrollment Fee Revenue	Enrollment Fee Revenue is derived by multipying lines A-1 and A-9.
A-12	Total Revenue	Total Revenue is the sum of lines A-10 and A-11.
A-13	Repackaging Cost	This is derived by multiplying lines A-1, A-3, and A-4.
A-14	One-time set-up Costs	This is derived by multiplying lines A-1 and A-5.
A-15	Total Cost	Total cost = the sum of lines A-13 and A-14.
A-16	Total Contribution	Line A-15 subtracted from Line A-12 = Total Contribution.
A-17	Cost Coverage	Cost Coverage = Line A-12 divided by Line A-15.

ATTACHMENT C

Calculation of Estimate for Average PFS Shipment Weight

Classification	Pieces per HH per Week	Weight/Piece (Ounces)	Total Weight (Pounds)
First-Class Mail	10.2	0.681	0.434
Standard Mail - Regular	10.7	2.072	1.386
Standard Mail - Nonprofit	2.1	1.122	0.147
Periodicals	1.2	6.883	0.516
			2.483

Calculation of Estimate of Weight of Expedited Mail and Package Services

Classification	Pieces per HH per Week	Weight/Piece (Ounces)	Total Weight (Pounds)
*Expedited Mail**	0.1	22.75	0.142
*Package Services***	0.3	54.031	1.013
			1.155

*** Expedited Mail includes Priority Mail and Express Mail which will not be reshipped as part of the weekly reshipment, except for those few Priority Mail pieces that do not require a delivery scan and whose inclusion in the PFS package would not delay delivery.**

**** Some Package Services pieces may be included in the shipment - See page 2 for a detailed explanation.**

Source: Postal Fiscal Year 2003 Household Diary Study - Tables 2.3 & 2.5 (available at http://www.prc.gov/show_document.asp?docid=41355).

Attachment C
Page 2 of 2
Added January 7, 2005

The table on page 1 depicts the calculation of the average weight of mail received by households. The top portion of the table sums the weight of pieces that are likely to be included in a PFS shipment. This sum does not include any Package Services or Expedited Mail pieces. The bottom portion of the table provides estimates of the weight of these pieces as information.

The estimate of the PFS shipment does not include Package Services. Parcels of that size and weight (the average is 54 ounces) would generally not be included in the PFS shipment because they are unlikely to fit in the reshipment box that would otherwise be used, and because the inclusion of a single such piece would more than double the weight of the PFS package.

Expedited Mail (Express Mail and Priority Mail) also should not be included in an estimate of PFS package weight because virtually all Expedited Mail pieces would be shipped to the temporary address individually rather than included in the PFS package.

Household recipients of most packages, especially larger and heavier ones, typically control the timing of shipment and the destination address by placing an order or communicating with the sender in advance. Accordingly, I expect that PFS customers will tend to receive fewer Expedited Mail and Package Services parcels at their primary addresses than the Household Diary Study indicates, because addressees would provide their temporary addresses to mailers or postpone orders until they return to their primary addresses. Those sending gifts to the PFS customers are also likely to know of the temporary address. I note several of these factors in my testimony. See USPS-T-4, Section V.A.

Therefore, Attachment C excludes Package Services and Expedited Mail weights from the estimate of the PFS package weight. I therefore estimate that PFS packages will average somewhat less than 2.5 pounds. Even an occasional Expedited Mail or Package Services parcel in the reshipment would not likely push the average weight above three pounds. As such, my proposal that postage for PFS pieces should be drawn from the 3 pound, zone 6 Priority Mail rate is appropriate. The PFS experiment as proposed will generate the information necessary to evaluate this assumption.

USPS-T-4

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

EXPERIMENTAL PREMIUM
FORWARDING SERVICE

Docket No. MC2005–1

DIRECT TESTIMONY
OF
SAMUEL J. KOROMA
ON BEHALF OF THE
UNITED STATES POSTAL SERVICE

TABLE OF CONTENTS

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AUTOBIOGRAPHICAL SKETCH

My name is Samuel J Koroma. I am an economist in the Office of Specialty Pricing, Pricing and Classification, of the United States Postal Service Marketing Department. I testified in Docket No. R2001-1 on the Postal Service's proposed fee and classification changes for selected special services (USPS-T-37). I also presented the Postal Service's proposal for a permanent Periodicals "Ride-Along" classification in the same docket (USPS-T-44). My primary responsibilities have included Parcel Post and other pricing issues. Most recently, I have been tasked with developing a pricing and classification proposal for an experimental special service called Premium Forwarding Service, as embodied in this testimony.

Prior to becoming a career postal employee, I worked in1995 as an intern and later as an economic analyst for the National Mail Transportation Purchasing department of the United States Postal Service. My responsibilities included conducting various economic studies on the respective modes of transportation.

I earned a Master of Arts degree in Economics from Howard University, Washington, D.C., and also a Bachelor of Science degree in Economics from the University of Sierra Leone.

I. PURPOSE AND SCOPE OF TESTIMONY

My testimony presents the Postal Service's classification and pricing proposal for an experimental special service called "Premium Forwarding Service" ("PFS"). This testimony discusses the pricing and classification rationale for the proposal, the justification for an experiment, the potential financial impacts, and the statutory criteria supporting the proposed changes.

II. GUIDE TO TESTIMONY AND SUPPORTING DOCUMENTATION

I attach to my testimony supporting spreadsheets. My testimony also uses the description of PFS presented by witness Cobb (USPS-T-1), the cost estimates presented by witness Abdirahman (USPS-T-3), and the market research results for PFS presented by witness Rothschild in her testimony (USPS-T-2) and library reference, USPS-LR-1/MC2005-1.

III. OVERVIEW OF PFS PROPOSAL

A. Description of the Experimental Classification.

The Postal Service is proposing an experimental Premium Forwarding Service (PFS) classification as a supplement to temporary forwarding, permanent forwarding, and hold mail, all of which will remain unchanged. PFS is the term for weekly shipment by Priority Mail of substantially all of a customer's mail to a temporary address. The proposed classification would involve the reshipment of most classes of mail; mail that requires a scan upon delivery, or which is too large for the PFS shipment, would be shipped separately. Customers would sign up for a minimum of two weeks and not more than a year. This service is designed for one or more individual addressees, or an entire household, who want to receive all their mail at a temporary address for a specific period of time while away from the primary residence. Only domestic addresses would qualify for this service. No formal temporary or permanent Change of Address (PS Form 3575) would be filed. For a more detailed description of the proposed experimental service, please refer to USPS-T-1.

B. Description of Experimental Fee Structure.

I propose a one-time nonrefundable $10.00 enrollment fee along with a fixed charge of $10.00 per shipment. The per-shipment charge includes a $2.85 fee plus the Priority Mail postage for a three pound, zone 6 parcel, which currently is $7.15.

C. Rationale for the Proposal.

The Postal Service provides two forwarding options to customers who relocate, vacation from home for an extended period of time, or move out of town on a long-term work assignment. As specified in the Domestic Mail Manual (DMM), Section F, temporary and permanent forwarding include primarily First-Class Mail while excluding most other mail. Some customers, however, want to receive all of their mail while away from home. PFS would allow such customers to continue receiving their catalogs and periodicals beyond the limitations of current options. PFS also offers customers the opportunity to maintain their professional, personal, and community ties with their local areas while temporarily away.

The Postal Service recognizes that some customers spend extended periods of time at second homes, or are away from home for several weeks or months at a time while on business or at school. These customers would welcome the opportunity to receive all of their correspondence, bills, announcements, and publications at an alternate address, without having to change their primary address or notify their correspondents of an address change.

IV. DESIGNATION AS AN EXPERIMENT

A. Objectives of the Proposed Experiment

The goals of the proposed experimental classification are to gather information about the viability of the service, including demand and customer needs, along with information about the weight and zone of PFS pieces. In addition, an experiment would

provide an opportunity to obtain better cost information if a request for permanent authorization follows. Finally, an experiment can help determine the most efficient operational procedures for a nationwide service whose demand may vary geographically or seasonally. The Postal Service would accordingly monitor and collect data on zone profile, revenue, volume, and cost. The data collection plan is addressed more specifically in section IV.B.3 and Attachment A.

B. Compliance with Section 3001.67

1. Novelty

As discussed in witness Cobb's testimony (USPS-T-1), the Postal Service offers conventional forwarding options; however, PFS is a novel concept. It would provide customers the capability of receiving all of their mail while temporarily away from primary addresses. By providing an alternative mail redirection method that combines and reships all mail classes for an entire household or individuals, the Postal Service is proposing a novel approach that warrants an experimental classification change.

PFS would be the first classification, experimental or otherwise, to meet the needs of seasonal residents. It also combines fee elements which, while not necessarily novel in and of themselves, constitute a unique combination of rate and fee design. The experimental classification would entail payment by addressees. An addressee rarely pays for mail service, and the combination of enrollment and weekly fees, plus postage, is unique. PFS' novelty is also enhanced by the flat charge payment mechanism.

The experimental charges are fixed, with available data used to identify an appropriate Priority Mail rate cell. The fixed postage rate is one component of the

reshipment charge. The other component, which is also fixed, is the reshipment fee. Both the postage and fee are combined to get a fixed reshipment charge. This fixed nature facilitates payment of known charges in advance.

2. Magnitude of Proposed Change

The magnitude of the proposed experiment is expected to be minimal. While potential users of the proposed service include customers who now use the existing forwarding options, customers also use a variety of other methods for managing the flow of mail when they are away from their primary addresses. Accordingly, the Postal Service does not anticipate that a significant proportion of mail now being forwarded would migrate to PFS. The proposed experiment is thus expected to have minimal impact on existing forwarding options. These options meet the needs of some customers with a temporary or permanent change of address. But, as witness Cobb notes in section IV of her testimony, customers now use a wide variety of alternative arrangements, many of which are extrinsic to those offered by the Postal Service. The Postal Service is proposing a new option for patrons who want all their mail reshipped in a manner not provided by the existing options.

Some new Priority Mail volume and postage revenue would be generated, since the reshipped mail would travel as Priority Mail. But this revenue is not expected to be substantial in comparison to total Priority Mail revenues. Revenue generated from PFS (the enrollment and reshipment fees) is also expected to be small. Attachment B shows the expected financial impact, which is discussed in detail in section VII.

The impact of the classification change on Postal Service competitors is expected to be minimal, if any. There are other services, but none allows customers to keep their current postal address. Commercial Mail Receiving Agencies (CMRAs) offer a service limited to mail received at a CMRA, while recreational vehicle (RV) owners have a network of RV clubs and associations that will redirect their mail as one element in a package of travel-related services. PFS should not impact any of these alternatives.

3. Data Collection

The Postal Service plans to collect and report various data elements. The primary ones are counts of customers, duration of service, revenue, and weight and zone of the Priority Mail reshipments. These data elements may be available through existing data systems; if not, then some form of special study would be necessary. Additional data elements would be available from respective offices' Master and Tracking Logs. As with any experiment, operational experience would inform judgment as to whether a permanent service is warranted. Such information would, however, be largely qualitative. Attachment A details the data collection plan.

V. PRICING

A. Pricing Approach and Rationale

In an effort to minimize cost and provide a simple product, I propose that a single per-week price be charged for all shipments. Such a structure is easy to communicate and understand, allows the customer to know the total charge for the service in advance, and simplifies the weekly shipment activity. An alternative approach would

have been to vary the weekly charge based on the weight and distance of the shipment. This alternative, however, would not have the positive features that are embodied in the single-price approach: it would be more difficult to understand and communicate; customers would not know in advance how much they have to pay; and there would be higher administrative costs for weighing and rating that would need to be recovered in the price.

The pricing approach entails two critical assumptions that are supported by existing data:

1) I assumed that the average weight per week for reshipped mail would be less than 3 pounds. According to the Household Diary Study, the average household received about 2.5 pounds of First-Class Mail, Periodicals, and Standard Mail per week in postal fiscal year 2003.[1] This weight does not include Expedited Mail and Package Services mail, since those pieces would generally be excluded from the weekly shipments, as described in Attachment C, page 2. Many customers would not receive as much mail at their primary addresses when they are temporarily away, since some correspondents would be aware of this change in location. In particular, parcel volume to primary addresses while customers are temporarily away should diminish for two reasons. First, addressees have control over when and where product fulfillment orders are sent. Thus, addressees could have parcels sent to their temporary rather primary address, or they could simply delay a purchase if an item were needed for a purpose tied to the primary address. Second, another source of parcel volume, gifts, typically involve family or close friends of addressees; these mailers are more likely to know that an addressee is temporarily away, and can also send parcels directly to temporary addresses or delay their shipment until addressees return to their primary addresses. This makes the exclusion of Package Services and Expedited Mail volume from the estimated weight of weekly mail reasonable for the purpose of an experiment. The Postal Service plans to collect data during the experiment on shipment weights to test the 3-pound assumption, and the propriety of a fixed price.
2) I also assumed that PFS customers would on average travel between 1,000 and 1,400 miles from their primary residences, making zone 6 the appropriate choice. See DMM G030.2.2. The rationale for the choice of zone 6 is that potential PFS

[1] Attachment C.

customers traditionally move between the north and south with the seasons, and typically the North-South distance in the continental United States for seasonal moves appears to be within the range of 1000 miles to 1400 miles. A few examples illustrate this: New York to Miami (1088 miles), Detroit to Tampa (995 miles), Chicago to Tampa (1001 miles), and Chicago to Phoenix (1447 miles). The use of zone 6 constitutes a conservative, qualitative choice. As mentioned above, the Postal Service would collect data on the origins and destinations of shipments during the experiment.

These assumptions allow for the selection of the zone 6, 3 pound rate to apply to each weekly shipment. The current postage rate for sending Priority Mail weighing 3 pounds to zone 6 is $7.15.[1]

In addition, for price simplification, I propose a fee of $2.85 to cover the $2.63 cost of repackaging PFS mail for the weekly reshipment. See USPS-T-3 at 5. Adding this fee to the postage rate of $7.15 results in a proposed $10.00 charge for each shipment. I also propose an enrollment fee of $10.00 to cover the set-up costs of $5.58. *Id.* Attachment B supports this analysis. The $10.00 enrollment and $10.00 per shipment fees not only promote price simplification, but also foster ready understanding by customers.

I am proposing an overall PFS cost coverage of 121 percent based on the estimated average number of weeks the service would be used, which is 10 weeks.[2] The proposed cost coverage does not include any contribution from new Priority Mail volume. This cost coverage is calculated by dividing the total revenue from the

[1] No further mark-up is applied to the Priority Mail postage of $7.15.
[2] USPS-T-2, at 8.

repackaging and enrollment fees ($13,167,000) by the total costs of repackaging and enrollment ($10,891,000). See Attachment B, as revised December 20, 2004.

From a marketing perspective, I believe the weekly fee is the more important component for customer acceptance, and have designed the prices accordingly. The proposed weekly fee would accordingly generate relatively little contribution, which together with markup over costs underlying the enrollment fee would collectively achieve the appropriate cost coverage.

B. *Pricing Criteria*

The proposed fees presented in this testimony were designed using the pricing criteria from Section 3622(b) of Title 39, United States Code:

1. the establishment and maintenance of a fair and equitable schedule;
2. the value of the mail service actually provided each class or type of mail service to both the sender and the recipient, including but not limited to, the collection, mode of transportation, and priority of delivery;
3. the requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to that class or type plus that portion of all other costs of the Postal Service reasonably assignable to such class or type;
4. the effect of rate increases upon the general public, business mail users, and enterprises in the private sector of the economy engaged in the delivery of mail matter other than letters;
5. the available alternative means of sending and receiving letters and other mail matter at reasonable costs;
6. the degree of preparation of mail for delivery into the postal system performed by the mailer and its effect upon reducing costs to the Postal Service;
7. simplicity of structure for the entire schedule and simple, identifiable relationships between the rates or fees charged the various classes of mail for postal services.

8. the educational, cultural, scientific, and informational value to the recipient of mail matter; and

9. such other factors as the Commission deems appropriate.

The proposed pricing is fair and equitable (Criterion 1). It reflects a balanced consideration of the criteria, while mitigating the impact on customers who have been relying upon informal arrangements with their local post offices and who will therefore see substantial price increases.

While PFS would definitely have value to temporary movers, it also most resembles temporary forwarding which is free and which therefore tends to have a slightly moderating influence on the value of service (Criterion 2). For that matter, some of the service's value of service is due to the reliance upon Priority Mail, whose contribution is not accounted for here. One central characteristic of PFS is the convenience it offers customers in the receipt of their mail in one package. It also provides customers with additional flexibility over their mail delivery options. Furthermore, PFS is valuable to customers who want to maintain their professional, personal, and community ties since they can receive all of their mail (including, for example, community newsletters and local newspapers) when they are away from their primary addresses.

As discussed above, the proposed fees for PFS cover the costs of the service and provide a reasonable contribution (Criterion 3). The effect of the fees on customers was carefully considered, resulting in a low weekly fee and a relatively modest cost coverage overall. The effect of the proposed prices on other private sector enterprises was also considered; PFS is not expected to compete directly with private sector

alternatives (Criterion 4). PFS only supplements current forwarding and hold options; existing options will remain unchanged (Criterion 5). Finally, the proposed fee structure is simple and easy for customers to remember (Criterion 7). The fixed weekly charge avoids the complexities of weighing and rating, and provides customers with advance knowledge of the total cost of service.

VI. FINANCIAL IMPACT

Any request dictates an assessment of the expected financial impact. However, unlike most postal services, PFS entails no fixed costs that would need to be spread over the expected volume and built into the price. As such, the price is not dependent upon the volume projections. Nonetheless, the Postal Service recognizes the need to estimate financial impact. Witness Rothschild's estimate of 1,711,544 customers would result in total PFS revenue of about $66 million, and a contribution of about $10 million. However, her projections assume that all potential customers would be aware of a choice between forwarding and PFS. Especially in the first year of an experiment, this assumption is optimistic. Accordingly, to account for any other factors that might limit participation or awareness of the experiment in the early years of the service's life, a factor of 20 percent is applied to the projected participation. This estimate is judgmental and conservative, reducing the potential for overstating demand or contribution. Moreover, since all costs are volume variable (by customer or by week), the volume estimate is not critical from a cost recovery perspective.

The 20 percent factor generates an estimate of 342,000 customers that would use PFS in the first year. Using this projected volume, I calculated the financial impact

of the proposed fees as shown in Attachment B. Total cost for the special service is estimated at approximately $11 million and total revenue is approximately $13 million, with a contribution of approximately $2 million. See attachment B.

VII. CLASSIFICATION CRITERIA

Section 3623(c) of Title 39, U.S.C., requires the Commission to consider the following factors:

1. the establishment and maintenance of a fair and equitable classification system for all mail;

2. the relative value to the people of the kinds of mail matter entered into the postal system and the desirability and justification for special classifications and services of mail;

3. the importance of providing classifications with extremely high degrees of reliability and speed of delivery;

4. the importance of providing classifications which do not require an extremely high degree of reliability and speed of delivery;

5. the desirability of special classifications from the point of view of both the user and of the Postal Service; and

6. such other factors as the Commission may deem appropriate.

The proposed classification is fair and equitable (Criterion 1) because the Postal Service would offer a consistent, standardized service available to all. Customers in all areas would have an equal opportunity to use the service at the same fair and equitable price. The proposal is also fair and equitable in that customers who utilize the service would pay for it without burdening those customer who do not. As discussed above, some customers value receiving all their mail at an alternate address when they are

temporarily away from their primary residence (Criterion 2). By offering this service, the Postal Service is responding to customer demand. Since Priority Mail is used for the reshipments, this service would have a high degree of reliability and speed of delivery, consistent with criterion 3. The stipulation of a specific day for shipments further enhances the degree of reliability, allowing customers to know when to expect their mail. PFS is a desirable special classification from the point of view of the customer and the Postal Service (Criterion 5). With this proposal, the Postal Service would expand upon the existing range of forwarding options from which customers who want access to their hardcopy communication can choose. The proposal is also desirable from the point of view of the Postal Service, which benefits by offering a more consistent and standardized service to all customers. The service also has the potential to generate contribution to help cover the institutional costs of the Postal Service.

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The Postal Service's first preference is to rely upon existing data systems to estimate average zone and weight of PFS Priority Mail. If necessary, special studies would be conducted to generate these estimates. The experiment would also permit qualitative evaluation of planned operations as a guide to whether operational changes would be necessary for any permanent service. The Postal Service proposes to file reports with the Commission every six months that estimate: number of customers, number of mail pieces, revenue, and zone and weight of pieces. Each report would also include a qualitative summary of major issues that have arisen.

The first report might cover more or less than six months' activity so that subsequent reports could harmonize with the quarterly data systems reports. Each report would be filed within eight weeks of the close of a reporting period.

ATTACHMENT B

COST AND REVENUE CALCULATIONS

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# of Shipments	**A-2**	**1**
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Repackaging fee	*A-7*	$2.85
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A-7	Repackaging Fee	The $2.85 represents the price to be charged for the bundling and packaging of the mail for shipping.
A-8	Weekly Price	The weekly price is the cost of the postage plus the repackaging fee
A-9	Enrollment Fee (one-time)	This is a one time fee enrolling a customer.
A-10	Repackaging Revenue	Shipment Revenue is derived by multipying lines A-1, A-2, A-3, and A-7.
A-11	Enrollment Fee Revenue	Enrollment Fee Revenue is derived by multipying lines A-1 and A-9.
A-12	Total Revenue	Total Revenue is the sum of lines A-10 and A-11.
A-13	Repackaging Cost	This is derived by multiplying lines A-1, A-3, and A-4.
A-14	One-time set-up Costs	This is derived by multiplying lines A-1 and A-5.
A-15	Total Cost	Total cost = the sum of lines A-13 and A-14.
A-16	Total Contribution	Line A-15 subtracted from Line A-12 = Total Contribution.
A-17	Cost Coverage	Cost Coverage = Line A-12 divided by Line A-15.

ATTACHMENT C

Calculation of Estimate for Average PFS Shipment Weight

Classification	Pieces per HH per Week	Weight/Piece (Ounces)	Total Weight (Pounds)
First-Class Mail	10.2	0.681	0.434
Standard Mail - Regular	10.7	2.072	1.386
Standard Mail - Nonprofit	2.1	1.122	0.147
Periodicals	1.2	6.883	0.516
			2.483

Calculation of Estimate of Weight of Expedited Mail and Package Services

Classification	Pieces per HH per Week	Weight/Piece (Ounces)	Total Weight (Pounds)
*Expedited Mail**	0.1	22.75	0.142
*Package Services***	0.3	54.031	1.013
			1.155

*** Expedited Mail includes Priority Mail and Express Mail which will not be reshipped as part of the weekly reshipment, except for those few Priority Mail pieces that do not require a delivery scan and whose inclusion in the PFS package would not delay delivery.**

**** Some Package Services pieces may be included in the shipment - See page 2 for a detailed explanation.**

Source: Postal Fiscal Year 2003 Household Diary Study - Tables 2.3 & 2.5 (available at http://www.prc.gov/show_document.asp?docid=41355).

Attachment C
Page 2 of 2
Added January 7, 2005

The table on page 1 depicts the calculation of the average weight of mail received by households. The top portion of the table sums the weight of pieces that are likely to be included in a PFS shipment. This sum does not include any Package Services or Expedited Mail pieces. The bottom portion of the table provides estimates of the weight of these pieces as information.

The estimate of the PFS shipment does not include Package Services. Parcels of that size and weight (the average is 54 ounces) would generally not be included in the PFS shipment because they are unlikely to fit in the reshipment box that would otherwise be used, and because the inclusion of a single such piece would more than double the weight of the PFS package.

Expedited Mail (Express Mail and Priority Mail) also should not be included in an estimate of PFS package weight because virtually all Expedited Mail pieces would be shipped to the temporary address individually rather than included in the PFS package.

Household recipients of most packages, especially larger and heavier ones, typically control the timing of shipment and the destination address by placing an order or communicating with the sender in advance. Accordingly, I expect that PFS customers will tend to receive fewer Expedited Mail and Package Services parcels at their primary addresses than the Household Diary Study indicates, because addressees would provide their temporary addresses to mailers or postpone orders until they return to their primary addresses. Those sending gifts to the PFS customers are also likely to know of the temporary address. I note several of these factors in my testimony. See USPS-T-4, Section V.A.

Therefore, Attachment C excludes Package Services and Expedited Mail weights from the estimate of the PFS package weight. I therefore estimate that PFS packages will average somewhat less than 2.5 pounds. Even an occasional Expedited Mail or Package Services parcel in the reshipment would not likely push the average weight above three pounds. As such, my proposal that postage for PFS pieces should be drawn from the 3 pound, zone 6 Priority Mail rate is appropriate. The PFS experiment as proposed will generate the information necessary to evaluate this assumption.

POSTAL RATE COMMISSION
DOCKET NO. MC2005-1
EXPERIMENTAL PREMIUM FORWARDING SERVICE

I, Samuel J. Koroma, hereby declare under penalty of perjury that:

The *Direct Testimony of Samuel J. Koroma on Behalf of the United States Postal Service*, denominated USPS-T-4, was prepared by me or under my direction; and

Were I to give this testimony orally before the Commission, it would be the same.

Samuel J. Koroma

3-16-05
Date

United States Postal Service

Beth B. Rothschild
(USPS-T-2)

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS ROTHSCHILD TO POPKIN INTERROGATORY

DBP/USPS-T2-2. On page 8 of your testimony, you indicate the 90% confidence level.
(a) Is this the appropriate level to utilize?
(b) What would the data be at the 95% confidence level?
(c) What confidence level would witness Koroma's lower limit for Total Estimated Users be?

RESPONSE:

(a) There are no set rules as to the exact confidence levels to use. Rather, researchers use their best judgment given the number and nature of the estimates. Given that both totals and averages were produced, we felt it was best to use the 90% confidence level. However, please note that we included the standard error in the table so that others could compute different intervals if they so desired.

(b) The 95% confidence level for each estimate can be computed from the information supplied in the table by taking the standard error and multiplying by 1.96 and then adding or subtracting that number from the estimate. The table below presents the results of these computations.

Fixed-Fee Premium Forwarding Service

$10 Price Level: Estimated Users, Shipments & Weeks

$10 PRICE LEVEL	Estimate	Standard Error	Lower Limit (95% CI)	Upper Limit (95% CI)
Total Estimated Users	1,711,544	246,901	1,227,618	2,195,470
Average Number of Shipments per Week per User	1.4	0.157	1.1	1.7
Total Number of Shipments per Week	2,683,170	515,423	1,672,941	3,693,399
Total Number of Annual Shipments	22,841,563	5,084,659	12,875,631	32,807,495
Average Number of Weeks Likely Used per User	9.7	1.927	5.9	13.5
Total Number of Weeks Annually	16,524,772	4,100,239	8,488304	24,561,240

(c) Redirected to witness Koroma.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS BETH B. ROTHSCHILD TO INTERROGATORY
FROM THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T2-1. Please turn to Library Reference USPS-LR-1/MC2005-1. Please turn to pages 1 and 2, wherein you indicate that a telephone interview was used to query respondents on potential usage of the Premium Forwarding Service, obtaining a likelihood of usage as a function of price.

(a) Have you conducted or can you cite any studies which relate consumer responses on the likelihood of using a service or product to their actual subsequent usage of the service or product. If so, please explain your study or provide the reference to the relevant studies.

(b) Based on studies which you have conducted or, alternatively, are available in the marketing, economics, statistical, psychological, sociological, or other professional literature, is subsequent product or service usage higher, lower, or identical to projected usage based on consumers' hypothesized behavior as indicated by their perceived likelihood of using a product? Please explain the basis for your response.

(c) What level of confidence in this approach does the relevant professional literature assign to this market estimation approach, based on a screening questionnaire with subsequent questionnaire follow-up?

RESPONSE:

(a) I have conducted numerous studies for both commercial clients and the Postal Service which forecast likely consumer response to the introduction of new products and services or the addition of new product or service features. Several of these studies have supported Postal Service requests to the Postal Rate Commission. While these studies support estimates of customer use or preference, it has not been my responsibility to determine the relationship between consumers' responses to their likelihood of using the service or product to their actual subsequent usage of this product or service. Information on the specific products or new product features that were actually introduced into the marketplace and the demand that resulted for them can be researched on the Postal Rate Commission website.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS BETH B. ROTHSCHILD TO INTERROGATORY
FROM THE OFFICE OF THE CONSUMER ADVOCATE

Stated preference methods in survey research are often used for measuring demand for new products and services, as well as the public's preferences towards different policies and regulations. Common areas of application include environmental valuation (Mitchell and Carson, 1989), health care (McDowell and Newell, 1996), marketing (Louviere, 1994), political science (King 1989), and transportation (Hensher, 1994).[1] In marketing, prominent methodological evaluations of research methods for measuring purchase intentions, and that also summarize applications of these techniques, include Warshaw (1980) and Kalwani and Silk (1982).[2]

(b) One major finding in the literature examining the relationship between expressed purchase intent or usage and subsequent purchase is that the relationship tends to vary depending upon the product or service under investigation (Kalwani and Silk (1982), p. 278). As a result, it is not possible to generalize across products and services regarding the direction, and particularly the magnitude, of potential biases associated with using intentions as a measure of subsequent purchase or usage. One conclusion from this research that

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[1] See Mitchell, R.C. and R. T. Carson (1989) Using Surveys to Value Public Goods: The Contingent Valuation Method, Baltimore: Johns Hopkins University Press, McDowell, K . E. and C. Newell (1996) Measuring Health; A Guide To ratings Scales and Questionnaires, 2nd ed., New York: Oxford University Press, Louviere, J. J. (1994) Conjoint Analysis, in Handbook of Marketing Research, R Bagozzi, ed., Oxford: Oxford University Press, King , G. (1989) Unifying Political Methodology; The Likelihood Theory of Statistical Inference, New York: Cambridge University Press, and Hensher, D. A. (1994) Stated Preference Analysis of Travel Choice – The State of Practice, Transportation, 21, 107-133.

[2] See Warshaw, P.R. (1980) Predicting Purchase and Other Behaviors from General and Contextually Specific Intentions, Journal of Marketing Research 12 (February), 26-33. Kalwani, M. and A. J. Silk (1982) On the Reliability and Predictive Validity of Purchase Intention Measures, Marketing Science 1, 243-286.

supports the stated preference approach (see Kalwani and Silk (1982), p. 280) is that "across a broad range of conditions, such measures do possess a statistically significant degree of predictive validity."

Nevertheless, there are several compelling external factors that often explain why actual demand may be higher or lower than that which is forecasted in survey research. First, in a survey situation, potential customers or users are made completely aware of the product or service. They are educated fully about its characteristics and price. In the real world, the level of awareness and knowledge that emerges is often a function of the amount of awareness building activities undertaken (e.g., advertising, customer notification, etc.). In instances where considerable dollars are invested to "educate" the public and word-of-mouth spreads quickly, survey estimates may underestimate demand. In cases where there is little or no attempt to build awareness, the survey may overestimate demand.

Second, it is often the case that the product brought to market differs in subtle, but nevertheless meaningful, ways from the product that was tested in the research. Under these conditions, differences between forecasted and actual demand may result – both under- and over-estimates may emerge depending upon the nature of the changes.

Third, changing circumstances may cause the behavior of respondents to differ from the expectations reflected in survey responses; that is, those who believed they might make use of it do not, while others who had no need or inclination actually do. In the case of Premium Forwarding, it may be that a

portion of those who indicated no likelihood of using the service this year may find they need to use it because of an unexpected extended trip, while others who did believe they would use it find they will not need to do so. The nature of these changes may result in higher or lower demand.

Fourth, sometimes individuals participating in surveys overstate their intentions to use a new product or service. To guard against serious overstatement, survey researchers design samples with individuals in the best position to gauge their likely behaviors (i.e., who have a level of familiarity and can more appropriately determine their intended use), and, hence, diminish the amount of overstatement. For example, the groups of individuals included in the Premium Forwarding study had either used similar (but not identical) forwarding services or forecasted an extended period away from their homes within a reasonable time period, and, as such, represented individuals who were in the best position to estimate their future use of this new product. In addition, adjustments are made to the raw survey estimates to produce more conservative demand forecasts and to take account of possible reasons for overstatement.

(c) The approach used in the Premium Forwarding research is one that is commonly employed and accepted as a sound basis for producing demand forecasts under different pricing options. In fact, it has been used in many previous studies conducted by the Postal Service and submitted to the Postal Rate Commission. Kalwani and Silk, for example, find support for the argument that the probability of purchase appears to be quite small for intentions below a

threshold level. In these situations, "top box" scoring rules (like those employed in this research) that relate responses concerning likelihood to purchase or use to subsequent purchase or use are quite appropriate.[3]

Based upon my more than 33 years in the survey research business, I have complete confidence in the market estimation approach used here. The research protocol, questioning and data collection approach, quality control measures, and analytical efforts undertaken here are all exemplary. Had the survey used a single-stage telephone approach (i.e., performing a telephone screening and interviewing eligible respondents in the same contact) one could argue that respondents might not have been fully informed about the new product, and, therefore, not in the best position to indicate their intended future behaviors. Rather, the approach used – telephone screening, providing detailed information about the new product, and subsequently recontacting respondents for interview – allowed respondents time to digest relevant product information prior to the interview. Furthermore, the product literature sent to respondents in advance of the interviews was reviewed during the interview and price levels were randomized such that one-half the respondents were asked about the low price point first and the other half were asked about the high price point first. Subsequently adjustments were made to the raw survey estimates to produce a well-grounded estimate of likely usage.

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[3] Kalwani, M. and A. J. Silk (1982) On the Reliability and Predictive Validity of Purchase Intention Measures, Marketing Science 1, 243-286.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS BETH B. ROTHSCHILD TO INTERROGATORY
FROM THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T2-2. Please turn to Library Reference USPS-LR-1/MC2005-1. On page 2 you indicate that "...approximately 25 postal districts" were used for developing a list of Snowbird program users.

(a) How did you determine that the number to use at this point in the analysis should be 25 postal districts?
(b) How did you select which 25 districts to use?
(c) Do you have any analysis of whether this decision to limit the coverage at this point in the study to 25 postal districts biased the results? If so, please provide your analysis. If not, please explain.
(d) Apparently, contact was effectuated via telephone; do you have an analysis of whether excluding individuals not having telephone numbers biased the results? Please explain your response.

RESPONSE:

(a) As noted on pages 1 and 2 of the Library Reference "a reshipping service dubbed 'Snowbird' was offered on various terms by local postal officials in some locales." The number of districts offering such a service was not provided to me. Rather, the Postal Service provided us with the Snowbird sample and, based upon the information provided to us, we determined that names of users from 25 postal districts had been included. Therefore, we did not do any analysis to determine the number of postal districts to use.

(b) We did not select any districts. As mentioned in (a) above, the information was provided to us by the Postal Service.

(c) We do not have any analysis regarding the postal districts included and not included in this research. We used all of the information provided to us and did not take a sample of the districts.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS BETH B. ROTHSCHILD TO INTERROGATORY
FROM THE OFFICE OF THE CONSUMER ADVOCATE

(d) As referenced in our response to interrogatory OCA/USPS-T2-3(b), approximately 97.6 percent of U.S. households now have "telephone service available from which they can make and receive calls", as estimated by Census 2000. This is an increase from the 1990 figure of 94.8 percent.[1] Current national estimates also suggest that this rate varies by geography and socio-economic status.[2] We have no evidence to suggest that non-telephone households are more or less favorably disposed towards Premium Forwarding. Given the small percentage of non-telephone households, my opinion is that it is unlikely that the absence of non-telephone households in the sample represents a significant source of bias.

More specifically, among the Snowbird sample, 8,918 names were provided to us and 7,269 were matched to telephone numbers, as noted on page 3 of the Library Reference. While the residual were not explicitly included in the Snowbird sample, they had a chance of being sampled as part of the RDD (random digit dial) stratum. Hence, unlisted Snowbird users were covered in this research.

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[1] Survey Sampling Inc., (2002) SSI Updates Household Estimates, Telephone Penetration Up, The Frame, December.

[2] Frankel, M. R., Srinath, K. P., Hoaglin, D. C., Battaglia, M. P., Smith, P. J., Wight, R. A., and M. Khare (2003) Adjustments for Non-telephone Bias in Random-Digit-Dialing Surveys, StatMed, May 15;22(9):1611-26.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS BETH B. ROTHSCHILD TO INTERROGATORY
FROM THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T2-3. Please turn to Library Reference USPS-LR-1/MC2005-1. Please turn to page 3, where you indicate that in the case of Temporary Forwarding Users you selected a random sample of 40,000 records, which were subsequently sent for telephone look-up.

(a) What was the statistical basis for determining a sub sample of 40,000.
(b) Did the lack of a telephone number by a temporary forwarding user bias the sample? Please explain your response.

RESPONSE:

(a) The size of the sub-sample (40,000 records) was chosen to ensure that the number of records with matched telephone numbers would be large enough to obtain a sufficient number of interviews from the Temporary Forwarding stratum. The survey schedule did not allow time for undertaking additional telephone number matching activities, and, as such, we wanted to match a very large number of records to guard against having to do it again.

(b) There are two possible sources of bias that could be associated with coverage of telephone numbers on the Temporary Forwarding list, but, I do not believe that they are of such a magnitude to have caused the sample to be biased.

According to 2000 Census data, 97.6 percent of U.S. households now have "telephone service available from which they can make and receive calls." This is an increase from the 1990 figure of 94.8 percent.[1] Current national estimates also suggest that this rate varies by geography and socio-economic

[1] Survey Sampling Inc., (2002) SSI Updates Household Estimates, Telephone Penetration Up, The Frame, December.

status.[2] There are no external sources of information concerning the proportion of households on the Temporary Forwarding list that do not have telephones. However, there is some evidence suggesting that the proportion of non-telephone households within Temporary Forwarding users may be less than the national average. Of the 40,000 sampled records selected for telephone matching, 30,909 could be matched to a listed telephone number. The estimated listed rate (77 percent) significantly exceeds current estimates of the national listed rate (70 percent)[3]. This suggests that the proportion of non-telephone households on the Temporary Forwarding list may actually be less than the national average.

Overall, given the small percentage of households without telephones and the likelihood that the percentage of non-telephone households on the Temporary Forwarding list may be lower than the national rate, it is unlikely that the absence of non-telephone households represents a significant source of bias for the sample.

A second potential source of bias in the Temporary Forwarding sample concerns the process of using what is called "directory matching" to produce telephone numbers for the list of addresses sampled prior to the telephone survey. It might appear that this focuses the sample exclusively on directly listed Temporary Forwarding users, and that this might, therefore, be a potential source

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[2] Frankel, M. R., Srinath, K. P., Hoaglin, D. C., Battaglia, M. P., Smith, P. J., Wight, R. A., and M. Khare (2003) Adjustments for Non-telephone Bias in Random-Digit-Dialing Surveys, StatMed, May 15;22(9):1611-26.

[3] Survey Sampling Inc.'s current estimate of the percentage of telephone households that have listed numbers is approximately 70 percent. See www.worldopinion.com.

of bias for the sample. However, as noted on page 14 in the Library Reference, individuals who were sampled in the RDD stratum who reported that they had used Temporary Forwarding and could be matched, via name/address, to the Temporary Forwarding list, were included in the survey. This provided coverage for the unlisted telephone households on the Temporary Forwarding list.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS BETH B. ROTHSCHILD TO INTERROGATORY
FROM THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T2-4. Please turn to Library Reference USPS-LR-1/MC2005-1. On page 4 you indicate that your final telephone sample was composed of Snowbird, Temporary Forwarding and a RDD strata, and that you subsequently drew a sample across the three sample sources to obtain an overall sample of 1,600 with sub samples of 800.

(a) Please discuss how you arrived at the samples sizes of 1,600, 800, and 800.

(b) Please discuss how your sampling techniques from the three strata resulted in an overall statistically valid sample. Please delineate all assumptions used, statistical techniques, and references in textbooks or the literature justifying your approach.

RESPONSE:

(a) Several factors were used to determine the sample sizes for the proposed research. These factors included: 1) overall project schedule; 2) budgetary constraints; 3) overall likely eligibility rates; and 4) desired level of statistical precision. In the absence of design effects and assuming that 10 percent of those surveyed would be likely to use the service, half-widths of 95 percent confidence intervals were estimated at approximately plus or minus 2 percent with the proposed design. This precision was deemed acceptable.

(b) From a sample selection perspective, the three sample sources can be viewed as a mutually exclusive partition of the RDD (random digit dial) frame of telephone numbers. As a result, the sample follows a simple stratified design (Cochrane, W. (1963), Sampling Techniques, New York: John Wiley and Sons, Chapter 5). Within each RDD stratum (note that high and low density RDD strata were constructed and used in this research – see page 4 of the Library Reference for strata definitions), independent samples of unique telephone numbers were selected with equal probabilities (within strata). For the Snowbird

RESPONSE OF UNITED STATES POSTAL SERVICE
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FROM THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T2-5. Please turn to Library Reference USPS-LR-1/MC2005-1. On page 5 you indicate that "Respondents specifically sampled from the Snowbird and Temporary Forwarding strata had to indicate during the screening that they had used their respective service in order to be considered eligible for interview." Did this requirement introduce any bias to the conclusions? Please explain your response.

RESPONSE:

Individuals who were sampled from the Snowbird and Temporary Forwarding strata who indicated that they did not use their respective service were considered ineligible for the survey, and the estimated size of the eligible population was reduced accordingly. The estimated number of ineligible households that was excluded using these criteria (19 percent from the Temporary Forwarding stratum and 23 percent from the Snowbird stratum) represents a very small proportion of the overall population of households (less than ½ of one percent). To the extent that any bias has been introduced, the survey estimates will be conservative.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS BETH B. ROTHSCHILD TO INTERROGATORY
FROM THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T2-6. Please turn to Library Reference USPS-LR-1/MC2005-1. On page 10 you report the number of completed interviews.

(a) Is the sample of completed interviews statistically accurate on a sample and sub sample basis? Please explain your response.

(b) You list eligibles and non-eligibles. Please discuss the number of individuals who declined to participate in the study when contacted. Did you control the analysis for declines? If not, please explain why not.

(c) Please provide all statistical analyses indicating whether the non-eligibles being excluded from the final resulting interviews resulted in any statistical bias or lack of accuracy in the conclusions.

(d) Please explain why the number of completed interviews is less than the number of eligibles, indicating the various reasons for the elimination of eligibles.

(e) The number of completed interviews is less than the number of eligibles in the completed screenings. Please provide all statistical analyses indicating whether the exclusion of eligibles from the final sample of completed interviews resulted in any statistical bias or lack of accuracy in the conclusions.

RESPONSE:

(a) I believe that the sample of completed interviews is statistically accurate, if "statistically accurate" means that the sample produces unbiased estimates of population characteristics, and measures of statistical precision can be estimated. Of course, as the size of each of the sub-samples (unweighted) decreases, the precision of the statistical estimates for that domain will typically decrease as well. The Library Reference provides estimates of the standard errors for each of the reported statistics. These appear on pages 18 and 19.

(b) There are four stages at which individuals could have declined to participate in the study: 1) when first contacted for a telephone screening; 2) at some point during the telephone screening before eligibility could be determined; 3) following successful completion of the screening when eligible respondents

were invited to participate in the follow-up interview; and 4) when recontacted for the follow-up interview. The numbers of declines at each stage for each sampling stratum are shown below.

Type of Decline	**Total**	**Snowbird**	**Temporary Forwarding**	**RDD**
Upon screening contact	18,985	1,304	2,586	15,095
During screening	4,237	309	738	3,190
After screening (e.g., eligible, non-cooperators)	1,074	128	295	651
Upon recontact for follow-up interview *(includes both those with whom actual contact was made as well as those not reached)*	834	95	181	558
Total	25,130	1,836	3,800	19,494

The survey results were weighted to take account of the eligibility rates and non-response within each sampling stratum.

(c) The largest percentage of respondents who were identified as ineligible and excluded from participating in the main survey were individuals in the RDD (random digit dial) strata who indicated that they had not moved to another residence for a month or more in the past five years, and were not planning to do so in the near future. The decision to exclude these respondents from the survey, which effectively assumes that their demand for Premium Forwarding would be zero during the test year, produces a conservative demand estimate. While it is possible that a very small portion of these individuals might actually use the service, their inclusion would have significantly increased the survey timetable and budget for very little additional value. It is not possible to analyze

the size of potential biases associated with excluding these individuals. I anticipate that any bias would be small, since these individuals explicitly stated they had not used forwarding type services and would be highly unlikely to do so in the future within the stipulated timeframes.

(d) As noted above, there are two instances in which eligible respondents may have declined to be interviewed – either at the end of the screening when they were invited to participate in the follow-up interview or at the time they were re-contacted for the follow-up interview itself. Actual reasons (e.g., illness, inability to keep appointment, etc.) are not specifically tracked. Nevertheless, it should be noted that data collection occurred during January and February, 2004 when numerous ice and snow storms and severe flu epidemics were quite prevalent contributing to the rate of "no-shows" for the follow-up interviews or declines once eligibility had been established.

Overall, 3,523 individuals were identified as eligible for the survey. Of these, 2,449 initially agreed to cooperate with the follow-up interview and 1,615 completed the follow-up interview (after voids).

(e) Two types of analyses were performed to ensure that exclusion of identified eligibles in the screening stage from the final sample of completed interviews did not generate any statistical bias or lack of accuracy in the conclusions. First, survey responses from some of the questions in the completed screenings were compared for those respondents who completed the

follow-up interview with those who completed the screening but did not complete the follow-up interview. Second, demographic information associated with the ZIP Codes of the primary residences of individuals in the Snowbird and Temporary Forwarding strata were also compared, for those screened eligibles that completed the follow-up interview and those that did not.

For example, the mean response to S.5D (the number of times a temporary reshipping service was used) was very similar for Snowbird incompletes and completes (4.89 vs. 5.52, p=0.19) and Temporary Forwarding incompletes and completes (5.13 vs. 5.02, p=0.77). For RDD respondents, the proportion of eligible respondents who indicated in S.5A that they had spent one or more continuous months at a location other than their primary residence was very similar for Low stratum RDD incompletes and completes (51 percent vs. 50 percent, p=0.70) and High stratum RDD incompletes and completes (55 percent vs. 57 percent, p= 0.74). In general, differences in screening question data between screened eligibles that completed the survey, and screened eligibles that did not complete the survey, were not statistically significant. This also applied to comparisons of ZIP Code demographic data for Snowbird and Temporary Forwarding respondents, for median household income and median home value.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS BETH B. ROTHSCHILD TO INTERROGATORY
FROM THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T2-7. Please turn to Library Reference USPS-LR-1/MC2005-1. Please turn to page 17, wherein you indicate that you applied two adjustments based upon instructions from the Postal Service.

(a) Please confirm that these adjustments bias the conclusion that would have been derived from the survey, absent the adjustments. If you do not confirm, please explain.

(b) Please provide any rationale for the application of the adjustments.

(c) Please confirm that the application of "Only those who were aware of either Temporary Forwarding or Bundled Reshipping in the screening were eligible to be counted in our estimates as potential users of Premium Forwarding" is not the type of assumption that one would normally make in a market research study. If you do not confirm, please explain.

RESPONSE:

(a) Absent any adjustments, the survey does produce unbiased estimates of characteristics of the distribution (e.g. mean, median, etc.) of respondents' stated likelihood to purchase Premium Forwarding. Without adjustments, these estimated characteristics do not, by themselves, provide an estimate of demand for Premium Forwarding. The purpose of the adjustments is to transform the stated measures of likelihood to purchase into a more accurate estimate of demand for the new service.

(b) Adjustments were applied to take into account possible factors that would produce overstatements regarding customers' future Premium Forwarding behaviors had the "raw" survey results been used. As noted earlier, surveys produce complete awareness and knowledge about the product. Thus, to produce a more "real-world" estimate that takes into account the likelihood that not all possible users will be aware of the product, a so-called "awareness" adjustment was applied. In addition, a further adjustment was applied to take

into account potential users' probability of using Premium Forwarding. To produce a conservative estimate, only those individuals who indicated they were 70 percent or more likely to use the product in the next 12 months were included. This percentage takes into account both the need for and possible usage of the product. This adjustment is in keeping with the industry's "top box" approach for low incidence occurrences which is supported in the literature by Kalwani and Silk.[1]

(c) Not confirmed. As noted above, an "awareness" adjustment was deemed necessary to produce a real-world estimate of the demand for Premium Forwarding. Typically, current awareness of existing products is used when new features are being added. In this instance, because Premium Forwarding is a new product, straightforward awareness could not be used. It was decided to include only those who were aware of existing forwarding or hold-type services because, as I understand it, the Postal Service intends to launch this product at retail without directed communications. As such, intensive efforts to educate customers who are currently unaware of the Postal Service's temporary forwarding services would not be undertaken. Rather, those who are currently aware of temporary forwarding services would be more likely to pay attention to information about these product offerings that are provided in the retail setting (e.g., written or window communications), and, therefore, be among those from

[1] Kalwani, M. and A. J. Silk (1982) On the Reliability and Predictive Validity of Purchase Intention Measures, Marketing Science 1, 243-386.

whom potential users would be obtained. For this reason, the application of the adjustment noted above was considered appropriate for this research, and, therefore, was undertaken.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS BETH B. ROTHSCHILD TO INTERROGATORY
OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T2-8. Please turn to your response to OCA/USPS-T2-1(a), wherein you state "...it has not been my responsibility to determine the relationship between consumers' responses to their likelihood of using the service or product to their actual subsequent usage of this product or service." Please confirm that this testimony indicates that you have no knowledge of whether your conclusions accurately predict actual future product usage due to a lack of confirmation between predicted and actual usage. If you do not confirm, please explain in detail.

RESPONSE:

Not confirmed. When I responded that it has not been my responsibility to determine the relationship between consumers' responses to their likelihood of using the service or product to their actual subsequent usage of this product or service, I was referring to the explicit responsibilities that the Postal Service has commissioned me to perform. While I have not been asked to formally examine consumers' predicted and actual responses to new Postal Service products and/or additions or modifications to existing products, I am aware of the fact that in cases where positive demand was forecasted in research using this methodology, incremental volume was achieved when the product or feature was introduced into the marketplace. My understanding is that the results of prior market research efforts have been particularly useful in informing Postal Service management business decisions with respect to the continued development and actual introduction of new products or service features.

In response to OCA/USPS-T2-1(b) I indicated that there are several compelling external factors that often explain why actual demand may be higher or lower than that which is forecasted in survey research. Such factors could include: 1) the nature of and investments in advertising and other awareness building activities to educate the public about the product; 2) the extent to which the product brought to market differs in subtle, but nevertheless meaningful, ways from the tested product; 3) changing circumstances

or needs with respect to the intended use or non-use of the product; 4) possible overstatement of intentions to use the product; and 5) the competitive landscape or marketplace at the time of product launch. Two of these factors – awareness and overstatement – are addressed in the adjustments made to the survey results in this research.

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OCA/USPS-T2-9. Please turn to your response to OCA/USPS-T2-1(a), wherein you state "...it has not been my responsibility to determine the relationship between consumers' responses to their likelihood of using the service or product to their actual subsequent usage of this product or service." Please reconcile this statement with the statement in your response to OCA/USPS-T2-1(c), "Based upon my more than 33 years in the survey research business, I have complete confidence in the market estimation approach used here."

RESPONSE:

As noted in response to OCA/USPS-T2-8, while it has not been my commissioned responsibility to examine the relationship between forecasted demand and actual demand, I am aware of the fact that in prior instances when this methodological approach was used to estimate consumers' likelihood of using a new Postal Service product or service, incremental volume was achieved. In addition, when I made the statement that "I have complete confidence in the market estimation approach used here," I was referring to the research methodology and the specific procedures used here.

First, the methodology applied here is commonly used, frequently referenced in survey research literature, and accepted as a standard for forecasting new product use. For example, Armstrong, Brodie and McIntyre (1987) provide a summary of forecasting methods in marketing, and argue that intention surveys are widely used for this purpose, and that "the validation research supports this practice." (Armstrong, Brodie, and McIntyre, (1987), p.10).[1]

Second, the research design, implementation protocols, and analytic techniques were applied with utmost care and assiduous attention to quality control by highly

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[1] Armstrong, S., Brodie, R., and S. McIntyre (1987) Forecasting Methods for Marketing: Review of Empirical Research, International Journal of Forecasting, 3, 335-337.

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trained, experienced survey research professionals within my organization. For these reasons, I have confidence in the market estimation approach used here as well as the standards under which it was carried out.

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OCA/USPS-T2-10. Please turn to your response to OCA/USPS-T2-3(a), wherein you state, "The size of the sub-sample (40,000 records) was chosen to ensure that the number of records with matched telephone numbers would be large enough to obtain a sufficient number of interviews from the Temporary Forwarding stratum." Please explain the statistical techniques used in defining and determining the quantity associated with "large enough".

RESPONSE:

A preliminary sample allocation (in terms of completed interviews) for the Temporary Forwarding stratum was determined, along with the allocations in other strata, based upon the criteria described in response to OCA/USPS-T2-4. For the Temporary Forwarding stratum, assumptions were also made concerning likely eligibility and cooperation rates, and the match rate for telephone look-up. This determined an estimate of the overall amount of sample that would be selected for telephone look-up. The sample size of 40,000 significantly exceeded this estimate by a factor of approximately 10, to provide a margin for error concerning the assumptions underlying the calculations as well as "ready sample" in the event more records were needed to complete the required number of interviews in the Temporary Forwarding stratum.

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OCA/USPS-T2-11. Please turn to your response to OCA/USPS-T2-4(a) wherein you state, "In the absence of design effects and assuming that 10 percent of those surveyed would be likely to use the service...."

(a) Please explain what you mean by "design effects", how "design effects" is computed, and the implications of changes in "design effects."
(b) Please explain the basis for the assumption that 10 percent of those surveyed would be likely to use the service, as opposed to, for example, 5 percent or 15 percent.

RESPONSE:

a) A "design effect" for a specific statistic is the ratio of the sampling variance of the statistic computed under the sample design, divided by the variance of the statistic for a sample of the same size under the assumption that the design is a simple random sample. For a given sample design, design effects will vary across statistics of interest. As a result, there is no single design effect that applies for all items in a survey or across surveys. After a survey is completed, the design effect for a specific statistic can be computed using the estimated sampling variance for the statistic, and the estimated variance under the assumption that the sample was a simple random sample of the same size.

Prior to fielding a survey, a forecast of the average design effect calculated across statistics of interest is sometimes used to select a sample design from a set of candidate designs. However, it is important to note that design effects and sampling variances depend upon population characteristics, in addition to characteristics of the sample design, and these population characteristics are typically unknown prior to the survey. After fielding a survey, average design effects are sometimes used to provide a rough proxy for sampling variances of specific statistics when proper estimates of sampling variances have not been computed. For this survey, estimated sampling

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variances taking the design effects into account have been provided for all relevant statistics of interest, and this analysis of average design effects is, therefore, unnecessary.

b) When forecasting the variance of an estimate of a population proportion prior to conducting a survey, an assumption concerning the true population proportion is required to make this calculation. The variance of an estimate would be largest when p=50% and smallest as it approaches 0% or 100%. Although a range of possible variance estimates on different population proportions (e.g., half-widths of 1.5% when p=5%, 2.5% when p=15%, and 3.5% when p=50%) was considered, it was felt that a population proportion of 10% would be reasonable given the product being researched. However, once again, proper estimates of sampling variances and confidence intervals were calculated using the survey sample after the survey was conducted for relevant statistics of interest.

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OCA/USPD-T2-12. Please turn to your response to OCA/USPS-T2-6(a), wherein you state, "I believe that the sample of completed interviews is statistically accurate...." Please provide the statistical calculations underlying and substantiating your statement.

RESPONSE:

In our response to OCA/USPS-T2-6(e), we referenced analyses showing that the exclusion of identified eligibles in the screening stage from the final sample of completed interviews did not generate any statistical bias or lack of accuracy in the conclusions. Since the populations of eligibles and ineligibles are different, a comparison of the population of eligibles to characteristics of the general population of households is not appropriate. However, it is possible to compare characteristics of the screened sample (i.e. both eligibles and ineligibles) with characteristics of the general population to ensure that there is no bias. For the Temporary Forwarding and Snowbird strata, it is also possible to compare demographic information associated with ZIP Codes of primary residences for individuals who completed the screening (either eligible or ineligible) with demographic information for the sampling strata from the sampling frames.

While the demographic information available from the screening is limited, it is possible to construct estimates of the average household size from S4C. The screening survey estimate of the average number of people per household (2.6) is identical to the 2003 estimate from the American Community Survey (available on the Census Bureau's website), and the March 2004 estimate from the Current Population Survey conducted by the Census Bureau and Bureau of Labor Statistics. For the Temporary Forwarding stratum, estimates of average median household income and average median home value from the survey were not statistically different from averages calculated using the

sampling frame (p=0.12 and 0.98, respectively). Similarly, for the Snowbird stratum, screening survey estimates of average median household income and average median home value were not statistically different from averages calculated using the sampling frame (p=0.39 and p=0.23, respectively). Note that in all cases, the screening sample is quite large.

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OCA/USPS-T2-13. Please turn to your response to OCA/T2-7(b), wherein you discuss the "awareness" adjustment. Please explain the justification for the size of the adjustment.

RESPONSE:

As noted in my response, only those individuals who indicated awareness of existing Postal Service forwarding services were treated as aware, and, therefore, included in the base for calculating potential demand. The percent of those aware was calculated from responses to question S5b and included only those who were aware that the Postal Service either forwarded mail on a temporary basis or bundled and reshipped it as a special service. The percent was 81%. To my knowledge, the survey-derived forwarding service awareness figures represented the best estimates of awareness to be used for this adjustment.

POSTAL RATE COMMISSION
DOCKET NO. MC2005-1
EXPERIMENTAL PREMIUM FORWARDING SERVICE

I, Beth B. Rothschild, hereby declare under penalty of perjury that:

The interrogatory responses filed under my name, and designated for inclusion in the record of this docket, were prepared by me or under my direction; and

Were I to respond orally to the questions appearing in the interrogatories, my answers would be the same.

Beth B. Rothschild

Beth B. Rothschild

3/15/05

Date

Postal Rate Commission
Submitted 11/19/2004 12:47 pm
Filing ID: 42384
Accepted 11/19/2004

USPS-T-2

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

EXPERIMENTAL PREMIUM FORWARDING SERVICE	Docket No. MC2005-1

DIRECT TESTIMONY OF
BETH B. ROTHSCHILD
ON BEHALF OF THE
UNITED STATES POSTAL SERVICE

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DIRECT TESTIMONY
OF
BETH B. ROTHSCHILD

AUTOBIOGRAPHICAL SKETCH

I am Beth B. Rothschild, a Vice President at National Analysts, a more than 55-year old research and consulting firm. My primary responsibilities are the management of the firm's Postal Service research and consulting practice. I also manage assignments in the financial services, retailing, and packaged goods arenas. I bring to my Postal Service assignments business and marketing strategy knowledge developed in other key industries and markets including, but not limited to, hard and soft goods, foods and beverages, personal care, household care products, electric utilities, public transportation, and international services.

I am a member of the firm's Senior Management Committee. I supervise a staff of researchers and consultants. Since joining the firm in 1971, I have managed studies for clients in the public and private sectors. My most significant public sector clients include the Postal Service, the U.S. Mint, and the United States Departments of Agriculture, Health and Human Services, Transportation, Defense, and the Treasury. Private sector clients have included many top Fortune 500 companies in business-to-business and business-to-consumer delivery, financial, retailing and service sectors. I am well known for development of marketing and pricing strategies, guidance of new product development and product positioning, and performance of competitive and industry-sector analyses.

In this proceeding, I served as the Officer-in-Charge on the Premium Forwarding Rate Research Study which appears in USPS-LR-1/MC2005-1. For the CONFIRM® Market Research Study, which appears in USPS-LR-1/MC2002-1, Certified Mail™ Research Study, which appears in USPS-LR-J-121/R2001-1, and the Ride-Along Research Study, which appears in USPS-LR-J-116/R2001-1, I served as the Officer-in-Charge and provided documentation and testimony before the Postal Rate Commission. For the

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PURPOSE AND SCOPE OF TESTIMONY
PREMIUM FORWARDING

I. Overview

National Analysts was commissioned by the Postal Service to perform survey research to evaluate the market response to a potential new Premium Forwarding Service aimed at customers who temporarily relocate for an extended period of time for a variety of reasons (e.g., extended vacation, temporary job assignment, etc.). The Premium Forwarding Service would be differentiated from the existing Temporary Forwarding Service in that mail would be forwarded as a parcel via Priority Mail rather than piece-by-piece. The research was designed to evaluate two different pricing structures -- "Fixed-Fee" [1] and "Variable-Fee" [2] -- at three price levels, with an eventual focus on the "Fixed-Fee" structure. It estimated the potential: (1) number of annual users; (2) total number of weeks in which shipments would be made; and (3) total number of shipments overall that the Postal Service would have to make to users of the service.

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[1] The Fixed-Fee price structure tested called for a $20.00 enrollment fee and a fixed-fee for each shipment that included all postage and handling. The three price levels tested were $10.00, $17.50, and $25.00 per shipment.

[2] The Variable-Fee price structure tested called for a $20.00 enrollment fee and a per shipment charge plus postage. The three price levels tested were $6.00, $9.00 and $12.00 per shipment plus postage.

II. Methodology

Two parallel studies, one for each pricing structure, were undertaken. Both consisted of a telephone screening, an e-mail or mail transmission describing the Premium Forwarding product, and a main telephone interview. Household Postal Service customers were considered eligible if they had: 1) used the Temporary Forwarding Service or a reshipping service dubbed "Snowbird" offered on various terms by local postal officials in some locales during the past five years; 2) temporarily relocated away from home for one month or more in the past five years; or 3) said they would be likely to temporarily relocate within the next two years. Eligible respondents were assigned to a pricing structure on a random rotating basis. After being assigned to a price structure, each respondent was exposed to the three corresponding price levels for that structure. These price levels were also rotated, so that roughly one-half of the sample was exposed to the prices from low to high, and the other half from high to low.

Three sample sources were used for this research: (1) a list of users from the "Snowbird" program; (2) a list of enrollees for the Postal Service Temporary Forwarding Service for 2003; and (3) a list-assisted random digit dial (RDD) sampling frame provided by Survey Sampling Inc. (SSI). Lists of Snowbird program users from post offices in approximately 25 postal districts were computerized, matched against the National Change of Address (NCOA) registry, de-duplicated, and readied for screening and interviewing. Similarly, the Temporary Forwarding Service file for 2003 was de-duplicated to account for those who used the service for more than one month and multiple users from the same household. Telephone exchanges in the RDD sampling frame were stratified into two groups – high-density and low-density – corresponding to the concentrations of older individuals and households with higher income to improve screening efficiency. See USPS-LR-1/MC2005-1, pages 2-4, for a detailed description of the sample design and selection.

Three sets of materials were developed for use in the data collection: (1) screening forms to determine eligibility and solicit participation; (2) mailing/e-mailing materials to aid in expediting the flow of the interview and to ensure that the new product concept

and prices were understood; and (3) main questionnaires to gather the information necessary to estimate demand for the Premium Forwarding product. Three separate screening forms were developed for use with those sampled from the Snowbird, Temporary Forwarding, and RDD sampling strata to account for the differences in eligibility requirements in these groups. Two versions of the questionnaire were developed for each pricing structure so that the order of the prices being tested could be rotated. The questionnaire included questions focusing on the attractiveness and likely usage of the new Premium Forwarding Service at three different prices as well as questions about the types and volume of mail received. See USPS-LR-1/MC2005-1, pages 4-8, for a detailed description of the survey documents. (Note that the name of the new product at the time of the research was "Temporary Reshipping" and, as such, all of the materials and questions use this terminology.)

Once the screeners and questionnaires were finalized, they were programmed into the Computer Assisted Telephone Interview (CATI) system and the programs were checked thoroughly by my staff. The CATI system was used because it substantially reduces errors by performing logic and consistency checks during the interview.

After receiving copies of the Premium Forwarding Product Description and interview Worksheet for recording typical weekly mail volumes prior to the interview, eligible respondents were recontacted at their scheduled appointment times and interviewed by telephone. At the time of the interview, participants were randomly assigned to a version (i.e., to a price structure) and also randomly assigned to a price start point – one-half began with the lowest price and the other half began with the highest price.

The interviews were conducted by experienced CATI interviewers and an extensive system of interviewer training and quality control procedures was employed to ensure that accurate data were collected. See USPS-LR-1/MC2005-1, pages 10 and 11, for the interviewing quality control procedures that were employed. In addition, the data were subjected to a rigorous set of electronic and manual cleaning checks, and an extensive outlier checking and callback process prior to weighting and the production of

data tabulations. See USPS-LR-1/MC2005-1, pages 11 and 12, for a complete discussion of these data preparation procedures.

Final analysis weights were assigned to the completed interviews that corresponded to the number of households in the target population that each interview represented. Three basic steps were employed to produce these weights. See USPS-LR-1/MC2005-1, pages 12 – 17, for a detailed description of the weighting procedures.

III. Results

A total of 1,616 interviews across both the Fixed-Fee and Variable-Fee versions were completed, of which 3 were voided prior to analysis. Overall, 807 interviews pertained to the Fixed-Fee version and those are the interviews that form the basis of the results presented below. See USPS-LR-1/MC2005-1, page 16, for the distribution of interviews by sampling strata.

In order to calibrate the survey-derived estimates, we included a question about awareness of existing Postal Service products for those who temporarily relocate. In addition, we asked respondents their likelihood of using Premium Forwarding at each price level both overall, and in the next twelve months, on a scale from 0 to 100 percent. Based upon instructions from the Postal Service, we applied the following two adjustments to reduce the estimates of likely Premium Forwarding annual users.

- Only those who were aware of either Temporary Forwarding or Bundled Reshipping in the screening were eligible to be counted in our estimates as users of Premium Forwarding.

- In addition, only those individuals who said they were 70 percent or more likely to use Premium Forwarding in the next 12 months were included.

Six estimates corresponding to the total number of users, average number of weekly shipments per user, total number of shipments per week and per year, average number of weeks the service would be used per user and the total number of weeks per year are shown for the Fixed-Fee low price point. The associated standard errors are also displayed in the table.

Fixed-Fee Premium Forwarding Service

$10 Price Level: Estimated Users, Shipments & Weeks

$10 PRICE LEVEL	Estimate	Standard Error	Lower Limit (90% CI)	Upper Limit (90% CI)
Total Estimated Users	1,711,544	246,901	1,305,392	2,117,696
Average Number of Shipments per Week per User	1.4	0.157	1.1	1.7
Total Number of Shipments per Week	2,683,170	515,423	1,835,299	3,531,041
Total Number of Annual Shipments	22,841,563	5,084,659	14,477,299	31,205,827
Average Number of Weeks Likely Used per User	9.7	1.927	6.5	12.9
Total Number of Weeks Annually	16,524,772	4,100,239	9,779,879	23,269,665

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USPS-T-2

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Final analysis weights were assigned to the completed interviews that corresponded to the number of households in the target population that each interview represented. Three basic steps were employed to produce these weights. See USPS-LR-1/MC2005-1, pages 12 – 17, for a detailed description of the weighting procedures.

III. Results

A total of 1,616 interviews across both the Fixed-Fee and Variable-Fee versions were completed, of which 3 were voided prior to analysis. Overall, 807 interviews pertained to the Fixed-Fee version and those are the interviews that form the basis of the results presented below. See USPS-LR-1/MC2005-1, page 16, for the distribution of interviews by sampling strata.

In order to calibrate the survey-derived estimates, we included a question about awareness of existing Postal Service products for those who temporarily relocate. In addition, we asked respondents their likelihood of using Premium Forwarding at each price level both overall, and in the next twelve months, on a scale from 0 to 100 percent. Based upon instructions from the Postal Service, we applied the following two adjustments to reduce the estimates of likely Premium Forwarding annual users.

- Only those who were aware of either Temporary Forwarding or Bundled Reshipping in the screening were eligible to be counted in our estimates as users of Premium Forwarding.

- In addition, only those individuals who said they were 70 percent or more likely to use Premium Forwarding in the next 12 months were included.

Six estimates corresponding to the total number of users, average number of weekly shipments per user, total number of shipments per week and per year, average number of weeks the service would be used per user and the total number of weeks per year are shown for the Fixed-Fee low price point. The associated standard errors are also displayed in the table.

8

Fixed-Fee Premium Forwarding Service

$10 Price Level: Estimated Users, Shipments & Weeks

$10 PRICE LEVEL	Estimate	Standard Error	Lower Limit (90% CI)	Upper Limit (90% CI)
Total Estimated Users	1,711,544	246,901	1,305,392	2,117,696
Average Number of Shipments per Week per User	1.4	0.157	1.1	1.7
Total Number of Shipments per Week	2,683,170	515,423	1,835,299	3,531,041
Total Number of Annual Shipments	22,841,563	5,084,659	14,477,299	31,205,827
Average Number of Weeks Likely Used per User	9.7	1.927	6.5	12.9
Total Number of Weeks Annually	16,524,772	4,100,239	9,779,879	23,269,665

POSTAL RATE COMMISSION
DOCKET NO. MC2005-1
EXPERIMENTAL PREMIUM FORWARDING SERVICE

I, Beth B. Rothschild, hereby declare under penalty of perjury that:

The *Direct Testimony of Beth B. Rothschild on Behalf of the United States Postal Service,* denominated USPS-T-2, was prepared by me or under my direction; and

Were I to give this testimony orally before the Commission, it would be the same.

Beth B. Rothschild

Beth B. Rothschild

3/15/05

Date

United States Postal Service

Institutional

RESPONSE OF UNITED STATES POSTAL SERVICE
TO DAVID B. POPKIN INTERROGATORY

DBP/USPS-T1-25. Please refer to your response to DBP/USPS-T1-5 subparts d-e. By regulatory authority I was referring to sections of the DMM and/or POM or other postal directives. Please respond or refer my interrogatory to an individual who can respond to the original interrogatory.

RESPONSE:

No regulatory authority has been found.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY FROM THE OFFICE OF THE CONSUMER ADVOCATE,
REDIRECTED FROM WITNESS SAMUEL J. KOROMA

OCA/USPS-T4-19. Please refer to your testimony, Attachment A, the "MC2005-1 Data Collection Plan," where it states, "The Postal Service's first preference is to rely upon existing data systems to estimate average zone and weight of PFS Priority Mail." Also, please refer to your response to OCA/USPS-T4-13, where it states, "the ODIS-RPW System will be able to identify [the PFS pieces] 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."

(a) Please provide the most recent computer system documentation of ODIS-RPW.

(b) Please provide all handbooks, guides, and manuals for ODIS-RPW. Include all publications similar to Publication 195 filed as USPS-LR-J-141 in Docket No. R2001-1, and USPS-LR-J-16 filed in Docket No. R2001-1.

(c) Please confirm that the statistical probability that ODIS-RPW sampling system will sample a PFS Priority Mail piece is approximately 0.00403 (3,420,000 weekly PFS Priority Mail pieces / 848,633,000 Priority Mail volume, FY 2004). If you do not confirm, please explain and provide the correct probability.

(d) What is the probability that the ODIS-RPW sampling system will sample any Priority Mail piece (whether or not a PFS piece)? Show all calculations used to derive this probability.

(e) Given the small estimated volume of PFS Priority Mail pieces, please explain how the ODIS-RPW sampling system will obtain a sample of sufficient size to reliably estimate PFS Priority Mail volume.

(f) Is the confidence interval for the estimated volume of PFS Priority Mail pieces by weight and zone likely to be larger, smaller, or equal to that of the confidence interval for Priority Mail pieces by weight and zone generally? Please explain. Is the coefficient of variation for the estimated volume of PFS Priority Mail pieces by weight and zone likely to be larger, smaller, or equal to that of the coefficient of variation for the volume of Priority Mail pieces by weight and zone generally? Please explain.

(g) Please explain how ODIS-RPW will be changed during the PFS experiment to produce reliable estimates of PFS Priority Mail volume by weight and zone.

(h) Please explain how ODIS-RPW will be changed during the PFS experiment to produce reliable estimates of PFS Priority Mail volume by weight and zone.

RESPONSE:

(a) This documentation is not yet available.

(b) The only available documentation of this type, is Handbook F-75, which is attached.

(c) Not confirmed. This would be the expected probability given that the distribution of PFS packages in the nation is geographically dispersed in a similar fashion to non-PFS packages. The correct probability cannot easily be determined, and may be larger or smaller.

(d) The probability for FY2004 is approximately 0.0014, calculated by dividing the 1,208,127 sampled Priority Mail pieces by the 848,633,000 estimated Priority Mail volume.

(e-g) Priority Mail volume would be a census figure, available through the accounting system. There would be a better than expected reliability in estimated annual PFS Priority Mail weight. The ODIS-RPW sampling system would be used to estimate average weight per piece. The coefficient of variation of the estimated weight per piece ratio would be much smaller than the coefficient of variation of pieces alone. The product of a known volume times an estimated ratio of weight per piece would provide a coefficient of variation (and corresponding confidence interval) that would be much better than expected. The coefficient of variation (and confidence interval) for estimates of zone would not be as good.

(h) Since PFS packages would have a label specific to that service, the ODIS-RPW data collection software would be updated to permit collection of that marking together with information on mail class, weight and zone. Accordingly, this approach would be reliable in the sense of consistently recording information on mail pieces bearing a PFS marking, and would therefore be as reliable as other information collected by ODIS-RPW. ODIS-RPW data collection software could also be updated to permit collection of

PFS marking on other mail related to PFS service. Decisions on the marking of such related pieces have not been made.

UNITED STATES POSTAL SERVICE

Data Collection User's Guide for Revenue, Volume, and Performance Measurement System

Handbook F-75

October 2003
Transmittal Letter 4

A. **Purpose.** This handbook is a training aid and reference for employees at districts and Post Offices who conduct the Origin Destination Information System and Revenue, Pieces and Weight (ODIS-RPW) tests. The new procedures are part of the Postal Service's continual effort to improve annual productivity through benchmarking and standardization of best practices as outlined in the *Transformation Plan*.

B. **Distribution.**

1. **Initial.** This handbook is distributed to Statistical Programs Service Centers, managers of Statistical Programs, and other offices and personnel involved with ODIS-RPW testing.

2. **Copies.** Order additional copies of Handbook F-75 from the Material Distribution Center by one of the following means:

   - **Touch Tone Order Entry (TTOE).** Call 800-332-0317, and listen carefully to the message, as the prompts have changed.

     Note: You must be registered to use TTOE. To register, call 800-332-0317, extension 2925, and follow the prompts to leave a message (wait 48 hours before you place your first order).

   - **E-mail.** Complete PS Form 7380, MDC Supply Requisition (manually or by using FormFlow), and send it as an attachment to the e-mail address *MDC Customer Service* or to *mcustome@usps.gov*.

   - **Mail.** Mail a completed PS Form 7380 to the MDC at the following address:

     SUPPLY REQUISITIONS
     MATERIAL DISTRIBUTION CENTER
     500 SW GARY ORMSBY DR
     TOPEKA KS 66624-9702

C. **Online Availability.** You may view this handbook in electronic format on the Postal Service PolicyNet Web site at *http://blue.usps.gov/cpim;* click on *HBKs.* The Statistical Programs Web site also provides a link to this handbook at *http://blue.usps.gov/statprog/;* click the *SPFS* button.

475 L'Enfant Plaza SW
Washington DC 20260-5000
WWW.USPS.COM

D. **Comments.** Please refer all questions and suggestions about the content, clarity, organization, and editing of this document in writing to:

MANAGER STATISTICAL PROGRAMS
UNITED STATES POSTAL SERVICE
475 L'ENFANT PLAZA SW RM 1830
WASHINGTON DC 20260-1830

E. **Effective Date.** This handbook is effective October 2003, and includes information previously published in Statistical Programs correspondence up through and including Policy Memo *Statistical Programs Letter #6, FY 2003*, dated February 10, 2003.

Donna M Peak

Donna M. Peak
Vice President
Finance, Controller

Summary of Changes

Revisions to this October 2003 issue of Handbook F-75, *Data Collection User's Guide for Revenue, Volume, and Performance Measurement Systems* render the following publications obsolete:

Handbook F-75: *Data Collection User's Guide for Revenue, Volume, and Performance Measurement Systems* (September 1999)

All changes contained within this revision are effective October 1, 2003.

All changes to definitions, software navigation instructions, and recording rules reflect changes in the software. In every case, software screen examples have been updated and descriptions given to reflect those changes.

The following revisions have been made:

Overview

The user's guide for the ODIS and the RPW systems is consolidated into one chapter which reflects the software change of combining the two systems into the ODIS-RPW system.

Updated instructions reflect the new Windows XP navigation of the ODIS-RPW system software.

Globals

Standard Mail (A) is changed to Standard Mail.

Standard Mail (B) is changed to Package Services.

MEP DBMS is changed to MEP System.

MEP History System is changed to MEP History Reports.

MEP HS is changed to MEP History Reports.

MEP DBMS Listing is changed to MEP System Listing.

Special Instructions/MEP Memo field is changed to Special Instructions.

Preface

Updated list of handbook conventions.

Updated list of acronyms.

Chapter 1

Section 1.1.1 describes the survey design changing from a separate ODIS and RPW to a combined ODIS-RPW system. The ODIS-RPW sampling process for MEPS is divided into two stages instead of into three stages as was for RPW in the past. COU testing (COU-days) remains in panel offices.

Section 1.1.3 replaces the CODES Base Unit with the CODES Web Base Unit.

Section 1.1.4 describes that ODIS-RPW data have moved to support of Workload Flex Budgets instead of the discontinued EVA program. Also, more detail reporting categories are provided.

Section 1.2 describes ODIS-RPW data collectors now recording RPW and ODIS characteristics during laptop data entry. Discussion of the distribution of tests and the estimation process is moved to Appendix I.

Chapter 2

Section 2.1 combines information on how to access sample files on the CODES Laptop and from the CODES Web Base Unit.

Section 2.2 incorporates information on rescheduling or canceling ODIS-RPW tests, previously found in Section 2.3.

This section also outlines steps needed to prepare for calling the test site the day before the test. Prior references did not outline the importance of preparation for the call. The steps now include a specific reference to explaining the cutoff times to the postmaster or designee and removes a question to ask about carrier departure time.

Chapter 3

As noted above, software changes reflect changes in the navigation of the newly developed ODIS-RPW system using the Windows platform. Changes in policy are summarized below:

Section 3.1 includes guidelines for MEP cutoff times.

Section 3.2 includes an exception for sampling reprocessed Detached Mailing Cards.

Section 3.3 no longer references COU sampling. This information has been moved to Section 3.10.

Section 3.4 includes no substantive changes since the last publication.

Sections 3.5, 3.6, and 3.7 are Census, Mailpiece Skip and Container Skip Subsampling Procedures. RPW data collectors are now following ODIS sampling instructions with minor changes. References to noncountable mail are removed. Also, COU sampling instructions are removed in Sections 3.5 and 3.6.

Section 3.5 provides step by-step instructions for conducting a census as in the last publication; however, the information has been re-organized for ease in following.

Sections 3.6 and 3.7 updates references to Multiple Identical Mailpieces (for examples, see section 3.6.1, step 2).

Section 3.6 provides guidelines for mailpiece skip subsampling procedures as in the last publication.

Section 3.7 provides guidelines for container skip subsampling procedures. This section also refers to separating out Accountable/BRM mail containers which will be new for ODIS data collectors, but not for RPW data collectors. Also, instructions are given for sampling Detaching Mailing Cards that have been returned through automation.

Section 3.8 combines information on attaching the electronic scale and on special fields and screens found in sections 3.8 and 3.9 in the previous publication. The current section provides information on preparing to enter mailpiece data and on navigating the header screens on the CODES Laptop. This section also discusses the change in recording Multiple Identical Pieces (MIPs).

Section 3.8.2 revises the definition of a MIP as an easily isolatable group(s) of 200 or identical (all characteristics) mailpieces identified *before* applying the skip. Software message screens are new that instruct the data collector about the skip intervals before, during, and after a MIP entry.

Section 3.9 includes guidelines for recording semi-postal stamps. In addition, requirements to scan mailpieces with IBIP indicia are rescinded, and Manifest Mailing Codes are updated. This section also includes updated guidelines for recording mailpieces with multiple meters as well as new guidelines for recording meter manufacturer and meter number. In addition, Section 3.9 includes new guidelines for recording the marking identification for Priority Mail.

Section 3.10 provides instruction for recording information on Delivery Destination Unit (DDU) parcels.

Section 3.11 distinguishes between signature capture and signature confirmation, as well as updates on retail and electronic label identification is included.

Related Materials: Forwarded and Returned Mail Guidelines Table and Inspection Service mailpiece Photocopy Transmittal Form are added to the Related Materials as RM 3–2 and RM 3–22 respectively.

The Mail Shape Dimension tables are updated. The table named *No Endorsements/ Marking* is included and is updated.

Related Materials 3–2, Noncountable Mail, is now Excluded Mail, RM 3–4. RM 3–7 Drop Ship Endorsements for Standard Mail (B) Zone Rated Parcel Post, RM 3–15 X-Categories Options Menu, RM 4–5 Identifying Foreign Air Mail Classes and RM 4–16 Hazardous Material Labels Examples are deleted.

The remaining Related Materials from Chapter 3 and Chapter 4 of the September 1999 publication of the F-75 handbook are combined into the October 2003 list of RMs.

Chapter 4

Chapter 4, which was previously Chapter 5, is rewritten to include instructions for using the data transfer option which includes uploading test data and downloading test samples and software.

Appendix A

Appendix A is updated to reflect current organizational responsibilities.

Appendix B

Appendix B is updated to reflect current MIP procedures and to exclude noncountable mail.

Appendix C

PS Form 8126 is updated to the current version.

Appendix D

Cutoff times have been updated in all examples to reflect current field practice.

Appendix E

No changes were made since last publication.

Appendix F

Appendix F has been revised to delete references to using the scanner.

Appendix G

Operating Policies is revised to reflect operational changes due to the merger of ODIS and RPW.

Section II. Instructions for maintaining reasons for rescheduling and canceling on the Web Base Unit are provided.

Section II A. The list of situations that require rescheduling is expanded.

Section II B. Rescheduling procedures have been modified and changes incorporated to reflect the FY2004 monthly reporting changes.

Section II D. Delinquent test definition is clarified as it relates to the CODES Web Base Unit.

Section II E. Zero Volume Test section is added.

The order of priority for scheduling data collection resources amongst RPW, Cost System and ODIS program tests is eliminated.

Instructions for handling RPW and ODIS test conflicts with City Carrier Cost System tests are eliminated.

The policy concerning the release of the ODIS sample selection listing is eliminated.

Section IV B, Test Data Review instructions are updated, including steps for reconciling records discovered as incorrect (step 3) and tests taken in error (step 4).

Section V (Training and Process Review) updates the previous Monitoring and Training section.

Appendix H

Video Ink Jet Cancellations (VIJCs) and Other Video Ink Jet Uses includes new examples and updated rules.

Appendix I

Appendix I contains information on sampling and estimation formerly in Chapter 1.

Appendix J

Appendix J contains information on the MEP System that was previously found in Chapter 6 of the September 1999 edition. Sections related to MEP DBMS are eliminated.

Section II A, Essential Characteristics, removes the requirement that a MEP can only have mail for one finance number.

Sections II B.1.d, and II B.3 update the definition of a PM MEP.

Section II B.1.e, Accountable Mail MEPs, has been modified to include instructions for including Registered, Insured, and COD mail in MEPs.

Section II B.2.a, Mandatory COUs, now include instructions for coding POS and non-POS separately by MEP type, and indicating if the COU is a Contract Postal Unit by coding the MEP Group.

Section II B.3, Special MEP Type instructions for Unstable MEPs has been revised.

Section III D. refererence has been dropped refering to registered mail MEPs.

Table J-1 is updated to reflect changes to MEP Type Codes, and MEP Group Codes.

Section IV.B relating to MEP History test and external data averages is revised.

Glossary

New terms added, glossary updated.

Log of Revisions

No changes were made since last publication.

Text Messages

No changes were made since last publication.

DCT Notes

No changes were made since last publication.

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Contents

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Preface

The *Data Collection User's Guide for, Revenue, Volume, and Performance Measurement System* introduces the user to the data collection system which collects revenue, volume, and performance measurement data and spells out official Postal Service policies governing these processes. This step-by-step instruction guide will assist the data collectors in preparing for and conducting the ODIS-RPW test and will also explain how to electronically transfer data from the CODES Laptop to the CODES Web Base Unit once a test is completed.

This guide updates and combines material previously referenced from several sources. It combines all ODIS-RPW regulations and test instructions in a single accessible reference for managers of Statistical Programs (MSPs), Statistical Programs Specialists (SPSs), and ODIS-RPW data collectors.

Where appropriate, this book refers to other Postal Service publications.

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Who Should Read This Book

Data collectors are to use this guide as a learning tool during their training period. This book is also to be used as a reference source. Postmasters and other related Postal Service personnel use this guide for background reference.

To use this guide effectively, it is helpful to have a strong knowledge of Postal Service operations and terminology. A list of acronyms appears on pages xxxv through xxxvi.

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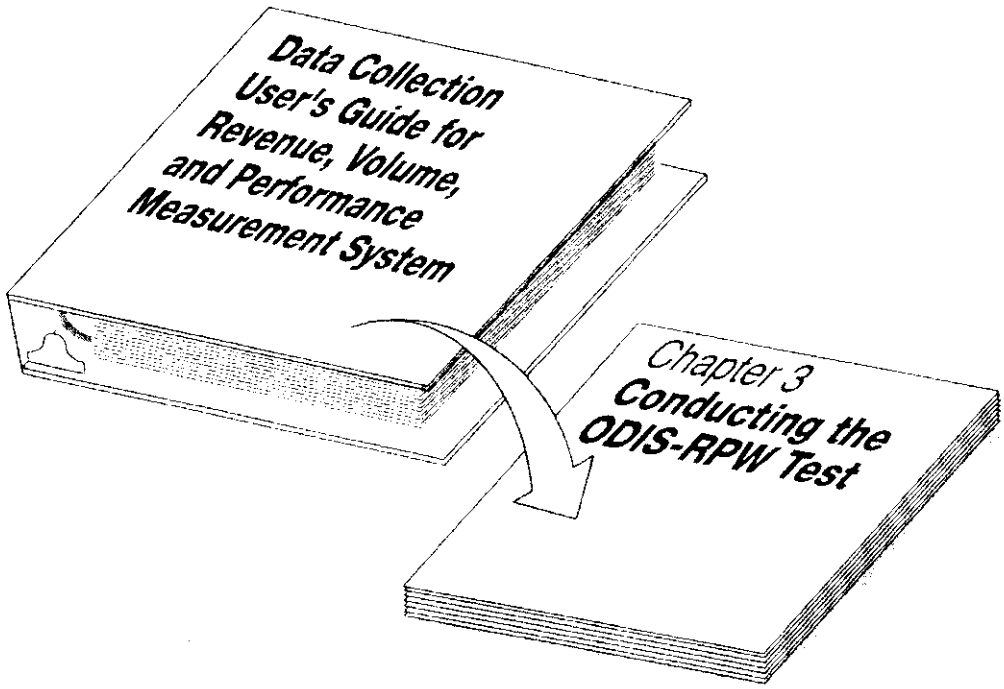
How to Use This Book

The *Data Collection User's Guide for Revenue, Volume, and Performance Measurement System* is divided into four chapters. Each chapter can be read and used separately. Chapter 3 may be removed to conduct an ODIS-RPW test or perform MEP/COU related activities without having to take the entire guide.



The *Data Collection User's Guide for Revenue, Volume, and Performance Measurement System* contains the following chapters:

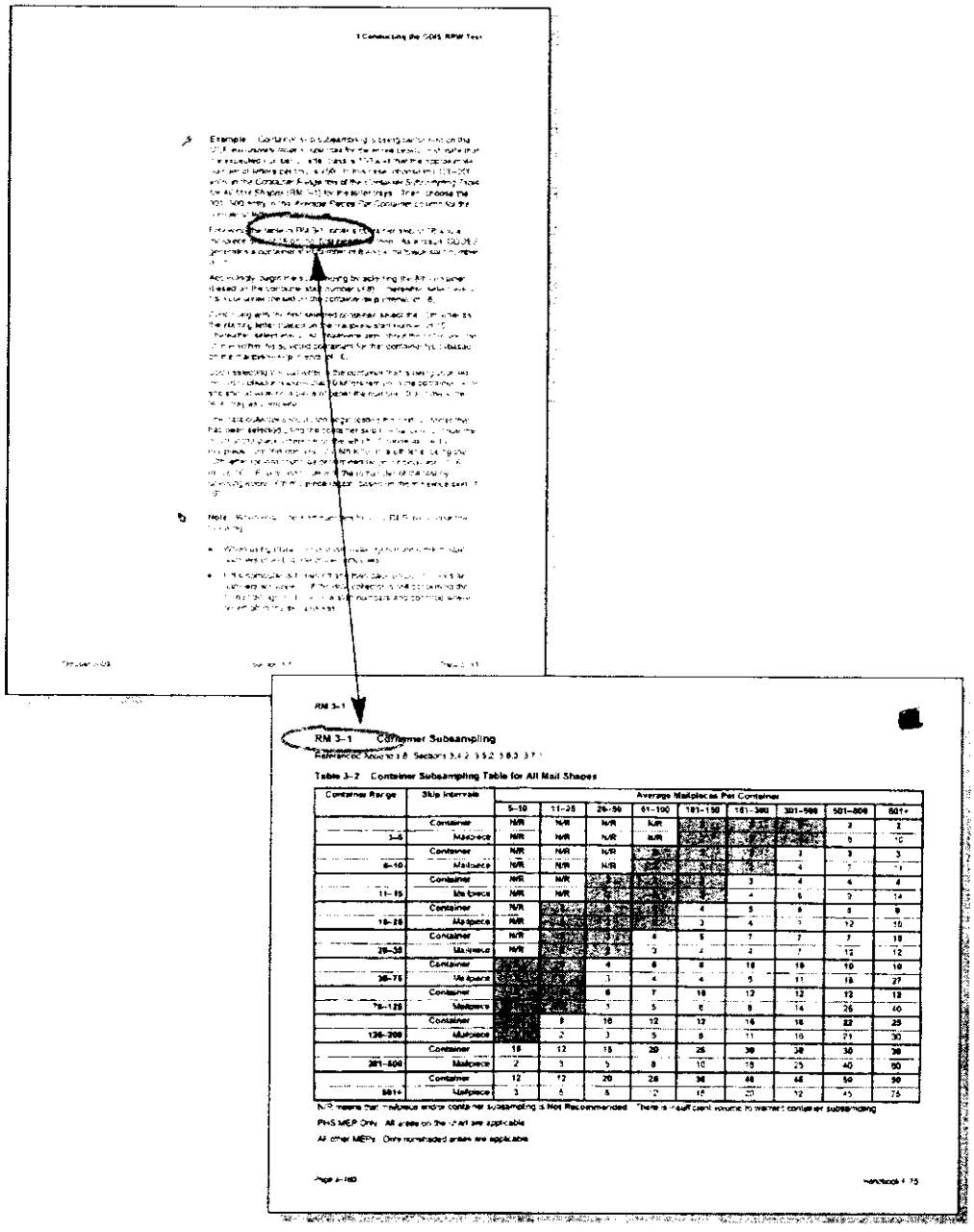
Chapter 1: "Introduction" explains the Postal Service data collection process. It provides an understanding of the entire data collection cycle and the importance of following data collection procedures.

Chapter 2: "Preparing for the ODIS-RPW Test" explains what is needed to be done before conducting the ODIS-RPW test. It also explains how this test is developed, the scheduling process, and some important testing techniques.

Chapter 3: "Conducting the ODIS-RPW Test" explains how to locate the MEP, communicate with the facility manager, sample the mail, and enter mailpiece data into the CODES Laptop. Chapter 3 also contains:

- Complete subsampling guidelines for conducting a test.
- Complete instructions on how to follow the MEP description when performing an ODIS-RPW test.

- A section that consolidates all special rules.
- A *Related Materials* section for detailed information.



RM 3-1 Container Subsampling

Table 3-2 Container Subsampling Table for All Mail Shapes

Container Range	Skip Interval	Average Mailpieces Per Container								
		5–10	11–25	26–50	51–100	101–150	151–300	301–500	501–800	801+
3–5	Container	N/R	N/R	N/R	N/R				2	2
	Mailpiece	N/R	N/R	N/R	N/R				5	10
6–10	Container	N/R	N/R	N/R		2	2	3	3	3
	Mailpiece	N/R	N/R	N/R		3	4	4	7	7
11–15	Container	N/R	N/R	3	3	3	3	4	4	4
	Mailpiece	N/R	N/R	3	3	3	4	5	9	14
16–25	Container	N/R	3	3	3	4	5	6	8	9
	Mailpiece	N/R	3	3	3	3	4	7	12	18
26–35	Container	N/R	3	3	6	6	7	7	7	10
	Mailpiece	N/R	3	3	3	4	4	7	13	12
36–75	Container	3	3	4	6	6	10	10	10	10
	Mailpiece	3	3	3	4	4	5	11	18	27
76–125	Container	3	3	6	7	10	12	12	12	12
	Mailpiece	3	3	3	5	6	9	14	26	40
126–200	Container	3	6	10	12	12	16	16	22	25
	Mailpiece	3	4	5	8	11	16	21	30	
201–500	Container	10	12	15	20	25	30	30	30	30
	Mailpiece	4	5	8	10	15	25	40	50	
501+	Container	12	12	20	25	30	40	40	50	50
	Mailpiece	5	8	10	15	20	30	45	75	

N/R means that mailpiece and/or container subsampling is Not Recommended. There is insufficient volume to warrant container subsampling.

PHS MEP Only: All areas on the chart are applicable.

All other MEPs: Only nonshaded areas are applicable.

The Related Materials section of Chapter 3 offers tables and detailed descriptions of each rate category.

Chapter 4: "CODES Laptop Data Communications" explains how to transfer data electronically from the CODES Laptop to the CODES Web Base Unit. It also explains how to download samples and software from the CODES Web Base Unit.

These chapters are followed by appendices, a glossary of terms, and an index.

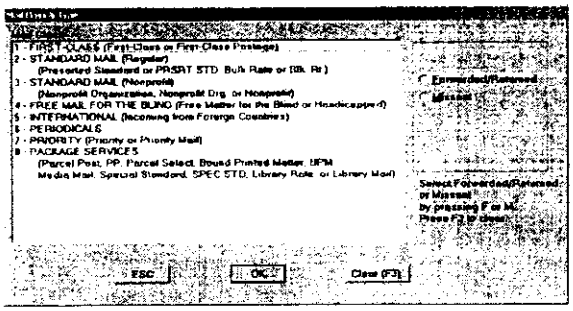


Figure 3.9.2-1 *Mail Class & Type* Screen

1. **Determine if the mailpiece has been Forwarded, Returned or Missent.**
   - Select the radio button or press <*F*> if the mailpiece was *Forwarded/ Returned.*
   - Select the radio button or press <M> if the mailpiece is *Missent.*
   - Select the radio button or press <M> if the mailpiece is *Missent,* and if the mailpiece was also forwarded or returned.
   - Press <*F3*> to clear the radio buttons.

   All radio buttons should be clear if the mailpiece has not been *Forwarded, Returned,* or *Missent.*

2. **From the *Mail Class & Type* screen, select *Standard Mail (Regular)* or *Standard Mail (Nonprofit)* by highlighting the correct option.**

   Standard Mail (Regular) includes all Presorted Standard or PRSRT STD, Bulk Rate or Blk Rt. mail. Standard Mail (Nonprofit) includes all mail that is marked or has the endorsement, Nonprofit organization, Nonprofit Org. or Nonprofit.

Step-By-Step Instructions:

Easy to follow instructions will help you perform the ODIS-RPW test.

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Conventions Used in This Book

The *Data Collection User's Guide for Revenue, Volume, and Performance Measurement System* uses certain conventions to make it easy for you to identify different types of information. This section describes these conventions.

Icons

This book contains small images, called icons, to help you recognize distinct types of information at a glance. Each icon fits a particular type of information. Each time that type of information is given you will see the icon. Icons do not appear if the corresponding type of information is not present.

The following graphic displays are the icons used in the *Data Collection User's Guide for Revenue, Volume, and Performance Measurement System.* You might see the first three icons at the beginning of a chapter and the remaining icons in the chapter sections.

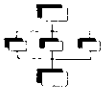
ESSENTIAL PERSONNEL

This icon appears when there is a discussion about which Postal Service staff are involved in a task.

REQUIRED MATERIALS

This icon appears when information about the materials needed to complete a task is given.

ASSOCIATED TASKS



This icon appears indicates subtasks related to the main task will follow.

BACKGROUND INFORMATION

This icon appears when information needed to complete a task is provided.

PROCEDURES

This icon indicates steps to complete the task will follow.

EXCEPTIONS

This icon appears when there is an exception to a task or tasks explained in a previous section, or if the exception applies only to the previous task.

RELATED MATERIALS

This icon appears on the top of each page of the Related Materials section. Related Materials contain additional information that may help in performing tasks.

Note: This shows how a note is displayed.

Notes are reminders about the effect of particular actions. They also provide alerts to possible changes in procedure or special recording rules.

Example: Illustrates the text that comes before the particular actions. Usually, examples describe a situation that might appear on the job and illustrate how to handle the situation.

Procedures

All step-by-step instructions are numbered in bold text, as in the following example:

1. **Enter the number of Mailpieces for the class, subclass, and type you have selected.**

Additional information about the step may follow the instruction, as shown below:

Bullets

Lines beginning with a bullet in step-by-step instructions indicate alternative steps as in the following example:

1. **To indicate if the information is correct, type the appropriate letter.**
   - **<Y>** The information is correct.
   - **<N>** The information is incorrect.

OR:

1. **To indicate that the information is correct, select the appropriate button.**
   - ***Yes*** The information is correct.
   - ***No*** The information is incorrect.

Bullets are also used to emphasize items in a list.

Screen Names and Options

All screen names and options are listed in italics as shown in the following example:

1. **From your *Main Options Menu*, select *First-Class*.**

   CODES displays one of two *Main Options Menu* screens. Select *First-Class*.

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Acronyms

The following acronyms are used throughout this book:

AADC	Automated Area Distribution Center
ADC	Area Distribution Center
AMC/AMF	Airport Mail Center/Air Mail Facility
AO	Associate Office
AP	Accounting Period
APC	All Purpose Container
BBM	Bulk Business Mail
BMC	Bulk Mail Center
BMEU	Business Mail Entry Unit
BOG	Board of Governors
BPM	Bound Printed Matter
BRM	Business Reply Mail
CAG	Cost Ascertainment Group
CCSC	CODES Computer Support Center
CODES	Computerized On-Site Data Entry System
COU	Consolidated Originating Unit
CRM	Courtesy Reply Mail
CSSD	Customer Service and Sales District
DCT	Data Collection Technician
DMM	Domestic Mail Manual
DPS	Delivery Point Sequence
D/S MEP	Drop Shipment Parcel MEP
EXFC	External First-Class
GMF	General Mail Facility
GPMC	General Purpose Mail Container
IBI	Information Based Indicia
IMM	International Mail Manual
IOCS	In Office Cost System
IPP	Irregular Parcels and Pieces
MEP	Mail Exit Point
MEPS	Mail Exit Point System
MIP	Multiple Identical Mailpiece
MSP	Manager, Statistical Programs
MUTS	Meter Utilization Tracking System
ODIN	Origin-Destination Information Network
OTR	Over The Road Container
P&DC	Processing and Distribution Center
P&DF	Processing and Distribution Facility

PETE	Priority End-to-End
PHS	Predominantly Heavy Sample
POS	Point of Sale
PRC	Postal Rate Commission
SESS	Service Enhancement Support System
SP	Statistical Programs
SPR	Small Parcels and Rolls
SPS	Statistical Programs Specialist
SPSC	Statistical Programs Service Center
USPS	United States Postal Service

Where To Go for More Information

In addition to the *Data Collection User's Guide for Revenue, Volume, and Performance Measurement System,* you may want to refer to the following resources:

- *The Mailers Companion.*
- *Domestic Mail Manual* (DMM).
- *International Mail Manual* (IMM).
- *Postal Bulletin.*

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Chapter 1
Introduction

The primary probability sampling system used to assist in estimating the Postal Service revenue, volume flow, weight, and performance measurement is the ODIS-RPW System. Information collected from this system is used to develop proposals for new Postal Service rates, assist in budget preparation, conduct management studies, and support management decisions concerning mail flow and service performance in transportation and operations.

Historically, the data derived from the ODIS-RPW test was collected by two separate tests, the RPW (Revenue, Pieces, and Weight) test and the ODIS (Origin-Destination Information System) test. The RPW test collected information relating to the total revenue, volume, and weight of many classes, subclasses, and special services of domestic mail. The ODIS test collected data regarding mail characteristics, volume flows, and transit time information on the major categories of mail.

With the combination of the two tests, a more efficient analysis of the data is achieved. The information gathered from this test not only is used to estimate the volume of mail by category and class which aides the Postal Service in its rate setting process, but also is used to plan for transportation and mail processing operations; to design and develop mail processing facilities and equipment requirements; to quickly identify and correct service problems; and to support revenue protection. By continuing to provide the quality of service demanded in a more economically responsible manner, the Postal Service continues to improve its efficiency.

The Postal Reorganization Act requires the Postal Service to "break even" financially over a period of years. That is, total revenue must equal total cost for each mail class. Rates for each mail service are determined using costs as a basic reference point. Rates must be high enough to ensure that the revenue from a class equals or exceeds the cost associated with that class. As part of the effort to achieve this legal requirement, the Postal Service continually collects information about the revenue, pieces, and weight as well as transit time of the mail.

Furthermore, the Postal Service uses ODIS-RPW test data to advise senior management on budgeting and planning issues, and to plan the Postal Service budget based on forecasts of mail volume, workloads, and overall productivity. The data are also used to monitor productivity increases associated with automation programs, assess deviations of actual volume from projected volume, and to analyze other major Postal Service activities affecting costs and revenue.

This chapter provides an overview of the Revenue, Volume, and Performance Measurement System. It introduces the ODIS-RPW system, and reviews the organizational responsibility of all offices participating in this program. The remaining chapters provide detailed instructions for performing ODIS-RPW tests.

1.1 Understanding the Revenue, Volume, and Performance Measurement System

This section describes the whole process of the Postal Service Revenue, Volume, and Performance Measurement System. It explains who does what and why consistent, accurate data collection is essential.

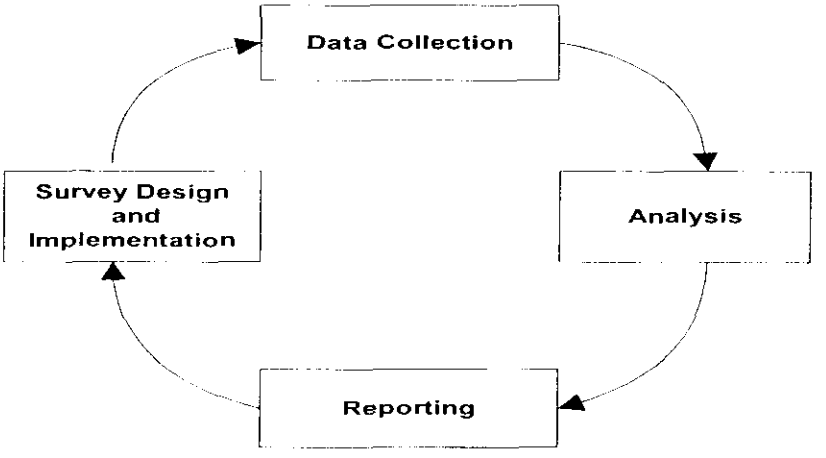

Exhibit 1.1.0–1. The Revenue, Volume, and Performance Measurement System Process

1.1.1 Survey Design and Implementation

In the *survey design and implementation phase*, the ODIS-RPW MEP-based frame sampling methods and data collection procedures are developed or revised.

Since it is not practical to count all the mail, the ODIS-RPW system uses probability sampling techniques based on principles of mathematical statistics. These techniques make it possible to measure the characteristics of the total mail volume by examining only a small fraction of that volume at Mail Exit Points (MEPs).

For a sampling system to be successful, each piece of mail must have a *known chance* of being selected for examination. The managers of Statistical Programs (MSPs) in the field have partitioned the universe of all the mail into MEPs so that each piece of mail is associated with one, and only one, MEP. This ensures that each piece of mail has only one opportunity to be sampled.

The ODIS-RPW sampling process is divided into two stages:

1. In the first stage, MEP-days are randomly selected from each stratum in each geographic area. The geographic area, called the Sample Area, is defined by one or more three-digit ZIP Codes.
2. In the second stage, pieces of mail are randomly selected for recording.

Over 32,000 MEP-days, and 1,500 COU-days are randomly selected for testing each quarter. These tests are then distributed to their respective districts.

Note: Approximately two weeks before the beginning of each quarter, sampling units and dates are randomly selected for the ODIS-RPW test.

1.1.2 Data Collection

In the *data collection phase*, trained data collectors use laptop computers to record data for the ODIS-RPW test. ODIS-RPW records data on the revenue, volume, and weight of various classes and subclasses of mail, special services mail, and also records data on mail characteristics, volume flow, and transit time for major categories of mail. This information is transmitted to the CODES Web Base Unit.

Data collection is the cornerstone on which Postal Service rate changes are based. Quality data, and ultimately the ability to make accurate revenue, volume, and transit time projections, depend on proper data collection techniques. It is imperative that data are collected in the same way, no matter who performs the test. For this reason, the test questions and procedures are written to ensure that the data are gathered consistently and in a manner that will not introduce error or bias. To ensure the reliability of the data, it is imperative that data collectors follow the procedures exactly and review them periodically to ensure that they do not deviate from them or forget any small details.

Note: If you have questions that are not answered in this guide, direct them to your MSP. The data collector reports user's guide problems through the MSP to the Statistical Programs Service Center (SPSC) which acts as a Revenue, Volume, and Performance Measurement field liaison that decides on solutions. Any resulting procedural revisions are then channeled through the SPSC to the MSP, who then provides them to you. This ensures that all data collectors with the same question will receive the same instructions and collect data consistently.

1.1.3 Analysis

In the *analysis phase*, the data are analyzed for accuracy at two levels. At the first level the MSP or designee checks in the tests to the CODES Web Base Unit, and reviews Web Test Reports which provide summary feedback. Once these data have been approved by the MSP or designee, the MSP or designee releases the test for further processing. This further processing is the second level of analysis, whereby the data are transferred to the mainframe computer, scrutinized individually, and then aggregated or grouped with test data from other locations and further analyzed.

1.1.4 Reporting

In the *reporting phase*, reports, analyses, and data files are prepared which are used internally and externally by the Postal Service and its stakeholders. These ODIS-RPW products, in combination with other data, support various Postal Service functions:

- **Rate Case**

  Requests to change existing or implement new Postal products and rates are submitted to the Postal Rate Commission (PRC) by the Postal Service Board of Governors. These requests use revenue, volume and cost data derived, in part, by statistical sampling systems. ODIS-RPW data provide key components of official Postal revenues and volumes that are used in rate case forecasting, unit cost calculations, and development of Postal billing determinants. Additionally, various special studies and analyses used in the rate requests depend on mail characteristics data obtained from ODIS-RPW. After a request is filed at the Commission, an interrogatory phase occurs when the Postal Service is asked detailed questions by rate case interveners. Answers to these interrogatories frequently can only be obtained by querying the ODIS-RPW data.

- **Workload-Flex Budget**

  ODIS-RPW data are used, in conjunction with PERMIT and Accounting data, to develop District and Area volume estimates used in the Workload-Flex Budget Process. This system combines volume, cost and other data to estimate field hours needed to perform workload and is an input into the field budget setting process.

- **Service Diagnostics**

  ODIS-RPW feeds a mix of transit time information and other mail characteristics data to the ODIN (Origin-Destination Information Network) System. ODIN is a web-based system that permits the user to generate both standard and customized reports using ODIS-style data from the ODIS-RPW system. ODIN also allows managers to pinpoint problems at the five-digit ZIP Code level by day-of-week, shape, level of barcoding, ZIP Codes of origin, etc.

- **Revenue Protection**

  ODIS-RPW provides meter number and other mail characteristics data to the MUTS (Meter Usage Tracking System) which, with the use of additional data from the Central Meter Licensing System and the Meter Account Tracking System, is used by the Postal Inspection Service for revenue protection purposes.

- **Statistical Programs Support**

  ODIS-RPW test data are provided to Statistical Programs, Field Support for their analysis and support of the district Statistical Programs function. Uses include providing such things as summary volumes as input in the MSP Statistical Programs Information Book, reports on the location and number of tests within the district, reports on skip intervals and average numbers of pieces entered, and margin of error reports. In total, these reports support the SPSC in their efforts to assist the district Statistical Programs staff.

- **Miscellaneous**

  ODIS-RPW reporting is used for a variety of functions including, but not limited to planning for transportation and mail processing operations, assisting in the design and development of mail processing facilities and equipment requirements, supporting EXFC and PETE, supporting audits, and many other miscellaneous projects.

1.2 Understanding the ODIS-RPW Test

1.2.1 Overview

The ODIS-RPW system was developed to more efficiently and economically gather information that was previously collected by two separate systems, the ODIS system and the RPW system. The ODIS system was created in response to a recommendation from the 1960 President's Commission on Postal organization (Kappel Commission) which recommended to Congress that the Postal Service be established on a corporate model and that it institute a system of measuring mail volume flow. The RPW system, on the other hand, was created in response to the Postal Service's legal obligation to price each class of mail and special service to cover its respective costs while incurring little or no profit and to supply Postal Service management with mail volume flow information.

In order for the Postal Service to accomplish these requirements, revenues, volumes, weight, transit time, and mail characteristics of each mail class, subclass, and special service must be determined. The data provided by the Postal Service's accounting systems do not often coincide with, or specifically identify, individual categories of mail or services. Therefore, the Postal Service relies on statistical systems such as the ODIS-RPW system to provide data about the various categories of mail.

The ODIS-RPW test requires data collectors to systematically select Mailpieces using a random start for all of the mail available on the randomly selected COU-day or MEP-day (which are explained later in this chapter). Data collectors record various mailpiece characteristics including revenue, weight, shape, indicia, barcode, postmark time, postmark origin, mail class, etc. The ODIS-RPW test is performed potentially in all Postal facilities throughout the country.

The population of interest that the ODIS-RPW estimates is a subset of special service mail entering the Postal Service and all mail (excluding this subset of special services mail mentioned earlier) exiting the Postal Service in a quarter. The population that represents the subset of special service mail entering the Postal Service is partitioned into originating sampling units called Consolidated Originating Unit-days (COU-days). Every facility which provides retail window services to the public will generally have one originating sampling unit. The population of mail exiting the Postal Service is partitioned into Mail Exit Point-days (MEP-days). Every facility generally has one or more MEPs.

ODIS-RPW is designed to produce national revenue, volume, and weight estimates for various rate categories with specific targets of precision for First-Class Mail, Priority Mail, Standard Mail, and special services mail on a quarterly basis. This system has also been designed to measure mail volume flow between P&DCs with specific targets of precision for First-Class Mail, Priority Mail, and Parcel Post on a quarterly basis.

ODIS-RPW is a multi-stage design survey. The primary sampling unit is a finance number (generally corresponding to a specific post office) in the case of COU sampling, and the Mail Exit Point in the case of designating mail sampling.

1.2.2 COU Structure

A COU is a physical location where clusters of mail can be subsampled as they *enter* the Postal Service.

The *first stage* sampling unit is a finance number. A panel of finance numbers has been established. The *second* stage sampling frame is the list of all COU-days.

The *third stage* is the subsampling of all registered, insured, COD, and certificates of mailing mailpieces available to the COU on the test day which may involve a systematic random selection of a subset of mail available on the COU-day. COU-day tests are usually conducted in conjunction with a census.

The MSP in each Customer Service and Sales District (CSSD) is responsible for the design and maintenance of COUs using specific guidelines. The district's COUs are maintained in the MEP System. Associated within each COU are mail characteristic volumes referred to as *reference volumes*. They include letter and card, flat, IPP, parcel shape, Priority Mail, and Accountable/ BRM mail volumes. Also associated with each COU are test and travel times.

1.2.3 MEP Structure

A MEP is a physical location where clusters of mail can be sampled as they exit the Postal Service.

The *first stage* sampling unit is the MEP-day. The first stage sampling frame is the list of all MEP-days.

The *second stage* is subsampling all mail available at the MEP on the test day which usually further involves a systematic, random selection of a subset of mail available on the MEP-day.

The MSP in each CSSD is responsible for the design and maintenance of MEPs using specific guidelines. The district's MEPs are maintained in the MEP System. Associated within each MEP are mail characteristic volumes referred to as *reference volumes*. They include letter and card, flat, IPP, parcel shape, Priority Mail volumes, and Accountable/BRM volumes. Also associated with each MEP are test and travel times.

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Chapter 2
Preparing for the ODIS-RPW Test

BACKGROUND INFORMATION

Once Headquarters selects the dates, Mail Exit Points (MEPs), and Consolidated Originating Units (COUs) to be tested, the manager, Statistical Programs (MSP) or designee performs several activities to prepare for the tests. This chapter describes the preparatory tasks for these tests and gives step-by-step instructions for completing them. It also introduces many of the participants and policies involved in the data collection process. For more information on these items, see the related sections where referenced and Appendices A through J.

ESSENTIAL PERSONNEL

With the help of the postmaster or designee at the selected site, the data collector may be requested by the MSP to help prepare for an ODIS-RPW test.

- The MSP may ask the data collector to notify the test site and/or determine an appropriate arrival time for the ODIS-RPW test.
- The participants at the test site will help by answering preliminary questions over the phone.

RELATED MATERIALS

ODIS-RPW test preparation, obtain the following materials:

- Header Sheet/Test Schedule: Sample record(s) showing the Test ID, Test Date, ZIP Code, Office, and MEP.
- MEP History Report: Report showing test history for the MEPs to be tested.
- Special Testing Instructions: Includes the *Special Instructions* field maintained in the MEP System.
- MEP System Listings (including MEP and COU description).
- Telephone.
- CODES Laptop.

ASSOCIATED TASKS

To prepare for the ODIS-RPW test, perform the following tasks as necessary:

- After receiving test schedules, examine the schedule and/or sample selection file for location, date, and type of ODIS-RPW test.
- Notify the test site managers of the date, MEP/COU, and type of mail to be tested. Obtain updated information on the facility, the MEP/COU and determine the appropriate time to perform the test. Do this the day before the test is to be conducted, within 24 hours of the time the test is scheduled to begin.

Note: Remember, all the necessary pieces of mail must be available during the time scheduled for the test, and the test must not delay mail delivery.

Sections 2.1 and 2.2 of this chapter discuss the preliminary tasks of the data collector in more detail. Each section explains the purpose of the task, gives any background information, and provides step-by-step instructions for performing the task.

Section 2.3 discusses a variety of important testing techniques that data collectors and MSPs should know.

2.1 Receiving the Test Schedule

BACKGROUND INFORMATION

The ODIS-RPW tests are scheduled daily on a quarterly basis. About two weeks prior to the quarter, a mainframe computer randomly selects MEP/COU units to be tested. Headquarters downloads the sample selection list of MEP/COU-days from the mainframe to the CODES Web Base Unit. This list is called the *sample selection file*. The MSP may then develop a daily or weekly schedule based upon the sample selection file. The MSP or designee then assigns trained ODIS-RPW data collectors to conduct each of the tests.

The MSP or designee places the sample selection list of MEP/COU-days to be tested on a diskette and transfers this information to a CODES Laptop. Data collectors at remote sites may download the sample selection list to their CODES Laptop (section 4.1). The data collector reports to the postal facility where the MEP/COU unit is to be sampled early enough so that the ODIS-RPW test being conducted can be completed without delaying the delivery of the mail.

Because the volume and mix of mail vary depending upon the day of the week, ODIS-RPW tests are performed every delivery day all across the country. Smaller offices are sampled less frequently. Within ODIS-RPW, approximately 450 MEPs/COUs throughout the nation are scheduled for testing each delivery day. Daily testing avoids biased results. Generally, test sampling takes place 6 days a week. At APO/FPO MEP units, test sampling may take place 7 days a week.

The quarterly ODIS-RPW test schedules are an important part of nationwide revenue, volume, and transit time measurement system testing. These test schedules may be obtained from two places:

- From the schedule developed by the MSP. This schedule is based upon the quarterly ODIS-RPW sample selection files taken from the CODES Web Base Unit.
- On the sample selection file available on the CODES Laptop.

The ODIS-RPW sample selection files show the following information:

- The names and locations of the MEPs/COUs to be tested during the quarter.
- The date when each test must be performed.
- Administrative information, such as finance and test identification numbers. The data collector needs this information at the beginning of every test.

PROCEDURES

This section explains how to access the ODIS-RPW sample selection files on the CODES Laptop. The MSP, or designee, will also print the sample selection files from the CODES Web Base Unit.

Accessing the ODIS-RPW Sample Files on the CODES Laptop

The ODIS-RPW sample selection files on the CODES Laptop contain test schedule information, such as testing locations and types of tests, for the entire quarter. This information may be obtained either for the entire quarter, or for just one test date. Sample selection files contain entries such as the following for each site to be tested: Test Date, Test ID, MEP/COU Type, and Facility Name.

To display information from the sample selection file on the CODES Laptop, complete the following steps:

1. **Turn on the CODES Laptop, enter your login name and password, and then press <Enter>.**

   CODES displays the *CODES Main Menu* screen.

2. **Choose *ODIS-RPW* from the *CODES Main Menu*.**

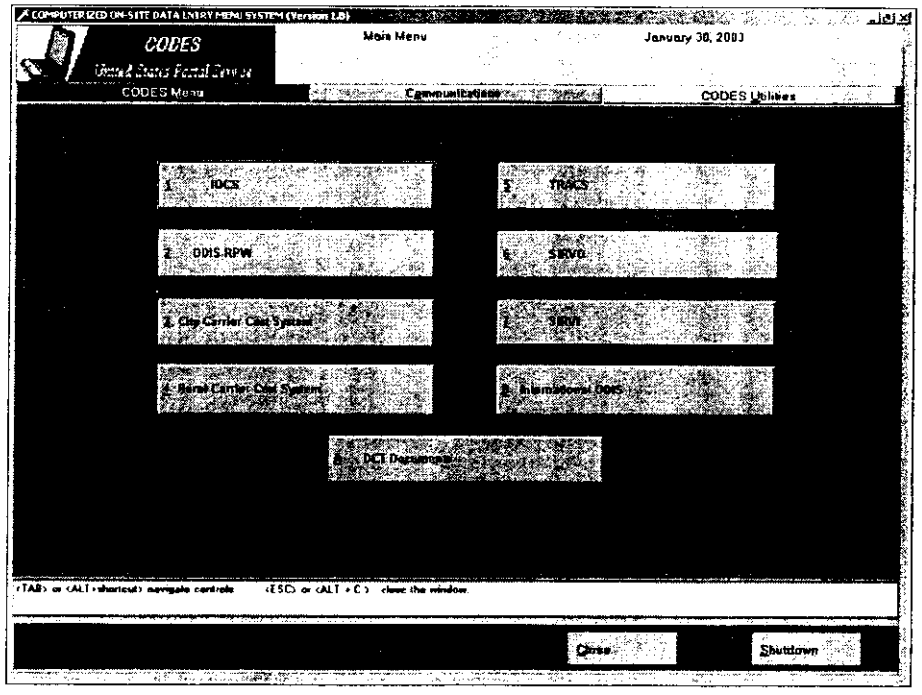

Figure 2.1.0–1. CODES *Main Menu* Screen

CODES displays the ODIS-RPW *Main Options Menu*.

3. **Select *Conduct Test* from the *ODIS-RPW* Main Options Menu.**

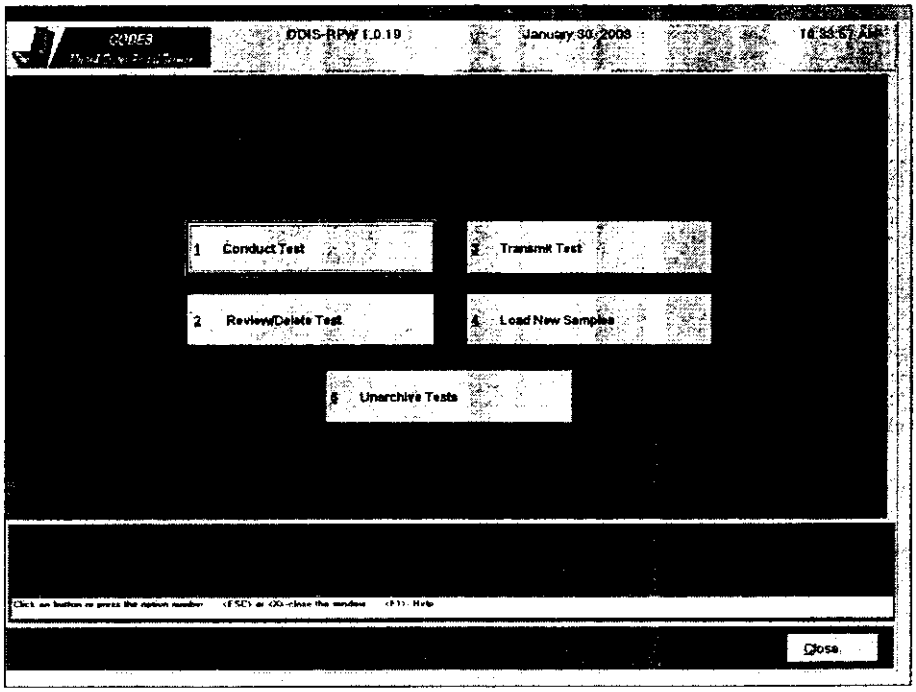

Figure 2.1.0–2. *ODIS-RPW* Main Options Menu Screen

After selecting *Conduct Test*, CODES displays the *Select a Test* screen (Figure 2.1.1-3).

4. ***Select a Test* from the *Conduct Test* Screen.**

   The *Select a Test* screen displays a complete list of all the ODIS-RPW sample files currently stored on the laptop. Use the laptop's <↑↓> and <PgUp/PgDn> keys to highlight the record that corresponds to the MEP or COU that is being tested.

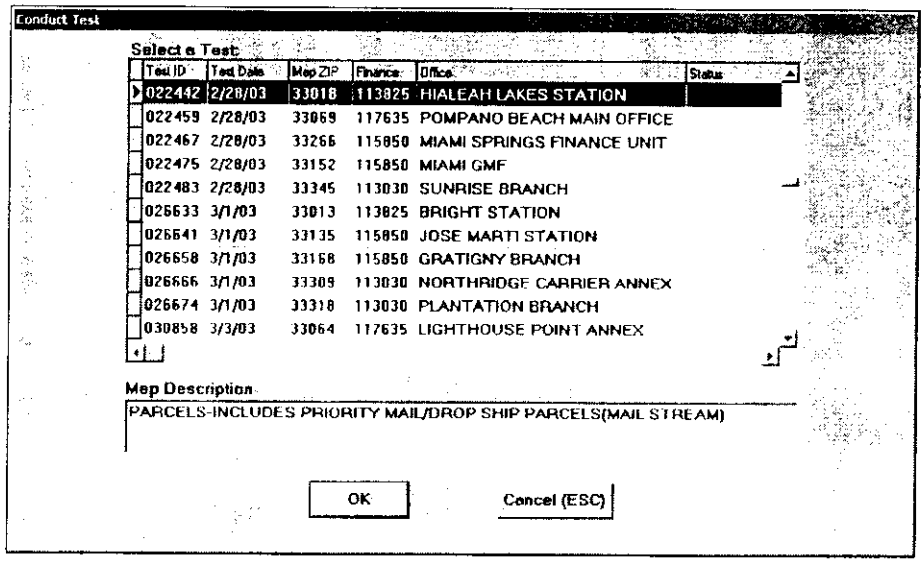

Figure 2.1.0–3. *Conduct a Test* Screen

Once the appropriate record is selected, press <Enter>. CODES automatically enters the corresponding test ID, test date, and MEP Description on the *ODIS-RPW Test Header* screen. Now, simply enter the user ID number and select the sampling method.

2.2 Contacting the ODIS-RPW Test Site

BACKGROUND INFORMATION

Within 24 hours of the time before conducting an ODIS-RPW test, the data collector should contact the test site to notify the postmaster or manager of the office that a test will be performed. The data collector should ask the postmaster or manager of the facility for information that will help in conducting the test.

Note: Cadre offices may receive quarterly sample selection lists at the beginning of each calendar quarter.

To reduce travel costs, the MSP may arrange to have ODIS-RPW tests performed upstream. These tests may be conducted as far upstream as the destination mail processing facility. To test the mail upstream, first verify that all Mailpieces can be easily identified and captured for sampling. If the mail cannot be easily identified and captured for sampling, the test must be taken at the destinating office.

2.2.1 Preparation Before Calling the Test Site

The data collector should contact the test site to set up the test. Preparation for the call is important since the data collector will want to be knowledgeable about the MEP/COU to be tested and communicate this in the telephone call.

PROCEDURES

Preparation for calling should include reviewing:

- Sample listing pertaining to the test date, test location, finance number, and other information about the sampled MEP/COU.
- MEP description relating to what mail flow(s), or mail stream is to be included in this test. This information may also be found in the Special Instructions.
- Beginning and ending times (cutoff times) for the test. Cutoff times are established in the MEP System and must be strictly followed. Cutoff times cannot be modified until the following quarter, and only after consultation with the MSP.
- MEP description and Special Instructions for information specific to the MEP to be tested (such as bypass mail, reprocessed mail, PM mail, drop shipment special comments).
- Reference volume and other volume history about the MEP (MEP History Report).

2.2.2 Calling the Test Site

As a data collector, call the test site no more than 24 hours before the test is to begin. (Remember, the test normally starts on the day before the date listed in the quarterly schedule.) Find the phone number in the local phone directory. Speak to the postmaster or designee, and complete the following steps.

1. **Introduce yourself. Explain the purpose of the call.**

   As a data collector, call to inform or remind the postmaster or manager that an ODIS-RPW test will be performed on a particular MEP/COU at the facility.

2. **If the postmaster or designee is unfamiliar with the ODIS-RPW test, explain the purpose of the test.**

3. **Find out when the facility opens.**

4. **Explain which MEP/COU is being tested. Describe the mail associated with this MEP/COU.**

5. **Describe the beginning and ending cutoff times for the test.**

6. **Ask for an estimate of the expected mail volume (for the MEP/COU that is being tested) for that delivery day.**

7. **Find out when the first mail arrives at the test site.**

8. **Ask the facility to identify, flag, and isolate the incoming/originating mail that is to be tested.**

   Usually, the ODIS-RPW test requires all the sampled mail for a 24-hour period. For instance, if an incoming letter mail processing stream test were scheduled for Wednesday with a 10 a.m. cutoff time, the site manager or designee would need to begin flagging all appropriate incoming letter mail after 10 a.m. on Tuesday.

9. **Ask for the time schedule of the final distributions or arrival of the mail to the MEP/COU.**

10. **If the MEP to be tested is defined after distribution to the individual delivery units, ask the manager if there will be any curtailed or delayed mail from the previous day.**

    If a MEP is being tested which is defined after distribution to the individual delivery units, ask the manager to mark and isolate curtailed mail from the previous day. Curtailed mail is normally Standard Mail from the previous day that was marked or available for delivery but, for some reason, has not been delivered. For more information on curtailed mail, see section 3.2.2 and Appendix E.

11. Ask about bypass mail, reprocessed mail, PM mail, drop shipment parcels, and missent mail.

Also see section 3.2.2 for more information on bypass, reprocessed, and PM mail.

- **Bypass Mail:** Bypass mail is any mail that has not been processed according to the normal mail processing flow at a facility. Bypass mail is often bulk rate Standard Mail. Bypass mail includes office-to-office mail, dock-transfer, and BMC-to-facility mail. Ask the appropriate facility personnel about the kinds of bypass mail that the facility receives. Then determine, based on the MEP/COU description in the MEP and/or *Special Instructions* field, whether the bypass mail should be recorded with the other Mailpieces of the MEP/COU being tested.
- **Reprocessed Mail:** Reprocessed mail is mail that will be sent back to the plant for sortation that day. Reprocessed mail is then returned to the site the same day or the next day. Because the ODIS-RPW test does not test reprocessed mail, let the manager or designee know that mail to be reprocessed must be isolated from the test. Do not test reprocessed mail.
- **PM Mail:** Some facilities receive afternoon or PM dispatches of mail that may or may not be available for delivery the next day. This mail is sometimes cased in the evening and usually consists of Standard Mail and Periodicals. Ensure that if the facility receives PM mail and is not its own separate MEP, this mail will be available for sampling when the data collector arrives on site.
- **Drop Shipment Parcels:** Drop shipment is a special service offered by the Postal Service that allows the mailer to bypass normal upstream mail processing. Under this service the mailer or a private (nonpostal) carrier transports their parcels to be delivered to a postal facility that is closer to the final destination. The Postal Service then completes the delivery of the parcels at a lower cost to the mailer. Ask the manager or designee if any parcel drop shipments are scheduled or if they have any mailers who bring in unscheduled drop shipment parcels. If any parcel drop shipments are scheduled, ask the manager or designee about PS Form 8125 information that may be available for these shipments and if these forms may be isolated and held for review on the next day. The MEP Description and *Special Instructions* field document which MEP(s) would include this mail when tested.
- **Missent Mail:** Missent mail is mail that has been sent to the wrong facility. Containers, such as an APC or letter tray, may hold only missent mail. Because this mail has not reached its correct facility, it has an opportunity to be selected more than once for testing (double-counting). Therefore, containers holding only missent mail must be isolated from containers correctly dispatched to the facility. Inform the manager or designee that whole containers of missent mail must be isolated from the test. If it cannot be determined that a container of mail is missent, assume that it is correct for the facility.

12. **Find out whether there have been any recent changes to the facility's mail processing stream.**

    Ensure that there have been no changes that might affect the MEP/COU that is being tested.

13. **Answer any questions the postmaster or manager might have.**

14. **Thank the manager or postmaster for his or her time and assistance.**

Note: For more information on the type of questions to ask, see Section 3.2, Communicating with the Facility Manager.

Note: If an ODIS-RPW test must be rescheduled or cancelled, contact the MSP. See Appendix G for more information.

2.3 ODIS-RPW Testing Techniques

BACKGROUND INFORMATION

This section provides alternatives for handling unique situations that may be encountered during a test or may result in a test not being taken. This section allows for tests to be conducted in less than optimum conditions with minimal impact. If you have any additional questions, see Appendix G.

Location: At local option, an ODIS-RPW test may be taken upstream to reduce travel costs. On small facilities where the location is far from any data collector's domiciled facility, define the MEP/COU(s) at the plant and perform the test at the plant. Ensure first that all mail can be captured for sampling.

Tests covering more than one tour: Do not test a MEP/COU if multi-tour coverage is required but cannot be provided. Reschedule the test or administratively cancel it. Consider redesigning the MEP/COU based on tours.

Tests normally requiring two (or more) data collectors: Testing of MEPs/COUs normally requiring two or more data collectors can be performed by one data collector if other data collectors are not available. Select a larger skip interval from the tables. For more information, see section 3.6 for mailpiece subsampling or section 3.7 for container subsampling.

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Chapter 3
Conducting the ODIS-RPW Test

The ODIS-RPW test consists of samples of mail taken by data collectors on randomly selected days at randomly selected Mail Exit Points (MEPs) or at Consolidated Originating Units (COUs). The information the data collector gathers is used to estimate the national volume, transit time, performance, revenue, pieces, weight and mailpiece characteristics of the mail by class and by subclass.

This chapter describes the procedures for conducting an ODIS-RPW test. Each section within the chapter provides step-by-step instructions on how to enter both administrative and mailpiece sample data.

ESSENTIAL PERSONNEL

Two people conduct the ODIS-RPW test, a trained data collection technician (DCT) and a post office manager or designee.

- The data collector is responsible for identifying, isolating, counting, sampling, and recording the necessary mailpieces at the appropriate Mail Exit Point (MEP).

  The data collector randomly selects a portion of the mail and then records the sample's count and other identified characteristics. This procedure is called *subsampling*.

- The post office manager is responsible for providing the data collector with a work area and for answering the data collector's questions about the facility and the mail flows.

REQUIRED MATERIALS

The data collection technician should always take the following materials to the test site:

- CODES Laptop computer with fully charged battery pack and AC power pack (with a power cord).
- Electronic scale with cable for power source and cable for computer connection. The scale must be accurate to one tenth of an ounce. To ensure accuracy, check the scale and balance/level before using (Appendix F).
- Extension cord (three-pronged safety).
- The 3.5-inch data diskette with the ODIS-RPW sample file.
- Two blank, formatted 3.5-inch data diskettes for backup saving of test data.
- This handbook (or remove Chapter 3, *Conducting the ODIS-RPW Test*, and take to the test site). The handbook is also available electronically on the CODES Laptop.

- Sample selection printout (for header information required for the laptop). This information may be obtained from the laptop's *Main Options Menu* under *Conduct Test*.
- Header Sheet/Test Schedule.
- MEP History Report printout obtained from the MEP System for the MEP to be tested.
- Special testing instructions which include the *Special Instructions* field maintained in the MEP System.
- *Container Subsampling Table for all Mail Shapes* (RM 3–1).
- Marking slips to mark trays, bins, APCs, and all containers to be tested.
- Tape measure for tests with parcels.
- Paper and pens or pencils.

Note the following:

- The *Header Sheet/Test Schedule* is also used during subsampling to record expected test day volumes, skip intervals and where the data collector left off with the skip interval(s) while waiting for more mail to arrive, such as between dispatches.
- The *MEP History Report* is used to assist in establishing skip intervals (sections 3.6 and 3.7).

ASSOCIATED TASKS

Information and step-by-step instructions are given in the remaining sections of this chapter on conducting the ODIS-RPW test. The following tasks should be performed as appropriate:

- Locate the facility and the MEP within the facility.
- Review the *MEP Description* and *Special Instructions* fields in the MEPS to determine the exact types and locations of mailpieces to be tested.
- Speak with the facility manager to determine facility processes such as dispatch times, expected mail volumes, bypass mail, PM mail, drop shipment parcels, containers holding missent mail only, mail that will be reprocessed, curtailed mail (Appendix E), and changes in the mail processing stream.
- Determine a sampling method.
- Enter header and sampling data.
- Separate containers and/or mailpieces and perform the selected sampling procedure.
- Review special recording rules.
- Enter mailpiece data on the CODES Laptop.

3.1 Locating the MEP and Following the MEP Description

BACKGROUND INFORMATION

The importance of locating the correct Mail Exit Point (MEP) and following the MEP description cannot be overstated. Good statistical data depends first and foremost on obtaining the correct mailpieces for the test.

To locate the correct MEP and the correct mail for the test, follow the MEP description and the instructions given within this section. Locating the correct MEP involves identifying the facility and MEP within the facility. Locating the correct mail for the test involves following the MEP description and Special Instruction.

Obtain the MEP description from the sample selection file listing, in the CODES Laptop under ODIS-RPW test options, or in the MEPS. For instructions on obtaining this information from the sample selection file and from CODES.

Beginning the ODIS-RPW test involves the four-step process given below:

- Locating the facility.
- Locating the MEP within the facility.
- Following the MEP description.
- Avoiding double-counting and missed mail.

3.1.1 Locating the Facility

The *Header Sheet/Test Schedule*, should be obtained from the manager of Statistical Programs (MSP) or from the CODES Laptop in accordance with the procedures given in this handbook listing the name of the test facility and the date of the test. Within 24 hours before beginning the test, the data collection technician should contact the test facility's manager or the manager's designee. This person can answer any questions about the facility. He or she can also give directions to the facility (however, maps, directions and test location instructions available in the Statistical Programs office should be used whenever possible). The data collector should refer to the guidelines in section 2.2 for questions to ask the facility manager or designee.

In some instances, the MEP may not be tested on-site, or the test may be started upstream and off-site. Review the *Header Sheet/Test Schedule* and/or *Special Instructions* field to determine if the MEP is tested on-site, off-site, or a combination of both.

3.1.2 Locating the MEP within the Facility

In planning for the test, the data collector should locate the proper MEP within the facility. In most cases, the ZIP Code and MEP description identify the MEP. This information may be obtained from the *Header Sheet/Test Schedule*, the CODES Laptop under *ODIS-RPW Test Options*, and from the MEPS.

In some instances, two MEPs may have the same MEP description (such as *flat mail processing stream (all mail shapes)* for a multizone facility). In such instances, identify the proper MEP to test by looking at the MEP ZIP Code.

The MSP should be contacted to answer any questions about the MEP that is scheduled to be tested.

3.1.3 Following the MEP Description

The MEP description lists the location of the MEP to be tested and the *Special Instructions* field provides key details about the MEP. The *Special Instructions* field includes information such as cutoff times, bypass mail, PM mail, drop shipment parcels, and mail to be excluded from the test. The *MEP Description* and *Special Instructions* fields also include whether a MEP is defined along a mail processing stream or exclusively along a single mail shape, the location along the mail processing stream where the MEP will be tested, and standard operating procedures for testing containers holding more than one mail shape.

3.1.3.1 MEP Cutoff Times

The beginning and ending cutoff times for the test are listed in the MEP description. All mail between the beginning and ending cutoff times must be considered; however, this does not mean that the data collector must be on site at the cutoff times.

Note: Cutoff times are established with the guidelines of ensuring that all mail has one and only one chance of selection, and is usually determined by the time the mail arrives at the facility. Cutoff times cannot be changed once the frame is closed for sample selection. Each MEP has a beginning and ending cutoff time.

Only mail received at the sampling unit after the test start time and prior to the test end time is included in the test.

24-Hour MEP: The cutoff times for 24-Hour MEPs are listed in the *MEP Description* field for the MEP. They are often determined based on mail availability or dispatch schedule.

Example: Cutoff times based upon mail availability at 24-hour mail processing facilities. At 24-hour mail processing facilities, the cutoff times for a MEP are often determined according to when the mail is first made available and when the mail is last made available at a MEP for the given test date. A MEP at which the mail is sorted until midnight can have a 12:00 a.m. (midnight) cutoff time. Accordingly, all the mail at that MEP from 12:00 a.m. on the test date until midnight of the test date would be sampled.

Example: Cutoff times based upon the dispatch schedule. Cutoff times are often based on the facility dispatch schedule. For instance, Station A's normal dispatch times are 3 a.m., 5 a.m., and 7:30 a.m. The MSP establishes 8:00 a.m. as the cutoff time to allow for trucks that are slightly late. A test is scheduled for Tuesday. Include all letter mail received at the station after 8:00 a.m. on Monday. This is the beginning cutoff time. Then continue to sample all the letter mail until 8:00 a.m. on the test date. Tuesday 8:00 a.m. is the final cutoff time.

For all Monday tests (except APO/FPO Sunday tests), include all mail made available since the cutoff time on Saturday. Likewise, after a holiday, a test of mail from the last delivery day should include all mail made available after the cutoff time before the holiday. When the holiday falls on a Monday, a Tuesday test must include all mail received after the cutoff time on Saturday. Sunday's mail must also be included (Appendix D). However, any mail that was actually available to a customer on Saturday or on the last delivery day before a holiday (regardless of whether this mail was actually picked up) must not be included on Monday's test or on the day-after-a-holiday test.

Partial Day MEP (PM MEP or Multi-Tour MEP): The cutoff times for partial day MEPs are listed in the MEP Description field for the MEP and have been determined by the MSP as follows:

PM MEP: Some facilities receive afternoon or PM dispatches for mail that may or may not be available for delivery the next day. Therefore, a PM MEP is a less than 24 hour MEP defined around post-AM cutoff time dispatches to stations, branches and associate offices of all classes of mail, but usually associated with Standard Mail and/or Periodicals. A PM MEP isolates this particular mail processing stream for testing.

The testing of PM MEP mail is conducted as follows:

- The test begins at the beginning cutoff time the day **before** the test date.
- The test ends at the ending cutoff time on the day **before** the test date.

Example: An MSP has defined a PM MEP at a facility that receives a large volume of Standard Mail and Periodicals in the late morning or afternoon.

Example: The afternoon/late morning dispatches to a facility are 10:00 a.m. and 2:00 p.m. The departure time for letter carriers is 9:30 a.m. With the first dispatch, start sampling the Standard Mail and Periodicals at 10:00 a.m. the day before the test date. The sampling would end after 2:00 p.m. on the day before the test date.

Sometimes this mail is cased by routers and/or letter carriers later in the afternoon for delivery the next day. Sometimes it is not cased until the following morning with the morning dispatches of mail. It is advantageous to test the mail before it is cased. Therefore, the data collector should consult with facility staff to determine an arrival time that will enable him or her to conduct the test while the mail is still staged and not yet distributed to carriers.

Sometimes, such as in the example above, there is a long time lag between dispatches. If the 10:00 a.m. dispatch is not staged until the 2:00 p.m. dispatch arrives, different data collectors would probably be used to complete the test because of the data collectors' schedules.

If the PM MEP is created to cover the afternoon dispatches of mail, then separate MEPs have been created to cover the morning dispatches (e.g., letter MEPs, flat MEPs, etc.). For the MEPs covering the morning dispatches, the MEP Description will be annotated to say, *Exclude PM mail.*

Multi-Tour MEP: Some MEPs correspond to facility tours and are, therefore, defined for a period of less than 24 hours. For example, a facility might process the mail for a very large firm that has a unique ZIP Code. Over a 24-hour period, this ZIP Code's mail might be separated into three MEPs so that each MEP's cutoff time is based upon one of the three facility tours.

An example of a MEP based on the facility's second tour is listed in the MEPs in the following manner: *Letter mail processing stream and flat mail processing stream mailpieces (all shapes), Tour 2 — 0800 to 1600.*

Example: A test is scheduled for a letters only MEP at a facility. The MEP cutoff times are based upon a facility tour. Start and end the test at the time listed in the MEPs. If the tour were to begin at 7:30 a.m., the data collector would start sampling all letters at the MEP at 7:30 a.m. on the test date. Likewise, if the tour were to end at 4:00 p.m., he or she would finish sampling letters at 4:00 p.m. on the test date.

The *MEP Description and Specials Instructions* fields listed in the MEPs display the cutoff times and any special details about the MEP to be tested. In addition, these fields should also indicate whether the MEP is defined along the mail processing stream or according to one exclusive mail shape (single mail shape MEP).

Note: If the data collector has trouble understanding the MEP description (such as whether the MEP is a mail processing stream MEP that includes all shapes or a single mail shape MEP that includes one exclusive shape), contact the MSP.

Mail Not Available after the Starting Cutoff Time: If mail received after the starting cutoff time was not or will not be available for testing, follow the instructions given in Appendix G, *Operating Policies*. These instructions direct the manager of Statistical Programs to reschedule if possible, or if rescheduling is not an option, to notify the Statistical Programs Service Center. Situations may arise in a number of ways that would lead to mail not being made available for testing. The following are three examples:

- **Example:** When scheduling a test for the following day by phone, the Post Office contact explains that mail arrived after the beginning cut-off time for tomorrow's test and that this mail will be delivered today. This is mail volume that will be missed for tomorrow's test. Follow Appendix G, *Operating Policies* instructions.

- **Example:** While on-site conducting a test, a container(s) of mail was worked, distributed to the carriers, and cannot be identified to be included in the test. Follow Appendix G, *Operating Policies* instructions.

- **Example:** The cutoff time for the MEP to be tested is 10 a.m. to 10 a.m. The data collector arrives at the Associate Office at 3 a.m. when it opens and no trucks for today have yet arrived. He observes mail on the dock that arrived from a prior day. No tag indicates when the mail arrived and the staff at that office also does not know the arrival time. The data collector does not know if this mail arrived after the starting cutoff time for today's test (after 10 a.m. yesterday). Follow Appendix G, *Operating Policies* instructions.

Mail Arriving Immediately After Ending Cutoff Time: If mail arrives immediately after the ending cutoff time for today's test that will be delivered today and the data collector is still on-site for the test, do not include this mail in today's test. Situations may arise in a number of ways that will lead to the exclusion of this mail for testing. For example:

- **Example:** You are expecting the last dispatch to arrive for today's test, but the truck is held up. It arrives after the ending cutoff time for today's test. Exclude from sampling for today's test.

- **Example:** A test is scheduled Friday with cutoff times of 11:30 a.m. to 11:30 a.m. on a Letter Shaped Mail MEP. The truck arrives at 11:31 a.m. on the day of the test (Friday) with the majority of the letter mail. This mail would be excluded from the test since it arrived after the ending cutoff time of 11:30 a.m.

3.1.3.2 PM Mail, Bypass Mail, and Drop Shipment Parcels

The MEP description provides critical information for properly testing PM mail (where no PM Mail MEP exists), bypass mail, and drop shipment parcels.

PM Mail: In facilities receiving afternoon or PM dispatches, and where no PM mail exists, this mail must be included in one and only one MEP on a consistent basis. The *MEP Description* and/or *Special Instructions* fields identify whether this mail is known to exist. If it does exist, the location in the facility is also identified and isolated, as well as which MEP to include this mail.

Bypass Mail: Bypass mail is any mail that has not been processed according to the normal mail processing flow at a facility. Bypass mail is often bulk rate Standard Mail and Periodicals. Bypass mail includes mail dispatched from the BMC to the back door of the facility either in the AM or PM, mail direct from the mailer (e.g., drop shipment parcels), office-to-office mail, and dock-transfer mail. Based on the *MEP Description* and/or *Special Instructions* fields, the data collector will be able to determine whether the bypass mail is to be tested with the MEP that is being tested.

Drop Shipment Parcels: In facilities receiving drop shipment parcels, this mail must be included in one and only one MEP on a consistent basis. The *MEP Description* and *Special Instructions* fields identify whether this mail is known to exist, if so, where in the facility it can be identified and isolated, and with which MEP to be included.

3.1.3.3 Mail Processing Stream MEPs and Single Mail Shape MEPs

Most MEPs are designed on the basis of mail shape in one of two ways: mail processing stream or single mail shape. To identify the correct MEP, the data collector will need to know how to recognize the difference between mail processing stream MEPs and single mail shape MEPs. The *MEP Description* field should clearly indicate whether the MEP is a mail processing stream MEP or a single mail shape MEP.

Mail Processing Stream MEPs: A mail processing stream has a mail flow of one *predominant* mail shape. A processing stream of flats, for example, is considered a mail processing stream for flat-shape mail. However, unlike a single mail shape MEP, a mail processing stream MEP may contain more than one mail shape. For example, a mail processing stream for flats arriving at a station in hampers might also contain parcels.

Note: The MSP must have a written S.O.P. to ensure sample selection consistency whenever a data collector is testing containers holding mailpieces of multiple shapes at a mail processing stream MEP.

For instance, a flat MEP defined as a mail processing stream MEP may be tested in a facility that also has letter and parcel MEPs. If, while isolating the required mailpieces to test at this MEP, the data collector located a hamper containing both flats and parcels, he or she would have to decide whether that hamper belongs with the flat MEP or with the parcel MEP.

To make the correct decision, the data collector will need to know the MSP's guidelines for these situations. Assume for this example that the MSP has a rule that states that any mixed-shape container holding flats must be tested with the flat MEP.

When testing a MEP defined along a mail processing stream, the data collector will normally test all mail shapes found in the stream. Even if a test of a mail processing stream for parcels were to have 100 flats and only 2 parcels, the data collector would still include in the test all flats and other mailpieces found in the mailstream.

Example: In performing an ODIS-RPW test on a MEP defined as a mail processing stream for flats, 90 percent of the mailstream is flat-shape mail and 10 percent is letter-shape mail.

Because mail processing streams based upon shape are expected to contain other types of mail, the data collector should count and record letters and all other types of mail found in this stream.

The following is an example of a MEP description for a mail processing stream MEP: *Letter mail processing stream for entire station — include all mail shapes in stream.*

Single Mail Shape MEPs: If a MEP is defined along a single mail shape, the MEP description should list the shape and describe the details of this MEP. When testing a single mail shape MEP, the data collector will often sweep all mail shape processing streams to isolate all the appropriate mail to be tested. For instance, in testing a MEP defined as *exclusively letter-shape mail for the entire station*, sweep the parcel and flat mail processing streams as well as the letter mail processing stream for any letter-shaped mail.

Note: If the MSP has established an exclusively letter-shape mail MEP far enough downstream so that any letter-shape mail commingled in other mail streams can be culled and directed to the letter mail processing stream, it is not necessary to sweep flat, parcel, and other mail streams for letter-shape mail.

The following is an example of a MEP description for a single mail shape MEP: *Exclusively letter-shape mail for entire station.*

3.1.3.4 Where in the Mail Processing Stream to Test the MEP

The *MEP Description* and *Special Instructions* fields identify where in the mail processing stream the MEP will be tested. Where to test the mail is often determined by whether the MEP is defined as a mail processing stream or as a single mail shape MEP. The documentation for the MEP should indicate if the mail is to be tested in the following locations:

- On the dock as it is unloaded.
- After primary distribution.

- After secondary distribution.
- At a staging area.
- For one or more zone(s).
- Other specific location(s) or combination(s) of the above.

3.1.3.5 Standard Operating Procedures for Testing Containers Holding More than One Mail Shape

The MSP has developed standard operating procedures (SOP) for testing containers holding more than one mail shape. The SOP describes how to associate mailpieces and/or containers with an appropriate mail processing stream MEP or single mail shape MEP. Containers of this kind include those holding loose mailpieces and other smaller containers such as tubs, trays, and bundles.

The procedure for sampling containers holding more than one mail shape depends on the type of MEP that is being tested. For a *single mail shape MEP*, the data collector must sort the mailpieces to include only those mailpieces for the mail shape MEP being tested.

For a *mail processing stream MEP*, use the SOP to determine how to associate the mailpieces and/or containers with the appropriate mailstream.

Example: A MEP description might indicate to define mixed containers of parcels and IPPs (that will be tested) with the parcel mail processing stream MEP; whereas a mixed container of flats and IPPs (that will be tested) is defined with the flat mail processing stream MEP.

3.1.4 Double-counting and Missed Mail

Always avoid double-counting and ensure that all the mailpieces required for the test are counted. Each mailpiece that is tested by the data collector represents thousands of other similar pieces of mail from around the country that are not tested. If a mailpiece has the potential to be selected more than once, or if it never has the chance to be selected, the integrity of the test data will be threatened. Accordingly, follow the MEP description closely, ask the MSP to clarify any potential inconsistencies in the MEP description, and identify any potential for double-counting or for missing test mail by becoming familiar with the facility's mail processing stream.

3.1.4.1 To Help Prevent Double-counting, Consider these Two Questions

- If there were tests on every other MEP on the same day, could any mailpiece for this MEP possibly be counted in any of the other tests?
- Could any of this mail being tested have the potential to be tested on more than one day?

When looking for any mailpiece that has the potential to be double-counted, look for mail that will be reprocessed, that is mail that will be sent back to the plant for sortation and returned the same day or the next day. Also look for containers holding only missent mail which is mail dispatched to the wrong facility.

3.1.4.2 To Avoid Missing any mailpiece, Ask Yourself This Question

- Could there be any mailpieces belonging to this MEP that might never be included in my sample?

When looking for any mailpiece that belongs to the MEP to be tested but that has the potential to be skipped, pay close attention to both bypass mail (dock transfer, office to office, BMC to facility mail, and mailer drop shipment to a local office) and afternoon dispatches.

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3.2 Communicating with the Facility Manager

BACKGROUND INFORMATION

Before performing an ODIS-RPW test, learn as much as possible about the mail processing stream at the test facility by speaking with the MSP, the delivery supervisors, the facility managers, the clerks, and the mailhandlers. The advice and cooperation of the facility personnel will be invaluable in helping the data collector isolate, count, and record the appropriate mailpieces. Questions such as those listed below are a guide for some that might be asked.

- What are the dispatch times? What are the expected mail volumes?
- Will any mail be reprocessed by sending it back to the parent plant for resortation? Is there any curtailed mail that must not be sampled because it was available for delivery the previous day (Appendix E)?
- Have any containers of mail been erroneously dispatched to the facility? An example of this might be containers holding only missent mail.
- Is there any bypass mail or PM mail that must be located and tested?
- Is there any parcel drop shipment mail? If so, is there PS Form 8125 information available to review?
- Are there any mailers that bring in unscheduled drop shipment parcels?
- Are there any overlaps in the mail processing stream? For instance, will some types of mail such as large parcels be diverted after being counted and re-entered in another mail processing stream?
- How does the mail processing stream change during the day? How does it change between tours?
- Are there any variations on Monday or the day after a holiday?
- Where does jammed or missorted mail go?

This section addresses these questions. The data collector should know the answers to these questions before performing an ODIS-RPW test and should discuss these questions with the facility manager or designee *twice*, on the day before the ODIS-RPW test begins and upon arrival at the test site on the day of the test. The information given to the facility personnel enables them to know exactly what kind of mailpieces will be tested.

3.2.1 Dispatch Times and Expected Mail Volume

Ask the facility manager or designee about dispatch times and the expected volume of mail.

Dispatch Times: A data collector will need to know the dispatch schedule for all the mail at the MEP being tested. Upon arrival at the test facility, determine if any mail for the MEP being tested has arrived. Also determine the time of the final dispatch leaving the facility and the time of any early dispatches.

Keep informed about any dispatches and late-arriving mail by communicating with the facility employees. This is important because it will prevent mail such as dispatch mail and late-arriving mail from bypassing the chance to be sampled.

Expected Mail Volume: Using the MEPs, determine prior to beginning the test the expected volume of mail to be tested. Verify this expected volume by considering the mail volume from past tests and by contacting the facility manager or designee the day before the test to request an estimate of the expected mail volume.

Once the data collector arrives at the test site and views the first dispatch, the expected mail volume may be approximated with the help of facility personnel. Without an accurate estimate of the expected mail volume, the data collector will have a difficult time selecting a sampling method.

3.2.2 Mail Processing Stream Questions

Ask the facility manager or designee about bypass, missent, commingled, missent, PM, drop shipment parcels, curtailed, and mail that will be reprocessed.

Before performing the ODIS-RPW test, speak with the facility manager or the manager's designee to ask about the following special types of mail.

- Bypass mail, PM mail, and drop shipment parcels must be located and tested.
- Mail to be reprocessed must not be tested.
- Curtailed mail normally is not tested, but there are some circumstances when curtailed First-Class Mail and Priority Mail must be tested (Appendix E).
- Missent mail containers must be isolated and not tested. Because these types of mail are usually not clearly marked, the data collector will need the help of facility personnel.

Bypass Mail: Bypass mail is any mail that has not been processed according to the normal mail processing stream at a facility. Bypass mail is most often regular Standard Mail and Periodicals but can also include drop shipment parcels. Bypass mail includes office to office mail, dock transfer mail, BMC to facility mail, and mailer drop shipment to a local office. Ask the appropriate facility personnel about the kinds of bypass mail that the facility receives and then determine, based upon the MEP description, whether the bypass mail is part of the MEP to be tested.

Missent Mail: Missent mail is test-day incoming mail that has been sent to the wrong facility. Missent mail may be sent to a facility in two different ways:

1. Containers holding only missent mail can be sent to a facility. For example, an APC of letter trays or flat tubs could have erroneously arrived at Facility A but should have been sent to Facility B. If the mailpieces within these containers are tested at Facility A, they will have another chance to be tested at Facility B, which would result in double-counting. These containers should have labels for the destinating facility attached to them and, therefore, be easy to identify.
2. Missent mailpieces may also be found commingled within containers of mail predominantly holding mail correctly sent to the facility. Identifying these mailpieces requires someone with knowledge of the route scheme for the facility and, therefore, may be more difficult.

The data collector must ask facility personnel to identify any containers or mailpieces erroneously sent to the facility on the test day.

Containers of missent mail should be isolated and not tested.

Commingled Missent Mail: The data collector is not expected to identify *commingled* missent mailpieces before testing. However, any commingled missent mailpieces must be included in the skip interval(s), and must be recorded.

PM Mail: If no separate PM MEP exists, locate all mail dispatched in the afternoon of the previous day that is part of the MEP. This mail must be eligible for testing (section 3.1.3).

Drop Shipment Parcels: If no separate drop shipment parcel MEP exists and the MEP covers parcels, locate all drop shipment parcels that came in the previous day after the mail went out. These additional parcels must be included in the MEP defined to include drop shipment parcels.

Curtailed Mail: Curtailed mail is mail from any *previous* day that was available for delivery but was not delivered. Curtailed mail is to be identified if a MEP is defined after distribution to delivery units. Curtailed mail is often Standard Mail and would have had a chance to be tested on a previous day and, therefore, should not be included in the test. For curtailed First-Class Mail and Priority Mail, (Appendix E).

If a MEP is defined after distribution, after the mail has been sorted manually, mechanically, or automatically, curtailed mail may be found. If this curtailed mail is Standard Mail, it must be isolated and not tested. Communication with the facility personnel will help the data collector identify and isolate curtailed mail. During the initial phone call to the facility office, the data collector should ask the facility manager to isolate curtailed mail. Upon arrival at the test site, follow up with the appropriate manager to determine where the employees have been placing curtailed mail from the previous day.

Reprocessed Mail: *Reprocessed mail* is test day incoming mail that will be sent back to the plant for sortation that day. Reprocessed mail is then returned to the site the same day or the next day. Because the testing of mail that will be reprocessed leads to double-counting, do not test this mail.

Exception: Detached mailing cards that will be returned for reprocessing must be sampled with their parent piece on the first day that both are present at the test facility.

3.2.3 Changes in the Mail Processing Stream

Ask if any changes have been made in the mail processing stream.

Before performing the test, take a moment to consider the mail processing stream. Does the mail processing stream change during the day or between tours? Are there any differences in the mail processing stream on Monday or on the day after a holiday? Are there any possible overlaps in the mail processing stream that might cause double-counting? For instance, can one shape of mail exit the stream after it has been counted and re-enter the stream at another location where a MEP has been defined? If any inconsistencies in the mail processing stream are found that could lead to double-counting, contact the MSP.

Postal Service facilities sometimes change their mail processing streams. If the data collector is unaware that a facility's change in its mail processing stream has affected a MEP that is being tested, the integrity of ODIS-RPW system test data may be harmed. Therefore, before testing a MEP, discuss the facility's mail processing stream with the facility manager or the manager's designee. Ask whether there have been any recent changes in the mail processing stream. If changes have occurred, decide whether these changes could affect the MEP selected for testing. If there have been changes that could affect the test results, contact the MSP.

Example: While designing the MEPs at a post office, an MSP observed that the facility had two separate mail processing streams for two different ZIP Codes. The MSP decided to create separate MEPs for each one of the ZIP Codes. However, because of a mechanical problem at the plant, mail processing did not sort the mail by zone on the day of the test.

The integrity of ODIS-RPW system test data may be harmed if the data collector is unaware that the facility has combined these two ZIP Codes. Contact the MSP if any change is discovered.

3.3 Sampling Guidelines for the ODIS-RPW Test: When to Subsample

The Postal Service has designed Mail Exit Points (MEPs) broadly. This provides flexibility in sampling and makes better use of data collection resources (Appendix J). Depending on the volume of mail being tested, the data collector may need to select a subsampling method, which selects only a portion of the entire mail volume available for testing. This sample statistically represents every mailpiece in the MEP. Apply the skip intervals throughout all the mailpieces in the MEP in order to select and record as many mailpieces as the test time window will allow.

Knowledge of the subsampling procedures will produce accurate statistical data, while inattention to the guidelines may produce data with deviations and biases. This is because every mailpiece that is selected and recorded through a subsampling method represents thousands of similar mailpieces from around the country that are not being tested.

Be sure to review section 3.3.3 to determine the best method for sampling.

3.3.1 Introduction to Sampling

Before determining the appropriate sampling method and skip interval, estimate the volume of mail expected on the day of the test. To obtain this information, refer to section 3.2.1.

The ODIS-RPW test uses a census and one basic form of subsampling, counted subsampling:

- **Census**

  This method selects and records the entire volume of mail.

- **Counted Subsampling**

  Two methods of counted subsampling are used in the ODIS-RPW test, mailpiece skip subsampling and Container Skip subsampling:

  Mailpiece Skip Subsampling: This method uses a skip interval number to systematically select mailpieces and record a fraction of the entire volume of mail. For instance, using a skip interval of 5, the data collector may systematically select and record every fifth mailpiece.

  Container Skip Subsampling: This method employs a skip interval number to systematically select containers such as letter trays and flat tubs. Once the containers have been selected for testing using this container skip interval, the data collector may either record all the mailpieces in the containers or use the mailpiece skip interval approach to subsample further.

3.3.2 Sampling Method Order of Preference

The three methods for selecting mailpieces for the ODIS-RPW tests are arranged below in descending order of preference. For conducting any particular test, choose the highest listed alternative that can be employed in order to record the maximum number of mailpieces in the available time window. All three methods will give unbiased estimates as long as the proper procedures are followed.

- Conduct a census (i.e., select and record all mailpieces).
- Conduct mailpiece skip subsampling.
- Conduct container skip subsampling.

3.3.3 Choosing a Sampling Method

To choose a sampling method, use the following recommended criteria that applies to all ODIS-RPW tests:

Total Volume at the MEP

The total volume indicated here *excludes* all mail that will be reprocessed, curtailed mail, and easily isolated containers of missent mail.

- **100 mailpieces or fewer:** Perform a census.
- **101–3,000 mailpieces:** Perform mailpiece skip subsampling.

  When performing mailpiece skip subsampling, separate the mail into shape groups. If any of the following shape groups has a mailpiece volume less than the volumes listed below, perform a census on that particular shape group:

  - Letter-sized mail volume under 101 mailpieces.
  - Parcel volume under 101 mailpieces.
  - Flat/IPP combined volume under 101 mailpieces.
- **Predominately Heavy Samples test greater than 500 mailpieces *and* at least 3 or more containers:** Perform container skip subsampling.

  If mailpiece skip subsampling is possible in the available time window, perform mailpiece skip subsampling.
- **More than 3,000 mailpieces *and* at least 3 or more containers:** Perform container skip subsampling.

  If mailpiece skip subsampling is possible in the available time window, perform mailpiece skip subsampling.

Note: For more than 3,000 mailpieces but fewer than 3 containers, perform mailpiece skip subsampling.

3.4 Entering Header and Sampling Information on the CODES Laptop

To begin the ODIS-RPW test, CODES will request the input of header information and the selection of a sampling option. This section will demonstrate how to enter test header information and how to make a sampling selection.

PROCEDURES

When entering header information or sampling information into the CODES software, observe the following guidelines:

- If two or more data collectors are performing an ODIS-RPW test on different computers, each data collector must use a unique user ID (this user ID is assigned by the MSP). If this is not done, it is possible that the mainframe will drop identical records as duplicates.
- To change the container or mailpiece skip intervals because of unexpected volume changes or shortened time windows, see the appropriate procedures on subsampling contained in sections 3.6 and 3.7 of this chapter.

3.4.1 Accessing the ODIS-RPW Test

1. **Select ODIS-RPW from the CODES Main Menu on the desktop.**

   After turning on the computer and entering your logon ID and password, the *CODES Main Menu* is displayed. Select *ODIS-RPW* from the *CODES Main Menu*.

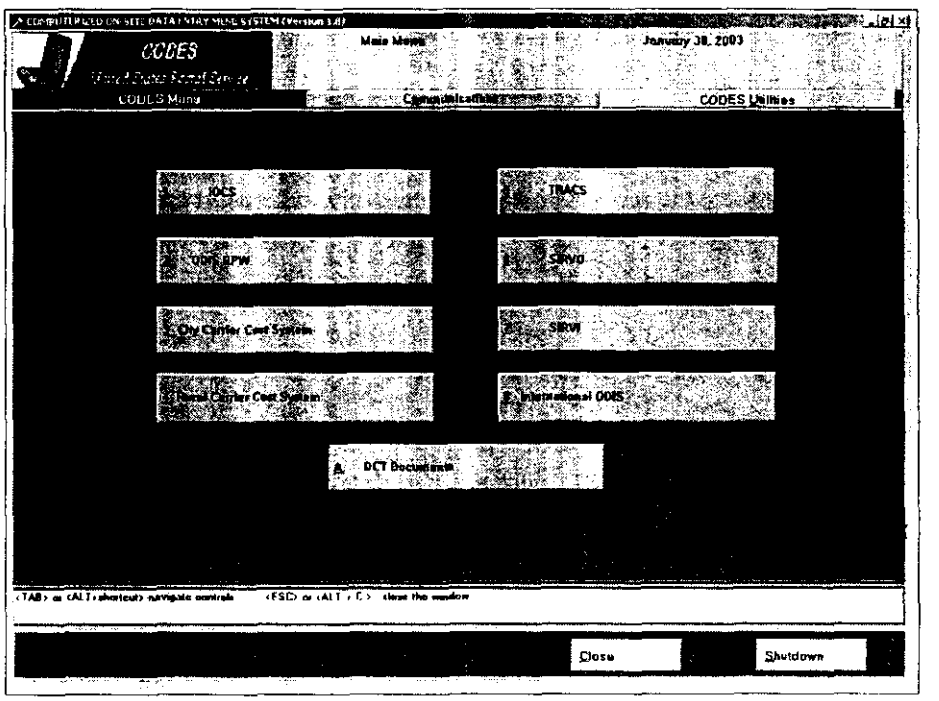

Figure 3.4.1–1. *CODES Main Menu* Screen

CODES displays the *CODES Main Menu* screen.

2. Select *Conduct Test*

Select *Conduct Test* from the *CODES Main Menu* to choose a test from the *Select a Test* screen.

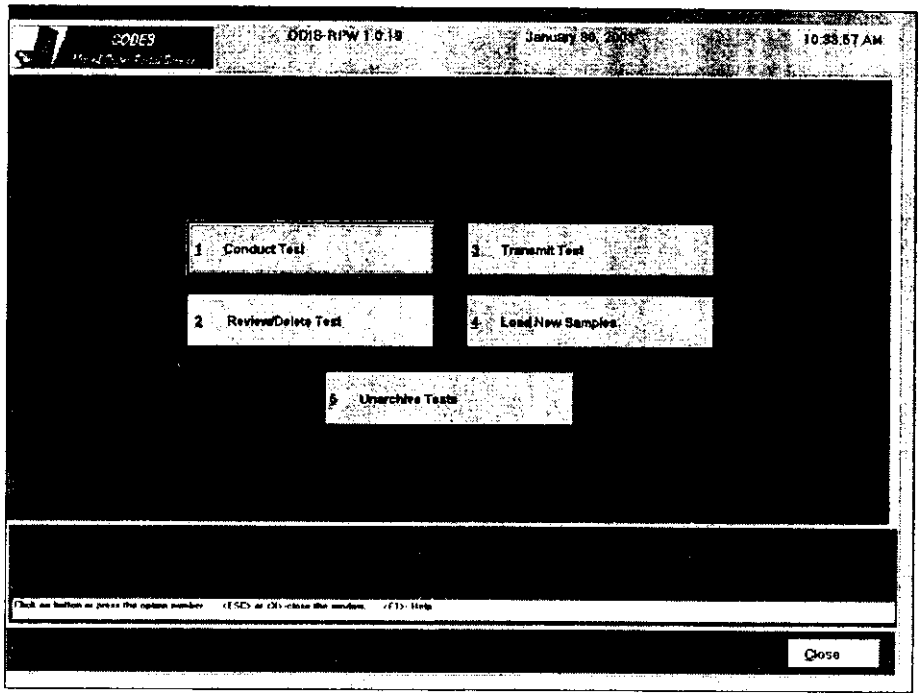

Figure 3.4.1–2. Main Options Menu Screen

3. Highlight and Select a Test

- Select a test from the *Conduct Test* screen by highlighting the appropriate test.

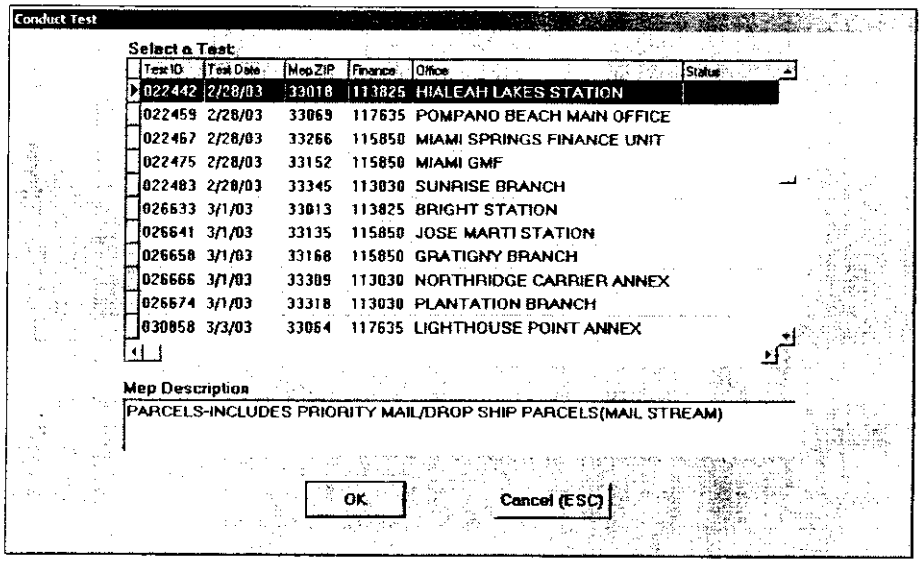

Figure 3.4.1–3. *Conduct Test* Screen

- Press <Enter> to display the chosen test.

- To scroll through the list of tests on the *Conduct Test* screen, simply use the up <↑> and <↓> arrow keys.

Note: Read the MEP type and ZIP carefully to ensure that the correct MEP and the correct mail for that MEP is being selected.

3.4.2 Completing the Test Header and Options Menu Screens

1. **On the *Test Header* screen enter the required header information.**

   On the *ODIS-RPW Test Header* screen, the cursor will be blinking in the *User ID* field, indicating that this field must be completed first.

   Enter your *User ID* number in the *User ID* field. The *Test ID* number, and the *Test Date* fields will already be filled. The *Test ID* number and the *Test Date* may also be obtained from the MSP. The highlighted Test Date may be changed if necessary.

   Explanations of each item on the *ODIS-RPW Test Header* screen are provided below:

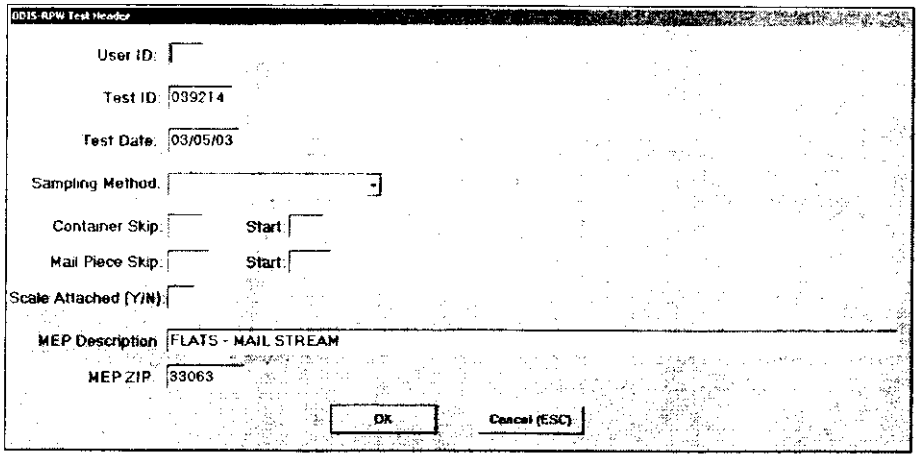

Figure 3.4.2–1. ODIS-RPW *Test Header* Screen.

- **User ID:** This is a 3-digit number provided to each data collector. This number is issued by the MSP.
- **Test ID:** This is a 6-digit number that identifies the ODIS-RPW test that CODES automatically enters in the *Test ID* field. CODES also enters the MEP Description and the 5-digit MEP ZIP Code in the *MEP ZIP* field at the bottom of the screen. If all fields are not properly completed, CODES displays the message, *Invalid Entry* or *Entries* in a pop-up screen. The user will be prevented from continuing with the test until the error is corrected. If the information is correct, press *Enter* or click the *OK* button at the bottom of the screen.

- **Sampling Method:** For the *Sampling Method*, select from the drop down menu, *Census*, *Mailpiece Subsampling*, or *Container Subsampling*. For information on subsampling guidelines and for selecting the appropriate subsampling method, refer to section 3.3 in this chapter.
- **Container Skip and Start Number:** Enter the appropriate container skip from the *ODIS-RPW Container Subsampling Table for All Mail Shapes*, RM 3–1, and press <Enter>. CODES generates a random start number. Before selecting this option, become familiar with the procedures described in section 3.7.
- **Mailpiece Skip and Start Number:** Enter the appropriate mailpiece skip number from the *Mailpiece Skip Intervals Table by Shape*, RM 3–2, and press <Enter>. CODES generates a random start number. Be familiar with the procedures described in section 3.6.
- **Scale Attached (Y/N)?:** Enter <Y> *Yes* or <N> *No* depending on whether or not there is an electronic scale attached to the laptop. Insure the scale is level before continuing with the test.

If a mistake is made while entering header information, place the cursor in the field to be corrected, highlight the incorrect information, and enter the corrected data.

- **MEP Description**

  As a data collector, you may see entries such as the following:

  - Letter mail processing stream for ZIP Codes 55501 and 55502.
  - Parcel mail processing stream for unique firm ZIP Code 99999.
  - Exclusively automated letter shape.
  - All accountable mail including CERTS, REDS, BRS, PD, etc.
  - Consolidated Originating Unit Test, Combined Orig. Ins/Reg/COD Mail.
  - PHS Zones 55508 and 55509.
  - Flat mail processing stream ZIP Code 55510.
  - Box section flat mail processing stream only.

Once you verify that the header information is correct, CODES displays the *OPTIONS Menu* screen.

2. **On the Options Menu screen, select the appropriate action.**

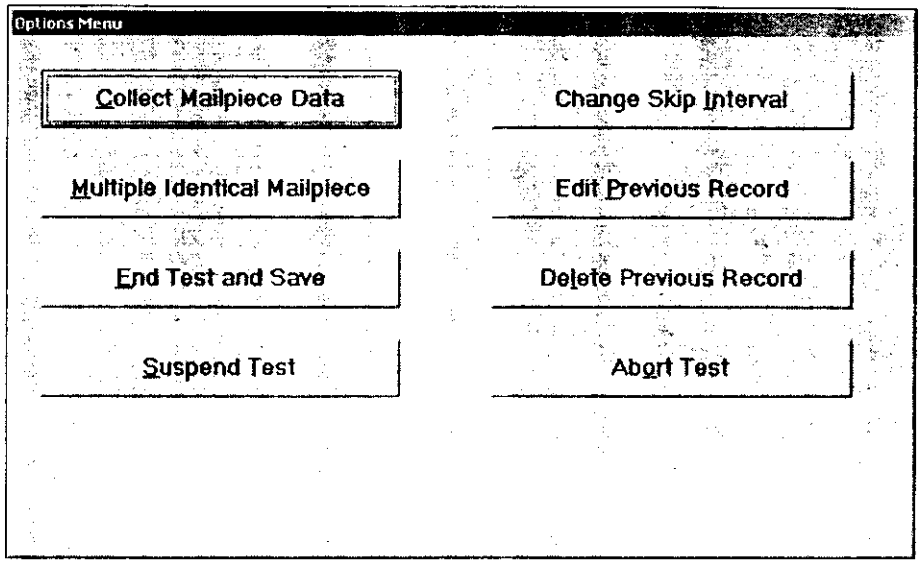

Figure 3.4.2–2. *Options* Menu Screen.

Go to one of the following sections, depending on the option selected from the *OPTIONS Menu* screen:

***Collect Mailpiece Data* (section 3.8.1).**

***Change Skip Interval*:**

- Changing skip during a census (section 3.5.2).
- Changing skip during mailpiece skip subsampling (section 3.6.3).
- Changing skip during container skip subsampling (section 3.7.4).

***Multiple Identical Mailpiece*, (section 3.8.2).**

Multiple Identical Mailpieces (MIPs) are defined as an easily isolatable group of 200 or more mailpieces identified *before* applying the skip interval.

Note: *Multiple Identical Mailpiece* is NEVER to be used for IBI mailpieces.

3.5 Census Procedure

PROCEDURES

This section provides step-by-step instructions for conducting a census. When using this procedure, perform the following tasks:

- Exclude all mail that will be reprocessed and curtailed mail, if applicable (Appendix E).
- Exclude easily isolated containers of missent mail.
- Prepare mailpieces for recording by separating them into groups of similar mailpieces or selecting them individually.
- Record mailpieces.

3.5.1 Destinating Mail Test

The census procedure for performing a destinating mail test includes the following steps:

1. **Separate the mail into groups according to shape.**

   Exclude all reprocessed mail, curtailed mail, and easily isolated containers of missent mail by performing the following substeps:

   - Exclude all mail that will be reprocessed (section 3.2.2).
   - Exclude curtailed mail (section 3.2.2 and Appendix E).
   - Exclude missent mail containers by dispatch. If this mail is in containers that may be pulled aside (either easily identifiable or with the help of mail processing), isolate and release it to mail processing (RM 3–4).
   - Exclude Express Mail and Mailgram mailpieces.

Note: Throwback and Misthrown Mail: When a MEP is defined downstream at the delivery point, a data collector may encounter misthrown and throwback mail. Include misthrown mail, and commingled throwback mail in your count.

The terms misthrown and throwback mail refer to mail that has been erroneously distributed within the post office or finance number area. Misthrown mail has not yet been returned to the correct delivery unit. Throwback mail, often placed in hot cases, has been returned to the correct delivery unit. Including throwback mail in an ODIS-RPW test leads to double-counting because it was once misthrown mail.

Misthrown and throwback mail are not often relevant to MEPs because MEPs tend to be defined upstream along a mail processing stream. Moreover, MEP-based testing is usually performed as mail *arrives* at the facility.

2. **Use one of the following two methods to gather mailpieces for recording:**
   - **Delivery Point Sequence (DPS) Mail:** DPS mail must be kept in its walk-sequence order unless local operations permit otherwise.
   - **Non-DPS mail:** It is not necessary to keep this mail in strict order.
3. **Record the mailpieces.**

   Use the procedures outlined in sections RM 3.8 through RM 3.11 to record the mailpieces in the CODES Laptop.
4. **After recording the mailpieces, end the session, and save according to the procedures outlined in section 3.12.3.**

3.5.2 Selecting a Subsampling Method During the Test

Under the following conditions, change from a census to a counted subsampling method.

- Unexpected volume changes.
- Shortened time windows.

When a situation arises that requires selecting a subsampling method while performing a census, complete the following:

1. **Wait for a natural break in mail processing, such as between dispatches.**
2. **Select *Change Skip(s) Interval* from the *Options Menu* screen.**

   CODES displays the *Change Skip(s) Interval* screen.

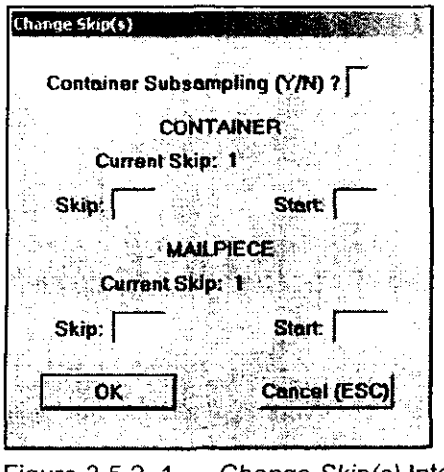

Figure 3.5.2–1. *Change Skip(s)* Interval Screen.

Note: To change the *Current Skip,* change the number shown in the *Skip* fields in the center of the screen.

1. **Decide which subsampling method will allow completion of the test in the time remaining. Then enter the required information.**

   a. **Container Subsampling (Y/N)?:** Enter <Y> *Yes* or <N> *No*, depending on whether container skip subsampling is being performed. The data collector should already be familiar with the subsampling guidelines in this chapter and know what subsampling method is being used. Refer to section 3.3.3 for help in deciding which subsampling method to use.

      - ***Yes*** Indicates that container subsampling will be used. The cursor will move to the *Container Skip* field (Figure 3.5.2–1).
      - ***No*** Indicates that container subsampling will not be used. The cursor will move to the *Mailpiece Skip* field at the bottom of the screen (Figure 3.5.2–1).

   b. **Container Skip and Start Number:** Before selecting this option, become familiar with the procedures described in section 3.7.

      - Insert the appropriate container skip and mailpiece skip numbers from the *Container Subsampling Table for All Mail Shapes*, RM 3–1.
      - Press <Enter> to generate a random start number.

   c. **Mailpiece Skip and Start Number:** If entering <N> No in response to the Container Subsampling (Y/N) become familiar with the procedures described in section 3.6.

      - Insert the appropriate mailpiece skip number from the mailpiece skip Intervals Table by Shape (RM 3–2).
      - Press <Enter> to generate a random start number.

2. **Complete the test using a mailpiece skip interval and/or the container skip interval, depending on which is selected.**

Note: Remember to apply the random start numbers to the remainder of the mail being tested.

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3.6 Mailpiece Skip Subsampling Procedures

PROCEDURES

This section gives step-by-step instructions for conducting mailpiece skip subsampling. When using this procedure, perform the following tasks:

- Exclude curtailed mail and all mail that will be reprocessed, if applicable (Appendix E).
- Exclude easily isolated containers of missent mail.
- Separate the mail into shape groups.
- Isolate any multiple identical mailpieces of 200 or more for each shape group (section 3.8.2).
- Determine whether a census should be performed on a particular shape group.
- Determine the mailpiece skip interval and the random start number.
- Select the appropriate mailpieces and record the information.
- Repeat these steps for other shape groups.

If the mailpiece skip subsampling method is appropriate, perform the following procedures:

- Destinating Mail Test (section 3.6.1).
- Selecting the Mailpieces (section 3.6.2).
- Adjusting the Mailpiece Skip Interval or Sampling Method (section 3.6.3).

3.6.1 Destinating Mail Test

To complete the mailpiece skip subsampling procedures for a destinating mail test, follow the following guidelines:

1. **Separate the mail into groups according to shape.**

   Exclude all mail that will be reprocessed, curtailed mail, and easily isolated containers of missent mail by performing the following substeps:

   a. Exclude all mail that will be reprocessed (section 3.2.2).

   b. Exclude curtailed mail (section 3.2.2 and Appendix E).

   c. Exclude missent mail containers by dispatch. If this mail is in containers that may be pulled aside (either easily identifiable or with the help of mail processing), isolate and release it to mail processing (RM 3–4). Do not include this mail in your volume estimate for determining the mailpiece skip interval.

   d. Exclude Express Mail and Mailgram mailpieces.

e. Separate the test-day mail into three shape groups: one group for letters and cards, one group for parcels and IPPs (if the IPPs are processed with the parcels), and one group for flats and IPPs (if the IPPs are processed with the flats). If parcels, flats, and IPPs are processed together, create one group for parcels and one for flats and IPPs.

Exception: Priority Mail and PHS Tests: If separating into shape groups will be labor intensive such that it would result in container subsampling for one or more groups, then perform mailpiece skip subsampling for the entire mailstream. Also, choose the smallest mailpiece skip possible.

Note: Throwback and Misthrown Mail: When a MEP is defined further downstream at the delivery point, a data collector may encounter misthrown and throwback mail. Include misthrown mail and commingled throwback mail in the count.

The terms misthrown and throwback mail refer to mail that has been erroneously distributed within the post office or finance number area. Misthrown mail has not yet been returned to the correct delivery unit. Throwback mail, however, has been returned to the correct delivery unit and is often placed in *hot cases*. Including throwback mail in an ODIS-RPW test leads to double-counting because it was once misthrown mail.

Misthrown and throwback mail are not often relevant to MEPs because MEP-based testing is usually performed as mail *arrives* at the office and tend to be defined upstream.

2. **Isolate multiple identical mailpieces.**

Before applying the mailpiece skip to mail available for the test day, that is mail available in the first dispatch, determine if one or more shape groups contain 200 or more identical pieces. These mailpieces will belong to the same mail class, mail preparation and sortation marking, mail type, type of mailer, indicia, meter information, weight, postmark date, origin ZIP Code, barcode size, barcode source, total mailpiece revenue, and any other characteristics that are class specific. Isolate these pieces from the shape group and use the special *Multiple Identical Mailpiece* (MIP) procedure on the *Options* Menu to record these mailpieces (section 3.8.2).

Example: A flat mail processing stream MEP is to be tested, and on the first dispatch to the facility, in addition to usual flat tubs, a pallet of Standard Mail with identical mailpieces and a mailing statement of 5,000 pieces arrives. Isolate the pallet and record the total 5,000 pieces using the MIP procedure.

Note: IBI mail should never be treated as identical mailpieces.

3. **Determine whether any shape groups require a census.**
   - If the letter-sized mail volume is fewer than 101, perform a census.
   - If the parcel or parcel and IPP combined volume is fewer than 101, perform a census.
   - If the flat and IPP combined volume is fewer than 101, perform a census.

Note: There is a possibility that a census will be required on all of the above groups, even though there may be more than 100 total mailpieces.

4. **Estimate the expected volume of mailpieces for the shape group, note the start and skip intervals, and press <Enter>.**

   Obtain an estimate by multiplying the *number of containers* in the selected shape group together with the estimate of the *average number of mailpieces per container* in this group.

Note: The MEP History Report for the tested MEP provides information about the variation in total test volume over the life of the MEP. When the skip interval is determined in advance of the first dispatch and for the entire test day, this test history may prove useful.

   Select the appropriate skip interval, depending on mail shape, from the *Mailpiece Skip Intervals Tables by Shape* (RM 3–2). Enter the skip interval in the *Mailpiece Skip* field of the *ODIS-RPW Test Header* screen. Then, press <Enter>.

   The start number is randomly generated. Use the start number to select the first mailpiece for sampling. If the random start number is ignored or misapplied, biased results may occur.

Note the following:
   - If the computer is turned off and then turned on again, CODES generates a new random start number automatically. The data collector should continue where the skip process was stopped if the same test is still being performed.
   - If more than one computer is being used for an ODIS-RPW test, ignore the random start numbers from all but one of the computers.

5. **Go to section 3.6.2 to select mailpieces.**

   Repeat section 3.6.1, step 4, for all other shape groups if the mail has been separated into more than one shape group. When selecting mail for sampling, observe the following guidelines:

   - **Multiple dispatches:** Always keep track of the residual mailpieces between dispatches for each shape group. Residual mailpieces are those left over after applying the mailpiece skip. Continue to apply the same mailpiece skip through the next dispatch starting with the residual mailpiece count in the respective shape group.
   - **Marking containers:** To help ensure accurate data by not sampling mailpieces twice, mark all containers that have been counted using the mailpiece skip interval.

Note: If the mailpiece skip interval needs to be adjusted for a different shape group, because of test time constraints, or because of an unexpected increase in mail volume, refer to section 3.6.3.

3.6.2 Selecting the Mailpieces

Once a mailpiece skip interval has been selected and a start number generated, begin selecting and recording the mailpieces for the shape group by performing the following steps:

1. **Use the mailpiece *start* number to select the first mailpiece.**

   For example, if the CODES Laptop were to display a random mailpiece start number of 8, select the 8th mailpiece as the first mailpiece for recording.

2. **Select the required mailpieces by applying the mailpiece skip interval throughout all mail relevant to the test.**

   Using the random start number, apply the mailpiece skip interval to all mailpieces after selecting the first mailpiece.

Example: To perform the mailpiece skip subsampling method on flat mail in which estimates of expected volume of flats were approximately 1,500 mailpieces, choose the *1,001–2,500* entry in the *Expected Volume* column of the *Flats or Flats and IPPs Table* of the *Mailpiece Skip Intervals Tables by Shape* (RM 3–2). Then, the *Expected Volume of 1,001–2,500* row, would show a skip interval of 10. After entering the skip interval of 10 in the CODES Laptop, CODES might generate a random start number of 3. In this case, begin recording by sampling the 3rd flat first, based on the start number of 3. Thereafter, select every 10th flat for recording, based on the mailpiece skip interval of 10 (3, 13, 23, 33, etc.).

When selecting mailpieces using the mailpiece skip interval, ensure that the mailpiece skip interval is applied to every container that contains mail relevant to the test. If a commingled missent mailpiece is selected, do not *substitute another mailpiece in its place. This will create biased results.*

Example: When applying a mailpiece skip of 5 through a letter tray with a random start of 1, the 6th letter is a missent mailpiece. The missent mailpiece *must* be selected. *Do not substitute the missent mailpiece with any other mailpiece.* Continue the mailpiece skip of 5 starting with the 7th letter. To record the mailpiece during data entry, select the radio button, *Missent*, as described in section 3.9 (Figure 3.9.1–1).

After counting the mailpieces within one container, the data collector may want to mark the container with a tag and carry over the mailpiece skip interval to the next container. To avoid errors in applying the mailpiece skip interval, the data collector should write on a piece of paper or the Header Sheet/Test Schedule the number of mailpieces following the last selected mailpiece from the just-completed container. This option is most important between breaks in the mail processing flow, such as between dispatches.

Example: *If the mailpiece skip interval were* 6, and the last selected letter from a letter tray were followed by 4 letters, write down the number 4 on a piece of paper. Then, mark the tray as ODIS-RPW *completed.* Begin testing the next tray by selecting as the 1st mailpiece the 2nd letter (the 2nd letter being the 6th letter for that count, as determined by your calculation of 6 minus 4). *Then continue the test* by selecting every 6th mailpiece.

Exception: Detached mailing cards are sometimes returned to the plant for reprocessing through automation. When a detached mailing card is encountered in DPS mail, do not consider these in the mailpiece skip count. Treat these commingled Detached Mailing cards as though they are not in the tray and do not count or select the piece for recording.

When applying a mailpiece skip interval of 5, through a letter tray with a random start of 3, and the second and sixth mailpiece are Detached Mailing cards, the random start would begin on the 4th mailpiece. The 2nd mailpiece that is a detached mailing card would be ignored. Continue with a mailpiece skip of 5, starting with the 5th mailpiece. Ignoring the 6th mailpiece that is a detached mailing card, would result in the selection of the 10th mailpiece, 15th mailpiece, etc.

3. **Use one of the following two methods to gather mailpieces for recording:**

   a. **Delivery Point Sequence (DPS) Mail:** DPS mail must be kept in its walk-sequenced order. Several techniques have been employed by data collectors to test DPS mail while maintaining the mail sequence order. The following is one such presentation: As each mailpiece is selected for recording, mark the place of the selected mailpiece in the tray or container by turning the mailpiece that follows it up on end. If the last mailpiece in the tray or container is selected, mark its place with a card or other marker. After the data collector finishes skip-counting the DPS mail, the selected mailpieces should be recorded individually. Return each mailpiece to its place in the tray before recording the next one.

      Marking the DPS mailpiece's position will ensure that mailpieces are not counted out of sequence and, therefore, limits the risk of double-counting. It also ensures that the quality of the statistical data is not threatened by miscounting.

   b. **Non-DPS mail:** Because it is not necessary to keep this mail in strict order, these mailpieces may be placed to the side as they are selected.

4. **Record selected mailpieces.**

   Perform the procedures outlined in section 3.8 and section 3.9 to record selected mailpieces in the CODES Laptop.

5. **After recording one group of mail, repeat guidelines listed in section 3.6.1, step 4, and section 3.6.2 to record other groups.**

   If necessary, use the *Change Skip Interval* option in the *Options Menu* (Figure 3.4.2–2) to change the skip interval before recording the mail for the next shape group.

6. **After recording all mailpieces, end the session by saving it according to the procedures in section 3.12.3.**

3.6.3 Adjusting the Mailpiece Skip Interval or Sampling Method

Under the following conditions, the mailpiece skip interval or the sampling method may need to be changed:

- Unexpected volume changes.
- Shortened time windows.

To adjust the mailpiece skip interval or to select another sampling method during a test:

1. **Wait for a natural break in mail processing, such as between dispatches.**

2. **From the *Options Menu*, select *Change Skip Interval.***

   The *Change Skip Interval* screen is displayed.

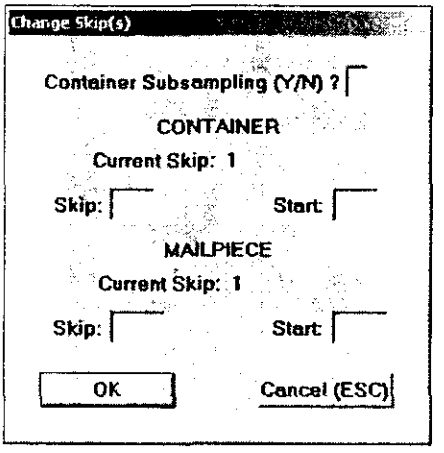

Figure 3.6.3–1. *Change Skip(s)* Interval Screen

Note: The section *Current Skip* under *Container* and under *mailpiece* displays the current skip interval. The *Skip* field allows the data collector to change the skip interval or change to a different sampling method, such as changing from mailpiece skip subsampling to container skip subsampling or vice versa.

3. **Determine the appropriate sampling method.**

   Based on the time allocated to complete the test, determine the sampling method to be used and perform the following substeps:

   a. **Select a mail shape group.**

   b. **Ignore residual mailpieces from any former session.**

      That is, if 4 mailpieces remain from a session using a mailpiece skip interval of 6, ignore these 4 remaining mailpieces.

   c. **Select a mailpiece skip interval that is practical within the given time window and generate a new random start number by:**

      i. Estimate the volume of mail.

      ii. Divide the estimate by the number of mailpieces that can be selected and recorded in the time available.

      iii. Enter the new mailpiece skip interval into the CODES Laptop and generate a new start number by performing steps 2 and 3 above. Then, perform the mailpiece skip subsampling procedure in accordance with section 3.6.

Example: Two trays of letter mail arrive ten minutes before the carriers are scheduled to depart. The data collector estimates that there are about 600 total pieces (300 pieces/tray x 2 trays) and judges that no more than 20 letters can be selected and recorded in the time available. An approximate skip interval of 30 should be selected by dividing 600 by 20. Enter the skip interval of 30 into the CODES Laptop and generate a new random start number.

d. Perform container skip subsampling if the largest mailpiece skip interval has already been selected.

To perform container skip subsampling use Adjustment 1 of section 3.7.4. Then, subsample the mail in accordance with the guidelines listed in sections 3.7.1 and 3.7.2.

e. Perform a census if a very small volume of mail arrives (section 3.5).

f. Enter the new skip intervals into the CODES Laptop.

- **Container Subsampling (Y/N)?:** Enter <Y> Yes or <N> No, depending on whether container skip subsampling is being performed. The data collector should already be familiar with the subsampling guidelines in this chapter and know what subsampling method is being used. Refer to section 3.3.3 for help in deciding which subsampling method to use.
  - ***Yes*** Indicates that container subsampling will be used. The cursor will move to the *Container Skip* field (Figure 3.5.2–1).
  - ***No*** Indicates that container subsampling will not be used. The cursor will move to the *Mailpiece Skip* field at the bottom of the screen (Figure 3.5.2–1).
- **Container Skip and Start Number:** Before selecting this option, become familiar with the procedures described in section 3.7.
  - Insert the appropriate container skip and mailpiece skip numbers from the *Container Subsampling Table for All Mail Shapes* (RM 3–1).
  - Press <Enter> to generate a random start number.

g. Mailpiece Skip and Start Number: If entering <N> No in response to the Container Subsampling (Y/N) become familiar with the procedures described in section 3.6.

- Insert the appropriate mailpiece skip number from the *Mailpiece Skip Intervals Table by Shape* (RM 3–2).
- Press <Enter> to generate a random start number.

4. Complete the test using a mailpiece skip interval, the container skip interval, or census depending on which is selected.

3.7 Container Skip Subsampling Procedures

Primary containers must be identified when performing container skip subsampling. A *primary* container is a container that holds loose pieces of mail to be tested. For instance, a sack holding parcels is considered a primary container. Likewise, a letter tray holding letters and an OTR holding IPPs are considered primary containers. However, an APC holding 30 letter trays is not a primary container. In this case, only the letter trays are primary containers because the letter trays, not the APCs, are the containers holding the loose mailpieces.

PROCEDURES

This section gives step-by-step instructions for conducting container subsampling. When using this procedure, perform the following:

- Exclude all mail that will be reprocessed and curtailed mail, if applicable (Appendix E).
- Exclude easily isolated containers of missent mailpieces.
- Identify primary containers.
- Isolate multiple identical mailpieces of 200 or more (section 3.8.2).
- Separate Priority Mail containers.
- Separate Accountable/BRM Mail containers.
- In testing multiple primary container types, decide whether to containerize mailpieces in order to produce one primary container type or treat each primary container as an independent group.
- Determine the container skip interval, the mailpiece skip interval, and the random start number.
- Make any necessary skip interval adjustments when testing multiple primary container types.
- Select the appropriate containers and mailpieces and record the information.

Perform the following procedures when using the container skip subsampling method:

- Select primary containers and mailpieces by performing one of the following:
  - Only one type of primary container is being tested (sections 3.7.1 and 3.7.2).
  - More than one type of primary container is being tested (section 3.7.3).
- If time constraints or unexpected volume changes occur while performing container skip subsampling, refer to section 3.7.4.

Note: Examples of container skip subsampling are found in Appendix B.

3.7.1 Container Skip Subsampling for One Primary Container Type

1. **Exclude all mail that will be reprocessed, curtailed mail, and easily isolated containers of missent mail by performing the following substeps:**
   a. Exclude all mail that will be reprocessed (section 3.2.2).
   b. Exclude curtailed mail (section 3.2.2 and Appendix E).
   c. Exclude missent mail containers by dispatch. If this mail is in containers that may be pulled aside (either easily identifiable or with the help of mail processing), isolate and release it to mail processing (RM 3–4). Do not include this mail in your volume estimate for determining the mailpiece skip interval.
   d. Exclude Express Mail and Mailgram pieces.

Note: Misthrown and Throwback Mail: When a MEP is defined downstream at the delivery point, a data collector may encounter misthrown and throwback mail. Include misthrown mail and commingled throwback mail in the count.

The terms misthrown and throwback mail refer to mail that has been erroneously distributed within the Post Office or finance number area. Misthrown mail has not yet been returned to the correct delivery unit. Throwback mail, however, has been returned to the correct delivery unit and is often placed in hot cases. Including throwback mail in an ODIS-RPW test leads to double-counting because it was once misthrown mail.

Misthrown and throwback mail are not often relevant to MEPs because MEPs tend to be defined upstream along a mail processing stream. Moreover, MEP-based testing is usually performed as mail *arrives* at the office.

2. **Identify primary containers.**

   Containers should be primary. When performing container skip subsampling, it is essential to recognize primary containers. That is, they should hold only the loose mailpieces that will be tested and recorded such as letters, parcels, flats, etc.

Note: A *primary* container is a container that holds loose pieces of mail to be tested. For instance, a sack holding parcels is considered a primary container. Likewise, a letter tray holding letters and an OTR holding IPPs are considered primary containers. However, an APC holding 30 letter trays is not a primary container. In this case, only the letter trays are primary containers (because the letter trays, not the APCs, are the containers holding the loose mailpieces).

When identifying primary containers, keep in mind the MEP description. If, for instance, the MEP was defined to test *the flat mail processing stream for the entire station*, afternoon *all mail shapes*, any parcels and non-flat-shaped mail found in the flat tubs would be included in the test. If, however, the MEP was defined to test exclusively flat-shaped mail for the entire facility, any parcels or other non-flat mail would need to be removed from the flat tubs.

Note: To insure an accurate count, ask the following question: *If all other MEPs in this facility were tested today, would any mailpiece be double-counted or missed?*

3. **Separate easily isolated multiple identical mailpieces.**

   Before applying the container skip to all mail available for the test day or a subset of the total, that is mail available in the first dispatch, one or more containers may have 200 or more identical mailpieces. These mailpieces will belong to the same mail class, mail preparation and sortation marking, mail type, type of mailer, indicia, meter information, weight, postmark date, origin ZIP Code, barcode size, barcode source, total mailpiece revenue, and any other characteristics that are class specific. Isolate these pieces and use the special *Multiple Identical Mailpiece* (MIP) option on the *Options Menu* to record these mailpieces (section 3.8.2).

4. **Separate Priority Mail Containers.**

   Separate containers holding *predominantly* Priority Mail, that is the container is either marked *Priority Mail* or its contents consist of at least 75 percent Priority Mail — determine this amount by observation, not by calculation. Test this mail as an independent group using the following guidelines:

   - If container mail volumes are 250 mailpieces or less, use mailpiece skip subsampling (section 3.6).
   - If container mail volumes are greater than 250 mailpieces and there are fewer than three containers, use mailpiece skip subsampling (section 3.6).
   - If container mail volumes are greater than 250 mailpieces and there are three or more containers, use container skip subsampling.

5. **Separate Accountable/BRM Mail Containers.**

   If you find containers with accountable or Business Reply Mail (BRM only (in any MEP), separate these containers. Test this mail as an independent group using the following guidelines:

   - If the accountable/BRM mail volume is 250 mailpieces or less, use mailpiece skip subsampling.
   - If accountable/BRM mail volume is greater than 250 mailpieces and there are 3 or more containers, use mailpiece skip subsampling.
   - If the accountable/BRM mail volume is greater than 250 mailpieces and there are 3 or more containers, use container skip subsampling.
   - **Special Case:** If you are sampling a bundle with an attached Facing Slip (Address Correction) and all the necessary information is listed on the slip (e.g., ZIP Code, etc.), use the census option.

   Note: Step 4 above, applies to Priority Mail containers isolated prior to application of the container skip interval at the start of test or by dispatch, if separate skips are applied by dispatch. For Priority Mail containers found during the application of the container skip interval, follow the instructions described in steps 6 through 8 below.

6. **Determine the average number of mailpieces per container.**

   The following average volume per container estimates are recommended:

   - Letter Tray: 301– 500.
   - Flat Tub: 51–100.

7. **Estimate the number of primary containers that will be tested** (letter trays, flat tubs, mail sacks, etc.).

8. **Determine the container and mailpiece skip intervals.**

   The following substeps are a guide to completing this task:

   a. Determine the container skip and mailpiece skip intervals.

      Use the *Container Subsampling Table for All Mail Shapes* (RM 3–1), as follows:

      - Under the column heading *Container Range*, find the row that corresponds to the approximate number of containers to be tested.
      - Under the heading, *Average Mailpieces per Container*, find the column that corresponds to the approximate number of mailpieces per container to be tested.
      - The two numbers in the table at the intersection of this row and column gives the container skip and the mailpiece skip intervals.

Example: All letter mail for Zone 99999 is scheduled to be tested. The site manager expects 150 letter trays of mail. The site manager's estimate agrees with the estimate of the data collector who estimates that the average number of mailpieces per tray is 500 letters.

Looking at the *Container Subsampling Table for All Mail Shapes* (RM 3–1), the data collector finds that the container skip interval will be 18 and that the mailpiece skip interval will be 16.

b. Enter the container and mailpiece skip intervals into the CODES Laptop.

Enter the skip intervals in the *Container Skip* and *Mailpiece Skip* fields of the *Test Header* screen. CODES generates the start number randomly. The start number will be used to select the first container and the first mailpiece for sampling. Biased results may occur if the random start number is ignored or misapplied.

c. Annotate the skip intervals and random start number on the Header Sheet/Test Schedule.

Carefully note the container skip and mailpiece skip intervals and start numbers on the *Change Skip(s)* screen. Use these numbers as the skip intervals and start numbers, as explained in the next subsection. Only use the start number to select the first container and the first mailpiece in that container for sampling. Biased results may occur if the random start number is ignored or misapplied.

When selecting mail for sampling, observe the following:

Marking containers: To help ensure accurate data, mark all containers that have been sampled. Also mark all containers that have been skipped through and released. This will help ensure that containers and mailpieces are not sampled twice.

Adjustments: Test time constraints or an unexpected increase in mail volume may necessitate an adjustment in the container skip interval. If this occurs, refer to section 3.7.4.

3.7.2 Selecting the Containers and Mailpieces

Once the container skip and mailpiece skip intervals have been selected and start numbers have been generated, begin selecting and recording the mailpieces.

When physically selecting containers and mailpieces, observe the following guidelines:

- Keep track of the number of containers that are included in each dispatch.

- Have a consistent method of counting through and choosing containers, when selecting containers using the container skip interval.

  This is especially necessary for primary containers that are transported in larger containers such as flat tubs in all purpose containers (APCs) or general purpose mailing containers (GPMCs). The data collector might, for example, choose to begin applying the container skip interval from the top left container on a GPMC. Then the count could be continued in a consistent manner from left to right and from top to bottom throughout the remaining containers.

1. **Use your container start number to select the first container.**

   Use the container start number from the laptop screen to select the first container. If, for instance, the container skip interval were 10 and the container start number were 9, the container skip subsampling would begin by selecting the 9th container.

2. **Select the required containers by applying the container skip interval.**

   If, for example, the container skip interval were 10, select every 10th container after selecting the 1st container using the container start number.

   When selecting containers using the container skip interval, ensure that the container skip interval applies to all containers relevant to the test. A container of easily isolated or missent mail that is *not* easily isolated before beginning the test *must* have the container skip applied to it. *Do not substitute another container in its place.* This will create biased results.

   Example: When applying a container skip of 6 through flat tubs with a random start of 4, the data collector finds that the 10th tub is missent to the facility. He or she *must* select the missent tub. *Do not substitute the missent tub with any other tub.* Continue the container skip of 6 starting with the 11th tub.

3. **Use the mailpiece start number to select the first mailpiece within the first container that has been selected.**

   If, for instance, the mailpiece skip interval were 6 and the mailpiece start number were 4, begin mailpiece skip subsampling by first selecting the 4th mailpiece within the first selected container.

4. **Select the required mailpieces by applying the mailpiece skip interval through all the containers that have been selected using the container skip interval.**

   For example, if using a mailpiece skip interval of 6, choose every 6th mailpiece for recording after selecting the starting mailpiece.

When selecting mailpieces using the mailpiece skip interval, ensure that the mailpiece skip interval is applied throughout all containers that are selected using the container skip interval (step 3).

At the end of a container, mark the container with a tag and carry over the skip interval to the next selected container. Write down on a piece of paper the number of mailpieces following the last selected mailpiece from the just-completed container. Also mark all selected containers that have been sampled to help in remembering which containers have already been sampled. Marking containers and mailpieces is most important between breaks in the mail processing flow, such as between dispatches.

Example: Container skip subsampling is being performed on the MEP *exclusively letter shape mail for the entire facility.* Estimate that the expected number of letter trays is 150 and that the approximate number of letters per tray is 450. In this case, choose the 126–200 entry in the *Container Range* row of the *Container Subsampling Table for All Mail Shapes* (RM 3–1) for the letter trays. Then, choose the 301–500 entry in the *Average Pieces Per Container* column for the number of letters per letter tray.

Following the table in RM 3–1, enter a container skip of 18 and a mailpiece skip of 16 on the *Test Header* screen. As a result, CODES generates a container start number of 8 and a mailpiece start number of 15.

Accordingly, begin the subsampling by selecting the 8th container (based on the container start number of 8). Thereafter, select every 18th container (based on the container skip interval of 18).

Continuing with the first selected container, select the 15th letter as the starting letter (based on the mailpiece start number of 15). Thereafter, select every 16th mailpiece throughout the entire volume of mail within the selected containers for that container type (based on the mailpiece skip interval of 16).

Upon selecting the last letter in the container that is being counted, the data collector realizes that 10 letters remain in the container, he or she should write on a piece of paper the number 10 and mark the letter tray as *completed.*

The data collector should then begin testing the next container that has been selected using the container skip interval and continue the count at the place where he or she left off. Choose as the 1st mailpiece from this container the 6th letter (the 6th letter being the 16th letter for that count, as determined by your calculation of 16 minus 10). Finally, continue with the remainder of the test by selecting every 16th mailpiece (again, based on the mailpiece skip of 16).

Note: When obtaining start numbers from CODES, remember the following:

- When using more than one computer, ignore the random start numbers of all but one of the computers.
- If the computer is turned off and then back on again, new start numbers will appear. If the data collector is still performing the same test, ignore these new start numbers and continue where he left off in the skip process.
- If a session is ended and later began again, the same container and average pieces per container ranges will be chosen. The message *In Use* will then appear in the start number fields. The same skip interval should be used.

Exception: Detached mailing cards are sometimes returned for reprocessing through automation. When you encounter a detached mailing card in DPS mail, do not consider these in the mailpiece skip count. Treat these commingled detached mailing cards as though they are not in the tray and do not count or select the piece for recording.

You are applying a mailpiece skip interval of 5 through a letter tray with a random start of 3. The 2nd and 6th mailpiece are detached mailing cards. The random start would begin on the 4th mailpiece as the 2nd mailpiece is ignored because that is a detached mailing card. Continue with a mailpiece skip of 5, starting with the 5th mailpiece. Ignoring the 6th mailpiece that is a detached mailing card, would result in the selection of the 10th mailpiece, 15th mailpiece, etc.

5. **Use one of the following two methods to gather mailpieces for recording:**

   - **Delivery Point Sequence (DPS) Mail:** Keep DPS mail in its walk-sequenced order. Several techniques have been employed by data collectors to test DPS mail while maintaining the mail sequence order. The following is one such technique: Select each mailpiece for recording and *mark* the place of each selected mailpiece in the tray or container by turning the mailpiece which follows it on end. If the last mailpiece in the tray or container is selected, mark its place with a card or other marker. After skip-counting the DPS mail is finished, record the selected pieces individually. Then return each one to its place in the tray before recording the next one.

     Marking the DPS mailpiece's position will ensure that mailpieces are not counted out of sequence and risk double-counting. This also ensures that the quality of the statistical data is not threatened by miscounting.

- **Non-DPS mail:** Since it is not necessary to keep this mail in strict order, these mailpieces may be placed to the side as they are selected.

6. **Record the selected mailpieces.**

   Use the appropriate procedures outlined in sections 3.8 through 3.11 to record selected mailpieces in the CODES Laptop.

7. **After recording the mailpieces, end the session and save it according to the procedures given in section 3.12.3.**

8. **If testing multiple container types, go to section 3.7.3 to determine the random start number and begin entering mailpiece data on another group.**

3.7.3 Container Skip Subsampling: Multiple Primary Container Types

Several types of primary containers may be available for sampling such as letter trays, flat tubs, OTRs, hampers, etc. These containers may arrive grouped in larger containers, such as GPMCs. Under these circumstances, it may be difficult to complete an entire test within its given time window.

The container skip subsampling procedure outlined in section 3.7.1 may not be practical for each type of primary container. Therefore, choosing to use the procedure outlined in section 3.7.1 alone, may allow too many mailpieces to be selected and not enough time to complete the entire test.

Below are four options that may be used in conjunction with section 3.7.1. These options will enable the data collector to choose skip intervals that allow the sampling of the most mail possible while completing the test within its given time window.

1. **Perform the steps listed in items 1 through 4 of section 3.7.1.**

   - Identify primary containers.

   Note: Bundles of flat mail may be considered primary containers.

   - Exclude all mail that will be reprocessed and curtailed mail (if applicable) (section 3.2.2 and Appendix E).
   - Exclude easily isolatable containers of missent mail.
   - Isolate multiple identical pieces of 200 or more.
   - Separate containers holding predominantly Priority Mail.

2. **Perform either Option 1 or Option 2 as listed below.**

   If testing loose flats and/or flat bundles on a flat shape mail processing stream or exclusively flat shape MEP, then consider performing Option 3 or 4.

Option 1: Place in containers all mailpieces in a manner that results in one primary container type.

a. Choose one type of primary container that will be used for the entire volume of mail.

b. Physically place all mailpieces that are not in the chosen primary container type into the chosen primary container.

Example: The data collector chooses flat tubs as the single primary container type, and your test volume includes a hamper of loose flats. Apply the container skip to the hamper by physically placing the flats from the hamper into flat tubs.

c. Go to step 6 of section 3.7.1 and continue with the container skip subsampling procedure for one primary container type.

Option 2: Treat each primary container type as an independent group to be tested and go to step 4.

3. **Use Option 3 or Option 4 only if, while performing a container skip through flat tubs, large containers of loose flats and/or flat bundles are encountered.**

Option 3: Physically arrange the loose flats and/or flat bundles into stacks and consider each 1 foot increment within these stacks as a primary container. (Use only for flat shape mail processing stream or exclusively flat shape MEPs.)

a. For *each* large primary container, arrange the loose flats and/or flat bundles into stacks.

- These large primary containers include such equipment as hampers, wiretainers, and Postal Paks containing loose flats and/or bundles of flats.
- Stack the mail either inside or outside the large mail containers.

Example: Within a hamper arrange the mail into stacks. Or, if the mail is being removed from the large containers by operations and then placed on nutting trucks, stack the mail on this equipment.

b. Consider the flat tubs and each 1 ft. increment within these arranged stack(s) as primary containers for subsampling.

c. Go to step 6 of section 3.7.1 and continue with the container skip subsampling procedure for one primary container type.

Option 4: Physically arrange the loose flats and/or flat bundles into stacks of *equal* height, with the number of stacks equal to the container skip interval for the flat tubs. Consider each stack as a primary container. (Use only for flat shape mail processing stream or exclusively flat shape MEPs.)

a. For each large primary container, arrange the mail into stacks of equal height with the total number of stacks equal to the container skip interval established for the flat tubs.

   - These large primary containers include such equipment as hampers, wiretainers, and Postal Paks containing loose flats and/or bundles of flats.
   - Stack the mail either inside or outside the large mail containers.

Example: Within a hamper arrange the mail into stacks. Or, if the mail is being removed from the large containers by operations and then placed on nutting trucks, stack the mail on this equipment.

b. Consider the flat tubs and each stack as primary containers for subsampling.

c. Go to item E below and continue with the container skip subsampling procedure for one primary container type.

In all cases when using Option 4, select *only* one stack of mail in each large primary container. The stack of mail selected will depend on where the count of the other primary container type (for example, flat tubs) was ended.

Example: A container skip of 4 is selected with a container random start of 2, and there are seventeen flat tubs and one wiretainer. First, select the 2nd, 6th, 10th, and 14th flat tubs. At the end of the count, there are three flat tubs left. Now, open the wiretainer and arrange the mail into four equal stacks (the number of stacks equals the container skip interval of 4). Continue applying the container skip of 4. This is done by considering the three flat tubs left over as a count of three, and the 1st stack as a count of four. Select this 1st stack. After the 1st stack, no additional stacks of mail may be selected.

Example: A container skip of 6 is selected with a container random start of 5, and there are 39 flat buckets and two hampers. First, select the 5th, 11th, 17th, 23rd, 29th, and 35th flat buckets. At the end of the count, four flat tubs are left. Now open each hamper and arrange the mail in each into six equal stacks (the number of stacks equals the container skip interval of 6). Continue applying the container skip of 6. This is done by considering the four flat buckets left over as a count of four, the first stack from the first hamper as five, and the second stack as number six. Select the second stack within the hamper. Continue the count through the stacks in the first hamper (with one, two, three, four) and then through the stacks from the second hamper (with five, six) and select the second stack. After the second stack, no additional stacks are selected.

4. **Determine the average number of mailpieces per container in one group of primary containers.**

   The following average volume per container estimates are recommended:

   - Letter Tray: 301–500.
   - Flat Tub: 51–100.

5. **Estimate the number of primary containers that will be tested in item 4.**

6. **For Option 2 only, make the primary container group adjustment.**

   Follow the procedures in section 3.7.4.1, step 1 to adjust the skip-intervals for each primary container group.

7. **Repeat steps 4 through 6 for each of the other primary container types.**

3.7.4 Adjustments to the Container Skip Subsampling Interval

The testing of multiple container groups is not the only time that adjustment to the container skip interval may be necessary. Conditions such as the following may also indicated that an adjustment is necessary:

- Unexpected volume changes.
- Shortened time windows.

When a situation arises that requires a change in the container skip interval, use one of the following adjustment options:

- **Subsection A:** Use Subsection A if containers for subsampling have not yet been selected.
- **Subsection B:** Use Subsection B if at least one container for subsampling has been selected.

3.7.4.1 Adjustments for Container Skip Subsampling *Before* Any Containers are Selected for Subsampling

The following are listed in order of preference; therefore, select Adjustment 1 whenever possible.

Adjustment 1: Adjust the container skip and mailpiece skip intervals to accommodate:

1. **More mail than expected or within short time windows:**

   a. Select the container skip and mailpiece skip intervals immediately to the right of the intersection of the original container row and average mailpieces per container column on the *Container Subsampling Table for All Mail Shapes* (RM 3–1) (i.e., same row, next column to the right).

b. If the skip intervals are already located in the far-right column of the table, select the container and mailpiece skip intervals in the row immediately below your current row (i.e., same column, next row).

c. If moving over one cell as explained in 1 and 2 is not sufficient for the time window and volume, move to the intersection of the row and column that will maximize the number of mailpieces available for recording.

d. Enter the new container and mailpiece skip intervals in the *ODIS-RPW Test Header* screen as described in section 3.7.1, step 8.

e. CODES generates new start numbers. Begin sampling in accordance with the procedures outlined in sections 3.7.1 through 3.7.3.

2. **Less mail than expected:**

a. Select the container skip and mailpiece skip intervals immediately to the left of the intersection of the original container row and average mailpieces per container column on the *Container Subsampling Table for All Mail Shapes* (RM 3–1) (i.e., same row, next column to the left). If the skip intervals are already located in the far-left column of the table, select the container and mailpiece skip intervals in the row immediately above the current row (i.e., same column, next row).

b. If a large time window exists, move to the intersection of any row or column that maximizes the number of pieces available for recording.

c. If the time window allows, change to mailpiece skip subsampling (section 3.6).

d. Enter the new container skip and mailpiece skip intervals on the *ODIS-RPW Header Test* screen as described in section 3.7.1, step 8.

e. CODES generates new start numbers. Begin sampling according to sections 3.7.1 through 3.7.3.

3.7.4.2 Adjustments for Container Skip Subsampling: *After* at Least One Container Has Been Selected for Subsampling and *Between* Dispatches.

Select either Adjustment 2, 3, or 4 when at least one container has been selected for subsampling.

Adjustment 2: Adjust the mailpiece skip interval and use the same container skip interval.

a. Using the ODIS-RPW *Container Subsampling Table for All Mail Shapes* (RM 3–1), and using the same container skip interval, select a new mailpiece skip interval that will allow recording of the maximum number of mailpieces for the situation.

b. Change the mailpiece skip interval by selecting *Change Skip Interval* from the Options Menu (section 3.6.3).

c. Ignore residual mailpieces from the previous container.

d. Beginning with the next container (selected using the original container skip), apply the new random start and new mailpiece skip interval. Continue applying the new mailpiece skip interval through the remaining selected containers.

e. Go to Adjustment 3, if the largest mailpiece skip interval possible is already being used.

Adjustment 3: Adjust both the mailpiece and the container skip intervals. Consider this adjustment under the following conditions:

- Increasing or decreasing the mailpiece skip interval using Adjustment 2 does not suffice for the time window or changing mail volumes.
- Adjustment 2 cannot be used because the largest or smallest mailpiece skip interval possible is already being used.

Wait for a natural break in mail processing (such as between dispatches). Then, perform the following substeps:

a. Ignore residual containers and mailpieces from the former session.

That is, if 6 containers remain from a session using a container skip interval of 8, ignore these 6 remaining containers.

b. Using the *ODIS-RPW Container Subsampling Table for All Mail Shapes* (RM 3–1), select other container skip and mailpiece skip intervals that are practical within the given time window.

c. Enter the required information into the Options Menu.

d. The Change Skip Interval screen (Figure 3.6.3–1) will then be displayed.

Note: The section *Current Skip:* on the center of the screen displays the current skip interval for both containers and mailpieces. The *Skip* field allows the tester to change the skip interval or change to a different sampling method (such as changing from mailpiece skip subsampling to container skip subsampling or vice versa).

Container Subsampling (Y/N)?: Enter <Y> *Yes*. You should already be familiar with the subsampling guidelines in this chapter and know which subsampling method you will be using.

Container Skip and Start Number: Enter the appropriate container skip interval from the *Container Subsampling Table for All Mail Shapes* (RM 3–1). CODES generates a random start number.

Apply the random start numbers and the skip intervals to the remaining mailpieces and containers in accordance with the procedures outlined in sections 3.7.1 through 3.7.3.

Adjustment 4: Changes to a mailpiece skip interval or census sampling procedure. Consider this option when:

- Mail volumes are considerably less than expected on subsequent dispatches.
- There is an adequate time window on subsequent dispatches.

  Wait for a break in mail processing (such as between dispatches). Then perform the following steps:

  a. End the current session and save it. Refer to section 3.12 for information on how to end and save your session.

  b. Ignore residual containers and mailpieces from the former session.

     That is, if 6 containers remain from a session using a container skip interval of 8, ignore these 6 remaining containers.

  c. Choose either the census or mailpiece skip subsampling method.

  d. Follow the procedures for using the census method (section 3.5) or mailpiece skip subsampling method (section 3.6).

When performing container skip subsampling, it is essential to recognize *primary* containers.

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3.8 Preparing to Enter Mailpiece Data into the CODES Laptop

After entering the sampling method into the CODES Laptop, and selecting some or all of the necessary mailpieces, begin recording the requested mailpiece data.

BACKGROUND INFORMATION

Depending on the mailpiece that is selected, the recordings will consist of some of the following questions or categories:

- Forwarded/Returned.
- Missent.
- Mail Class (First-Class Mail, Standard Mail, Free Mail for the Blind, International, Periodicals, Priority Mail, or Package Services).
- Subclass.
- Mail Preparation/Sortation Marking.
- Mail Type (letter, flat, etc.).
- Type of Mailer (Private, Federal Government or USPS).
- Indicia (Stamp, Semipostal Stamp, Precanceled Stamp, Stamped Envelope, Meter, Postal Validation Imprint, Permit Imprint, or Information Based Indicia).
- Number of Pieces.
- Weight.
- Mailability.
- Postmark Date.
- ZIP Code Lookup.
- FIM (yes or no).
- Does Date Exceed Normal Range? (for a late single piece First-Class Mail with a stamp, meter, or an IBI as an indicia).
- Barcode Size (5-digit, 9-digit, or 11-digit).
- Address handwritten.
- Special Services.
- Total mailpiece Revenue.
- Verify (Y/N).
- Comment (for failed single piece First-Class Mail letters and cards).

This section gives directions on how to enter data into the CODES Laptop by accessing the *Options Menu* screen (Figure 3.8.0–1). Use the *Collect Mailpiece Data* option to enter data on a single mailpiece and the *Multiple Identical Mailpiece* option to enter data on multiple identical mailpieces.

The following section provides the procedures for entering mailpiece data for each of the categories and questions mentioned above.

Exception: Express Mail and Mailgram mailpieces selected through a census or by a subsampling procedure and easily isolatable containers of missent mail are not to be recorded in the ODIS-RPW data entry software. These particular mailpieces can be immediately released to operations for further processing.

Record commingled missent mailpieces selected through a census or by a subsampling procedure by pressing the <M> key on the *Mail Class & Type* screen (Figure 3.8.1–1).

PROCEDURES

After verifying that the information on the header screen is correct, CODES displays the *Options Menu* screen (Figure 3.8.0–1).

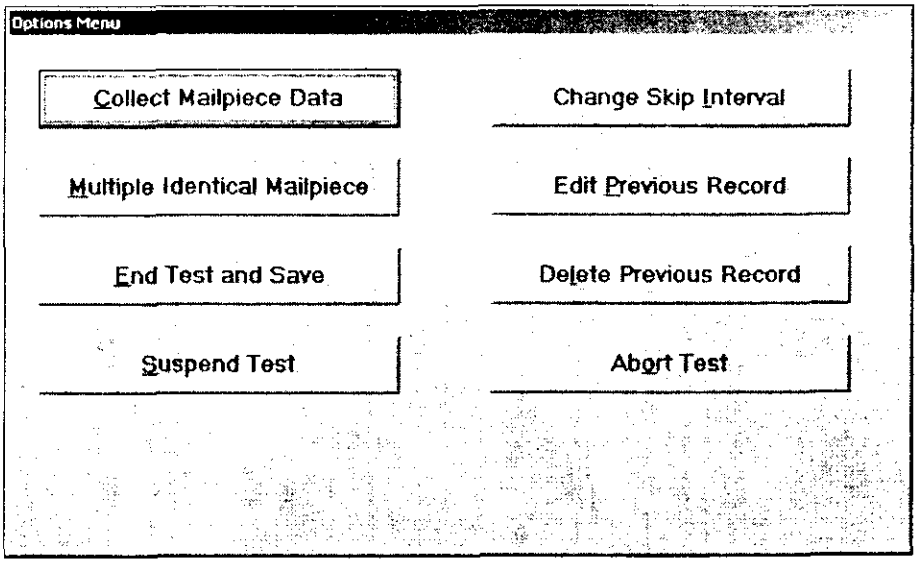

Figure 3.8.0–1. *Options Menu* Screen

3.8.1 Collect Mailpiece Data

Select *Collect Mailpiece Data* to begin recording information from the selected mailpiece. CODES immediately displays the *Mail Class & Type* (Figure 3.8.1–1) screen. For instructions on making selections from that screen, proceed to section 3.9. If you plan to use the multiple identical mailpiece (MIP) procedure, select *Multiple Identical Mailpiece* and continue with section 3.8.2.

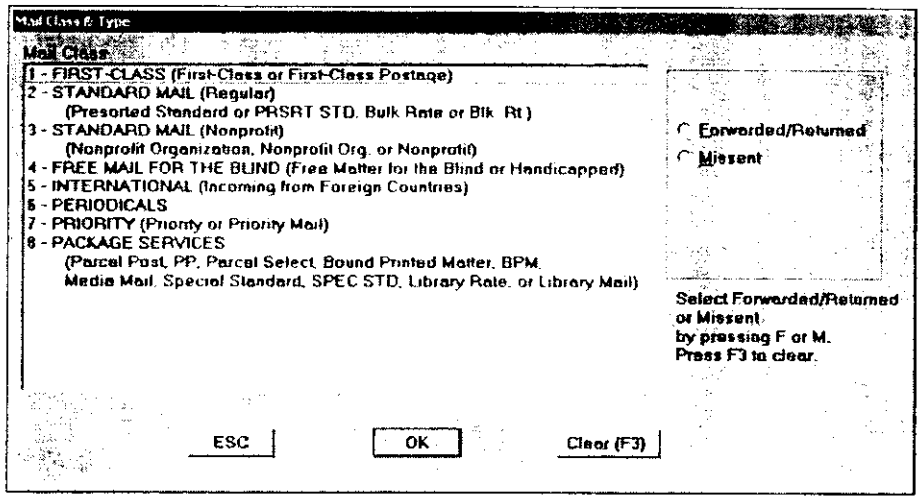

Figure 3.8.1–1. *Mail Class & Type* Screen

3.8.2 Multiple Identical Mailpieces

Multiple Identical Mailpieces (MIPs) are defined as an easily isolatable group of 200 or more mailpieces identified *before* applying the skip interval. The mailpieces must be **identical in all the recorded characteristics**. That is, the pieces must have the same mail class, mail preparation and sortation marking, mail type, type of mailer, indicia, meter information, weight, postmark date, origin ZIP Code, barcode size, barcode source, total mailpiece revenue, and any other characteristics that are class specific (for example, FIM and address handwritten for First-Class). This includes instances where postmark date and origin ZIP Code are all *Cannot Be Read.*

Exception: For Standard Mail (NOT Forwarded or Returned), international mail, Periodicals (NOT Forwarded or Returned), and Package Services Bound Printed Matter Permit Imprint (NOT Forwarded or Returned), weight is not recorded. Therefore, the mailpieces are not required to have identical weight in order to apply the MIP procedure.

The following MIP procedure may be used more than once if two or more different groups of 200 or more identical pieces per group are present:

1. **Determine the total number of identical mailpieces by actual count or by weight.**
   - Count the number of identical pieces that make up one pound if the weight method is used.
   - Multiply this number by the weight (in pounds) of the entire group of identical mailpieces. This will determine the total number of identical mailpieces within the group.

2. **Select *Multiple Identical Mailpiece* from the *Options Menu* screen (Figure 3.8.0–1).**

3. **Press *Yes* or *No* to proceed in recording the MIPs (Figure 3.8.2–1).**

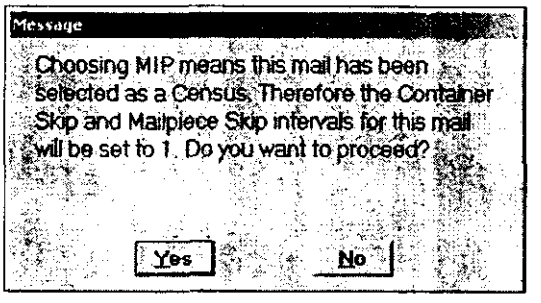

Figure 3.8.2–1. MIP *Message* Screen

To verify that a MIP is being entered, CODES displays the screen shown above.

- **<Y>** Yes, indicates that the mail is selected as a Census and displays the *Mail Class & Type* screen (Figure 3.8.1–1).
- **<N>** No, indicates that the mail is not selected as a Census and returns the user to the *Options Menu* screen (Figure 3.8.0–1).

4. **Enter MIP data.**

- Enter mailpiece characteristics in accordance with sections 3.8 and 3.9. If the number of MIPs is greater than 9,999, make more than one entry.
- Enter the number of MIPs on the *Pieces* screen (Figure 3.8.2–2).

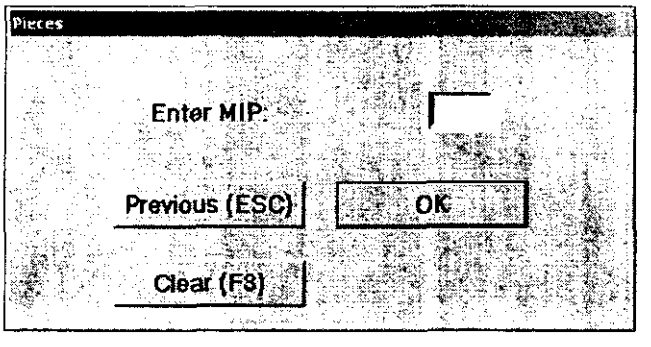

Figure 3.8.2–2. MIP *Pieces* Screen

5. Confirm *Message* screen regarding resetting of skip intervals.

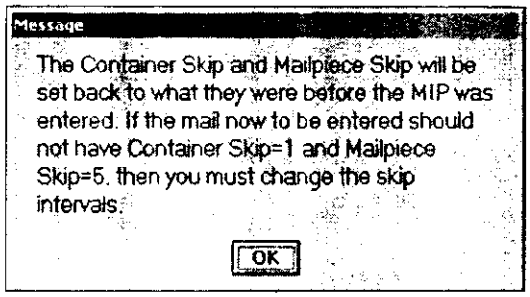

Figure 3.8.2–3. Confirm *Message* Screen

After all mailpiece characteristics are entered, the above screen is shown. This screen reminds the user that the mailpiece skip and container skip are set back to the skip intervals entered on the *ODIS-RPW Test Header* screen (Figure 3.4.2–1) or on the *Change Skip(s)* screen (Figure 3.8.3–1). If there is another group of 200 or more identical mailpieces to be entered, then repeat steps 1 through 5 above.

- ***OK*** returns the user to the *Options Menu* (Figure 3.8.0–1) screen.

Note: The MIP procedure may be used on later dispatches or at natural breaks in mail processing when there is an easily isolatable group of 200 or more mailpieces identified *before* applying the skip interval on that dispatch of mail. The MIP procedure may *not* be used once mailpiece skip subsampling or container skip subsampling has begun. If a block of 200 or more pieces with identical characteristics is encountered, apply the container skip and mailpiece skip through all containers and all mailpieces in the containers, treating this mail just like any other mail during your count. Using the MIP procedure after mailpiece skip subsampling or container skip subsampling has begun will severely bias the test day volumes.

3.8.3 Changing Skip Interval

To change the skip interval, perform the following steps:

1. Select *Change Skip Interval* from the Options Menu screen (Figure 3.8.0–1).

Note: *Current Skip* in the center of the screen displays the current skip intervals. Entering a Skip for the container or for the mailpiece will allow the skip to be changed. CODES will automatically enter a start number. To change the skip interval or to change to a different sampling method (such as changing from mailpiece skip subsampling to container skip subsampling or vice versa), enter the information on the *Change Skip(s)* screen.

2. **Complete the requested information on the *Change Skip(s)* screen.**

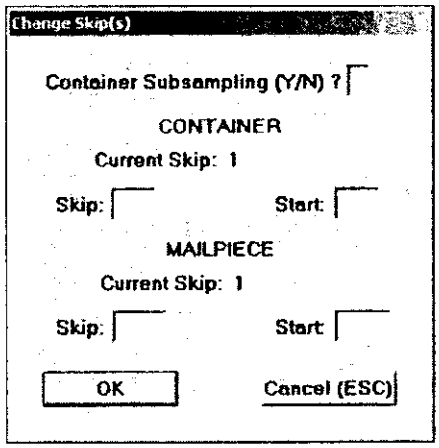

Figure 3.8.3–1. *Change Skip(s)* Screen

   a. Determine whether container subsampling is necessary.

   b. Enter the skip for the container and/or for the mailpiece. CODES will automatically generate a start number.

   c. Click OK to return to the Options Menu screen.

3. **Proceed with the recording procedures as described in section 3.9 for the mail class that has been selected.**

3.9 Entering Mailpiece Data into the CODES Laptop

To enter mailpiece data into the CODES Laptop select *Conduct Test* from the ODIS-RPW Main Menu shown below, and choose the necessary mailpieces for sampling. In preparation for entering mailpiece data into the CODES Laptop, review the special recording rules in section 3.1.3.

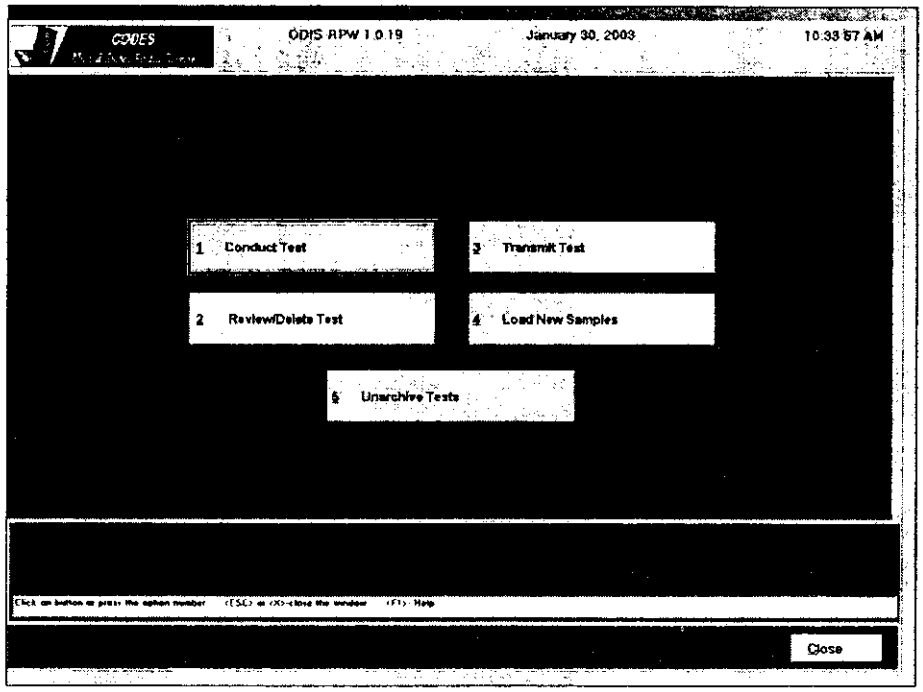

Figure 3.9.0–1. ODIS-RPW *Main Menu* Screen.

Select *Conduct Test* from the *Main Menu* screen, and the *Options Menu* screen, Figure 3.9.0–2, is displayed.

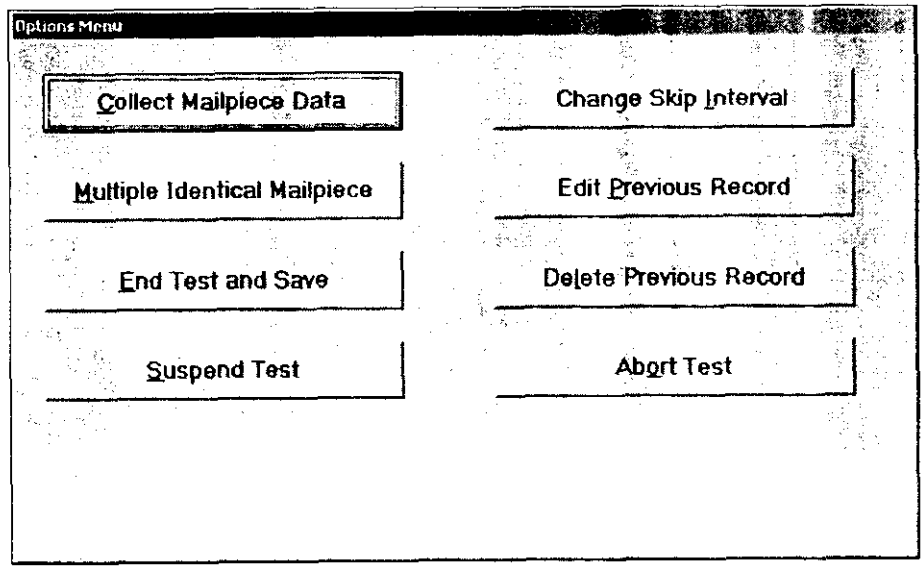

Figure 3.9.0–2. *Options Menu* Screen.

Once the *Options Menu* screen is selected, the *Mail Class & Type* screen (Figure 3.9.0–3) is displayed, identifying the various mail classes.

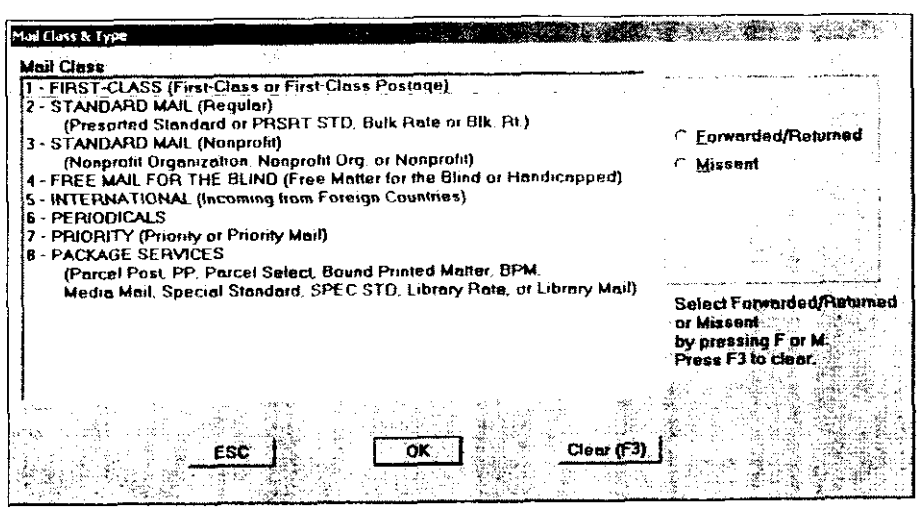

Figure 3.9.0–3. *Mail Class & Type* Screen

PROCEDURES

The ODIS-RPW test procedures described below are presented according to mail class.

- *First-Class Mail* (section 3.9.1).
- *Standard Mail* (section 3.9.2).
- *Standard Mail, Nonprofit* (section 3.9.2).
- *Free Mail for the Blind* (section 3.9.3).

- *International Mail,* (section 3.9.4).
- *Periodicals Mail,* (section 3.9.5).
- *Priority Mail,* (section 3.9.6).
- *Package Services,* (section 3.9.7).

As data is entered into the CODES Laptop, a record of each entry appears on the right side of the screen. After all the data for a mailpiece has been entered, the data collector must verify that the information is correct by answering the prompt.

Note: Before entering any mailpiece data, it is critical to correctly identify the class of mail and mail markings on each mailpiece selected for testing. For descriptions of mail classes, see RM 3–5 and for descriptions of mail markings, see RM 3–6 and RM 3–7.

Note: Before entering any mailpiece data, ensure that the scale is attached, functioning properly, and is balanced/leveled.

Forwarded/Returned/Missent Mail: If the mailpiece is forwarded, returned, or missent, select the appropriate radio button.

- **Forwarded/Returned Mail:** Press <*F*> to select the radio button beside *Forwarded/Returned.*
- **Missent Mail:** Press <*M*> to select the radio button beside *Missent.*
- **Forwarded or Returned, and Missent:** Record as *Missent.*
- **Clear Radio Button:** To clear the radio buttons, press <F3>.

Enter the appropriate option based on what service the mailpiece has received. Then be certain to record all information that appears on the mailpiece regardless of whether it is forwarded, returned, or missent. See RM 3–21 for guidelines on specific characteristics of forwarded or returned mailpieces.

Next, select the appropriate class from the options listed on the *Mail Class & Type* screen (Figure 3.9.1–1).

3.9.1 First-Class Mail

First-Class Mail weighs 13 ounces or less. This class includes letters, cards, flats, IPPs, and small parcels.

To record data from First-Class Mail, complete the following steps:

1. **Select the option First-Class (First-Class or *First-Class* Postage) from the *Mail Class & Type* screen (Figure 3.9.1–1).**

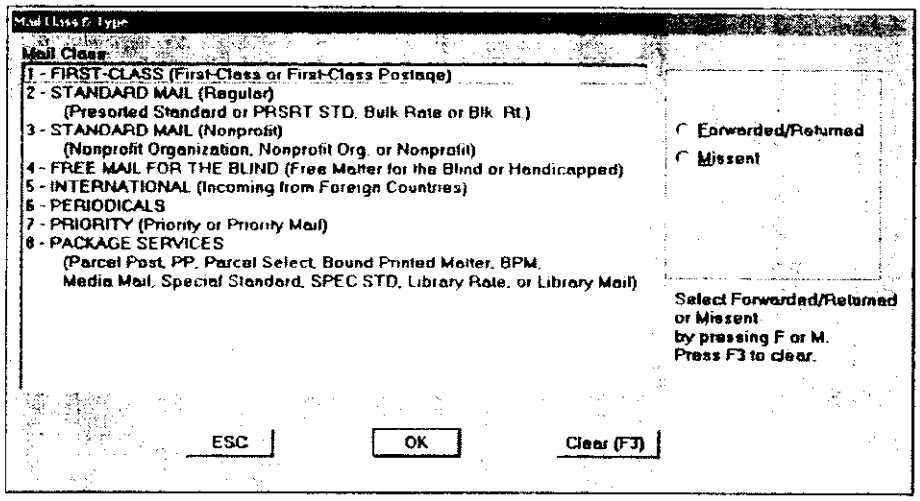

Figure 3.9.1–1. *Mail Class & Type* Screen.

Record all unendorsed mail less than 13 ounces as First-Class Mail.

Note: If postage for unendorsed mail weighing less than 13 ounces has been paid at the Priority Mail rate, do not record as First-Class Mail (section 3.1.3).

Upon selecting *First-Class* from the *Mail Class & Type* screen, the *Mail Preparation/Sortation Marking* screen (Figure 3.9.1–2) is displayed.

2. **Select the marking or endorsement that applies from the *Mail Preparation/Sortation Marking* screen.**

   Endorsements (Markings) may be found in a number of places on the mailpiece, such as in the indicia, next to the indicia, above the address label, in the address label, or at the bottom of the mailpiece.

   The data collector must start at the top of the mailpiece with the option, *AUTO, A???, A?????? through L??????, AB, AT, AV, or MB* and work downward. For example, if a First-Class Mail mailpiece has a *Presorted First-Class* endorsement in the indicia at the top of the mailpiece and *AUTO* in front of the barcode at the bottom of the mailpiece, select *AUTO* since it appears first on the *Mail Preparation/Sortation Marking* screen (Figure 3.9.1–2).

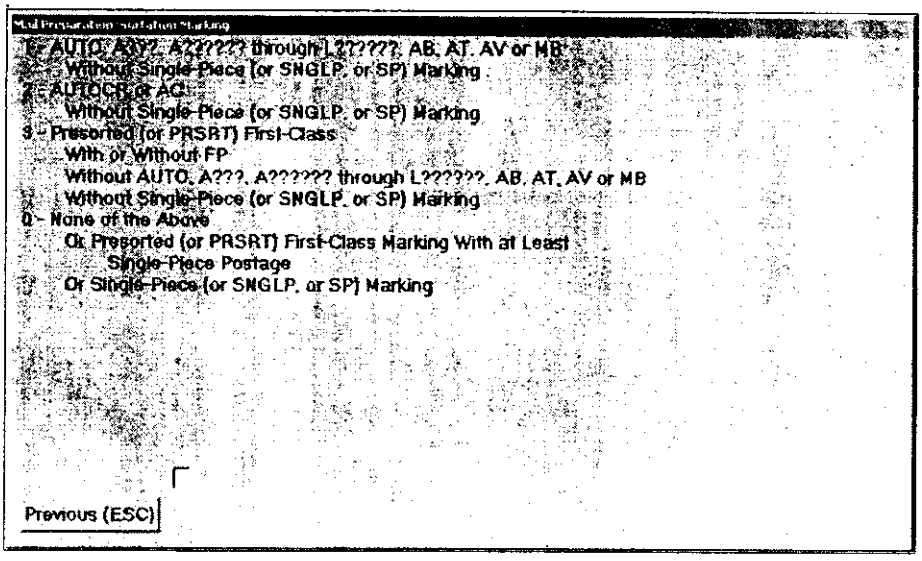

Figure 3.9.1–2. *Mail Preparation/Sortation Marking* Screen

All mail marked *Carrier Route Presort* or *CAR-RT-SORT* without either *AUTO, A???, AUTOCR,* or *single piece* must be recorded as *Presorted (or PRSRT) First-Class.* If the mailpiece has no endorsements, or has a marking of *Single Piece*, record as *None of the Above*. See RM 3–6 for more information.

3. Enter the shape of the mailpiece at the *Mail Type* screen.

Select the type of mail that is being recorded from the list given on the *Mail Type* screen (Figure 3.9.1–3). *Mail Type* refers to the actual shape of the mailpiece. For definitions of mail type/shape, (RM 3–12).

- Select the type of mail that is being recorded by entering the number in the field at the bottom of the screen.
- Upon entering the number, the *Type of Mailer* screen (Figure 3.9.1–4) is displayed.

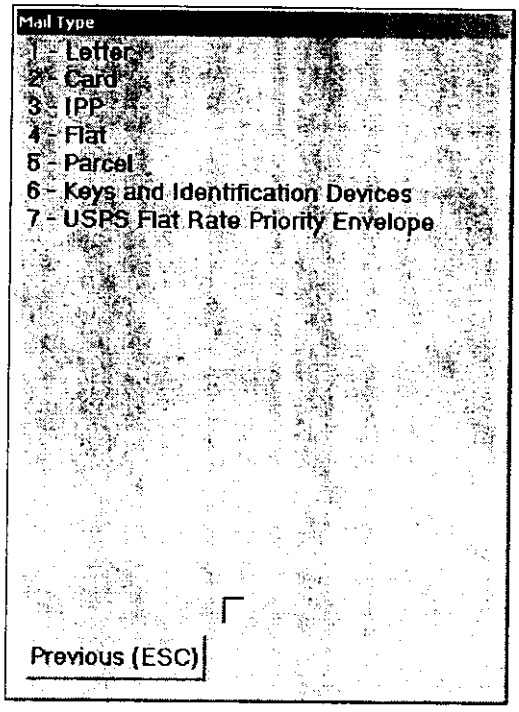

Figure 3.9.1–3. *Mail Type* Screen.

4. Choose the type of mailer at the *Type of Mailer* screen.

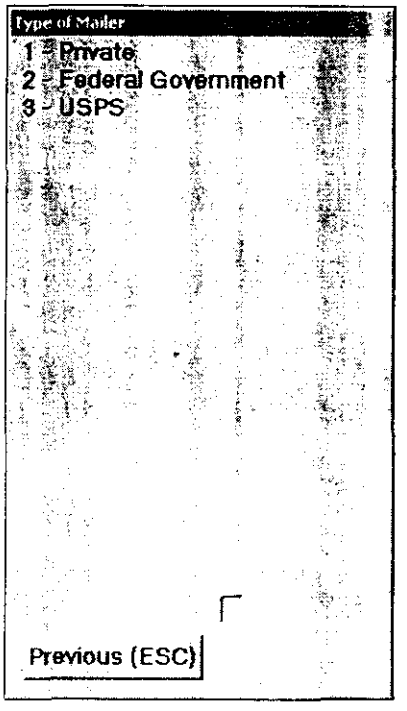

Figure 3.9.1–4. *Type of Mailer* Screen

- Determine if the type of mailer is *Private, Federal Government,* or *USPS.*
- Enter in the field at the bottom of the screen the option number that corresponds to the type of mailer.

Upon entering the option number, the *Indicia* screen is displayed (Figure 3.9.1–5).

5. Enter all Indicia found on the mailpiece.

Indicia refers to the postage payment on the mailpiece (i.e., stamp, semi-postal stamp, precanceled stamp, stamped envelope, meter, PVI, Permit Imprint, IBI, or none). Determine the correct indicia on the mailpiece and enter the appropriate information.

Note: Enter all indicia found on the mailpiece by selecting all that apply from Figure 3.9.1–5.

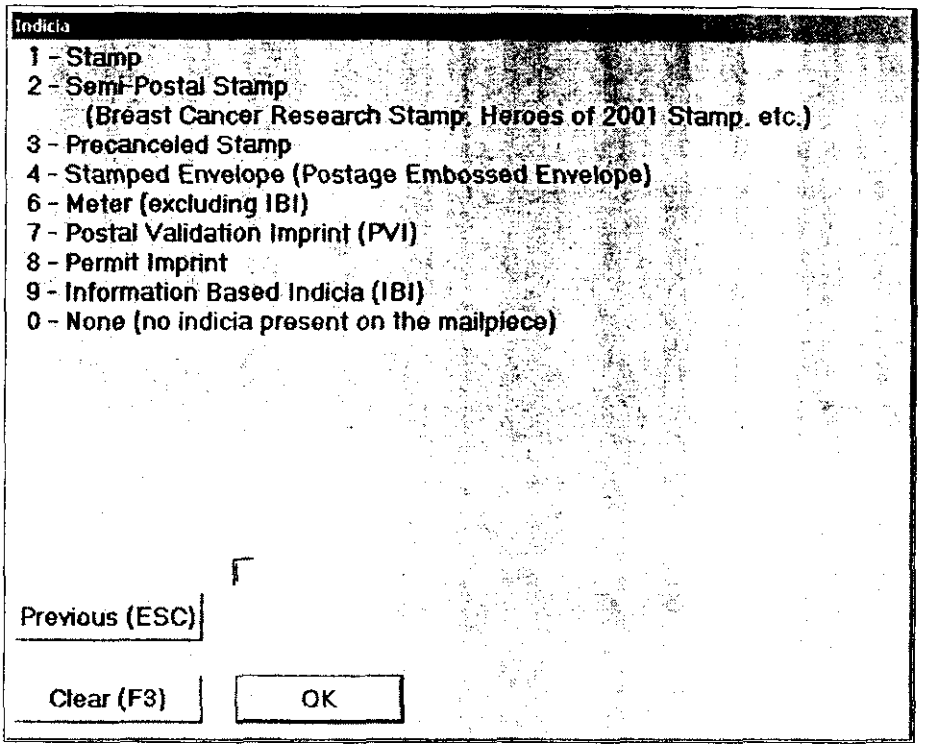

Figure 3.9.1–5. *Indicia* Screen.

Examples of the following indicia may be found in RM 3–18.

- **Stamp:** Adhesive stamps are affixed in the upper right corner of the address side of the mail cover.
- **Semi-Postal Stamp:** Stamps such as the Breast Cancer Research stamp and the Heroes of 2001 stamp are included in this category. Record these stamps at the First-Class Mail postage rate.
- **Precanceled Stamp:** Precanceled stamps are stamps which have been canceled prior to mailing.
- **Stamped Envelope:** This category includes a precanceled stamped envelope (typically, but not limited to measuring 4 1/8 X 9 1/2 inches), where the precanceled stamp is embossed on the envelope. This envelope is also referred to as a Postage Embossed Envelope.
- **Stamped Card:** This category includes a precanceled stamped card where the precanceled stamp is embossed on the card. This card is also referred to as a Postage Embossed Card.
- **Meter:** If the postage payment is made by meter, and Meter is selected on the *Indicia* Screen, the *Meter Manufacturer* screen (Figure 3.9.1-6) is displayed.

a. Select the appropriate option from the *Meter Manufacturer* screen (Figure 3.9.1-6) that corresponds to the information found on the mailpiece.

The meter manufacturer's name is usually listed as an abbreviation above the meter number or in the meter imprint or strip. See RM 3–19 for examples.

Once the appropriate option has been selected from the *Meter Manufacturer* screen (Figure 3.9.1–6), the *Meter Number* screen (Figure 3.9.1–7) is displayed.

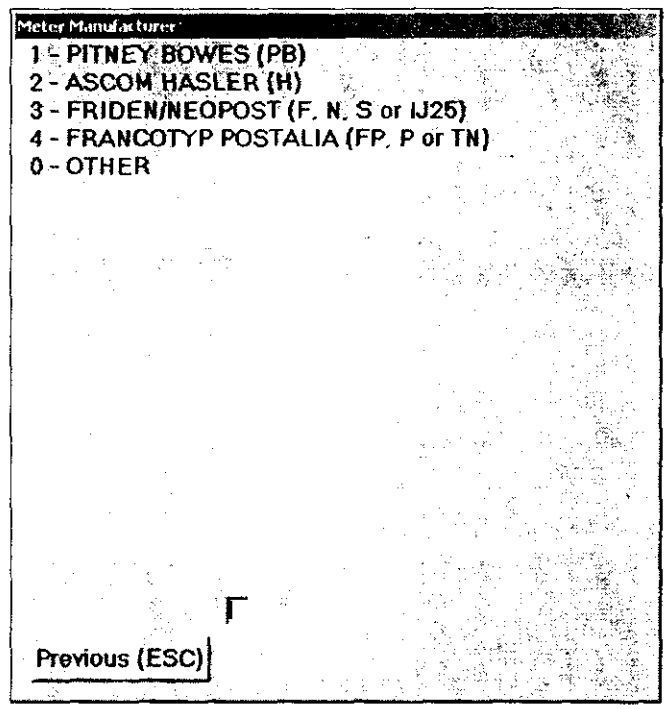

Figure 3.9.1–6. *Meter Manufacturer* Screen

b. Enter the meter number from the indicia on the *Meter Number* screen.

Generally, the meter number is located to the left of or below the postage and just to the right of the ring stamp.

Guidelines for keying meter numbers:

- Exclude leading zeros.
- Enter an <X> for each digit that is not readable.
- Never key a leading letter or meter manufacturer name.
- Select <-> *Cannot Be Read* when the entire meter number is unreadable.

Example: Meter number reads PB00123545. Key 123545, excluding leading zeros.

Example: The long meter number is NO46J00000045. The last alpha character to the right is the letter 'J'. Key only 45 (excluding leading zeros).

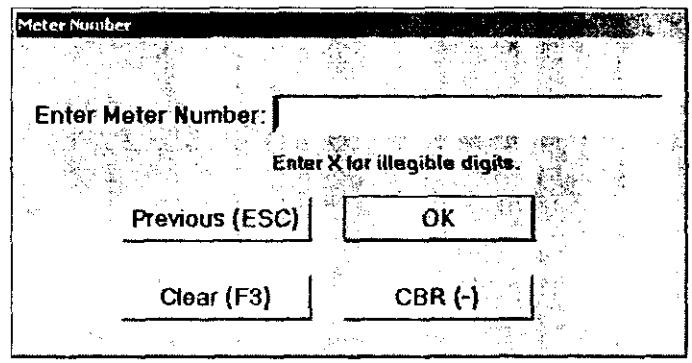

Figure 3.9.1–7. *Meter Number* Screen

Note: As a part of the Postal Service's revenue protection effort, a "hot list" file of meter numbers, provided by the Postal Inspection Service, is included in the software. When an inserted meter number matches a number on the *hot list*, the data collection software will ask that the mailpiece be photocopied. When this occurs, the following procedure should be followed:

- Photocopy the mailpiece.
- Complete the *Inspection Service Mailpiece Photocopy Transmittal* Form.
- Mail the photocopy of the mailpiece with the transmittal form to the Inspection Service. See RM 3–22 for the transmittal form.

- **Postal Validation Imprint (PVI):** A PVI or Postal Validation Imprint is printed at a postal retail service unit.
  - Private is the type of mailer for PVI indicia.
  - Record origin ZIP Code "000" that is sometimes seen in PVI indicia as *Cannot Be Read.*

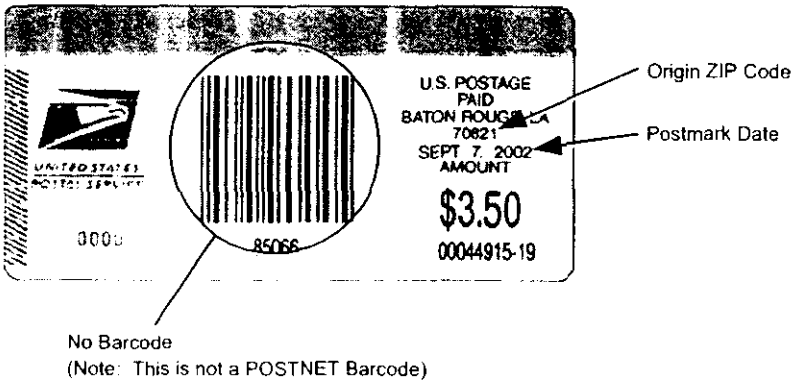

Exhibit 3.9.1–1. PVI Example

- **Permit Imprint:** Permit indicia usually displays the words *Permit No.* and the mail class of the mailpiece (e.g., *Bulk Rate, Presorted Standard, Nonprofit Org.,* or *First-Class Mail).*

  Occasionally, mailpieces will not contain the words *Permit No.* and instead show only the class of mail (e.g., Bulk Rate) and the words *U.S. Postage PAID XYZ Firm.*

- **Information Based Indicia (IBI):** Information Based Indicia is a type of *postage security device (PSD) meter,* categorized under the *Generation 2* evidencing systems. IBI can be applied as an indicia to any class of mail except Periodicals. IBIs are digital indicia that include human-readable information and a Postal Service approved two-dimensional barcode or other Postal Service approved symbology, with a digital signature and other required data fields (revenue, postmark date, origin city and state, and origin ZIP Code). Human-readable information pertaining to revenue is optional. IBI as a type of metered mail is entitled to all privileges and is subject to all conditions applying to the various classes of mail.

- *Press OK* or <Enter> on the *Indicia* screen. The *Pieces* screen is displayed.

6. **Enter the number of mailpieces on the *Pieces* screen.**

   The number of pieces of mail that have the same mail class, same mail type and has the same endorsements, revenue, weight, postmark date, postmark time, postmark of origin, and indicia is entered on the *Pieces* screen.

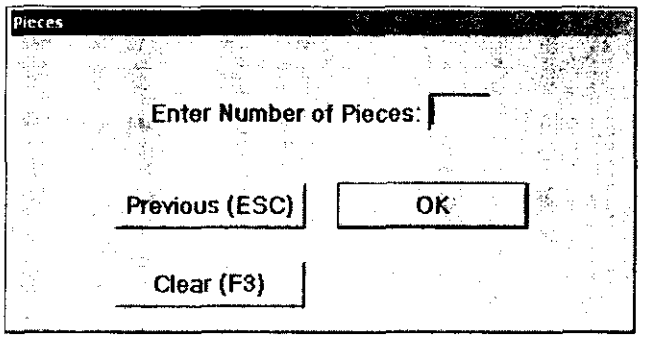

Figure 3.9.1–8. *Pieces* Screen

- Enter the number of mailpieces on the *Pieces* screen.
- Select ***OK*** or press **<Enter>** to move to the *Weight* screen.

7. **Enter the weight of the pieces on the *Weight* screen.**

   Entering a <Y> for *Yes* on the *Test Header* screen to indicate that a scale is attached to the laptop, displays the *Weight* screen below, Figure 3.9.1–9.

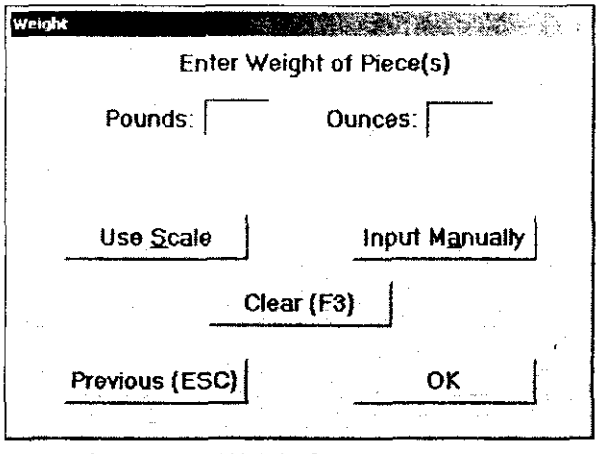

Figure 3.9.1–9. *Weight* Screen

- Select ***Use Scale*** to automatically send weight to the laptop.
- Select ***Input Manually*** to enter pounds and ounces in the appropriate fields on the screen.

If there is an electronic scale attached to the CODES Laptop, place the mailpiece(s) on the scale. When the electronic reading stabilizes, press <S>. If you prefer to use the manual weight option here, press <A>.

If there is no electronic scale attached to the CODES Laptop, weigh the mailpiece(s) using a separate scale. Enter the weight on the screen using the number keys at the top of the keyboard or the alphanumeric keys at the right side of the keyboard. Press <Enter> to move from *Pounds* to *Ounces.* Press <Enter> again to input the weight.

After completing all entries, select *OK*. The *Mailability* screen is displayed.

8. **Enter the machinability of the mailpiece on the *Mailability* screen.**

   Except for Priority Mail, any piece of First-Class Mail (including keys and identification devices) weighing 1 ounce or less and not claimed at a card rate, is subject to a nonmachinable surcharge. For letter-size mailpieces, the nonmachinable surcharge most often applies if:

   a. The aspect ratio (length divided by height) is less than 1.3 or more than 2.5, or

   b. The mailpiece is polybagged, polywrapped or enclosed in any plastic material.

   For nonletters (IPPs, flats or parcels), the nonmachinable surcharge applies if:

   a. The mailpiece is greater than 1/4-inch thick.

   b. The length is more than 11-1/2 inches or the height is more than 6-1/8 inches.

   c. The aspect ratio is less than 1.3 or more than 2.5.

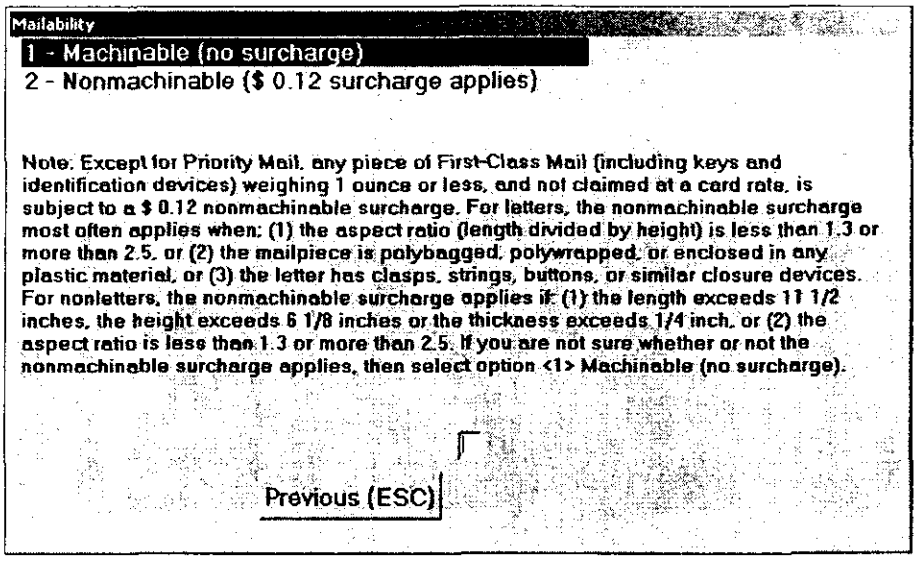

Figure 3.9.1–10. *Mailability* Screen

- Select the option *Nonmachinable (surcharge applies)* when the mailpiece is subject to the nonmachinable surcharge.
- Select the option *Machinable* when the mailpiece is not subject to the surcharge.

Note: If you are unsure of a mailpiece's mailability, select *Machinable*.

After completing the field on the *Mailability* screen, the *Postmark Date* screen is displayed.

9. **Enter the date of the mailpiece on the *Postmark Date* screen.**

   The postmark date may be found in the following locations:

   Stamp: The postmark date is found in the cancellation mark ignore video ink jet cancellations on stamped mail.

   Meter: The postmark date is found in the meter strip or the Postal Service applied or Mailer-applied video ink jet overcancellation. When there is a video ink jet cancellation on metered mail, follow the rules set forth in Appendix H.

If the month/day on the mailpiece is not readable, enter <-> *Cannot Be Read*.

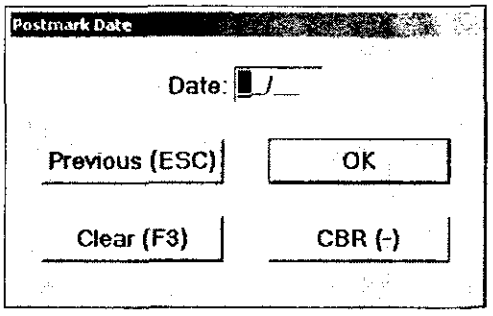

Figure 3.9.1–11. *Postmark Date* Screen

- Enter the date of the mailpiece, using 2 digits for the month and 2 digits for the year.
- Select OK or press <Enter> to display the ZIP Code Lookup screen (Figure 3.9.1–12).

Note: Postal Service postmark dates are in month/day/year format. Most foreign postal administrations, however, use the day-month-year format. Foreign postmarks may also spell out the month, for example, *25 May 03* or simply use Arabic numerals, for example, 25.5.03. For example, the Postal Service may use a postmark of Dec. 13, 2003, a foreign postal administration may use a postmark date of 13.12.03. If you enter this date as *13-12*, the record will be rejected because there is no 13th month.

10. **Enter the ZIP Code of the mailpiece on the *ZIP Code Lookup* screen (Figure 3.9.1–12).**

    CODES displays the *ZIP Code Look-up* screen (Figure 3.9.1–12). The 3-digit ZIP Code of origin can be found in one of several places on the mailpiece depending on the type of indicia:

    Stamp: The ZIP Code of origin may be found in the cancellation mark.

Meter: The ZIP Code of origin may be found in the meter imprint or in some cases the video ink jet cancellation. See Appendix H for special rules governing video ink jet cancellations.

Permit: The ZIP Code of origin can be found in the city/state or ZIP Code in the indicia.

Drop Shipped Mail: The ZIP Code of origin can be found in the ZIP Code of origin ad plate or in the mailer-applied video ink jet cancellation (Appendix H).

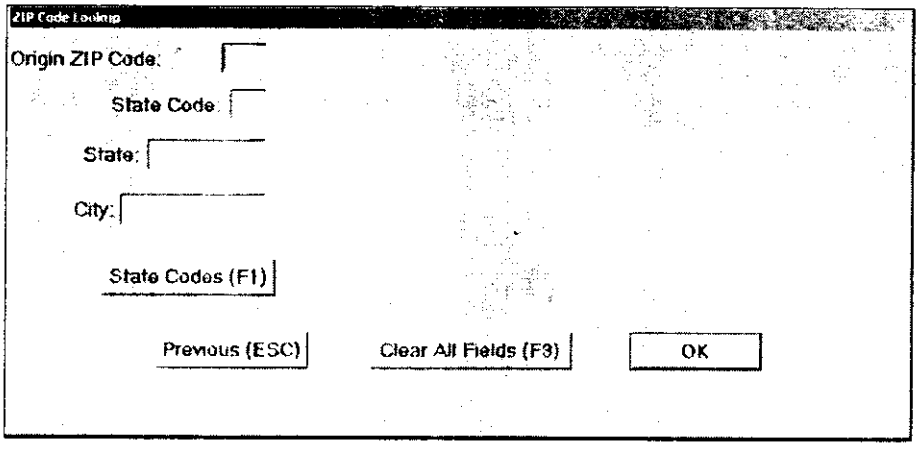

Figure 3.9.1–12. *ZIP Code Lookup* Screen.

- Enter the first 3 digits of the ZIP Code into the *ZIP Code Lookup* screen.

If the origin postmark ZIP is not known or if it is not readable, enter <-> *Cannot Be Read.* Then enter the state code and select the city from the display of cities with the selected state in order to determine the ZIP Code.

- Enter the correct origin state abbreviation if it is known, in the field provided. CODES automatically displays a list of cities that corresponds to the origin state entered.
- Select <F1> for CODES to display a list of state abbreviations, if the correct origin state abbreviation is not known. Use the <PgUp>, <PgDn>, or <↑> and <↓> keys to scroll through the list. When the correct state is located, press <Enter> to select it. The correct abbreviation is displayed in the state field.

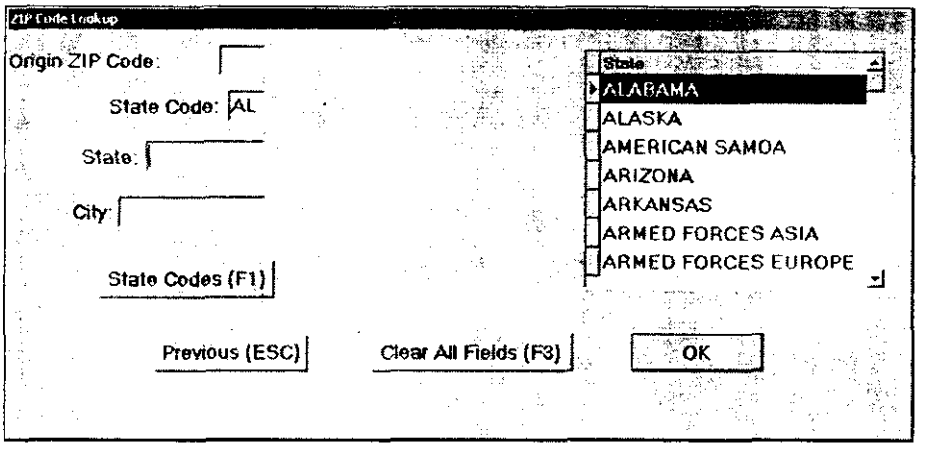

Figure 3.9.1–13. *ZIP Code Lookup State* Screen

- Enter <-> *Cannot Be Read,* if the origin state is not readable. CODES displays the entire Origin City pop-up list.

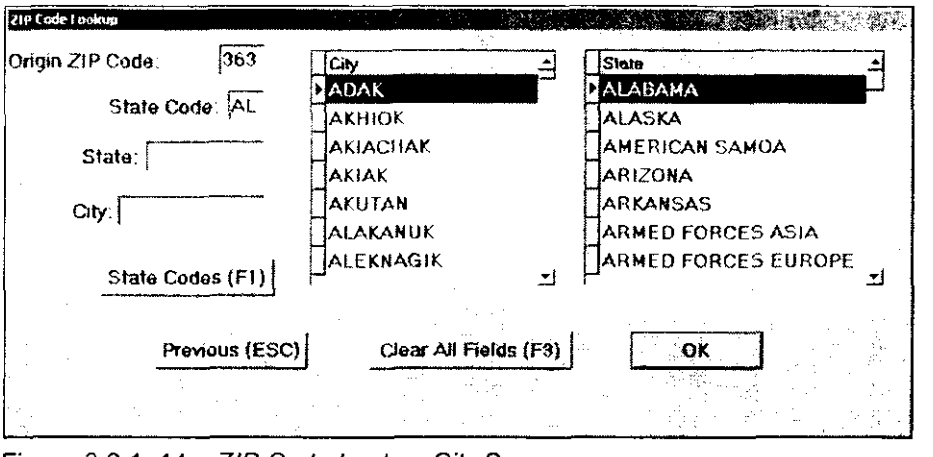

Figure 3.9.1–14. *ZIP Code Lookup City* Screen

If <-> *Cannot Be Read* is entered for the Origin State screen, the correct origin city for the Origin City screen must be manually entered. If the correct origin city is known, enter the information in the field provided.

- Enter <-> *Cannot Be Read,* if the origin city is not known or is not legible.

After data is entered into the *ZIP Code Lookup* screen, CODES displays the *FIM* screen (Figure 3.9.1–15).

11. Enter the number beside the appropriate option in the field at the bottom of the *FIM* screen.

The FIM (Facing Identification Mark) is located at the top of the mailpiece to the left of the indicia. Determine the presence or absence of a FIM.

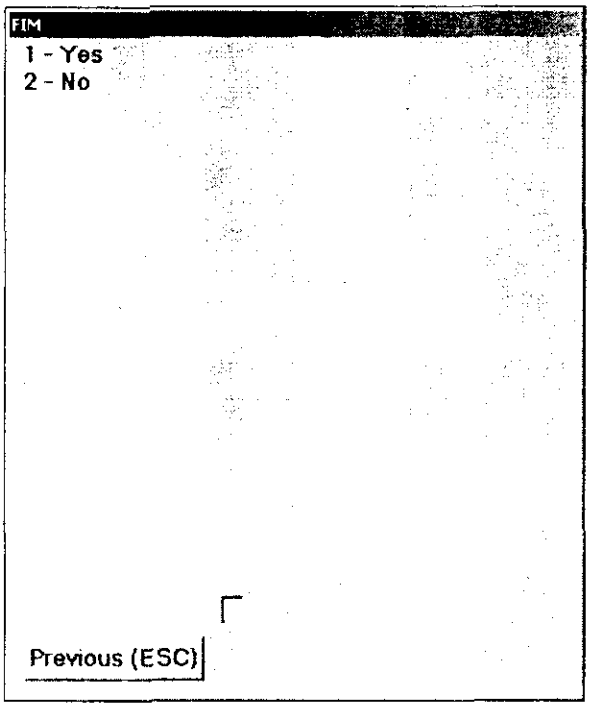

Figure 3.9.1–15. *FIM* Screen

- ***Yes*** Indicates that a FIM is present.
- ***No*** Indicates that a FIM is not present.

For examples of FIMs, see RM 3–16.

Note: You are only being asked to determine the presence or absence of a FIM, not the FIM type.

Once the selection is entered in the *FIM* screen, the *Barcode Size* screen (Figure 3.9.1–16) is displayed.

12. Enter the barcode size on the *Barcode Size* (POSTNET Only) screen.

A POSTNET barcode is made up of full and half bars. These POSTNET barcodes can be found in the address block (either above or below the address), at the bottom of the mailpiece, in both the address area and at the bottom of the mailpiece. Barcode examples may be found in RM 3–17.

POSTNET barcodes have very different characteristics than PLANET Code barcodes. To identify the type of barcode on a mailpiece, observe the following:

a. A five-digit POSTNET Barcode will have 14 long bars. A five-digit PLANET Code barcode will have 20 long bars.

b. A ZIP+4 (9-digit) POSTNET barcode will have 22 long bars. The same length PLANET Code will have 32 long bars.

c. A delivery point POSTNET barcode (11-digit) will have 26 long bars. The same length PLANET Code will have 38 long bars.

If a POSTNET barcode is present, determine if the barcode is 5-digit, 9-digit, 11-digit, or if it has been crossed out.

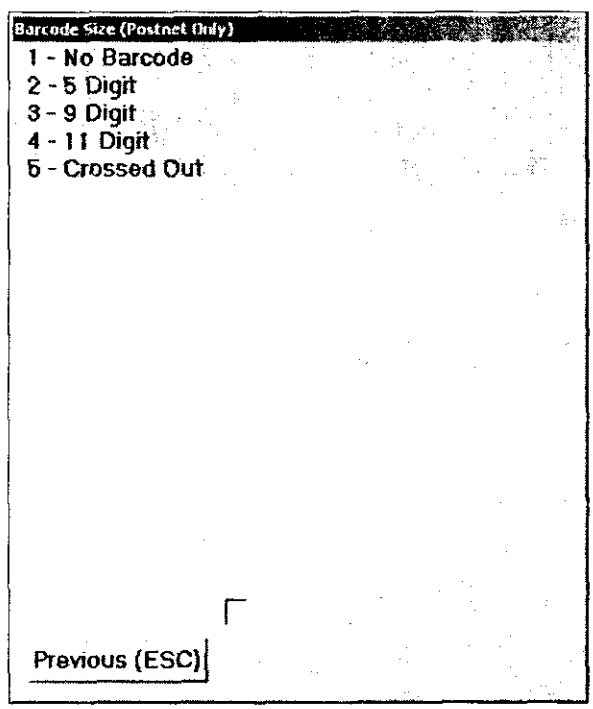

Figure 3.9.1–16. *Barcode Size* (POSTNET Only) Screen

Note: If two or more POSTNET barcodes are present on the mailpiece use the *longest* barcode regardless of where it appears on the mailpiece.

If multiple barcodes appear on a mailpiece, observe the following rules:

a. A 5-digit POSTNET barcode with a 4-digit add-on is to be recorded as a 9-digit POSTNET barcode.

b. A 9-digit POSTNET barcode with a 2-digit add-on is to be recorded as an 11-digit POSTNET barcode.

13. Enter the source of the barcode on the *Barcode Source* screen.

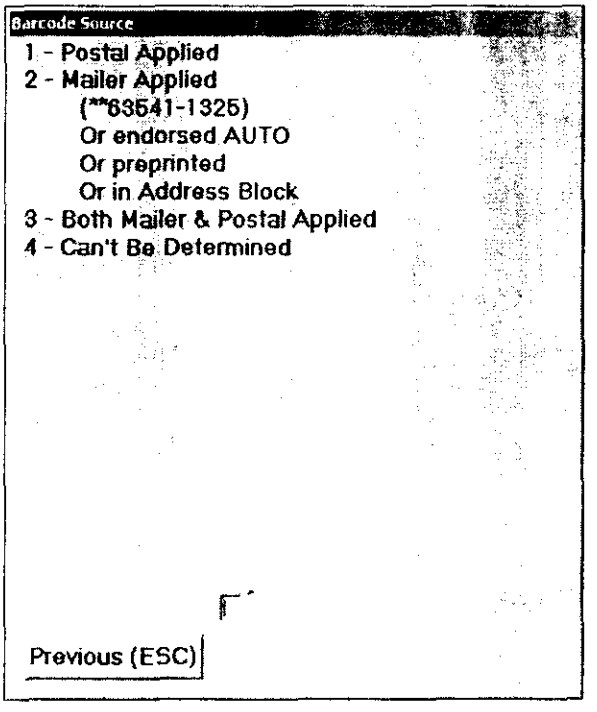

Figure 3.9.1–17. *Barcode Source* Screen

From the mailpiece, determine the source of the barcode.

- Select *Postal Applied* if the barcode has been applied by the mailer.
- Select *Mailer Applied* if the barcode has been endorsed *AUTO*, preprinted, or in Address Block.
- Select *Both Mailer & Postal Applied*, if the barcode has been applied by both of the listed applications.
- Select *Can't Be Determined*, if the source of the barcode cannot be determined.

Note: Postal Service applied barcodes may include additional barcodes not listed in Postal Barcode examples.

A list of Postal Service barcode examples includes: 22553-0001, 22553=0001, 22553/0001, 22553+0001, 22553>0001, 22553X0001, 22553%0001, and 22553:0001.

After entering the barcode source, the *Address Handwritten* screen (Figure 3.9.1–18) is displayed.

14. Indicate if the address is handwritten on the *Address Handwritten* screen.

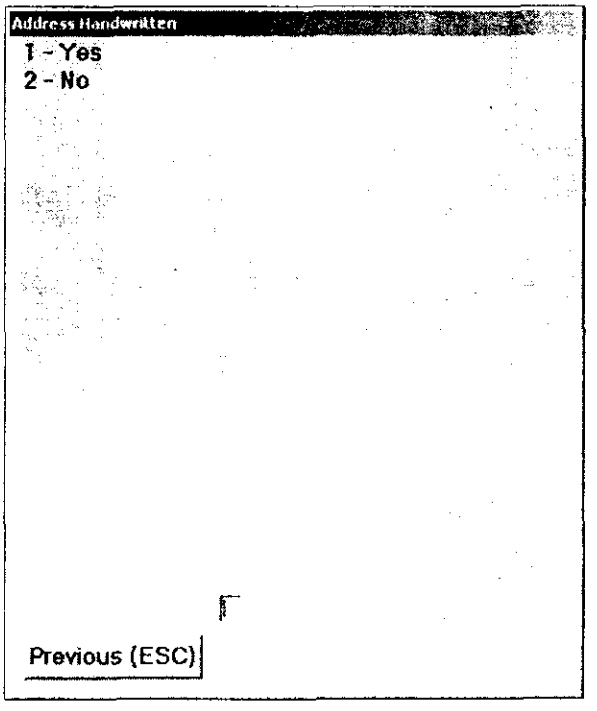

Figure 3.9.1–18. *Address Handwritten* Screen

Enter the option number of the appropriate choice in the field at the bottom of the screen.

- ***Yes*** Indicates that the address is handwritten, regardless of whether the handwriting is script or if it is machine writing designed to resemble handwritten lettering (i.e., script).
- ***No*** Indicates the address is not handwritten.

15. Indicate if the mailpiece has a special service on the *Special Service Indicator* screen.

Special Service is a mail service for a fee in addition to required postage that includes Registered Mail, Certified Mail, insured mail, Collect on Delivery, etc.

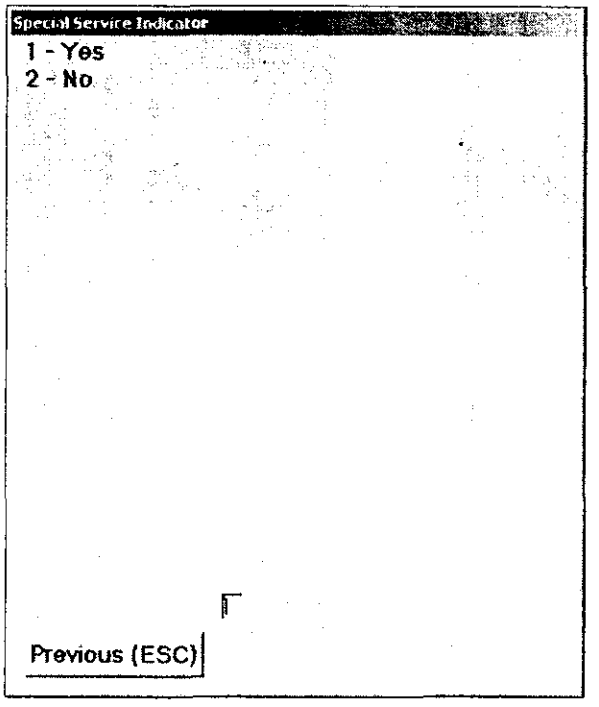

Figure 3.9.1–19. *Special Service Indicator* Screen

Enter the appropriate choice in the field at the bottom of the *Special Service Indicator* screen.

- ***Yes*** Indicates that the mailpiece has a Special Service marking and displays the *Special Service/Mail Fee* screen (Figure 3.9.1–20).
- ***No*** Indicates that the mailpiece does not have a Special Service marking.

16. **Enter the special service on the *Special Service/Mail Fee* screen (Figure 3.9.1–20).**

    The *Special Service/Mail Fee* screen (Figure 3.9.1–20) will then appear.

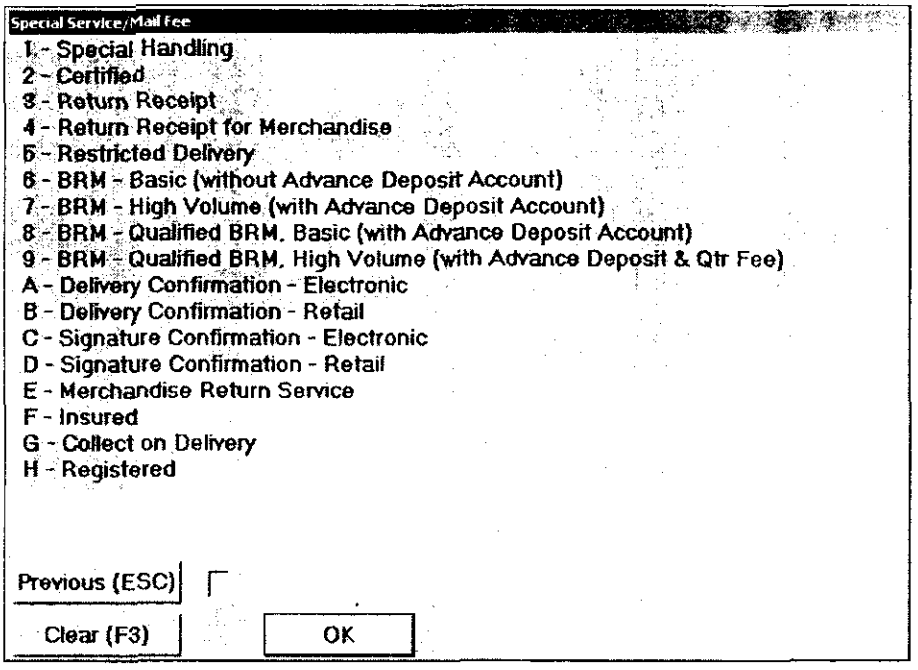

Figure 3.9.1–20. *Special Service/Mail Fee* Screen

- Enter the number or letter beside each type of special service or mail fee in the field at the bottom of the screen.

  As each number or letter is entered, the special service/mail fee will be highlighted. Remember that each special service that appears on the mailpiece must be entered.

- Select ***OK*** or **<Enter>** to display the *Total Mailpiece(s) Revenue* screen (Figure 3.9.1–21). See RM 3–15 for a description of each of the special services.

17. **Enter the total revenue of the mailpiece on the *Total Mailpiece Revenue* screen (Figure 3.9.1–21).**

    The total mailpiece revenue will be the mailpiece revenue for a single mailpiece (including special service revenue) and will be automatically displayed. When more than one piece with identical characteristics is entered, the total mailpiece revenue is computed automatically.

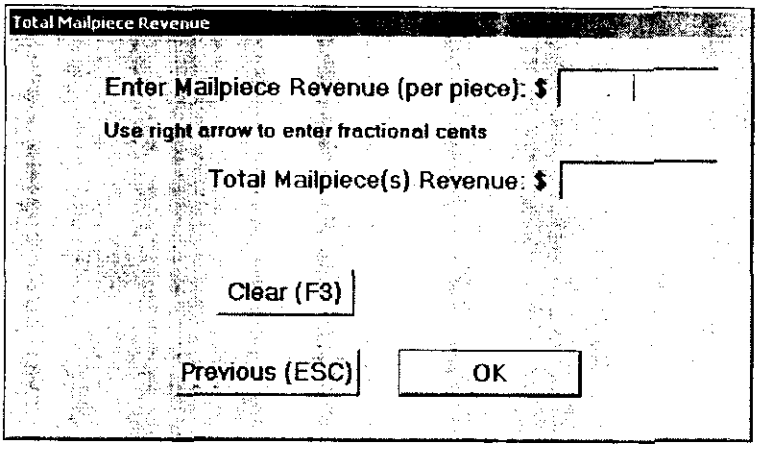

Figure 3.9.1–21. *Total Mailpiece Revenue* Screen

- Enter the total revenue on the mailpiece and press <Enter>.
- Enter 00 postage if revenue is not visible on the mailpiece, such as with certain IBI mailpieces.

  If the revenue amount includes fractional cents, first enter the whole number amount and then press <→> to move the cursor to the far right of the field and enter the fractional cents amount.

  A warning screen may be displayed when the postage entered exceeds the maximum value or is less than the minimum value.

  Yes Confirms revenue on the mailpiece.

  No Allows the user to re-enter revenue.

  <F3> clears the field and the amount may be re-entered if an error is made.

- Press **<Enter>** and CODES automatically enters the revenue amount in the *Mailpiece Data* section on the right side of the screen.

18. Enter Mail Service Qualifier information, if appropriate.

When single piece First-Class Mail meets certain criteria, then that mail is then checked for service times. The following screens request additional information before making service achievement calculation:

a. ***Postmark Time*** **Screen.**

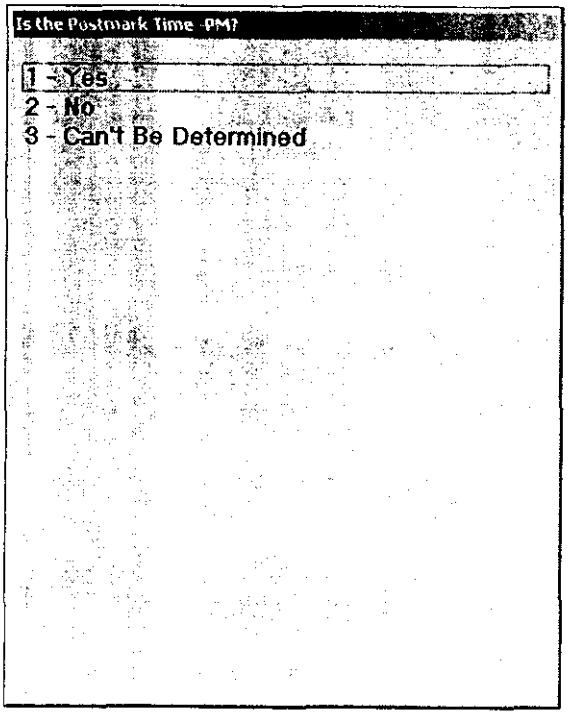

Figure 3.9.1–22. *Information* Postmark Time Screen

This screen records the time of the postmark cancellation.

- ***Yes*** -PM cancellation is found in the postmark.
- ***No*** -PM cancellation is not found in the postmark.
- ***Can't Be Determined*** The time of the cancellation cannot be determined.

b. Correct Destinating 5-Digit ZIP Code: The following screen will appear when you answer *No* to the question, *Is the Postmark Time - PM?*

Note: This screen will also appear for failed Priority Mail mailpieces.

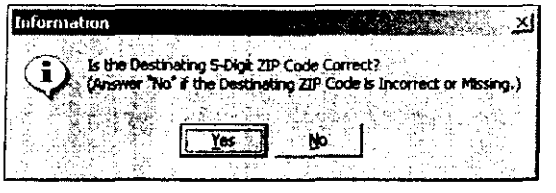

Figure 3.9.1–23. *Information* ZIP Code Screen

Answer whether the first five digits of the destination ZIP Code are all correct.

- ***Yes*** Indicates that the destinating ZIP Code is correct.
- ***No*** Indicates that the destinating ZIP Code is incorrect or missing.

If a single piece First-Class Mail with either a stamp or meter (including PVI and IBI) indicia *DOES NOT MEET* the Postal Service's service standard, then the mailpiece is considered late, and the *Comment - FAILED MAILPIECE* screen (Figure 3.9.1–24) is displayed.

For definitions of failed mailpiece options, see RM 3–14.

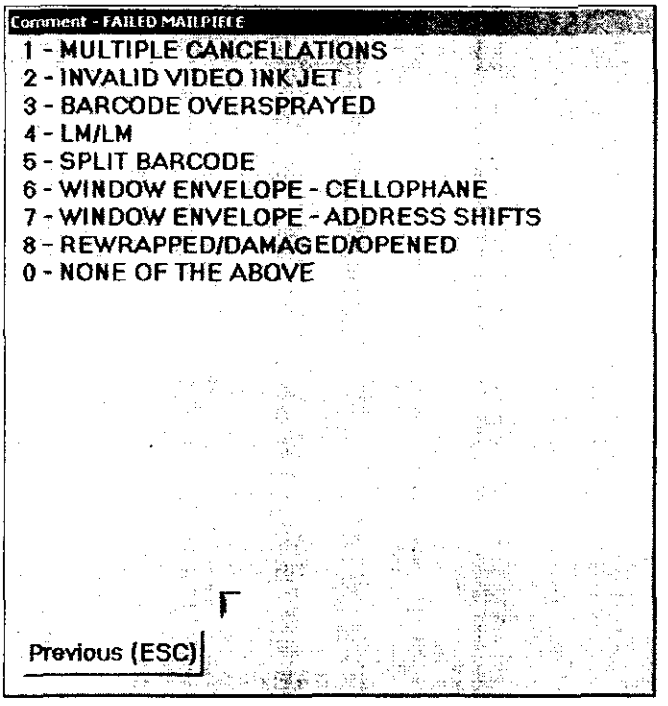

Figure 3.9.1–24. *Comment — FAILED MAILPIECE* Screen.

The *Comment - FAILED MAILPIECE* screen for single piece First-Class Mail provides a prioritized list of those mail characteristics that mail processing managers determine most often cause failure.

- Select the first option that describes the information that appears on the mailpiece. In selecting the options, begin at the top of the screen.
- Press <Enter> to display the next screen.

Example: If the late mailpiece has a barcode oversprayed, a window envelope with cellophane, and is rewrapped/damaged or opened, enter *Barcode Oversprayed.*

19. Confirm the data displayed on the *Verify* screen.

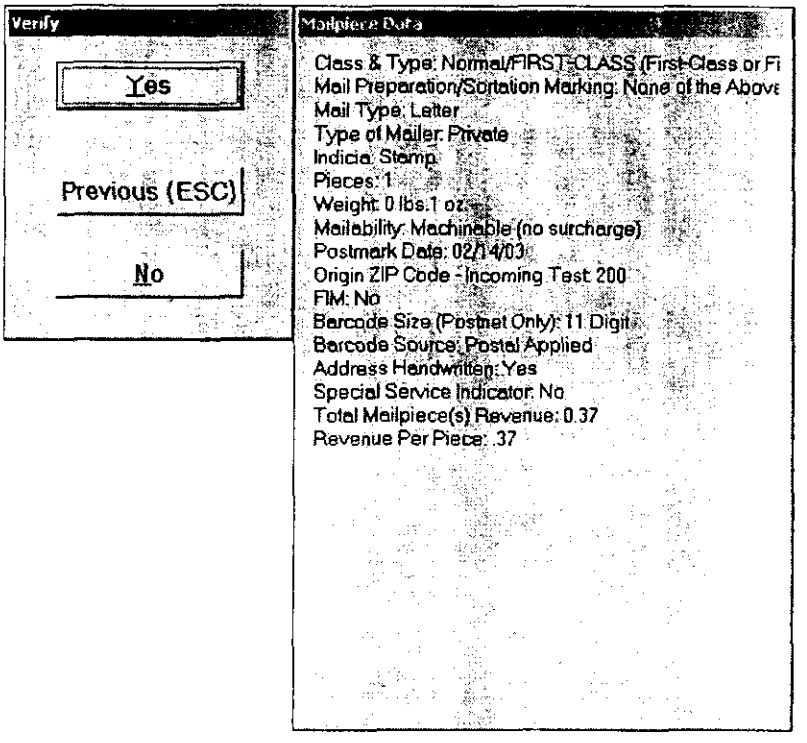

Figure 3.9.1–25. *Verify* Screen

After the mailpiece data displayed on the *Verify (Y/N)?* screen is thoroughly checked, verify that all entries are correct by pressing <Y> on the *Verify* screen (Figure 3.9.1–25). A new *Mail Class & Type* data entry screen is then displayed.

- **<Y>** Verifies the entries are correct and returns the data collector to the *Mail Class & Type* screen.
- **<N>** Discards the entire record due to incorrect entries. The *Delete Record* screen is displayed (Figure 3.9.1–26).

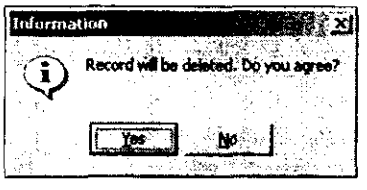

Figure 3.9.1–26. *Delete Record Information* Screen

Complete verification of mailpiece data by answering yes or no to the *Information* screen.

- **<Y>** Deletes the entire mailpiece record and displays a new *Mail Class & Type* screen.

- **<N>** Accepts the record as it has been entered and CODES displays the *Verify* screen, indicating that the mailpiece data is correct.

Note: To correct only one entry, press the <↑> key until the item that needs to be changed is reached.

3.9.2 Standard Mail

Standard Mail is neither mailed or required to be mailed as First-Class Mail nor entered as Periodicals. Each Standard Mail mailpiece must weigh less than 16 ounces and includes two subclasses with its own unique indicia and mail markings or endorsements as identified below:

Standard Mail (Regular): This mail class is easily identified by the words *Presorted Standard*, *PRSRT STD*, *Bulk Rate*, or *Blk.Rt.* printed in the indicia. If a precanceled stamp is used, the words *Bulk Rate* or *Presorted Standard* appear on or near the precanceled stamp. When a meter is used, the words *Bulk Rate* or *Blk.Rt.* may appear in the meter imprint or next to the meter imprint.

Standard Mail (Nonprofit): This mail class is easily identified by the words Nonprofit (or Nonprofit Org. or Nonprofit Organization) printed in the meter imprint, on the precanceled stamp, or in the permit imprint.

Note: Mail markings, which are also called endorsements, may be found in a number of places on the mailpiece, such as in the indicia, next to the indicia, above the address label, in the address label, or at the bottom of the mailpiece.

As data is recorded, a record of the entry is displayed in the *Mailpiece Data* section at the far right portion of the screen.

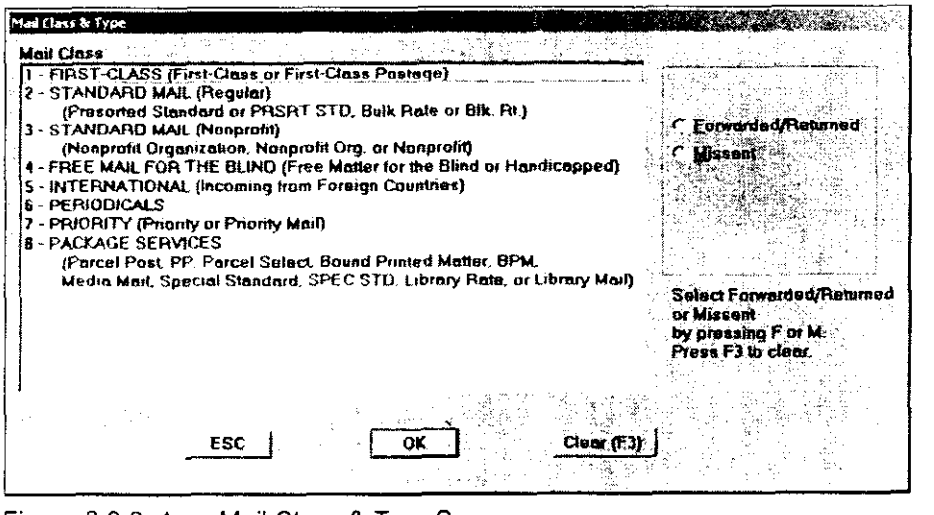

Figure 3.9.2-1. *Mail Class & Type* Screen

1. **Determine if the mailpiece has been Forwarded, Returned or Missent.**
   - Select the radio button if the mailpiece was *Forwarded/Returned.*
   - Select the radio button if the mailpiece is *Missent.*
   - Select the radio button if the mailpiece is *Missent*, and if the mailpiece was also forwarded or returned.
   - Press ***<F3>*** to clear the radio buttons.

All radio buttons should be clear if the mailpiece has not been *Forwarded*, *Returned*, or *Missent*.

2. **From the *Mail Class & Type* screen, select *Standard Mail (Regular)* or *Standard Mail (Nonprofit)* by highlighting the correct option.**

   Standard Mail (Regular) includes all Presorted Standard or PRSRT STD, Bulk Rate or Blk Rt. mail. Standard Mail (Nonprofit) includes all mail that is marked or has the endorsement, Nonprofit organization, Nonprofit Org. or Nonprofit.

   From the *Mail Class & Type* screen, select the appropriate Standard Mail option.

3. **Press <Enter> or select *OK* at the bottom of the screen to move to the *Mail Preparation/Sortation Marking* screen.**

   From the *Mail Preparation/Sortation Marking* screen, choose the appropriate endorsement.

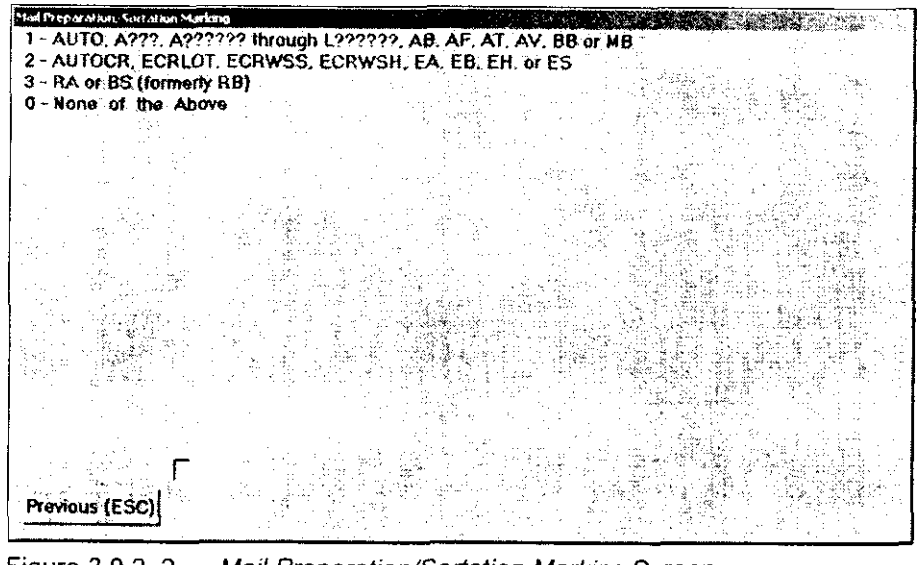

Figure 3.9.2–2. *Mail Preparation/Sortation Marking* Screen.

Note: All letter and nonletter mailpieces marked PRESORTED STANDARD/PRSRT. STD., BULK RATE/BLK.RT, or Nonprofit and not bearing one of the above presort endorsements, must be recorded as *None of the above*.

For more information on mailpiece endorsements, see RM 3–7.

4. **Follow the steps 3 through 18 in section 3.9.1 for First-Class Mail to complete the remaining data entry screens.**

   Depending on the option selected, one (or all) of the following prompts may be displayed:

   - Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.9.1–3).
   - Choose the type of mailer from the *Type of Mailer* screen (Figure 3.9.1–4).
   - Enter all Indicia (stamp, permit, etc.) found on the mailpiece (Figure 3.9.1–5).
   - Enter the number of mailpieces on the *Pieces* screen (Figure 3.9.1–8).
   - Enter the ZIP Code of the mailpiece on the *ZIP Code Look-up* screen (Figure 3.9.1–12).
   - Enter the barcode size on the *Barcode Size* screen (Figure 3.9.1–16).
   - Enter the source of the barcode on the *Barcode Source* screen (Figure 3.9.1–17).
   - Confirm the data displayed on the *Verify* screen (Figure 3.9.1–25).

   Note: For screen descriptions and option information return to section 3.9.1, First-Class Mail and follow the screen progression beginning with instructions for completing the *Mail Type* screen.

3.9.3 Free Matter for the Blind or Handicapped

Mail included in this class will contain the marking, *Free Mail for the Blind.*

If the mailpiece is free matter for the blind or handicapped, select *Free Mail For the Blind.*

Follow the steps 3 through 18 given for First-Class Mail to complete the remaining data entry screens.

Depending on the option selected, one (or all) of the following prompts may be displayed:

- Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.9.1–3).
- Choose the type of mailer from the *Type of Mailer* screen (Figure 3.9.1–4).

- Enter all Indicia (stamp, permit, etc.) found on the mailpiece (Figure 3.9.1–5).
- Enter the number of mailpieces on the *Pieces* screen (Figure 3.9.1–8).
- Enter the ZIP Code of the mailpiece on the *ZIP Code Look-up* screen (Figure 3.9.1–12).
- Enter the barcode size on the *Barcode Size* screen (Figure 3.9.1–16).
- Enter the source of the barcode on the *Barcode Source* screen (Figure 3.9.1–17).
- Confirm the data displayed on the *Verify* screen (Figure 3.9.1–25).

Note: For screen descriptions and option information return to section 3.9.1, First-Class Mail and follow the screen progression beginning with *Mail Type*.

3.9.4 International Mail (Incoming from Foreign Countries)

From the *Mail Class & Type* screen, determine if the mailpiece is Forwarded, Returned, or Missent, and select the appropriate class for the mailpiece from the options listed. If the mailpiece is Forwarded or Returned, and Missent, select Missent.

3.9.4.1 General Rules for Identifying Foreign Origin Mail

Some general rules to follow in identifying foreign origin mail are listed below:

- Identify whether the foreign mailpiece is *air, surface, or unknown*. If the foreign mailpiece has one of the following markings, it is airmail:
  - *Par Avion*.
  - *Mit Luftpost*.
  - *Airmail*.
  - *Aero*.
  - Blue and red airmail border.
- Record mailpieces with the service *Xpresspost-USA*. Although these mailpieces are introduced into the domestic Priority Mail processing stream for handling, they are categorized as incoming international mail.

To record data from an international mailpiece, complete the following steps:

1. **Select *International* from the *Mail Class* & Type screen (Figure 3.9.1–1).**

   CODES displays the *Foreign Country* screen (Figure 3.9.4–1).

2. **Enter the foreign code on the *Foreign Country* screen.**

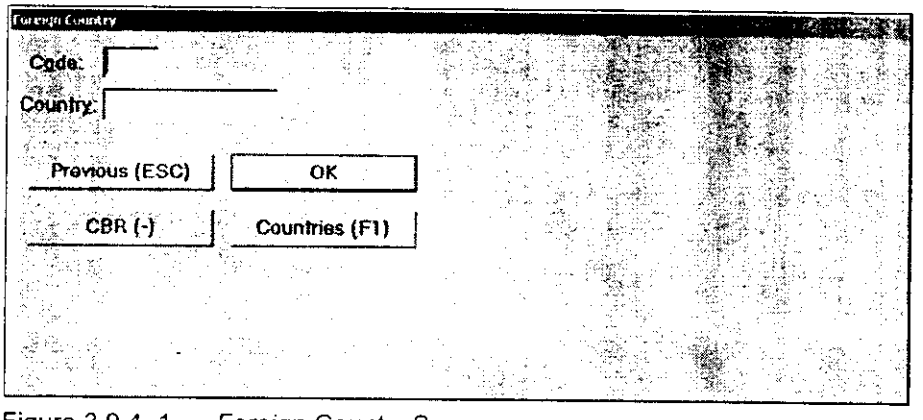

Figure 3.9.4–1. *Foreign Country* Screen

If the code is not known, press <F1> to display a list of foreign countries. The country may be selected from the drop-down list. Once the appropriate country is selected, the Code for the chosen country is displayed.

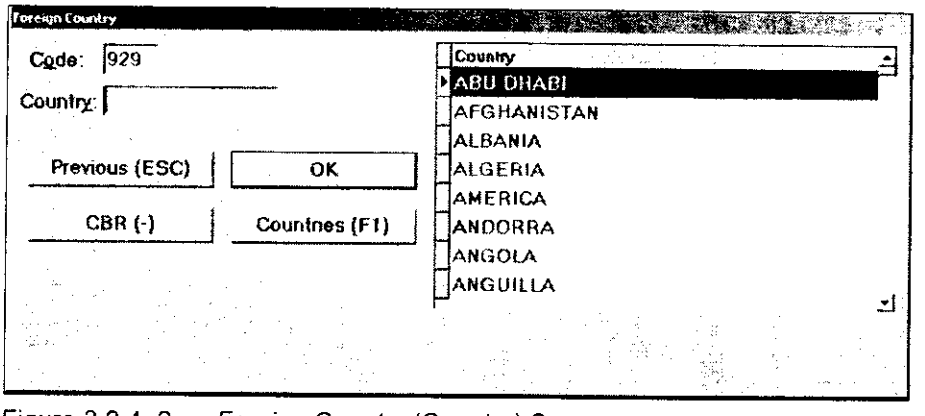

Figure 3.9.4–2. *Foreign Country* (Country) Screen.

Enter <-> *Cannot Be Read*, if the country code cannot be read.

Once the foreign code is entered, CODES displays the postage due screen for international mail.

3. **Record postage or fees due on the international mailpiece.**

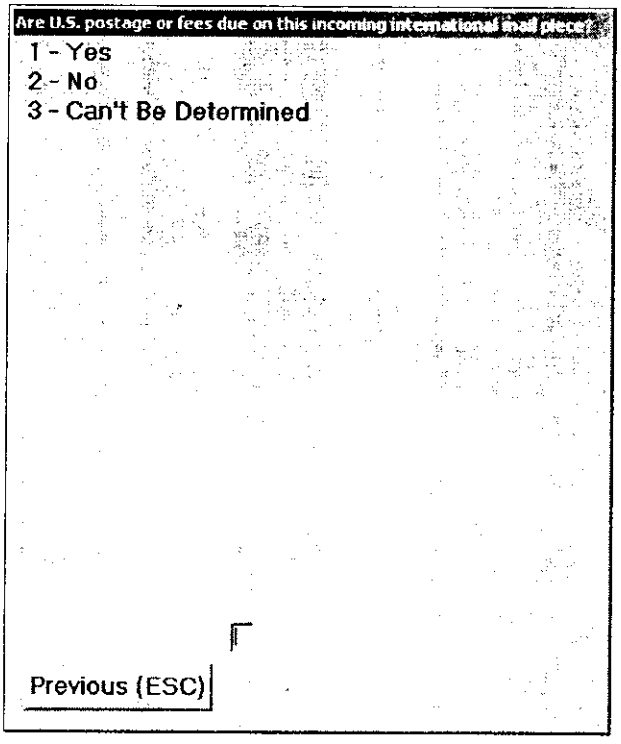

Figure 3.9.4–3. Postage Due - International Mail Screen.

- ***Yes*** Postage is due on the mailpiece. The *Special Services/Fees* screen is displayed.
- ***No*** Postage is not due on the mailpiece. The *Mail Subclass* screen is displayed.
- ***Can't Be Determined*** The data collector is unable to determine if any fees are due on the international mailpiece. The *Mail Subclass* screen is displayed.

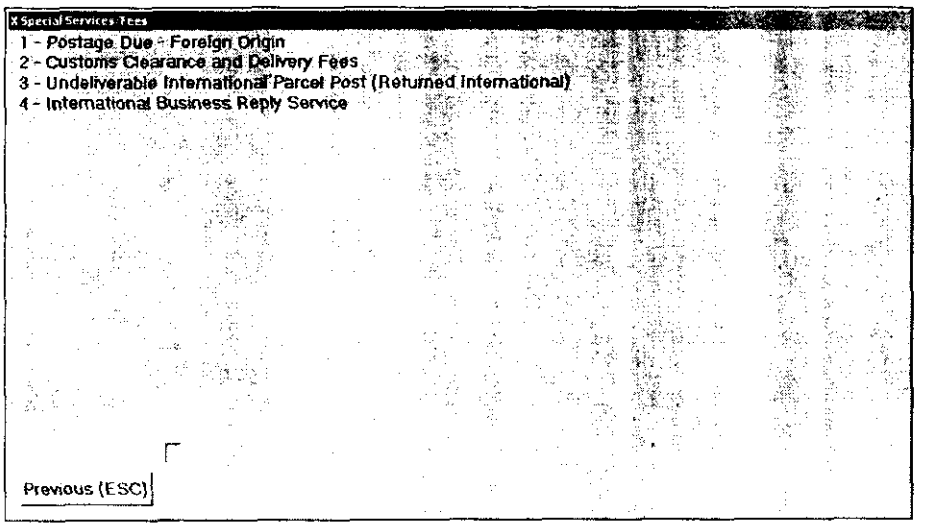

Figure 3.9.4–4. *Special Services/Fees* Screen.

4. Select the special service (or fee) that applies to the mailpiece.

- Selecting *Postage Due - Foreign Origin* from the *Special Services/ Fees* screen displays the *Mail Subclass* screen (Figure 3.9.4–5).
- Selecting *Customs Clearance and Delivery Fees* displays the *Pieces* screen (Figure 3.9.1–8).
- Selecting *Undeliverable International Parcel Post (Returned International)* displays the *Pieces* screen (Figure 3.9.1–8).
- Selecting *International Business Reply Service* displays the *Mail Type* screen (Figure 3.9.1–3).

5. **Enter the mail subclass that applies to the *Mail Subclass* screen.**

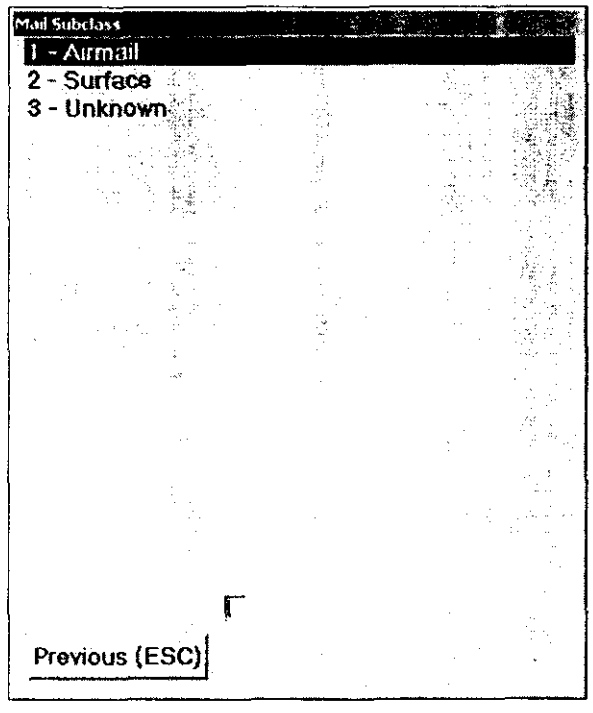

Figure 3.9.4–5. *Mail Subclass* Screen

Selecting any option from the *Mail Subclass* screen will display the *Mail Type* screen.

6. **Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.9.1–3).**
7. **Enter all Indicia (stamp, permit, etc.) found on the mailpiece (Figure 3.9.1–5).**
8. **Enter the number of mailpieces on the *Pieces* screen (Figure 3.9.1–8).**
9. **Enter the postmark date on the *Postmark Date* screen (Figure 3.9.1–11).**

Note: Determining Postmark Date: Postal Service postmark dates are in the month-day-year format. Most foreign postal administrations however, use the day-month-year format. Foreign postmarks may also spell out the month, for example, 25 May 03; or simply use Arabic numerals, for example, 25.5.03.

For example, where the Postal Service uses a postmark of Dec. 13, 2003, a foreign postal administration may use a postmark date of 13.12.03. If you enter this date as 13-12, the record will be rejected because there is no 13th month.

10. Confirm the data displayed on the *Verify* screen (Figure 3.9.1–25).

Note: The guidelines governing Steps 6 through 10 are the same as those for First-Class Mail discussed in section 3.9.1.

3.9.5 Periodicals Mail

After determining whether or not the mailpiece is Forwarded/Returned/ Missent, select the appropriate class for the item from the options listed.

Identification of Periodicals:

Some general rules to follow in identifying Periodicals mailpieces are:

a. The mailpiece will have no indicia or postage.

b. The mailpiece will usually be a newspaper, magazine, or other publication.

c. If the mailpiece has the words Bulk Rate or Blk Rt. present on it, it is not a Periodicals mail.

d. If the mailpiece has the words Bound Printed Matter, Special Standard, Library Rate, or Free Matter for the Blind or Handicapped present on it, it is not a Periodicals mail.

To record a Periodical, complete the following steps:

1. **Select *Periodicals* on the *Mail Class & Type* screen (Figure 3.9.2–1).**
2. **Beginning with step 3 for First-Class Mail, follow the guideline to complete the remaining data entry screens.**

   Depending on the option selected, one (or all) of the following prompts may be displayed:

   - Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.9.1–3).
   - Enter the number of mailpieces on the *Pieces* screen (Figure 3.9.1–8).
   - Confirm the data displayed on the *Verify* screen (Figure 3.9.1–25).

   Note: For screen descriptions and option information return to section 3.9.1, First-Class Mail and follow the screen progression beginning with *Mail Type*.

3.9.6 Priority Mail

After determining whether or not the mailpiece is Forwarded/Returned/ Missent, select the appropriate class for the mailpiece from the options listed.

Priority Mail is First-Class Mail that weighs more than 13 ounces but less than or equal to 70 pounds. Priority Mail may also include mail that weighs 13 ounces or less and was paid for at the Priority Mail rate at the option of the mailer. It *should* bear the endorsement *Priority Mail* or *First-Class Mail*, although at times it may not. If you encounter a piece of unendorsed mail that has been paid at the *Priority Mail* rate, record the piece as Priority Mail. See section 3.13 for guidelines on unendorsed mail.

To record Priority Mail, complete the following steps:

1. **Select *Priority* from the *Mail Class & Type* screen (Figure 3.9.1–1).**
2. **Select the marking or endorsement that applies from the *Mail Preparation/Sortation Marking* screen.**

   From the *Mail Preparation/Sortation Marking* screen (section 3.9.6–1), select whether the mailpiece is presorted or has no marking. Place the number beside the selection in the box at the bottom of the screen.

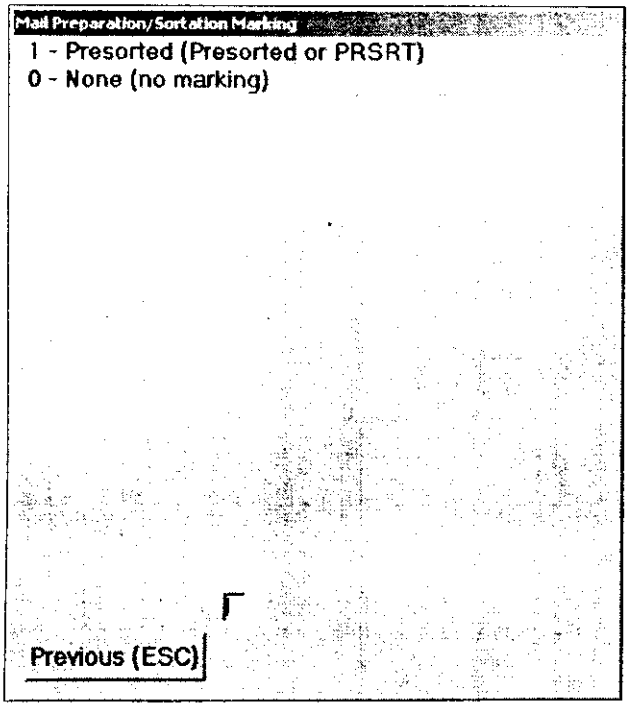

Figure 3.9.6–1. *Mail Preparation/Sortation Marking* Screen

Selecting either option will display the *Marking Identification* screen.

3. **Select the marking identification that applies to the Priority mailpiece from the *Marking Identification* screen.**

   The *Marking Identification* screen (Figure 3.9.6–2) requires the data collector to determine if the mailpiece is identified as Priority by a USPS copyright logo.

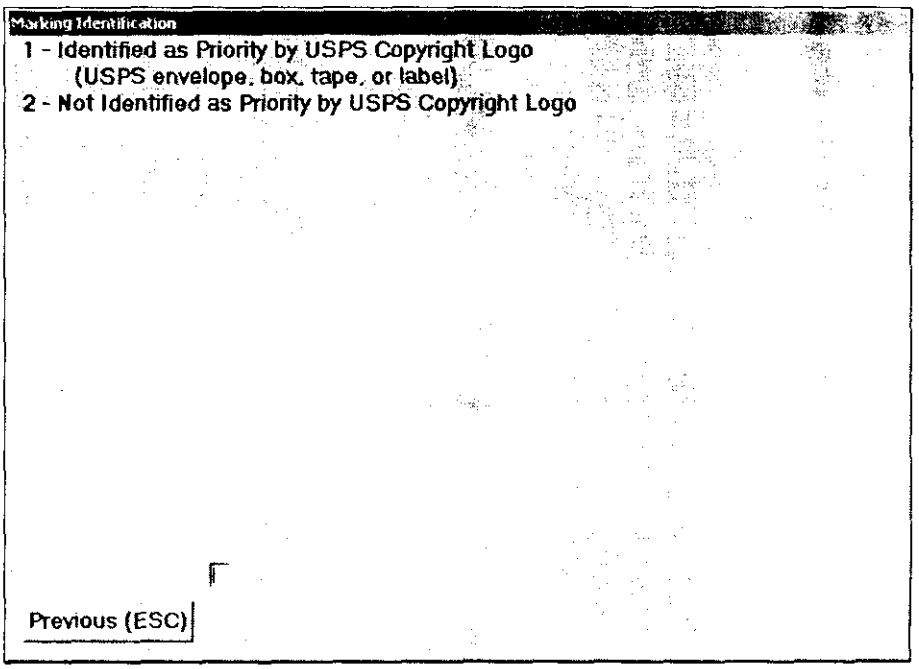

Figure 3.9.6–2. *Marking Identification* Screen

The marking source should be identified as:

- ***Identified as Priority by USPS Copyright Logo*:** This logo will be indicated by a USPS envelope, a USPS box, or USPS tape or label.
- ***Not Identified as Priority by USPS Copyright Logo*:** The mailpiece does not have USPS marking identification.

Private companies have been given permission by the Postal Service to produce their own envelopes (or boxes) with the USPS copyright logo *Priority Mail*, and a red and blue border on the edge of the envelope or box. Treat these mailpieces as *Identified as priority by USPS Copyright Logo (USPS envelope, box, tape, or label)*.

Example: When recording a Priority Mail mailpiece that has both a USPS Priority Mail Tape and the word *Priority* written on the piece, select *Identified as priority by USPS Copyright Logo* (USPS envelope, box, tape, or label).

4. **Follow steps 3 though 19 given for First-Class Mail to complete the remaining data entry screens.**

   Depending on the option selected, one (or all) of the following prompts may be displayed:

   - Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.9.1–3).
   - Choose the type of mailer from the *Type of Mailer* screen (Figure 3.9.1–4).
   - Enter all Indicia (stamp, permit, etc.) found on the mailpiece (Figure 3.9.1–5).
   - Enter the number of mailpieces on the *Pieces* screen (Figure 3.9.1–8).
   - Enter the ZIP Code of the mailpiece on the *ZIP Code Look-up* screen (Figure 3.9.1–12).
   - Indicate if the address is handwritten on the *Address Handwritten* screen (Figure 3.9.1–18).
   - Indicate if the mailpiece has a special service on the *Special Service Indicator* screen (Figure 3.9.1–19).
   - Enter the special service on the *Special Service/Mail Fee* screen (Figure 3.9.1–20).
   - Confirm the data displayed on the *Verify* screen (Figure 3.9.1–25).

     Note: For screen descriptions and option information return to section 3.9.1, *First-Class Mail* and follow the screen progression beginning with *Mail Type*.

3.9.7 Package Services

This class of mail can be identified by the following endorsements and characteristics:

a. DBMC Parcel Post/DBMC PP, Media Mail, Drop Shipment (D/S), Bound Printed Matter, Special Standard, Library Rate/Library Mail or Parcel Post (no other markings).

b. Parcel with no endorsements.

If *DBMC* (or no endorsement) appears on a flat or a parcel, record it as a *Package Services* Parcel Post mailpiece.

After determining whether or not the piece is Forwarded/Returned or Missent, select the appropriate class for the mailpiece from the options listed.

To record Package Services Mail, complete the following steps:

1. **Select *Package Services* from the *Mail Class & Type* screen (Figure 3.9.1–1).**

2. **Select the type of package service from the *Mail Subclass* screen.**

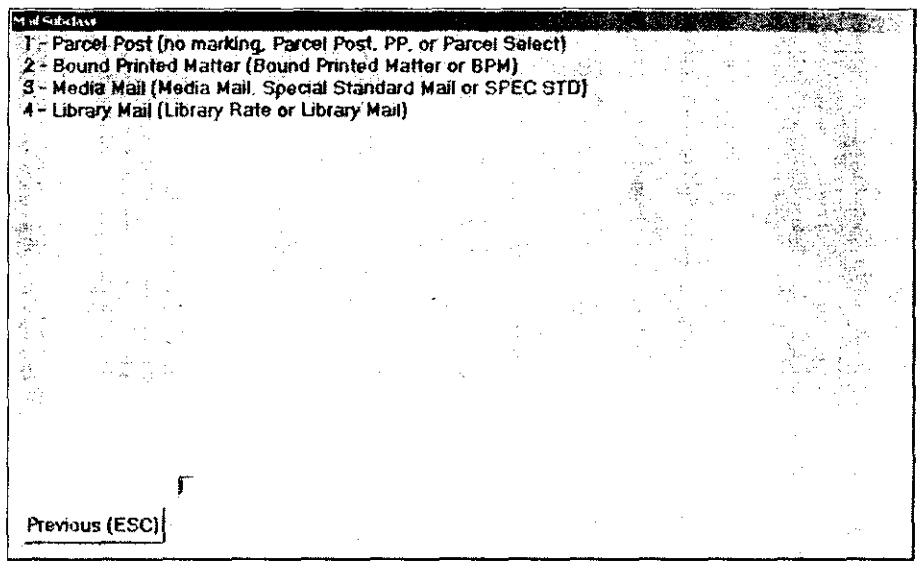

Figure 3.9.7–1. *Mail Subclass* Screen

For definitions of Package Services markings, see RM 3–8.

Mailpieces endorsed with the markings *DBMC Parcel Post*, or *DBMC* should be recorded as *Parcel Post* (no marking, Parcel Post, PP, or Parcel Select). Parcels with no endorsement should be recorded under *Parcel Post*.

Selecting any option from the *Mail Subclass* screen will display the *Mail Preparation/Sortation Marking* screen.

3. **Select the marking or endorsement that applies from the *Mail Preparation/Sortation Marking* screen (Figure 3.9.1–2).**

4. **Follow the steps 3 through 7 given for First-Class Mail to complete the following data entry screens:**

   Depending on the option selected, one (or all) of the following prompts may be displayed:

   - Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.9.1–3).
   - Choose the type of mailer from the *Type of Mailer* screen (Figure 3.9.1–4).
   - Enter all Indicia (stamp, permit, etc.) found on the mailpiece (Figure 3.9.1–5).
   - Enter the number of mailpieces on the *Pieces* screen (Figure 3.9.1–8).
   - Enter the weight of the mailpiece on the *Weight* screen (Figure 3.9.1–9).

5. **Enter the mail enclosures on the *Mail Enclosure* screen.**

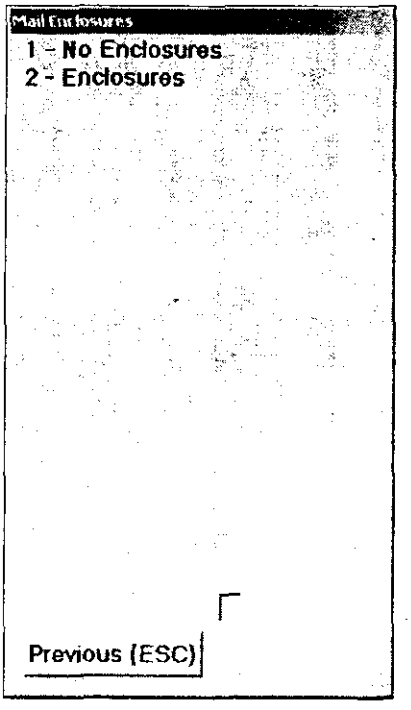

Figure 3.9.7–2. *Mail Enclosure* Screen

6. **Follow the steps 9 and 10 given for First-Class Mail to complete the following data entry screens:**
   - Enter the date of the mailpiece on the *Postmark Date* screen (Figure 3.9.1–11).
   - Enter the ZIP Code of the mailpiece on the *ZIP Code Look-up* screen (Figure 3.9.1–12).

7. **Enter the dimensions of the package on the *Parcel Dimensions* screen.**

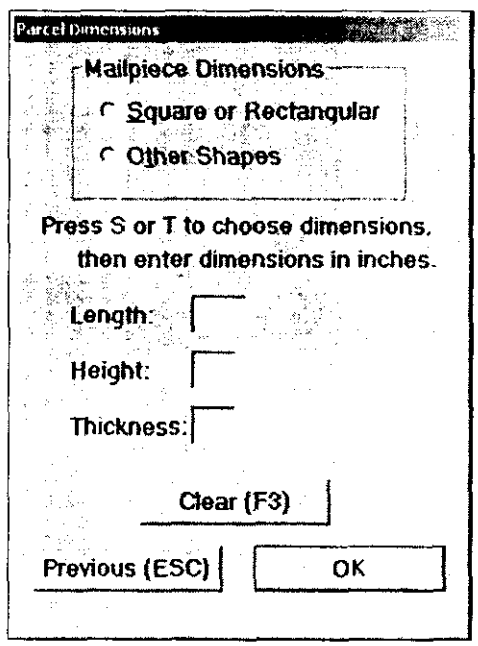

Figure 3.9.7–3. *Parcel Dimensions* Screen

When inserting the dimensions of the parcel into the *Parcel Dimensions* screen, determine whether the parcel is *Square or Rectangular*, or *Other Shapes*. Measure the parcel using a tape measure. For square and rectangular shaped parcels, use the parcel's longest dimensions in your measurements for the length. Round off to the nearest inch. Half-inch or more increments are rounded up. Less than half-inch increments are rounded down. For parcels not square or rectangular, measure the length, girth, and thickness of the parcel and insert those dimensions where indicated. See RM 3–9 for guidelines on measuring.

For example, if the parcel height is 5 1/2 inches, round the dimension up to 6 inches. If the height were 5 1/4 inches, round that dimension down to 5 inches.

If measurement is less than an inch enter one inch.

8. **Follow the steps 14 through 19 given for First-Class Mail to complete the following data entry screens:**

   - Indicate if the address is handwritten on the *Address Handwritten* screen (Figure 3.9.1–18).
   - Indicate if the mailpiece has a special service on the *Special Service Indicator* screen (Figure 3.9.1–19).
   - Enter the special service on the *Special Service/Mail Fee* screen (Figure 3.9.1–20).

- Enter the total revenue on the mailpiece on the *Total Mailpiece Revenue* screen (Figure 3.9.1–21).
- Confirm the data displayed on the *Verify* screen (Figure 3.9.1–25).

The rules governing screen descriptions and option information are the same as those for First-Class Mail discussed in section 3.9.1.

3.10 COU Mail Test: Special Procedural Rules

BACKGROUND INFORMATION

Consolidated Originating Unit (COU) tests capture data on four special services during an originating ODIS-RPW test. The following are the special services that are tested.

- **Insured:** In the event insured mail is lost or damaged, a payment is made to the customer who pays a fee for this service in advance. In a COU test, insured mail may be First-Class Mail, Priority Mail, Package Services, Free Mail for the Blind, or international mail.
- **COD (Collect on Delivery):** COD service is for customers who mail an article for which money is due. The Postal Service collects from the addressee the postage as well as an additional fee used to pay for the money order that transmits the collected money to the sender. In a COU test, COD mail may be First-Class Mail, Priority Mail, or Package Services.
- **Registered Mail:** Registered Mail, the most secure service the Postal Service offers, uses a system of receipts to monitor the movement of a mailpiece from the point of entry to delivery. This service also provides indemnity in case of loss or damage. A registered mailpiece may be First-Class Mail, Priority Mail, or international Mail in a COU test.
- **Certificates of Mailing:** For this type of mail, the window clerk or mailer prepares a receipt to show evidence of mailing. Eligible mailpieces for certificates of mailing include First-Class Mail, Priority Mail, Standard Mail, Package Services, or international mail in a COU test.

A COU test counts mail which originates at a Postal Service facility or contract office. A COU test, therefore, samples the mail before it enters into the mail processing stream for distribution.

PROCEDURES

After a sampling option for a COU test is selected, CODES displays the *Originating Special Services* screen. The data collector must then choose the special service that applies to the mailpiece that is being tested and enter the number of that selection in the field provided.

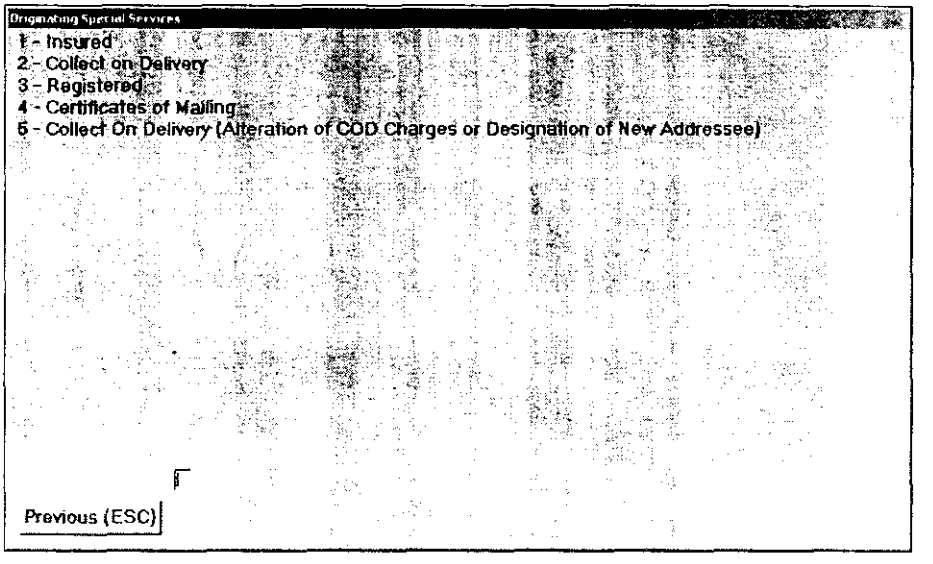

Figure 3.10.0–1. *Originating Special Services* Screen

3.10.1 Sampling Methods for the COU Test

Census *must* be conducted for Certificates of Mailing. Mailpiece skip subsampling is not an option.

Apply separately the census or mailpiece skip procedures for registered mail, insured mail, and COD.

- Separate registered mail, insured mail, and COD mailpieces into their own groups.
- Estimate the mail volume for each group of mail.
- Apply the census procedure (section 3.5) to each group whose volume is 250 mailpieces or less.
- Apply the mailpiece skip procedure (section 3.6) to each group whose volume is over 250 mailpieces using the RM 3–3 COU mailpiece skip interval table.

Example: Five certificates of mailing, twenty registered mail, and 300 insured mailpieces constitute the COU test. Record the certificates of mailing as a census. Record the registered mailpieces as a census. Since the insured mailpieces are more than 250, go to the COU mailpiece skip interval table in RM 3–3 to obtain the skip interval. The mailpiece skip interval for 251-500 pieces is a skip of 5.

3.10.2 Special Rules for the Consolidated Originating Unit Test

When testing originating mail, the following rules apply:

1. **Insured Mail**
   a. Include insured mail from mailers who deposit such mail at platforms or at business mail entry units.
   b. Include insured mail from self-service units whenever it is collected and delivered to the facility being tested.
   c. Include all insured mail, including insured international mail, when recording insured mail.
2. **COD Mailpieces**
   a. Record registered COD as registered mail, not COD mail. See below, under registered.
   b. Include COD mail from mailers who deposit such mail at platforms or at business mail entry units.
3. **Registered Mail**
   a. Include all registered mail, including international mail, when recording registered mail.
   b. Record registered COD as registered mail. When registered mail is tested, COD appears as a special service.
   c. Count sealed pouches, when registered, as one piece.
   d. Include registered mail from mailers who deposit such mail at platforms or at business mail entry units.
4. **Certificates of Mailing**
   a. Certificates of mailing cannot be subsampled.
   b. Include certificates of mailing generated by mailers who deposit such mail at platforms or at business mail entry units.

3.10.3 Conducting the COU Mail Test On-site with a Data Collector

Ordinarily, a data collector should be available to conduct a test at any main office, station, branch, contract station, or associate office.

The data collector should complete the following steps:

1. Contact the test site(s) at least one day in advance.
2. Explain the test to the appropriate manager at the test site.
3. Make certain the site has a sufficient quantity of *Consolidated Originating RPW Test, PS Form 8126* (Appendix C).
4. Brief the test site supervisor, window clerks, and contract station manager about the COU test and its importance.
5. Make arrangements for the collection of the test mailpieces at all appropriate points.
6. Verify that all collection points (such as window units, back docks, bulk mail entry units, or any other locations) for originating mail have a special container ready to collect the test mailpieces.
7. Make certain each special container has a sign such as *PLEASE HOLD ALL ORIGINATING MAILPIECES* (Appendix C). Use a copy of this sign, if needed.
8. Post information concerning the type of mail being tested as well as the duration of the test.
9. Determine if the volume of mail for testing is too heavy.

   If it is, the data collector should ask the appropriate manager whether the test mail can be held until a later dispatch time.
10. Arrive to record all the necessary mailpieces and to close the test before the last dispatch.

3.10.4 Conducting the COU Test Without an On-site Data Collector

If a data collector is not available to conduct a COU test at a test site, the MSP must make arrangements with the test site supervisor or contract station manager to conduct the test. The MSP must observe the following guidelines:

- Ensure that the supervisor or manager is completely familiar with the test procedure.
- Collect all test mailpieces in a special container that carries a sign such as *PLEASE HOLD ALL ORIGINATING MAILPIECES* (Appendix C). Include on the sign any information on the type of mail.

At the end of the day, a data collector must obtain the container and record the data. If the data collector is not available, the test site manager or supervisor may dispatch the container to the main office's back dock so that it may be transferred to the data collector.

Before dispatching the container, the supervisor or manager should:

- Ensure that no other mail is mixed with the test mailpieces.
- Ensure that any container with test pieces inside is clearly marked.

The MSP must make arrangements to receive information concerning the exact location and arrival time of the truck from the test site.

3.10.5 Processing of COU Mail Test Mailpieces

Window clerks and contract station managers process COU mail test mailpieces by performing the following:

- Window clerks *must* use PS Form 8126 to capture postage and fee data accurately from any test mailpieces accepted from customers. A supply of PS Form 8126 should be provided by the MSP.
- Enter the necessary information onto PS Form 8126 as mailpieces are accepted from customers.
- Determine the correct insured mail, registered mail, or COD fee by examining the mailpiece.

Note: Since the data collector cannot determine the correct fees by examining the mailpiece, this information must be provided by the window clerks or station manager. If the window clerk or contract station manager fails to provide this information, the data collector must contact the MSP. The MSP should then contact the Window Unit Supervisor to review ODIS-RPW originating test procedures.

The Window Clerk's Instructions for Recording Originating Mail Fees using the PS Form 8126 are as follows:

- Enter the class, subclass, postage, fees, enclosure fees, and any additional special services fees for each mailpiece to be tested.
- Affix the form to an area of the mailpiece that will not obscure the address block or hinder mail processing. If the mailpiece is too small for the form, the mail clerk may use paper clips, but *never use a stapler.*
- Record the appropriate fee in Item 5 for certificates of mailing. Before placing PS Form 8126 for a certificate of mailing in the special container, the window clerk should place the certificate of mailing's form in an envelope marked PS *Form 8126 - CERTIFICATE OF MAILING DATA ENCLOSED.*

Note: The data collector is responsible for obtaining all other information. This information includes the dimensions of Parcel Post pieces. Before weighing the mailpiece, the data collector must remove the PS Form 8126 from the mailpiece because the weight of the form may alter the actual weight of the mailpiece. After the test, the data collector should ensure that no mailpieces enter the mail stream for processing with PS Form 8126 attached. An attached PS Form 8126 could cause unnecessary delays in the processing of these mailpieces.

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3.11 COU Mail Test: Entering Mailpiece Data into the CODES Laptop

BACKGROUND INFORMATION

Before selecting the originating mailpieces to be tested or entering mailpiece data into the CODES Laptop, the data collector should review the special procedural and recording rules listed in sections 3.10 and 3.13.

From the *ODIS-RPW* Main Menu screen, select *Conduct Test* as shown on Figure 3.11.0–1 below.

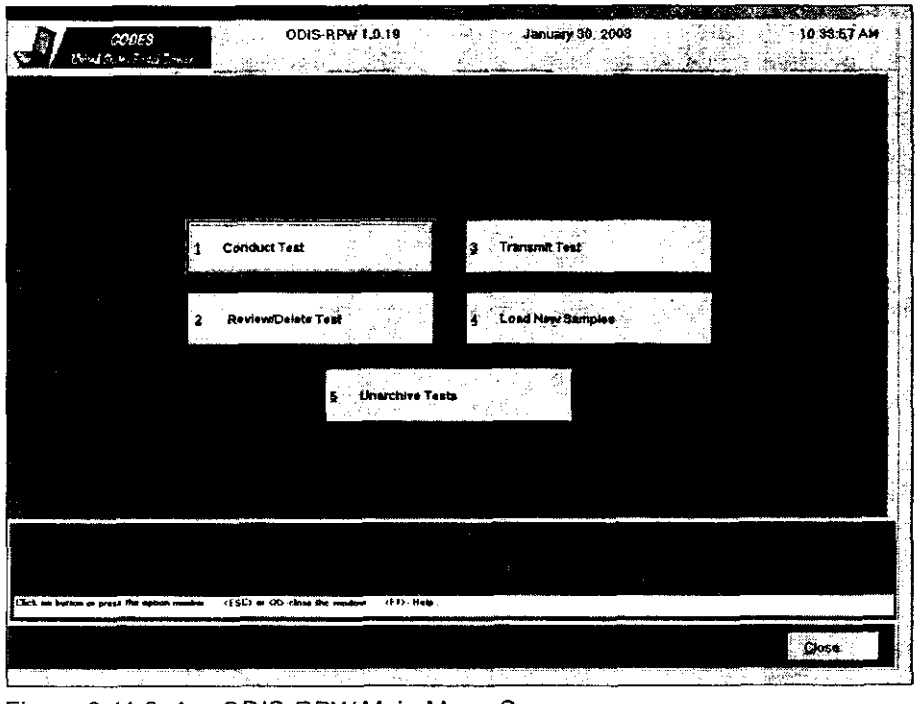

Figure 3.11.0–1. *ODIS-RPW* Main Menu Screen

The *Select a Test* screen is displayed upon selecting the *Conduct Test* option (Figure 3.11.0–2).

The following steps are a guide for recording an originating test:

1. **Select an originating test from the *Conduct Test* screen.**

   When selecting a test, make certain that the *MEP Description* at the bottom of the screen indicates that the test selected is an originating test.

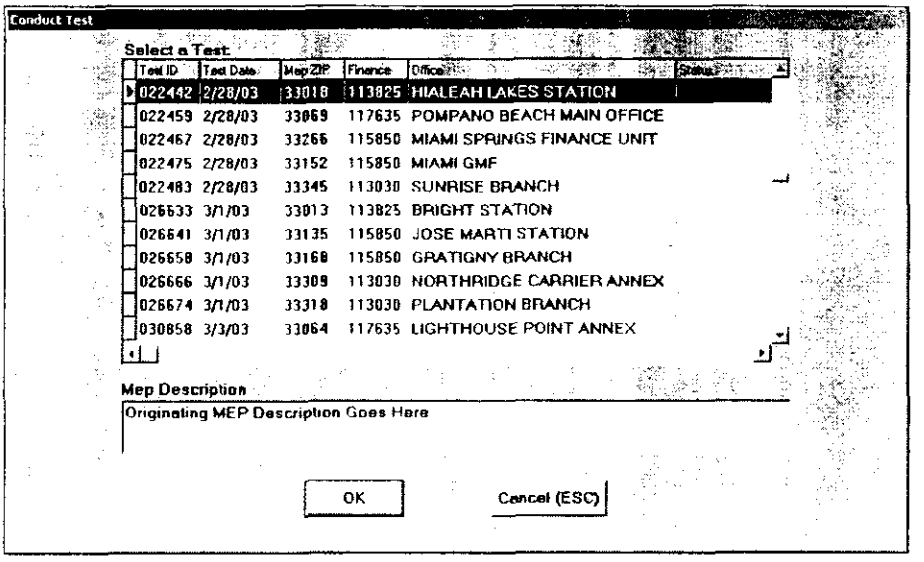

Figure 3.11.0–2. *Conduct a Test* Screen

Once an originating test is selected, the data collector selects the sampling method from the *ODIS-RPW Test Header* screen (Figure 3.11.0–3).

Note: For additional information on how to determine the sampling method, refer to section 3.10.1.

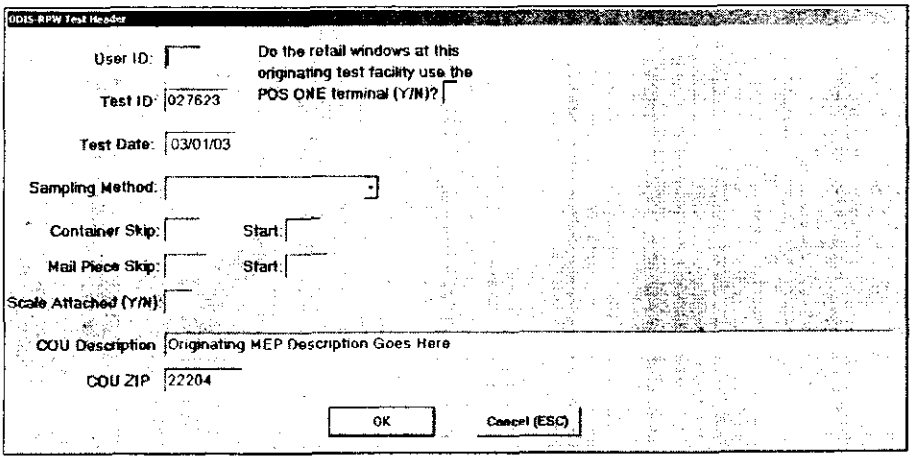

Figure 3.11.0–3. *ODIS-RPW Test Header* Screen

2. Enter the required header information on the *ODIS-RPW Test Header* screen.

On the *ODIS-RPW Test Header* screen, the cursor will be blinking in the *User ID* field, indicating that this field must be completed first.

The data collector enters his or her ID number. The *Test ID* number and the *Test Date* fields will automatically be filled. The test identification number and the test date may be obtained from the MSP. The highlighted test date may be changed if necessary.

The *ODIS-RPW Test Header* screen is completed by following the steps given below:

- **User ID:** The data collector inserts his/her User ID into the field provided. This is an unique 3-digit number provided to each data collector and is issued by the MSP.
- **Test ID:** This is a 6-digit number that identifies the ODIS-RPW test that is automatically entered in the Test ID field. CODES also enters the COU Description and the 5-digit MEP ZIP Code in the COU ZIP field at the bottom of the screen. The COU Description must indicate that the test is an originating test.
- **Sampling Method:** From the drop down menu, select the Sampling Method: Census, Mailpiece Subsampling, or Container Subsampling. For information on subsampling guidelines and for selecting the appropriate subsampling method, refer to section 3.3 in this chapter.
- **Container Skip and Start Number:** Enter a container skip of *1* for mailpiece skip subsampling.
- **Mailpiece Skip and Start Number:** Enter the appropriate mailpiece skip number from the *COU Mailpiece Skip Intervals Table*, RM 3–3, and press <Enter>. CODES generates a random start number. Be familiar with the mailpiece skip subsampling procedures described in section 3.6.
- **Scale Attached (Y/N)?:** Enter <Y> *Yes* or <N> *No* depending on whether or not there is an electronic scale attached to the laptop. Insure the scale is level before continuing with the test.
- **POS ONE terminal (Y/N)?:** Enter <Y> *Yes* or <N> *No* depending on whether or not the retail window at the originating test facility use the POS ONE terminal. This field is located at the top center of the screen and is answered last before selecting *OK* to indicate that all header information has been entered.

If a mistake is made while entering header information, place the cursor in the field to be corrected, highlight the incorrect information, and enter the corrected data.

If all fields are not properly completed, CODES displays the message, *Invalid Entry* or *Entries* in a pop-up screen. The user will be prevented from continuing with the test until the error is corrected. If the information is correct, press <Enter> or select the *OK* button at the bottom of the screen.

Once the data collector verifies that the header information is correct by selecting *OK*, the *Options Menu* is displayed (Figure 3.11.0–4).

3. **On the *Options Menu* screen, select *Collect Mailpiece Data.***

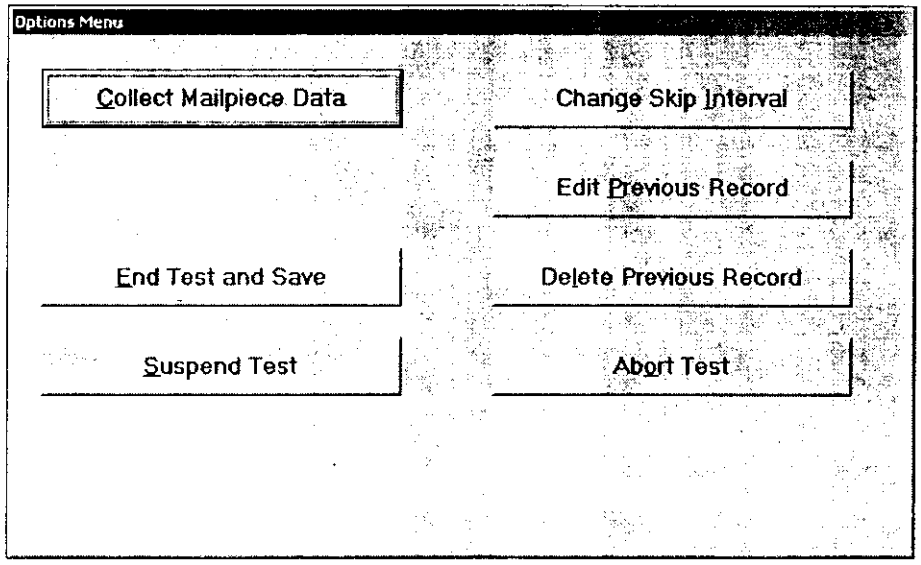

Figure 3.11.0–4. *Options Menu* Screen

To enter test data from selected originating mail, select *Collect Mailpiece Data*. The *Originating Special Services* (Figure 3.11.1–1) screen is then displayed allowing the data collector to choose the type of originating mail that is being tested.

PROCEDURES

The procedures for entering data into the COU test are described in this section. These procedures are described according to the four special services that are tested during a Consolidated Originating Unit test.

- Insured Mail (section 3.11.1).
- Collect on Delivery (section 3.11.2).
- Registered (section 3.11.3).
- Certificates of Mailing (section 3.11.4).

As data is entered into the CODES Laptop, a record of each entry appears on the right side of the screen. After all the data for a mailpiece is entered, the data collector verifies that the information is correct by answering the prompt. If the entered information is incorrect, the information may be re-entered for the selected mailpiece.

The procedures described in this section are presented according to the special service provided. Within the special service, guidelines for recording each mail class are then described. Screen prints are shown and detailed descriptions of screen functions are given the first time a screen appears in the test guideline. Thereafter, a reference will be made to the original description of the screen.

3.11.1 Insured Mail

Although insured mail is dispatched and handled in transit as ordinary mail, insured mail is one of the special services provided by the Postal Service. Insured mail may be First-Class Mail, Free Mail for the Blind, international mail, Priority Mail, or Package Services.

Note: If data collectors plan to subsample insured, COD, or registered originating mail, they may only record the selected type of originating mail. No other type of originating mail may be recorded during the session.

To record data from insured mail, complete the following steps:

1. **Select *Insured* from the *Originating Special Services* screen (Figure 3.11.1–1).**

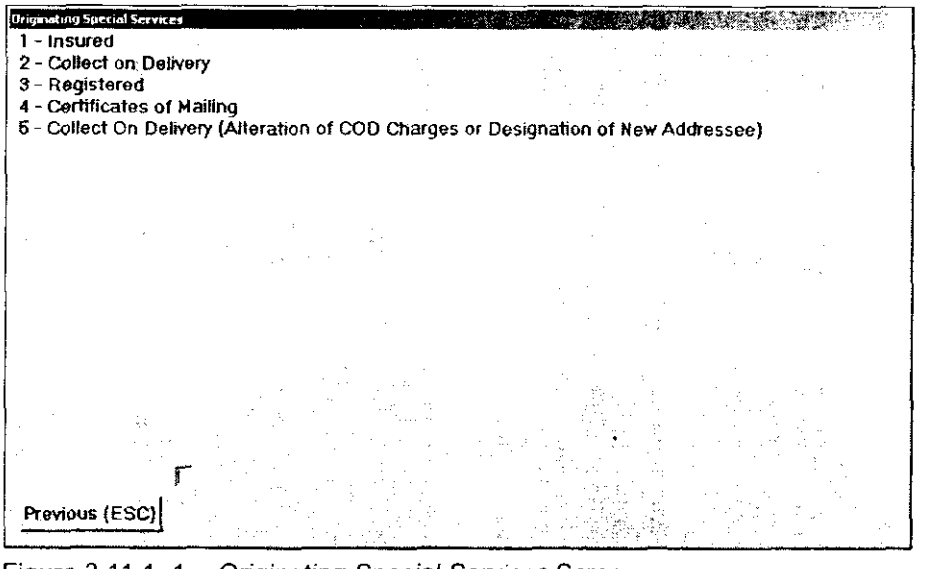

Figure 3.11.1–1. *Originating Special Services* Screen

Upon selecting *Insured* from the *Originating Special Services* screen, the *Mail Class & Type* screen is displayed. The data collector records the class of mail for the selected mailpiece.

2. **Select the class of the insured mailpiece that is being recorded from the *Mail Class & Type* screen (Figure 3.11.1–2).**

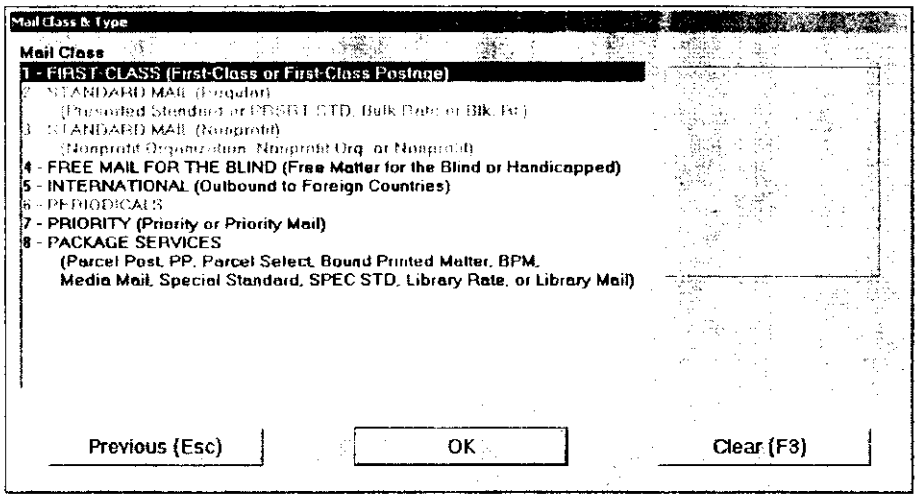

Figure 3.11.1–2. *Mail Class & Type* Screen

3.11.1.1 Insured: First-Class Mail

First-Class Mail weighs 13 ounces or less. This class includes letters, cards, flats, IPPs, small parcels, and rolls.

Note: Unendorsed Mail. Record all unendorsed mail weighing less than 13 ounces or less as First-Class Mail, unless this mail has been paid for at the Priority Mail rate. For more information on unendorsed mail, see section 3.13.

To record data for insured First-Class Mail, complete the following steps:

1. **Select *First-Class* from the *Mail Class & Type* screen.**

   For insured mail that weighs 13 ounces or less, select the option *First-Class* from the *Mail Class & Type* screen shown above.

   Upon selecting First-Class, the *Mail Preparation/Sortation Marking* screen is displayed.

2. **Select the marking or endorsement that applies from the *Mail Preparation/Sortation Marking* screen.**

   Endorsements or markings may be found in a number of places on the mailpiece, such as in the indicia, next to the indicia, above the address label, in the address label, or at the bottom of the mailpiece.

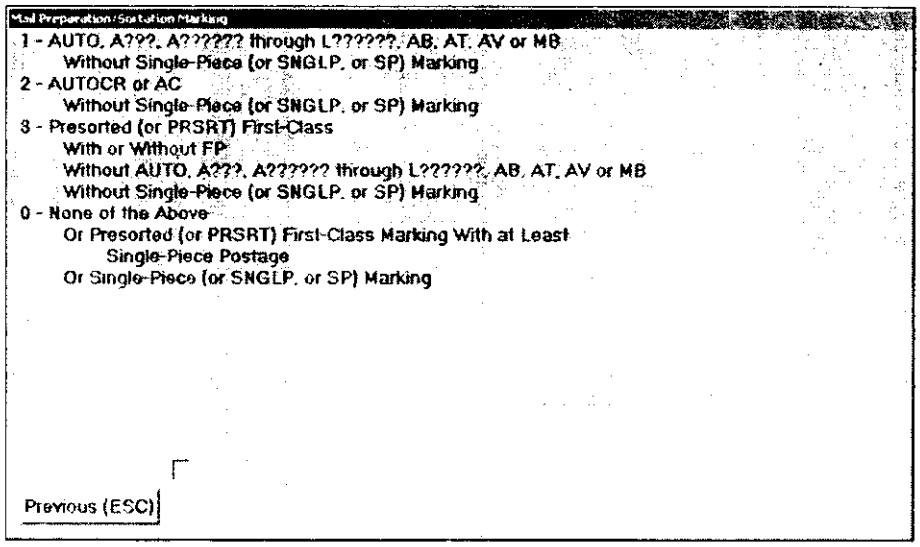

Figure 3.11.1–3. *Mail Preparation/Sortation Marking* Screen

In the field at the bottom of the screen, enter the number of the mail preparation or sortation marking that applies to the selected mailpiece or highlight your selection and press <Enter>.

Record as *None of the Above* if the mailpiece has no endorsements, PRSRT, or has a marking of *Single Piece*. Once the marking selection has been entered in the field, the *Mail Type* screen is displayed.

Note: If any option on the *Mail Preparation/Sortation Marking* screen is selected other than *None of the Above,* the *Weight* screen, the *Machinability* screen, and the *Total Mailpiece Revenue* screen will not be shown.

3. **Enter the shape of the mailpiece at the *Mail Type* screen.**

   Select the type of mail that is being recorded from the list given on the *Mail Type* screen (Figure 3.11.1–4). Mail type refers to the actual shape of the mailpiece, and is described in RM 3–12.

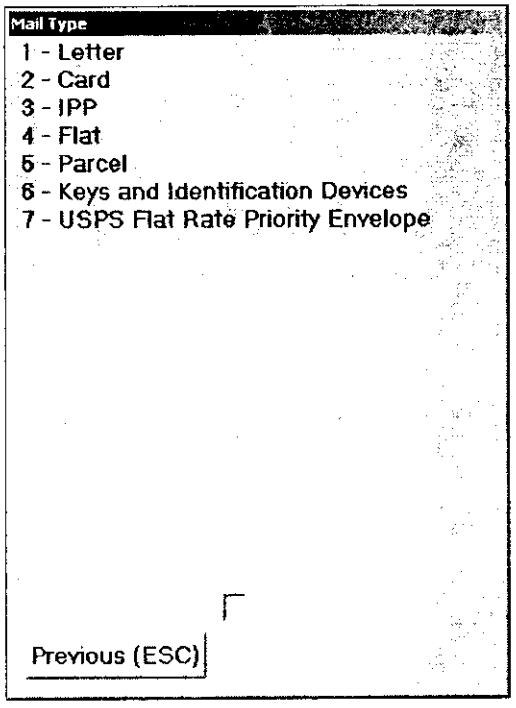

Figure 3.11.1–4. *Mail Type* Screen

For insured mail, choose *Letter, IPP, Flat,* or *Parcel* from the *Mail Type* screen. Upon entering the number of your choice in the field at the bottom of the screen, the *Type of Mailer* screen (Figure 3.11.1–5) is displayed.

4. Choose the type of mailer from the *Type of Mailer* screen.

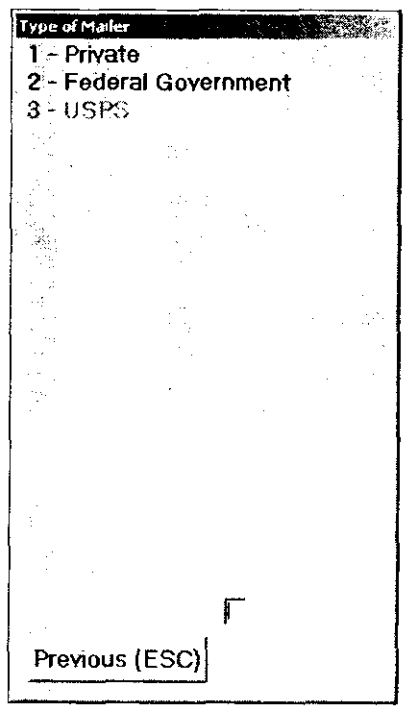

Figure 3.11.1–5. *Type of Mailer* Screen

Determine if the type of mailer is Private or Federal Government. Enter in the field at the bottom of the screen the option number that corresponds to the type of mailer, or highlight your selection and press <Enter>. Upon entering the option number, the *Indicia* screen is displayed (Figure 3.11.1–6).

5. Enter all Indicia found on the mailpiece.

Indicia refers to the postage payment on the mailpiece (i.e., stamp, semi-postal stamp, precanceled stamp, stamped envelope, meter, PVI, Permit Imprint, IBI, and none). Examples of indicia may be found in RM 3–18.

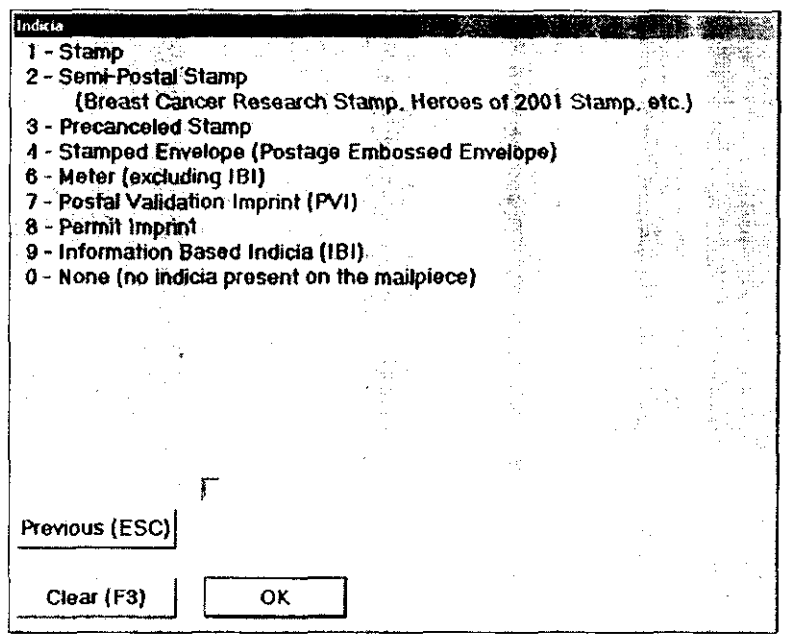

Figure 3.11.1–6. *Indicia* Screen

Determine the correct indicia on the mailpiece and enter the appropriate information in the field at the bottom of the screen. Press *OK* or <Enter> to move to the *Pieces* screen.

6. Enter the number of mailpieces at the *Pieces* screen.

The number of pieces of mail that belongs to the same mail class, same mail type and has the same endorsements, revenue, weight, postmark date, postmark time, postmark of origin, and indicia is entered on the *Pieces* screen.

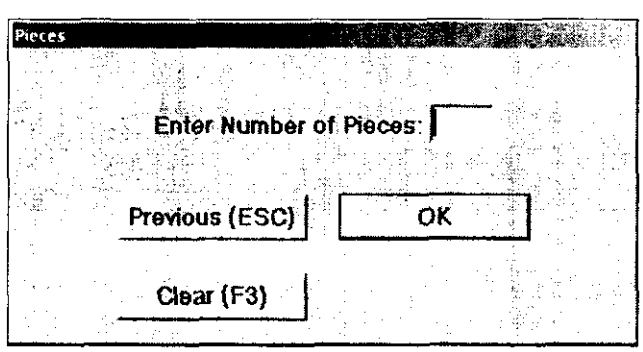

Figure 3.11.1–7. *Pieces* Screen

Once the number of mailpieces has been entered in the *Pieces* screen, press *OK* or <Enter> to move to the *Weight* screen.

7. **Enter the weight of the pieces at the *Weight* screen.**

   Enter the weight of the mailpiece(s) either electronically or manually.

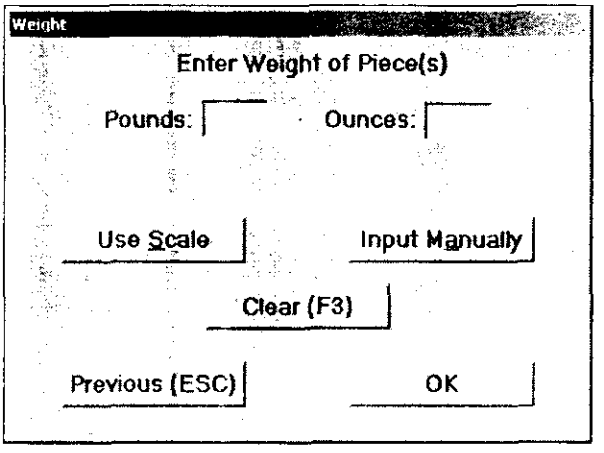

Figure 3.11.1–8. *Weight* Screen

Electronically: Place the mailpiece(s) on the scale attached to the CODES Laptop. When the electronic reading stabilizes, press <S>, or click on *Use Scale*.

Manually: Press <A> or click on *Input Manually* to use the manual weight option. After weighing the mailpiece(s) using a separate scale, enter the weight on the screen using the number keys at the top of the keyboard. Press <Enter> to move from *Pounds* to *Ounces*. Press <Enter> again when the weight has been entered.

After entering the correct weight for the mailpieces, the *Mailability* screen (Figure 3.11.1–9) is displayed.

8. **Enter the machinability of the mailpiece at the *Mailability* screen (Figure 3.11.1–9).**

   Except for Priority Mail, any piece of First-Class Mail (including keys and identification devices) weighing 1 ounce or less and not claimed at a card rate, is subject to a nonmachinable surcharge. For letter-size mailpieces, the nonmachinable surcharge most often applies if:

   - The aspect ratio (length divided by height) is less than 1.3 or more than 2.5, or
   - The mailpiece is polybagged, polywrapped, or enclosed in any plastic material.

   For nonletters (IPPs, flats or parcels), the nonmachinable surcharge applies if:

   - The mailpiece is thicker than 1/4-inch thick.
   - The length is more than 11-1/2 inches or the height is more than 6-1/8 inches.

- The aspect ratio is less than 1.3 or more than 2.5.

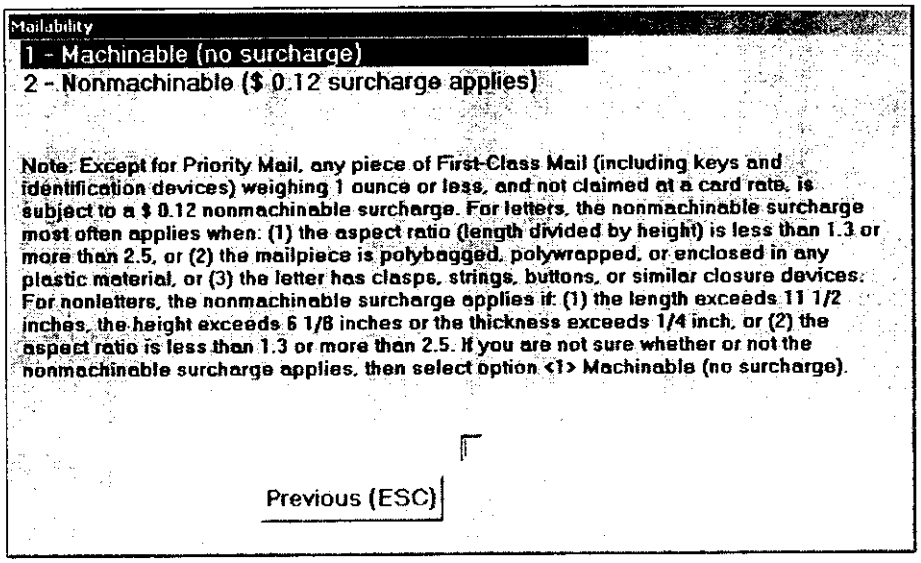

Figure 3.11.1–9. *Mailability* Screen

Determine if the mailpiece is machinable.

- *Nonmachinable (surcharge applies):* The mailpiece is subject to a surcharge.
- *Machinable:* The mailpiece is not subject to a surcharge.

Note: If you are unsure of a mailpiece's mailability, select *Machinable*.

After completing the field on the *Mailability* screen, the *Total Insurance Fee* screen is displayed.

9. Enter the fee for each insured piece at the *Total Insurance Fee* screen.

The insurance fee for each mailpiece is found on PS Form 8126 which is attached to the mailpiece.

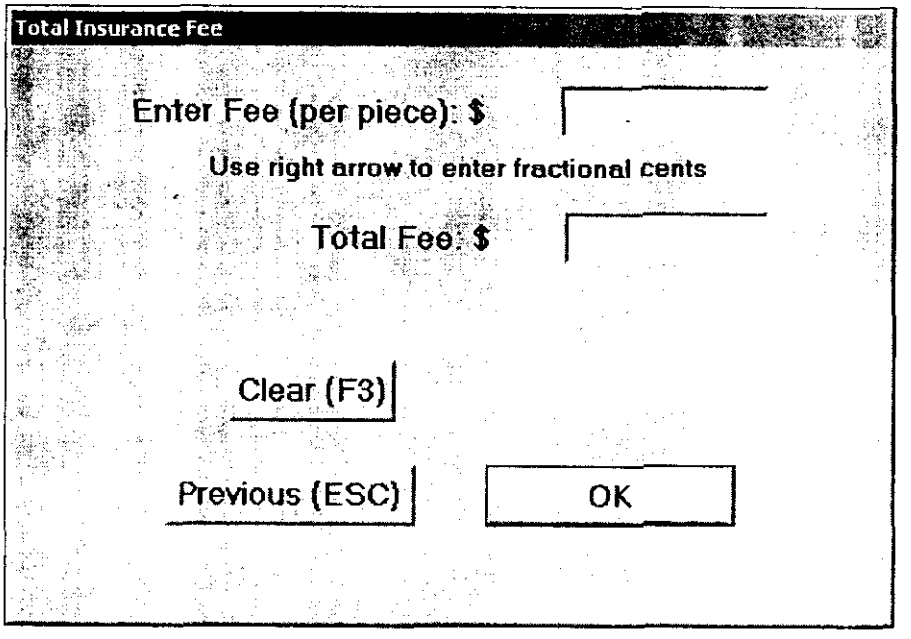

Figure 3.11.1–10. *Total Insurance Fee* Screen

Enter the insurance fee for each mailpiece in the field provided. If more than one piece is entered on the *Pieces* screen (Figure 3.11.1–7), the total fee is calculated and automatically entered in the *Total Fee* field.

Press *OK* or click <Enter> when all the fields are complete. The *Special Service Indicator* screen is then displayed.

10. Enter the appropriate number to indicate if the mailpiece has special services.

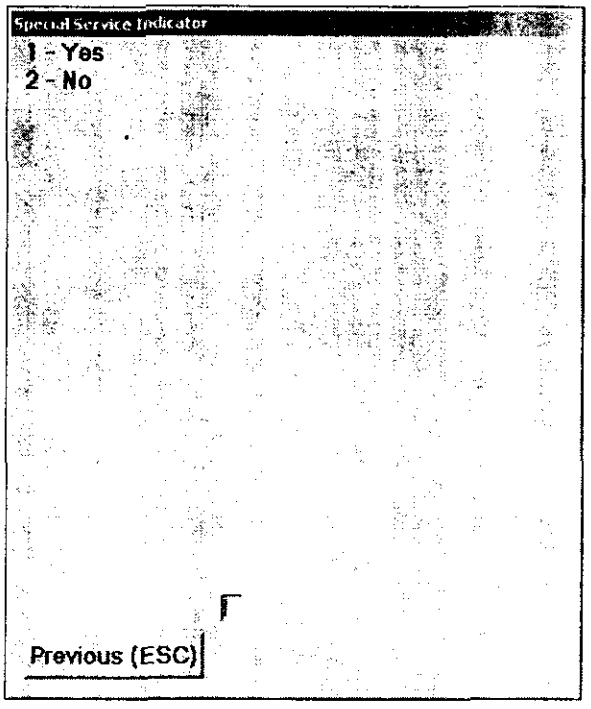

Figure 3.11.1–11. *Special Service Indicator* Screen

To indicate if a special service is attached to the mailpiece, make the appropriate selection:

- ***Yes*** Indicates that a special service is present on the mailpiece. Selecting *Yes,* displays the *Special Service/Mail Fee* screen (Figure 3.11.1–12).
- ***No*** Indicates that the mailpiece does not have a special service. Selecting *No,* displays the *Total Mailpiece Revenue* screen (Figure 3.11.1–13), which is described in step 12.

11. Choose the type of special service or mail fee that is appropriate.

If the insured First-Class Mail mailpiece has any of the nine special services identified, enter the number of that service in the field at the bottom of the screen. For additional information regarding each special service, refer to RM 3–15.

Note: Since multiple selection is allowed, enter all special service options that apply.

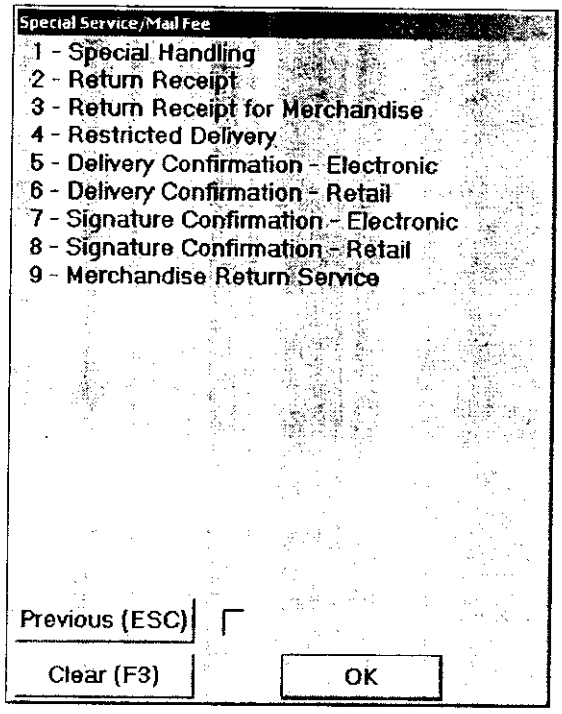

Figure 3.11.1–12. *Special Service/Mail Fee* Screen

Upon entering the type of special service or mail fee in the field at the bottom of the screen, the *Total Mailpiece(s) Revenue* screen (Figure 3.11.1–13) is displayed.

12. Enter the total mailpiece revenue for each piece of mail entered.

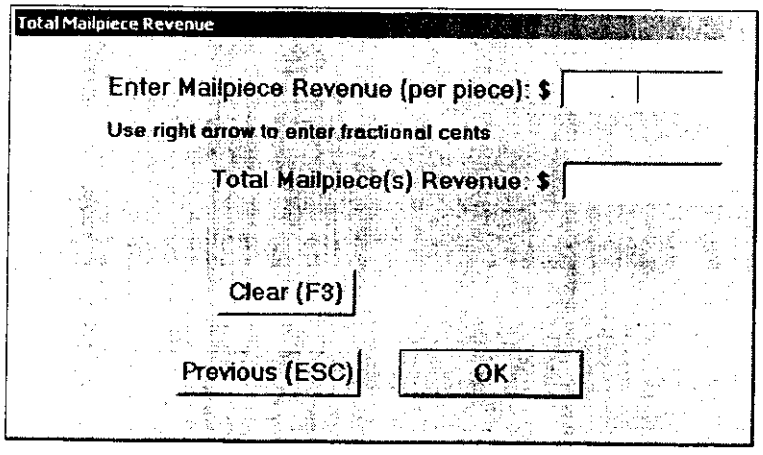

Figure 3.11.1–13. *Total Mailpiece Revenue* Screen

Enter the amount of revenue for each mailpiece that includes postage and all fees, which is listed on line one of Form 8126 that is attached to the mailpiece. The total mailpiece revenue will be automatically calculated and inserted in the *Total Mailpiece Revenue* field. Select *OK* or press <Enter> to display the *Verify* screen (Figure 3.11.1–14).

13. Verify the mailpiece data by making the appropriate selection.

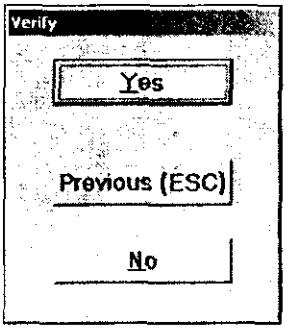

Figure 3.11.1–14. *Verify* Screen

Select the appropriate button to confirm that the information on the *Mailpiece Data* screen, which appears beside the *Verify* screen, is correct.

- **<Y>** Indicates that the information is correct and returns the data collector to the *Originating Special Services* screen.
- **<N>** Indicates that the information is incorrect and must be re-entered. A message screen is displayed asking the user if the record is to be deleted.
- ***Previous*** Returns the user to the previous screen for correction. Previous may be selected on each preceding screen for additional corrections.

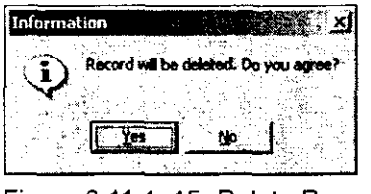

Figure 3.11.1–15. Delete Record Information Screen

Selecting *Yes* on the *Information* screen will delete the record and return the user to the *Originating Special Services* screen. Selecting *No* on the *Information* screen will return the user to the *Verify* screen.

Upon selecting the appropriate button on the *Verify* screen, the user is returned to the *Originating Special Services* screen (Figure 3.11.1–1).

3.11.1.2 Insured: Free Mail for the Blind

Mail included in this class will contain the marking, *Free Mail for the Blind (Free Matter for the Blind or Handicapped)*.

As mailpiece data is entered, CODES displays a record of entries on the *Mailpiece Data* screen (Figure 3.12.2–1) on the right of the CODES Laptop.

1. **Select *Free Mail for the Blind (Free Matter for the Blind or Handicapped)* from the *Mail Class & Type* screen (Figure 3.11.1–2).**

   Upon selecting *Free Mail for the Blind*, the *Mail Type* screen is displayed.

2. **Enter the shape of the mailpiece on the *Mail Type* screen.**

   Select the type of mail that is being recorded from the list given on the *Mail Type* screen (Figure 3.11.1–4). Mail type refers to the actual shape of the mailpiece which is described in RM 3–12.

   Upon entering the number of your choice in the field at the bottom of the screen, the *Pieces* screen is displayed.

3. **Enter the number of mailpieces in the field on the *Pieces* screen.**

   The number of pieces of mail that belongs to the same mail class, same mail type and has the same endorsements, revenue, weight, postmark date, postmark time, postmark of origin, and indicia is entered on the *Pieces* screen (Figure 3.11.1–7).

   Once the number of mailpieces has been entered in the *Pieces* screen, press *OK* or <Enter> to move to the *Weight* screen.

4. **Enter the weight of the mailpiece on the *Weight* screen.**

   Enter the weight of the mailpiece(s) either electronically or manually in the field on the *Weight* screen (Figure 3.11.1–8).

   After entering the correct weight for the mailpieces, the *Total Insurance Fee* screen is displayed.

5. **Enter the fee for each insured piece on the *Total Insurance Fee* screen (Figure 3.11.1–10).**

   The insurance fee for each mailpiece is found on PS Form 8126 which is attached to the mailpiece.

   Enter the insurance fee for each mailpiece in the field provided. If more than one piece is entered on the *Pieces* screen (Figure 3.11.1–7), the total fee is calculated and automatically entered in the *Total Fee* field.

   After entering the correct insurance fee(s) for the mailpieces, the *Verify* screen is displayed.

6. **Verify the *Mailpiece Data* screen by selecting the appropriate button.**

   Select the appropriate button to confirm that the information on the *Mailpiece Data* screen, which appears beside the *Verify* screen (Figure 3.11.1–14), is correct.

   - ***Yes*** Indicates that the information is correct, and the user is returned to the *Originating Special Services* screen (Figure 3.11.1–1).
   - ***No*** Indicates that the information is incorrect and must be re-entered.

3.11.1.3 Insured: International Mail

From the *Mail Class & Type* screen, select *International* if the mailpiece destination is a foreign country.

As mailpiece data is entered, CODES displays a record of entries on the *Mailpiece Data* screen on the right of the CODES Laptop screen.

1. **Select *International (Outbound to Foreign Countries)* from the *Mail Class & Type* screen (Figure 3.11.1–2).**

   The *Mail Subclass* screen is displayed (Figure 3.11.1–16).

2. **Select *Economy* or *Airmail Parcel Post* from the *Mail Subclass* screen.**

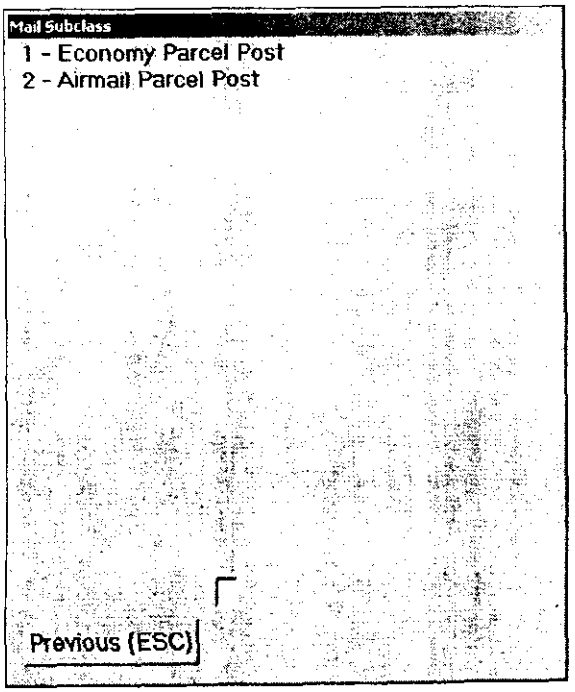

Figure 3.11.1–16. *Mail Subclass* Screen

Choose *Economy Parcel Post* or *Airmail Parcel Post* from the *Mail Subclass* screen and insert the number of the selection in the field provided.

Note: Record all *international mail* as *Economy Parcel Post* unless the mailpiece is marked *Airmail* or *Airmail Parcel Post*.

Once the subclass is selected, the *International Country* screen is displayed.

3. **Select the international country of the mailpiece that is being recorded.**

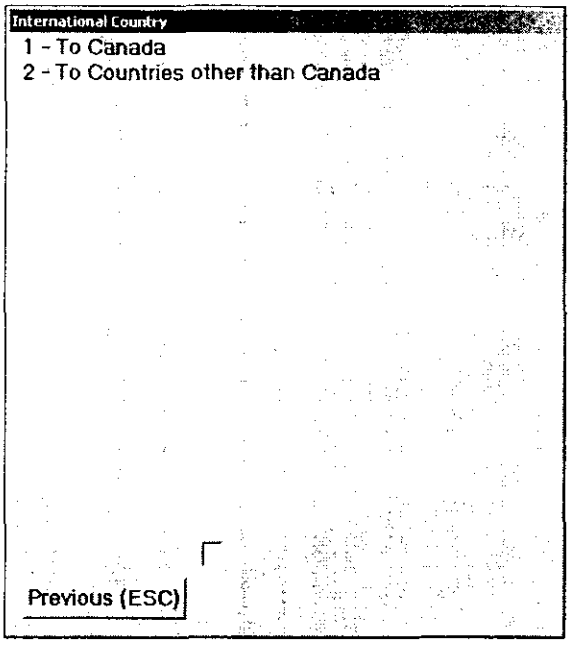

Figure 3.11.1–17. *International Country* Screen

From the *International Country* screen select the appropriate destination of the mailpiece.

- ***To Canada*** Select if the mailpiece is going to Canada.
- ***To Countries other than Canada*** Select if the mailpiece is going to countries other than Canada.

Once the selection is inserted into the field at the bottom of the screen, the *Mail Type* screen is displayed.

4. **Enter the shape of the mailpiece on the *Mail Type* screen.**

Select the type of mail that is being recorded from the list given on the *Mail Type* screen (Figure 3.11.1–4). For international mail, choose IPP, Flat, or Parcel, and enter the selected type in the field at the bottom of the *Mail Type* screen.

The *Type of Mailer* screen is then displayed (Figure 3.11.1–5) and select *Private* or *Federal Government.*

5. **Follow the steps given in section 3.11.1.1, Insured: First-Class Mail, steps 5 through 13.**

   To complete the recording of an international mailpiece follow the guidelines given in section 3.11.1.1, step 5 and following:

   - Enter all indicia found on the mailpiece (Figure 3.11.1–6).
   - Enter the number of mailpieces in the *Pieces* screen (Figure 3.11.1–7).
   - Enter the weight of the pieces on the *Weight* screen (Figure 3.11.1–8).
   - Enter the fee for each insured piece on the *Total Insurance Fee* screen (Figure 3.11.1–10).
   - Enter *Yes* or *No* to the Special Service Indicator (Figure 3.11.1–11).
   - Choose the type of special service or mail fee that is appropriate (Figure 3.11.1–12).
   - Enter the total mailpiece revenue for each piece of mail entered (Figure 3.11.1–13).
   - Verify the mailpiece data by making the appropriate selection (Figure 3.11.1–14).

   Upon verifying the steps in recording the international mail, the *Originating Special Services* screen (Figure 3.11.1–1) is displayed.

3.11.1.4 Insured: Priority Mail

As mailpiece data is entered, CODES displays a record of entries on the *Mailpiece Data* screen on the right of the CODES Laptop screen.

Priority Mail is First-Class Mail that weighs more than 13 ounces but less than or equal to 70 pounds. Priority Mail may also include mail that weighs 13 ounces or less, at the option of the mailer. It *should* bear the endorsement, *Priority Mail* or *First-Class Mail*, but in practice, it may not. If a piece of unendorsed mail is encountered that has been paid at the *Priority Mail* rate, record the piece as Priority Mail. For more information on unendorsed mail, (section 3.13).

When recording unendorsed Priority Mail, refer to the guidelines on unendorsed mail in Table 3–1, section 3.13, *Special Data Recording Rules.*

To record Priority Mail, observe the following guidelines:

1. **Select *Priority (Priority or Priority Mail)* from the *Mail Class & Type* Screen.**

   Upon selecting *Priority* from the *Mail Class & Type* screen (Figure 3.11.1–2), the *Mail Preparation/Sortation Marking* Screen is displayed.

2. **Select the appropriate marking or endorsement from the *Mail Preparation/Sortation Marking* screen.**

   Endorsements or markings may be found in a number of places on the mailpiece, such as in the indicia, next to the indicia, above the address label, in the address label, or at the bottom of the mailpiece.

   From the *Mail Preparation/Sortation Marking* screen (Figure 3.11.1–3), select one of the following:

   - Presorted (Presorted or PRSRT).
   - None (no marking).

   Once the marking selection has been entered in the field at the bottom of the screen, the *Mail Type* screen is displayed.

3. **Follow the guidelines given in section 3.11.1.1, Insured: First-Class Mail, steps 2 through 6.**

   - Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.11.1–4).
   - Choose the type of mailer from the *Type of Mailer* screen (Figure 3.11.1–5).
   - Enter all Indicia found on the mailpiece (Figure 3.11.1–6).
   - Enter the number of mailpieces in the *Pieces* screen (Figure 3.11.1–7).
   - Enter the weight of the pieces on the *Weight* screen (Figure 3.11.1–8).

   Upon entering the weight of the mailpiece in the field provided, the *ZIP Code Lookup* screen (Figure 3.11.1–18) is displayed.

4. **Enter the first three digits of the *destinating* ZIP Code.**

   CODES displays the *Destinating ZIP Code* screen.

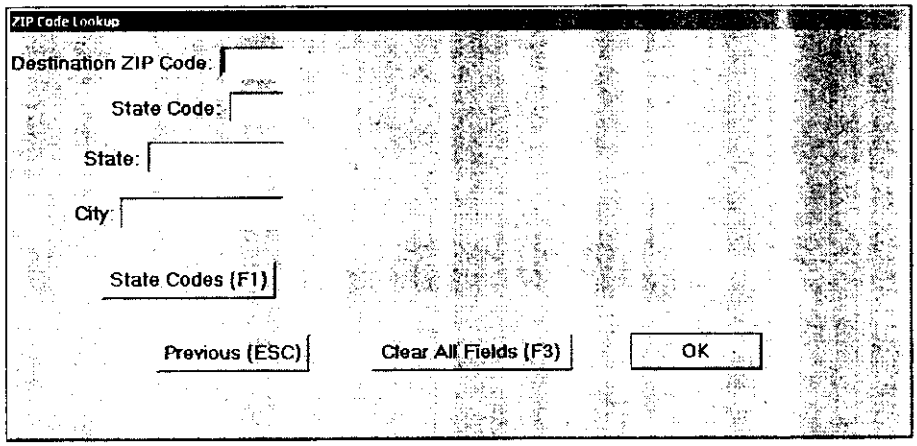

Figure 3.11.1–18. *ZIP Code Lookup* Screen

If the ZIP Code is unknown, press <F1> and a pop-up list of states will be displayed (Figure 3.11.1–19). If the first three digits of the ZIP Code cannot be read, press <->.

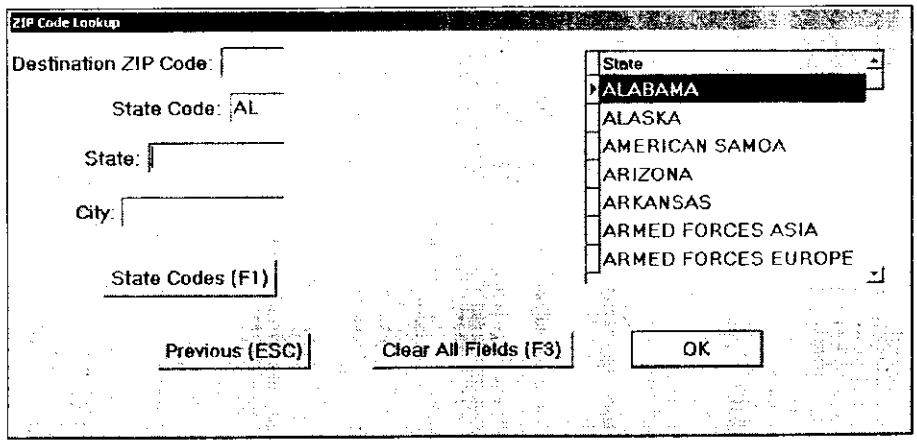

Figure 3.11.1–19. *ZIP Code Lookup* Screen with State Pop-up Menu

Upon selecting the appropriate state, the city pop-up list will also be shown (Figure 3.11.1–20).

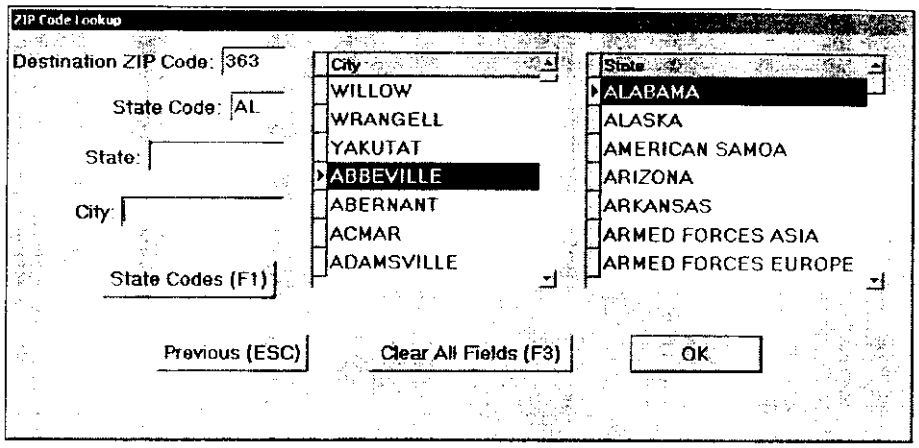

Figure 3.11.1–20. *ZIP Code Lookup* Screen with City Pop-up Menu

Making a city selection will fill the Destination ZIP Code field. Use the laptop's arrow keys to make your selection for both lists (if applicable) and press <Enter>.

5. **Return to the guidelines given in section 3.11.1.1, Insured: First-Class Mail, and follow steps 9 through 13.**

   - Enter the fee for each insured piece on the *Total Insurance Fee* screen (Figure 3.11.1–10).
   - Enter *Yes* or *No* to the Special Service indicator (Figure 3.11.1–11).
   - Choose the type of special service or mail fee that is appropriate (Figure 3.11.1–12).
   - Enter the total mailpiece revenue for each piece of mail entered (Figure 3.11.1–13).
   - Verify the mailpiece data by making the appropriate selection (Figure 3.11.1–14).

   Once the mailpiece data is verified, the *Originating Special Services* screen (Figure 3.11.1–1) is displayed.

3.11.1.5 Insured: Package Services

With the exception of Library Mail and Special Mail, Package Services weighs 16 ounces or more. Each Package Service mailpiece may not exceed 70 pounds with the exception of Bound Printed Matter which may weigh up to 15 pounds. The combined length and girth of a mailpiece may not exceed 130 inches. See section 3.11 for more information.

To record a Package Services mailpiece, complete the following steps:

1. **Select *Package Services* from the *Mail Class & Type* screen.**

   Package Services includes the following endorsements: Parcel Post, PP, Parcel Select, Bound Printer Matter, BPM, Media Mail, Special Standard, SPEC STD, Library Rate, or Library Mail.

Once *Package Services* is selected from the *Mail Class & Type* screen (Figure 3.11.1–2), the *Mail Subclass* screen is displayed.

2. **Select the appropriate package service from the *Mail Subclass* screen.**

   Choose one of the following subclasses:

   - Parcel Post (no marking, Parcel Post, PP, or Parcel Select).
   - Bound Printed Matter (Bound Printed Matter or BPM).
   - Media Mail (Media Mail, Special Standard Mail or SPEC STD).
   - Library Mail (Library Rate or Library Mail).

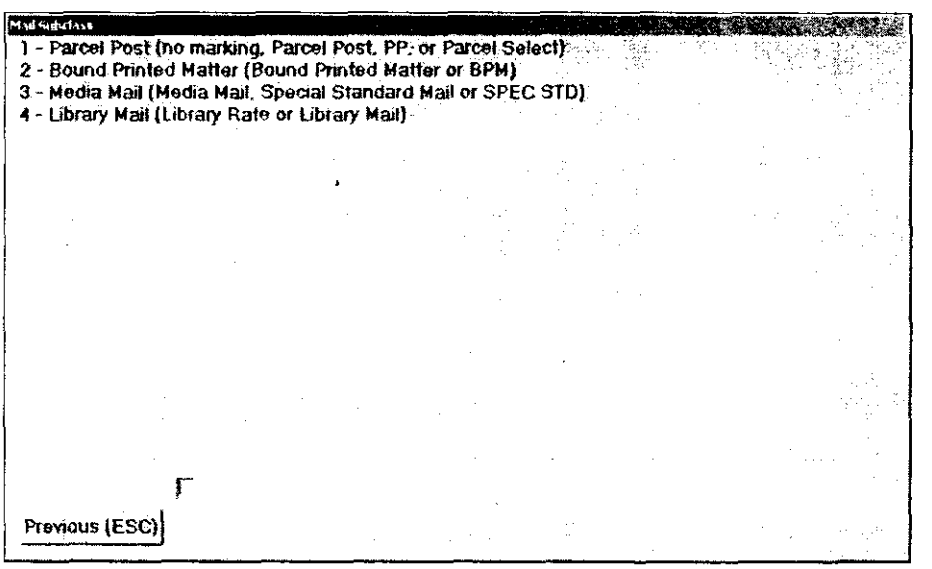

Figure 3.11.1–21. *Mail Subclass* Screen

Upon entering any one of the four subclasses in the field at the bottom of the *Mail Subclass* screen, the *Mail Preparation/Sortation Marking* screen is displayed.

3. **Select the marking or endorsement that applies from the *Mail Preparation/Sortation Marking* screen.**

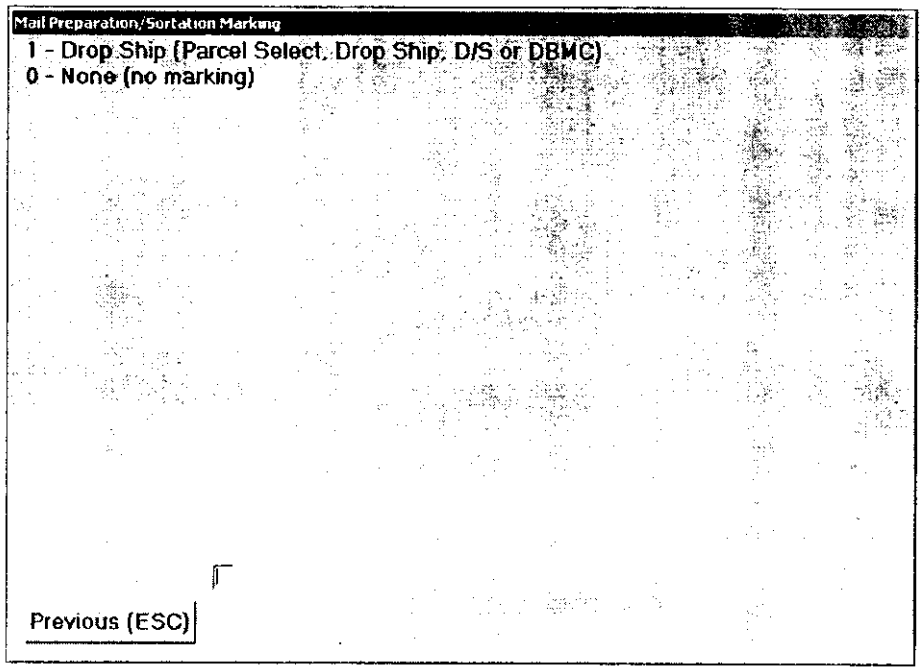

Figure 3.11.1–22. *Mail Preparation/Sortation Marking* Screen

After making the selection from the *Mail Preparation/Sortation Marking* screen, the *Mail Type* screen is displayed.

Follow the guidelines given in section 3.11.1.1, Insured: First-Class Mail, steps 3 through 7.

- Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.11.1–4).
- Choose the type of mailer from the *Type of Mailer* screen (Figure 3.11.1–5).
- Enter all indicia found on the mailpiece (Figure 3.11.1–6).
- Enter the number of mailpieces in the *Pieces* screen (Figure 3.11.1–7).
- Enter the weight of the pieces on the *Weight* screen (Figure 3.11.1–8).

After entering the weight of the mailpiece in the field on the *Weight* screen, the *Mail Enclosures* screen (Figure 3.11.1–23) is displayed.

4. **For *all* Package Services mailpieces, select *enclosures or no enclosures*.**

   CODES displays a screen that requires enclosure information.

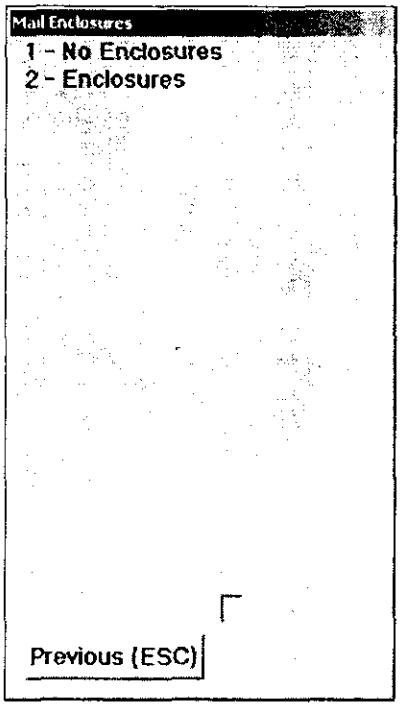

Figure 3.11.1–23. *Mail Enclosures* Screen

Determine if the mailpiece contains enclosures and select the appropriate response.

Note: Enclosures are recorded for Package Services only, not Standard Mail.

- ***No Enclosures*** This indicates that no enclosure is included with the mailpiece. Refer to section 3.11 for more information on enclosures.

  If *No Enclosures* is selected, the *ZIP Code Lookup* screen (Figure 3.11.1–18) is displayed.

  Once the ZIP Code is inserted into the appropriate fields, the *Parcel Dimensions* screen is displayed.

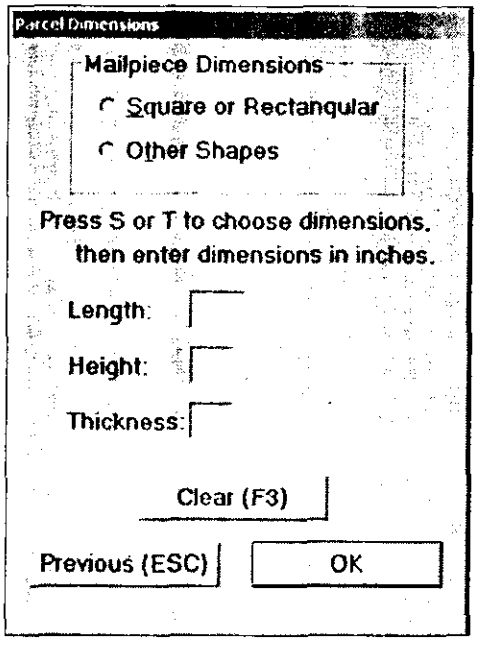

Figure 3.11.1–24. *Parcel Dimensions* Screen

Upon entering the dimensions of the mailpiece in the appropriate fields, the *Total Insurance Fee* screen is displayed as described in Step 6 below.

- ***Enclosures*** This indicates that enclosures are included with the mailpiece. Refer to section 3.11 for more information on enclosures.

  If enclosures are included, CODES displays the *Total Enclosure Revenue* screen.

5. **Enter the amount of revenue for each enclosure on the *Total Enclosure Revenue* screen.**

   Enter the revenue of the enclosures and press <Enter>. When entering an amount in this revenue screen, enter the sum as cents per piece. For example, enter a revenue of $1.50 as 150. Likewise, enter 37 cents as 37.

   CODES automatically calculates the total revenue for the number of pieces selected and enters it in the *Total Revenue* field.

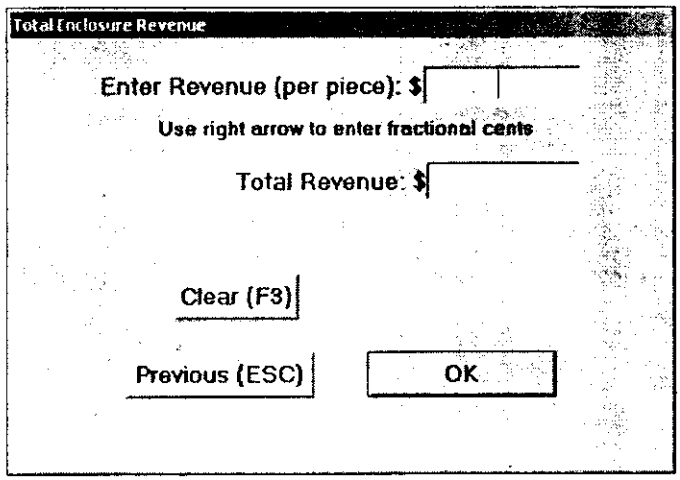

Figure 3.11.1–25. *Total Enclosure Revenue* Screen

6. **Follow the guidelines given in section 3.11.1.1, Insured: First-Class Mail, steps 8 through 12.**

   - Enter the first three digits of the destinating ZIP Code (Figure 3.11.1–18).
   - Enter the dimensions of the mailpiece on the *Parcel Dimensions* screen (Figure 3.11.1–24).
   - Enter the fee for each insured piece on the *Total Insurance Fee* screen (Figure 3.11.1–10).
   - Enter *Yes* or *No* to the Special Service indicator (Figure 3.11.1–11).
   - Choose the type of special service or mail fee that is appropriate.
   - Enter the total mailpiece revenue for each piece of mail entered on the *Total Mailpiece Revenue* screen (Figure 3.11.1–13).
   - Confirm the mailpiece data by making the appropriate selection on the *Verify* Screen (Figure 3.11.1–14).

   After verifying the *Mailpiece Data* screen, the *Originating Special Services* screen (Figure 3.11.1–1) is displayed.

3.11.2 Collect on Delivery (COD) Mail

Any mailer may use collect on delivery (COD) service to mail an article for which the mailer has not been paid and have its price and the cost of the postage collected from the recipient. If the recipient pays the amount due by check payable to the mailer, the Postal Service forwards the check to the mailer. If the recipient pays the amount due in cash, the Postal Service collects the money order fee(s) from the recipient and sends a postal money order(s) to the mailer. The maximum COD fee collected from the recipient

may not exceed $1,000. COD service provides the mailer with a mailing receipt, and a delivery record is maintained by the Postal Service. The COD service may be used for Express Mail, First-Class Mail, Priority Mail, or Package Services.

The applicable COD fee must be paid in addition to the correct postage and fees for other services requested. The amount to be collected or the amount of insurance coverage desired, whichever is higher, determines the COD fee. The other services which are available for COD mailpieces are return receipt, restricted delivery, delivery confirmation, registered mail, signature confirmation, and special handling.

3.11.2.1 COD: First-Class Mail

To record First-Class Mail COD mailpieces, complete the following steps:

1. **Select First-Class from the *Mail Class & Type* screen.**

   For COD Mail that weights 13 ounces or less, select *First-Class* from the *Mail Class & Type* screen (Figure 3.11.1–2).

2. **Follow steps 1 through 8 described in section 3.11.1.1, Insured: First-Class Mail.**

   - Select *First-Class* from the *Mail Class & Type* screen (Figure 3.11.1–2).
   - Select the marking or endorsement that applies from the *Mail Preparation/Sortation Marking* screen (Figure 3.11.1–3).
   - Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.11.1–4).
   - Choose the type of mailer from the *Type of Mailer* screen (Figure 3.11.1–5).
   - Enter all indicia found on the mailpiece on the *Indicia* screen (Figure 3.11.1–6).
   - Enter the number of mailpieces on the *Pieces* screen (Figure 3.11.1–7).
   - Enter the weight of the pieces on the *Weight* screen (Figure 3.11.1–8).
   - Enter the machinability of the mailpiece on the *Mailability* screen (Figure 3.11.1–9).

   After completing the fields on the *Mailability* screen, the *Total COD Fee* screen is displayed.

3. **Enter the COD fees in the appropriate fields on the *Total COD Fee* screen (Figure 3.11.2–1).**

   Enter the amount of the total COD fee for the mailpiece. This amount may be found on PS Form 3816 which is attached to the mailpiece.

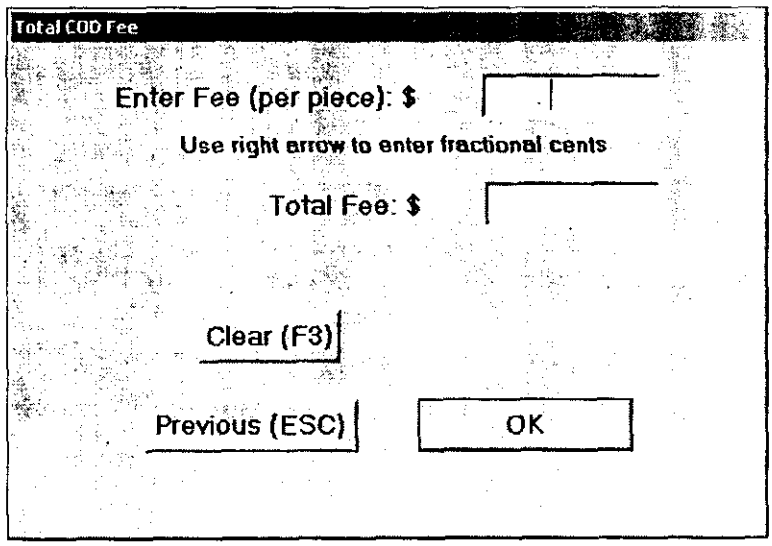

Figure 3.11.2–1. *Total COD Fee* Screen

The total COD fee for the mailpiece is automatically calculated and entered in the *Total Fee* field. Once the fields are filled, press <Enter> and the *Special Service Indicator* screen is displayed. Instructions for completing this screen are found in section 3.11.1, step 10.

4. **Follow steps 10 through 13 described in section 3.11.1.1, Insured: First-Class Mail.**

   - Enter the appropriate number to indicate if the mailpiece has special services (Figure 3.11.1–11).
   - Choose the type of special service or mail fee that is appropriate (Figure 3.11.1–12).
   - Enter the total mailpiece revenue for each piece of mail selected (Figure 3.11.1–13).
   - Verify the mailpiece data by making the appropriate selection (Figure 3.11.1–14).

   After verifying the *Mailpiece Data* screen, the *Originating Special Services* screen (Figure 3.11.1–1) is displayed.

3.11.2.2 COD Mail: Priority Mail

1. **Upon selecting Priority Mail from the *Mail Class & Type* screen (Figure 3.11.1–2), the *Mail Preparation/Sortation Marking* screen is displayed.**

2. **Follow steps 1 through 7 as described in section 3.11.1.1, Insured: First-Class Mail.**

   - Select *Priority* from the *Mail Class & Type* screen (Figure 3.11.1–2).

- Select the marking or endorsement that applies from the *Mail Preparation/Sortation Marking* screen.

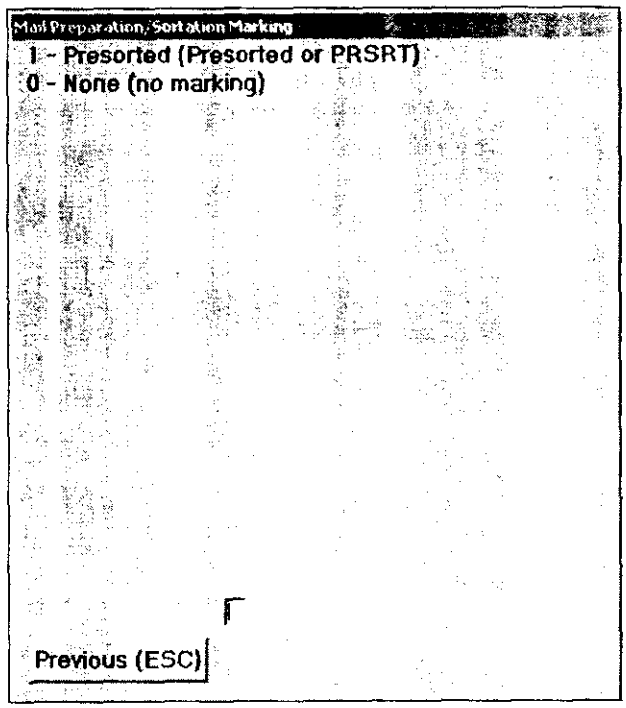

Figure 3.11.2–2. *Mail Preparation/Sortation Marking* Screen

- Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.11.1–4).
- Choose the type of mailer from the *Type of Mailer* screen (Figure 3.11.1–5).
- Enter all indicia found on the mailpiece on the *Indicia* screen (Figure 3.11.1–6).
- Enter the number of mailpieces on the *Pieces* screen (Figure 3.11.1–7).
- Enter the weight of the pieces on the *Weight* screen (Figure 3.11.1–8).

3. **Enter the destinating ZIP Code on the *ZIP Code Lookup* screen (Figure 3.11.1–18).**

4. **Enter the COD fee on the *Total COD Fee* screen.**

   Enter the amount of the total COD fee for the mailpiece as shown in Figure 3.11.2–1. This amount may be found on PS Form 3816 which is attached to the item.

   The total fee for the mailpiece is automatically calculated and entered in the *Total Fee* field. Once the fields are filled, press <Enter> and the *Special Service Indicator* screen is displayed.

5. **Return to the guidelines given in section 3.11.1.1, Insured: First-Class Mail and follow steps 10 through 13.**

   - Enter *Yes* or *No* to the Special Service indicator (Figure 3.11.1–11).

     Yes The *Special Service/Mail Fee* screen is displayed. Choose the type of special service or mail fee that is appropriate (Figure 3.11.1–12).

     No The *Total Mailpiece Revenue* screen (Figure 3.11.1–13) is displayed.

   - Enter the total mailpiece revenue for each piece of mail entered.
   - Verify the mailpiece data by making the appropriate selection (Figure 3.11.1–14).

   Once the *Mailpiece Data* is verified, the *Originating Special Services* screen (Figure 3.11.1–1) is displayed.

3.11.2.3 COD Mail: Package Services

1. **Select Package Services from the *Mail Class & Type* screen.**

   Upon selecting Package Services from the *Mail Class & Type* screen (Figure 3.11.1–2), the *Mail Subclass* screen is displayed.

2. **Select the appropriate Package Service from the *Mail Subclass* screen.**

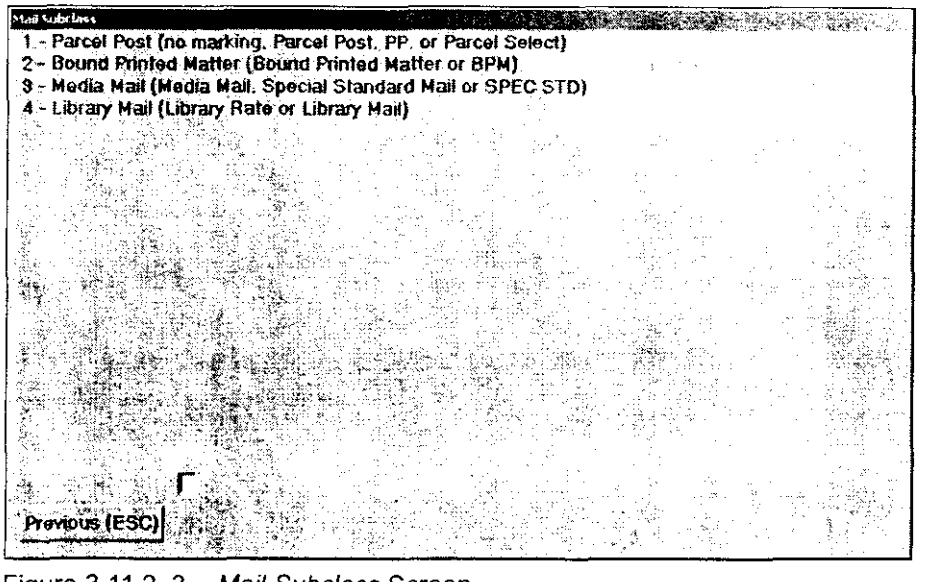

Figure 3.11.2–3. *Mail Subclass* Screen

3. **Follow steps 2 though 7 described in section 3.11.1.1, Insured: First-Class Mail.**
   - Select the marking or endorsement that applies from the *Mail Preparation/Sortation Marking* screen (Figure 3.11.1–3).
   - Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.11.1–4).
   - Choose the type of mailer from the *Type of Mailer* screen (Figure 3.11.1–5).
   - Enter all indicia found on the mailpiece on the *Indicia* screen (Figure 3.11.1–6).
   - Enter the number of mailpieces on the *Pieces* screen (Figure 3.11.1–7).
   - Enter the weight of the pieces on the *Weight* screen (Figure 3.11.1–8).
4. **Select *No Enclosures* or *Enclosures* from the *Mail Enclosures* screen (Figure 3.11.1–23).**

   If *Enclosures* is chosen, the *Total Enclosure Revenue* screen (Figure 3.11.1–25) is displayed.
5. **Enter the ZIP Code into the destination *ZIP Code Lookup* screen (Figure 3.11.1–18).**
6. **Enter the parcel dimensions into the *Parcel Dimensions* screen (Figure 3.11.1–24).**
7. **Enter the fee for each mailpiece on the *Total COD Fee* screen (Figure 3.11.2–1).**
8. **Enter the appropriate number on the *Special Service Indicator* screen (Figure 3.11.1–11) to indicate if the mailpiece has special services.**
9. **Choose the type of special service or mail fee that is appropriate (Figure 3.11.1–12).**

   Enter the special service in the field on the *Special Service/Mail Fee* screen. The *Total Mailpiece Revenue* screen is then displayed.
10. **Enter the total mailpiece revenue for each piece of mail selected.**

    Enter the amount of revenue on the *Total Mailpiece Revenue* screen (Figure 3.11.1–13) for each mailpiece which is listed on PS Form 8126 that is attached to the mailpiece. The total mailpiece revenue will be calculated automatically and inserted in the *Total Mailpiece(s) Revenue* field. Press *OK* or <Enter> to display the *Verify* screen.

11. Verify the mailpiece data by making the appropriate selection.

Upon selecting the appropriate button on the *Verify* screen (Figure 3.11.1–14), the user is returned to the *Originating Special Services* screen (Figure 3.11.1–1).

3.11.3 Registered Mail

Registered mail incorporates a system of receipts to monitor the movement of the mail from the point of entry to delivery. It also provides the sender with a mailing receipt and a delivery record is kept at the post office of address.

3.11.3.1 Registered: First-Class Mail

First-Class Mail weighs 13 ounces or less. This class includes letters, cards, flats, IPPs, small parcels, and rolls.

1. Select First-Class from the *Mail Class & Type* screen.

For registered mail that weighs 13 ounces or less, select *First-Class* from the *Mail Class & Type* screen (Figure 3.11.1–2).

2. Follow steps 1 through 8 described in section 3.11.1.1, Insured: First-Class Mail.

- Select the marking or endorsement that applies from the *Mail Preparation/Sortation Marking* screen (Figure 3.11.1–3).
- Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.11.1–4).
- Choose the type of mailer from the *Type of Mailer* screen (Figure 3.11.1–5).
- Enter all indicia found on the mailpiece on the *Indicia* screen (Figure 3.11.1–6).
- Enter the number of mailpieces on the *Pieces* screen (Figure 3.11.1–7).
- Enter the weight of the pieces on the *Weight* screen (Figure 3.11.1–8).
- Enter the machinability of the mailpiece on the *Mailability* screen (Figure 3.11.1–9).

3. Enter the fee for each registered mailpiece at the *Total Registered Fee* screen.

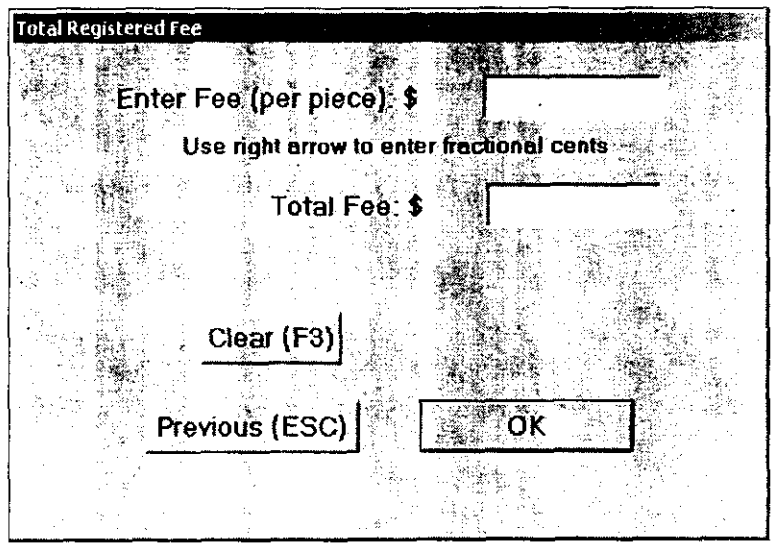

Figure 3.11.3–1. *Total Registered Fee* Screen

4. **Follow steps 9 through 12 described in section 3.11.1.1, Insured: First-Class Mail.**

   - Enter the appropriate number to indicate if the mailpiece has special services (Figure 3.11.1–11).
   - Choose the type of special service or mail fee that is appropriate (Figure 3.11.1–12).
   - Enter the total mailpiece revenue for each piece of mail selected (Figure 3.11.1–13).
   - Verify the mailpiece data by making the appropriate selection (Figure 3.11.1–14).

   After verifying the *Mailpiece Data* screen, the *Originating Special Services* screen (Figure 3.11.1–1) is displayed.

3.11.3.2 Registered: International Mail

From the *Mail Class & Type* screen, select *International* if the mailpiece destination is a foreign country.

1. **Select *International (Outbound to Foreign Countries)* from the *Mail Class & Type* screen.**

   The *Mail Subclass* screen is displayed.

2. **Select *Economy Letter-Post* or *Airmail Letter-Post* from the *Mail Subclass* screen.**

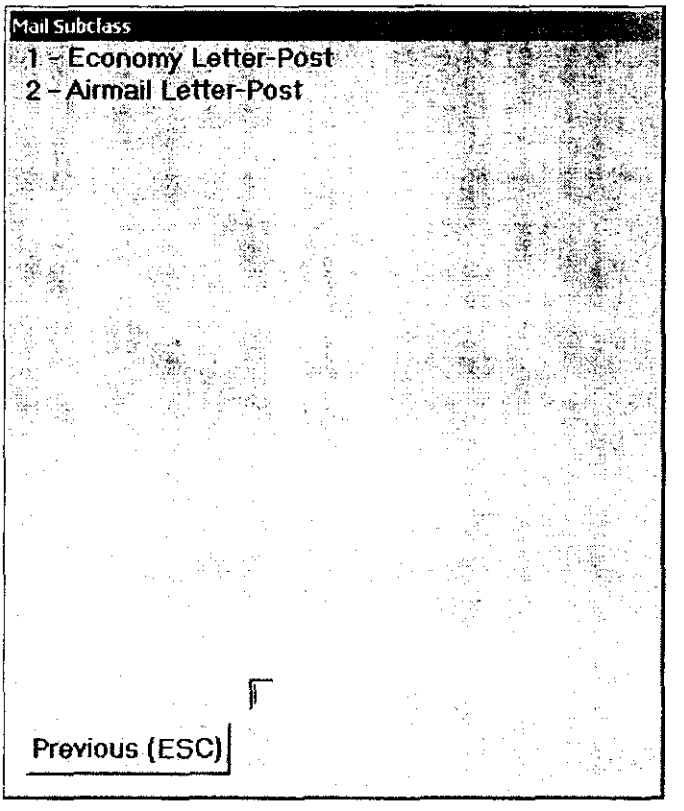

Figure 3.11.3–2. *Mail Subclass* Screen

Choose *Economy Letter-Post* or *Airmail Letter-Post* from the *Mail Subclass* screen and insert the number of the selection in the field provided.

Record all international mail as *Economy Letter-Post* unless the mailpiece is marked *Airmail* or *Airmail Letter-Post.*

Once the subclass is selected, the *International Country* screen is displayed.

3. **Select the destination country of the mailpiece that is being recorded.**

   From the *International Country* screen (Figure 3.11.1–17) select the appropriate destination of the mailpiece.

   Once the selection is inserted into the field at the bottom of the screen, the *Mail Type* screen is displayed.

4. **Follow steps 3 through 7 of section 3.11.1.1, Insured: First-Class Mail.**

   - Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.11.1–4).

- Choose the type of mailer from the *Type of Mailer* screen (Figure 3.11.1–5).
- Enter all indicia found on the mailpiece on the *Indicia* screen (Figure 3.11.1–6).
- Enter the number of mailpieces on the *Pieces* screen (Figure 3.11.1–7).
- Enter the weight of the pieces on the *Weight* screen (Figure 3.11.1–8).

5. **Enter the fee for each registered piece on the *Total Registered Fee* screen (Figure 3.11.3–1).**
6. **Enter *Yes* or *No* to the *Special Service Indicator* (Figure 3.11.1–11).**
7. **Choose the type of special service or mail fee that is appropriate (Figure 3.11.1–12).**

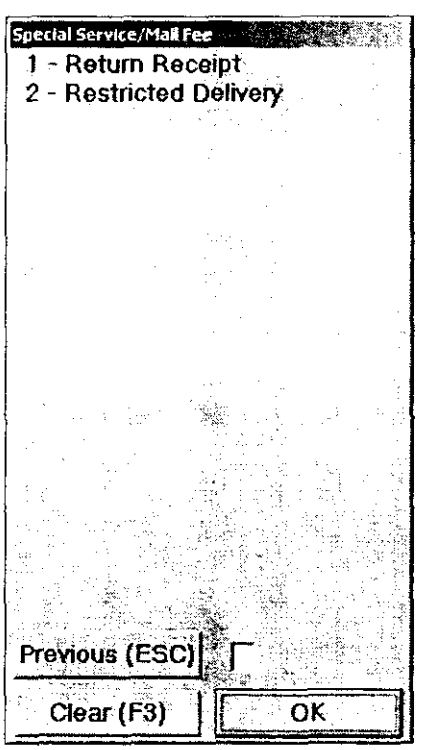

Figure 3.11.3–3. *Special Service Mail Fee* Screen

Select the type of special service that is applicable to the mailpiece and insert its number in the field at the bottom of the screen. The *Total Mailpiece Revenue* screen is displayed.

8. **Follow steps 13 and 14 of section 3.11.1.1, Insured: First-Class Mail.**
   - Enter the total mailpiece revenue (Figure 3.11.1–13) for each piece of mail entered.
   - Verify the mailpiece data by making the appropriate selection on the *Verify* screen (Figure 3.11.1–14).

   Upon verifying the recorded data for *international mail*, the *Originating Special Services* screen (Figure 3.11.1–1) is displayed.

3.11.3.3 Registered: Priority Mail

Priority Mail is First-Class Mail that weighs more than 13 ounces but less than or equal to 70 pounds. Priority Mail may also include mail that weighs 13 ounces or less, at the option of the mailer. It *should* bear the endorsement, *Priority Mail* or *First-Class Mail*, but in practice it may not. If a piece of unendorsed mail is encountered that has been paid at the *Priority Mail* rate, record the piece as Priority Mail (section 3.13).

To record Registered Priority Mail, observe the following guidelines:

1. **Follow steps 1 through 7 described in section 3.11.1.1, Insured: First-Class Mail.**
   - Select *Priority* from the *Mail Class & Type* screen (Figure 3.11.1–2).
   - Select the marking or endorsement that applies from the *Mail Preparation/Sortation Marking* screen (Figure 3.11.1–3).
   - Enter the shape of the mailpiece on the *Mail Type* screen (Figure 3.11.1–4).
   - Choose the type of mailer from the *Type of Mailer* screen (Figure 3.11.1–5).
   - Enter all indicia found on the mailpiece on the *Indicia* screen (Figure 3.11.1–6).
   - Enter the number of mailpieces on the *Pieces* screen (Figure 3.11.1–7).
   - Enter the weight of the pieces on the *Weight* screen (Figure 3.11.1–8).
2. **Enter the first three digits of the *destinating* ZIP Code on the *ZIP Code Lookup* screen (Figure 3.11.1–18).**
3. **Enter the fee for each registered mailpiece on the *Total Registered Fee* screen (Figure 3.11.3–1).**
4. **Return to the guidelines given in section 3.11.1.1, Insured: First-Class Mail and follow steps 10 through 13.**
   - Enter *Yes* or *No* to the *Special Service Indicator* screen (Figure 3.11.1–11).
   - Choose the type of special service or mail fee that is appropriate (Figure 3.11.1–12).

- Enter the total mailpiece revenue for each piece of mail entered (Figure 3.11.1–13).
- Verify the mailpiece data by making the appropriate selection (Figure 3.11.1–14).

Once the *Mailpiece Data* is verified, the *Originating Special Services* screen (Figure 3.11.1–1) is displayed.

3.11.4 Certificates of Mailing

The Certificate of Mailing service provides evidence of mailing. For this type of mail, the window clerk or mailer prepares a receipt to show evidence of mailing. The mailpiece may be First-Class Mail, Priority Mail, Standard Mail, Package Services, or international mail.

3.11.4.1 Certificates of Mailing: First-Class Mail

1. **Select *First-Class* from the *Mail Class & Type* screen.**

   For Certificate of Mailing Mail that weighs 13 ounces or less, select *First-Class* from the *Mail Class & Type* screen (Figure 3.11.1–2).

   Upon selecting *First-Class*, the *Certificates of Mailing Subgroup* screen is displayed.

2. **Select the appropriate type of Certificate of Mailing for the mailpiece.**

   The *Certificates of Mailing Subgroup* screen gives four options, each of which defines a specific type of mailing certificate as described below:

   - *Certificate of Mailing - Basic (PS Form 3817)*: This form is used for an individual certificate for ordinary mail of any class.
   - *Certificate of Mailing - Bulk (PS Form 3606)*: This form is used for a bulk mailing as a certificate to specify the number of pieces mailed. This certificate is provided only for a mailing of identical pieces of First-Class Mail and Standard Mail matter.
   - *Duplicate Copies (PS Form 3606):* This form is used for duplicate copies of a single mailpiece and specifies the number of pieces mailed.
   - *Firm Mailing Books (PS Form 3877):* This form is used when requesting a certificate of mailing for three or more pieces of mail presented at one time.

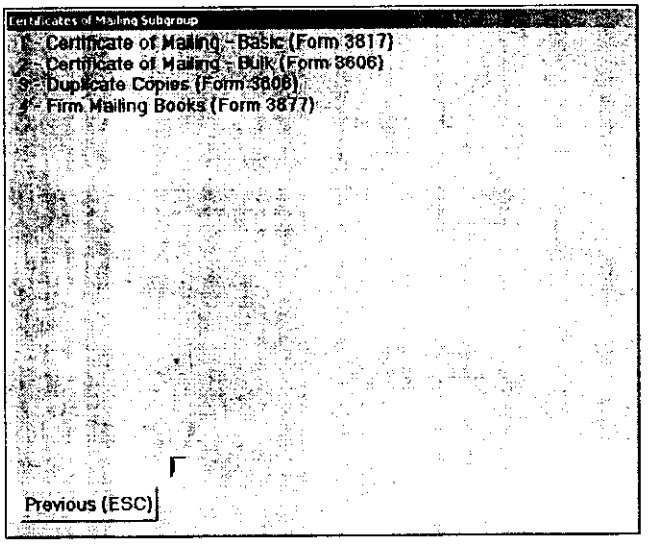

Figure 3.11.4–1. *Certificates of Mailing Subgroup* Screen

- Selecting the option *Certificate of Mailing - Basic (Form 3817)* displays the *Certificate of Mailing-Basic Fee* screen.

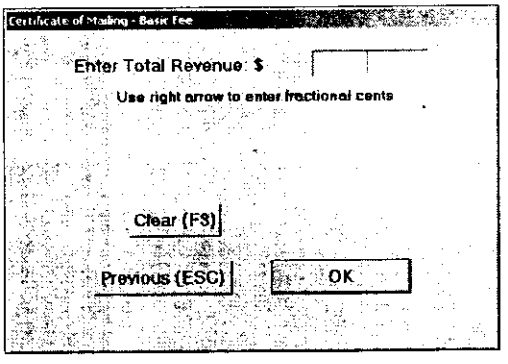

Figure 3.11.4–2. *Certificate of Mailing - Basic Fee* Screen

Upon entering the total revenue of the *Certificate of Mailing*, the *Verify* screen is displayed.

- Selecting the option *Certificate of Mailing - Bulk (Form 3606)* displays the *Certificate of Mailing-Bulk Fee* screen.

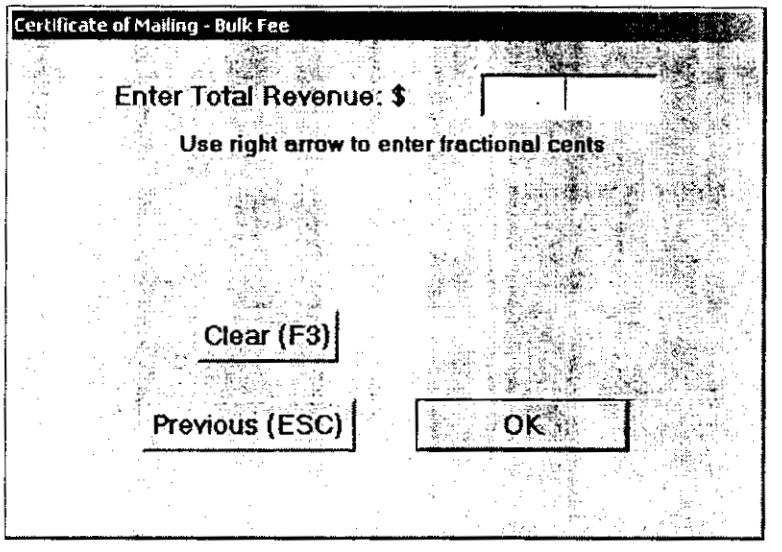

Figure 3.11.4–3. *Certificate of Mailing - Bulk Fee* Screen

Upon entering the total revenue of the *Certificate of Mailing*, the *Verify* screen is displayed.

- Selecting the option *Duplicate Copies (Form 3606)* displays the *Duplicate Copies Fee* screen.

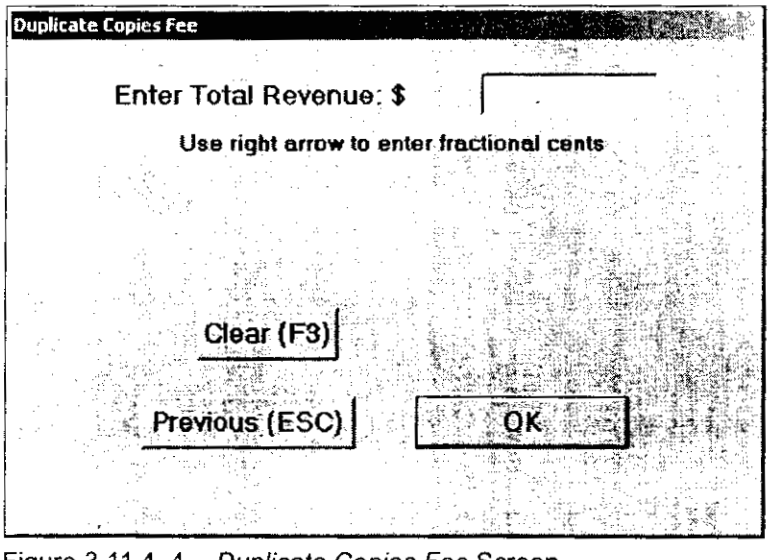

Figure 3.11.4–4. *Duplicate Copies Fee* Screen

Upon entering the total revenue of the *Certificate of Mailing*, the *Verify* screen is displayed.

- Selecting the option *Firm Mailing Books (Form 3817)* displays the *Firm Mailing Books Fee* screen.

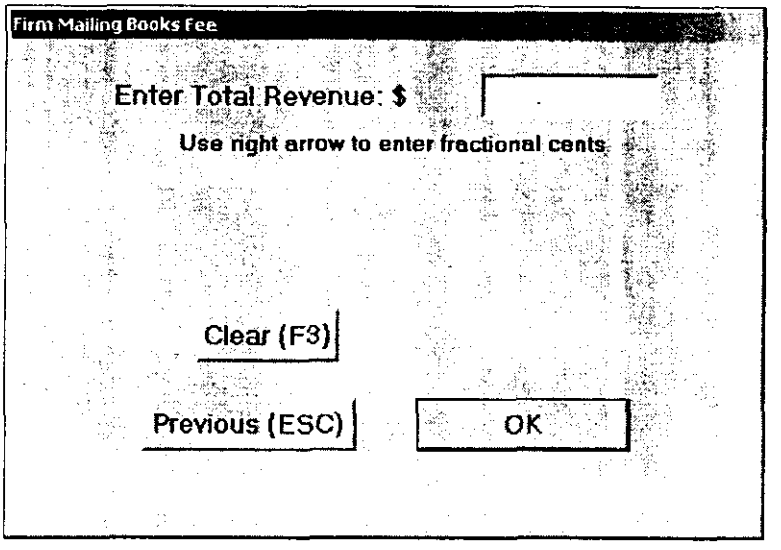

Figure 3.11.4–5. *Firm Mailing Books Fee* Screen

Upon entering the certificate of mailing fee(s) in the *Enter Total Revenue* field, the *Verify* screen is displayed.

3. **Verify the data by making the appropriate selection.**

   Select the appropriate button to verify the information on the *Mailpiece Data* screen that appears beside the *Verify* screen.

   - ***Yes*** Indicates that the information is correct.
   - ***No*** Indicates that the information is incorrect and must be re-entered.

   Upon selecting the appropriate button on the Verify screen, the user is returned to the *Originating Special Services* screen.

3.11.4.2 Certificates of Mailing: Standard Mail, International Mail, Priority Mail, and Package Services

Certificates of Mailing for Standard Mail, international mail, Priority Mail, and Package Services follows the same path as described above in section A for First-Class Certificates of Mailing.

3.11.5 Collect on Delivery (Alteration of COD Charges)

The mailer of a COD package may alter the COD charges or direct delivery to a new addressee by filing a request with the postmaster at the office of address and paying the applicable fee. The request must show the Post Office and date of mailing, the COD number, the name and address of addressee shown on form, the name and address of new addressee if applicable, and the new COD charges or delivery to be made without collecting COD charges.

The COD mailer files a Form 3849-D (card). Postage is affixed directly to the card to pay the altering fee.

To record a COD mailpiece (Alteration of COD Charges or Designation of New Addressee) complete the following steps:

1. **Select *Collect On Delivery* (Alteration of COD Charges or Designation of New Addressee) from the *Originating Special Services* screen (Figure 3.11.1–1).**

   Upon selecting *Collect On Delivery* from the *Originating Special Services*, the *Pieces* screen is displayed (Figure 3.11.1–7).

2. **Enter the number of mailpieces on the *Pieces* screen.**

   Upon entering the number of mailpieces on the *Pieces* screen, the *Verify* screen is displayed (Figure 3.11.1–14).

3. **Confirm the information on the *Verify* screen,**

   The *Originating Special Services* screen is displayed (Figure 3.11.1–1).

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3.12 Ending the ODIS-RPW Test and Saving Test Data

BACKGROUND INFORMATION

Once the final mailpiece has been recorded, the ODIS-RPW test must be ended and the data that has been collected saved. However, before ending a test, sometimes the test data must be edited or even deleted. The data collector may be forced to suspend a test for a period of time or in some circumstances even abort a test. This section will give guidelines on how to do all of these functions which are identified on the *Options Menu* shown below (Figure 3.12.0–1).

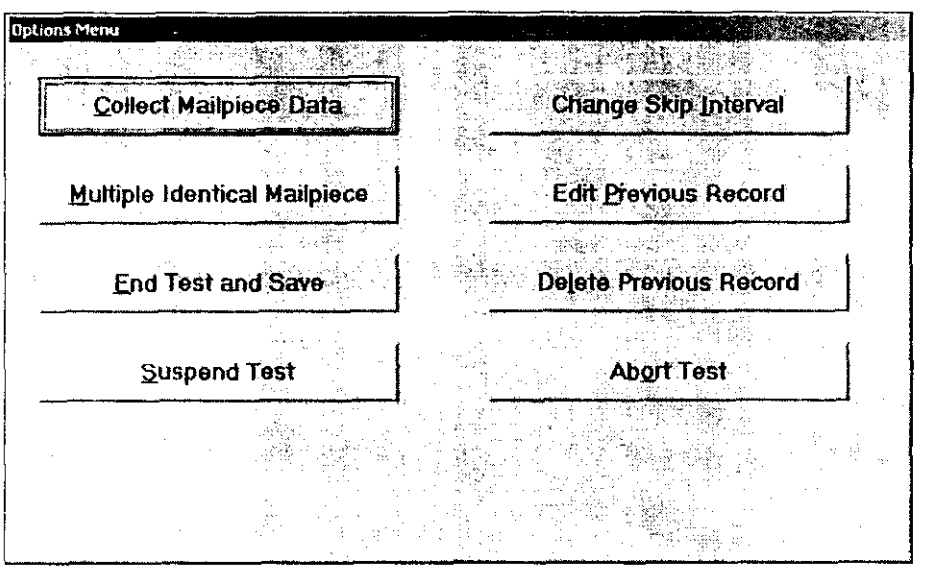

Figure 3.12.0–1. *Options Menu* Screen

3.12.1 Reviewing and Editing Mailpiece Recordings

Once the ODIS-RPW mailpiece has been verified, the data collector may review the last entry by selecting *Edit Previous Record* from the *Options Menu*. Selecting this option will produce an *Editing Record* that allows the data collector to once again verify the entered information (Figure 3.12.1–1).

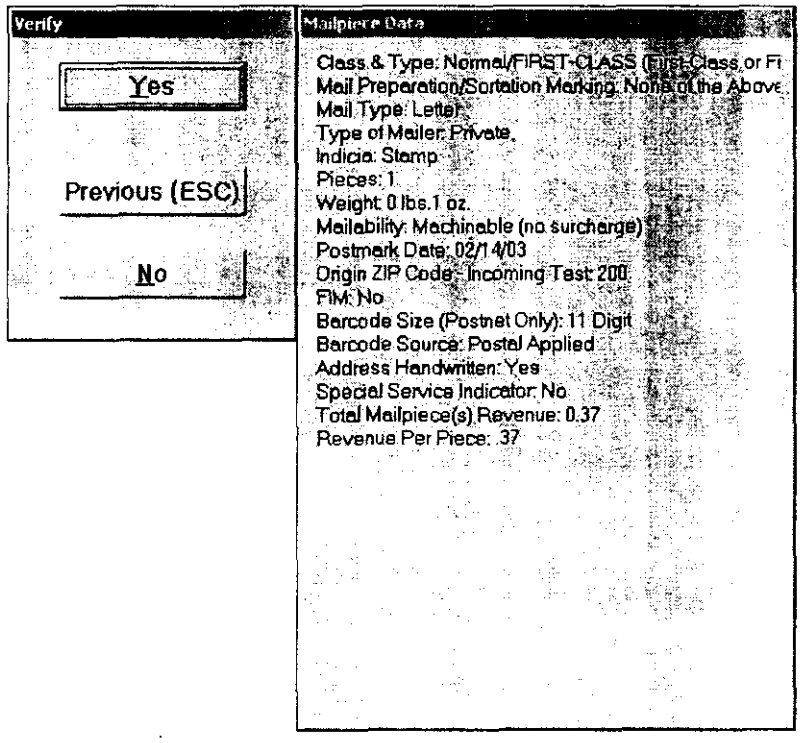

Figure 3.12.1–1. *Verify* Screen

1. **To indicate if the information displayed on the *Mailpiece Data* screen is correct, type the appropriate letter.**
   - ***Yes*** Selecting *Yes* from the *Verify* screen will acknowledge that the entered data is correct and return the user to the *Options Menu*.
   - ***No*** Selecting *No* from the *Verify* screen will produce an *Information* screen that asks if the data collector would like to delete the record.
2. **To indicate that the record should be deleted, type the appropriate letter in response to the *Information* screen (Figure 3.12.1–2).**

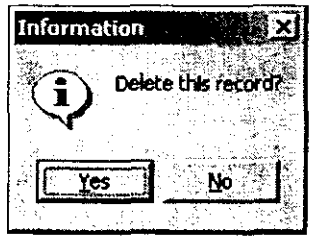

Figure 3.12.1–2. *Information* Screen

- ***Yes*** Selecting *Yes* from the *Information* screen deletes the test record.