

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

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN
(DBP/USPS-75-82, 84)
(May 31, 2005)

The United States Postal Service hereby provides its institutional responses to interrogatories DBP/USPS-75-82, 84, submitted on May 17, 2005. Responses to interrogatories DBP/USPS-83, 85-86 are forthcoming.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

David H. Rubin

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2986, Fax -3084

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

DBP/USPS-75. Please refer to your response to DBP/USPS-47. [a] Please confirm that there are certain fixed costs associated with the provision of Registered Mail service. [b] Please confirm that your response that states, "the costs reported for Registered Mail exclude the costs associated with the Postal Service's use of this product." means that if an IOCS tally found the an employee working on an official USPS Registered Mail article, the costs would be considered as institutional costs and not associated with Registered Mail. [c] Please advise how the fixed costs of Registered Mail are allocated between Registered Mail and Institutional costs. [d] Please confirm that the data contained in response to DBP/USPS-47 subpart c relates only to domestic mail. [e] For the five years shown, also provide the number of International Registered Mail pieces - provide a separate listing for both outgoing and incoming mail. [f] Please advise how the IOCS tallies for Registered Mail distinguish between domestic and international mail. [g] Please confirm that International Registered Mail is handled in the same manner as domestic Registered Mail. [h] Please advise how the fixed costs of Registered Mail are allocated between domestic and international Registered Mail. [i] Please confirm that if at the time of an IOCS tally an employee is holding 5 pieces of mail, the tally will be made of all 5 pieces even if they are the same category. [j] Please confirm that in general the size and shape of official USPS Registered Mail will be larger and bulkier than the size and shape of non-official Registered Mail. [k] Please confirm that an IOCS tally of an employee working with Registered Mail would be more likely to have a greater number of nonofficial Registered Mail articles in their hand at the time of a tally than they would have of an official USPS Registered Mail articles based on the size and shape of the two separate categories. [l] Please discuss and explain any items you are unable to confirm.

RESPONSE:

[a] There are no fixed costs specific to Registered Mail.

[b] Confirmed. The Postal Service's approach, to the extent possible, is to separate the costs reported for Registered Mail to exclude the costs associated with the Postal Service's use of Registered Mail.

[c] Please see the response to part [a] above.

[d] The Postal Service's approach, to the extent possible, is to separate the costs reported for Registered Mail to exclude the costs associated with the Postal Service's use of domestic Registered Mail and international Registered Mail.

[e] Objection filed, May 27, 2005.

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

Response to DBP/USPS-75, Page 2 of 2

[f] Domestic Registered Mail is distinguished from International Registered Mail by activity code. The activity code for International Registered Mail is designated as either 0760 or 0860. For details on how International Registered Mail activity codes are assigned, please see USPS-LR-K-9/R2005-1, page 45-46 and Appendix H, CD-ROM SAS program ALBINTAC.

[g] Not confirmed. Incoming international Registered Mail is handled in the domestic registered mailstream. Unlike domestic Registered Mail, international registered articles are not individually listed to each office but are listed in total. At the time of delivery, international registered articles are charged out to delivery employees in the same manner as domestic registered items.

[h] Please see the response to part [a] above.

[i] Not Confirmed. Please see USPS-LR-I-14/R2000-1, pages 12-2 through 12-5, for details on how mailpieces are obtained in IOCS data collection.

[j] Not confirmed. No information that would answer this question is available.

[k] Not Confirmed. Please see USPS-LR-I-14/R2000-1, pages 12-2 through 12-5, for details on how mailpieces are obtained in IOCS data collection.

[l] Please see the responses to parts [a] - [k] above.

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

DBP/USPS-76. Please refer to your response to DBP/USPS-48. Based on the narrative prior to the tables, it would appear that the data was not presented as requested. The request was for various items in each of the 28 categories based on the category that was declared at the time of mailing the article. Please advise and reanswer if necessary.

RESPONSE:

The Postal Service responded to the question with the information that is available.

The number of claims paid is not available categorized by the declared value at the time of mailing.

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

DBP/USPS-77. Please refer to your response to DBP/USPS-48. In FY-2004 for the 413 claims that were filed but not paid [1012 less 599], were these articles delivered or lost in transit?

RESPONSE:

Some of the Registered Mail for which claims were filed and not paid in FY 2004 was delivered, and some was not delivered. Information on how many pieces were delivered versus not delivered is not available.

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

DBP/USPS-78. Please refer to your response to DBP/USPS-48. In FY 2004, there were 599 claims paid. Were all of these claims paid in full or were some paid in part?

RESPONSE:

Some were paid in full and some were paid in part, as claims may be filed for partial loss or partial damage, and the declared value of an article may exceed the article's actual value.

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

DBP/USPS-79. Please refer to your response to DBP/USPS-48. Please confirm, or explain if you are unable to confirm, that during FY 2004, one Registered Mail article in approximately 3235 Registered Mail articles resulted in the filing of a claim [4,933,219 minus 1,659,547 for the volume of insured mail divided by 1012 claims filed] and one in approximately 5465 articles resulted in paying a claim. For FY 2003, one letter in approximately 5015 articles resulted in paying a claim. For FY 2002, one letter in approximately 3229 articles resulted in paying a claim.

RESPONSE:

Confirmed.

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

DBP/USPS-80. Please refer to your response to DBP/USPS-48. [a] Please provide any statistics on the percentage or number of non-insured Registered Mail articles that are lost in transit. [b] Please provide any statistics on the percentage or number of all non-USPS Registered Mail articles that are lost in transit. [c] Please provide any statistics on the percentage or number of official USPS Registered Mail articles that are lost in transit.

RESPONSE:

a-c. The St. Louis Accounting Service Center does not have those specific data available. Customer claims data do provide some information on articles lost in transit. There were 669 claims filed in FY 2004 for articles not delivered, and of those 412 were paid. While the lack of a delivery scan does not mean that an article was lost in transit, please see also the response to interrogatory DFC/USPS-19, concerning the delivery scan performance for Registered Mail.

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

DBP/USPS-81. Please refer to your response to DBP/USPS-48. Having a claim filed for as few as approximately every 3229 articles seems to indicate a poor value of service for a secure service of Registered Mail. [a] Please discuss and explain the significance of these numbers and the level of satisfaction that the Postal Service has with them as they relate, in particular, to providing a secure method of transportation. [b] Please provide any comparable figures for Insured Mail.

RESPONSE:

a. Claims for Registered Mail loss or damage may be filed for a number of reasons.

With that in mind, it is important to understand that for the time period mentioned in the interrogatory, a claim was filed for one in every 3,229 articles, and only one in approximately 5,465 claims were validated and paid. The Postal Service feels very satisfied that Registered Mail continues to be as secure a method of transportation today as it has always been.

b. There were 50,352,157 articles of numbered insured mail in FY 2004. In FY 2004 96,777 claims were resolved, with 82,749 of them being paid. Thus, there was a claim resolved for approximately every 520 articles mailed, and claims were paid for approximately one in every 608 articles mailed.

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

DBP/USPS-82. Please refer to R2001-1 Interrogatory DBP/USPS-16.

- (a) Confirm, or explain if you are unable to do so, that for Express Mail articles other than those addressed to a Post Office Box or General Delivery, an actual physical attempt at the addressee's location must be made prior to the guaranteed time or it will be considered a failure (and thus a refund of postage may be obtained) unless it meets one of the two exemptions in DMM Section E500.5.3/6.2 a and b.
- (b) Confirm, or explain if you are unable to do so, that Express Mail which is addressed to a Post Office Box or General Delivery will constitute a failure if the addressee does not have access to the post office box and/or the ability to claim the article such as might occur if the box section was closed or the notice of arrival was placed in the box but it was not possible for the addressee to claim the mail. If your answer is the same as provided in R2001-1, please advise why it is appropriate to be able to claim on time delivery when the addressee is unable to physically acquire the article prior to the guaranteed time.
- (c) Confirm, or explain if you are unable to do so, that contacting an addressee by telephone or by requiring an addressee to pick up their Express Mail at a facility would constitute a failure (other than PO to PO service).
- (d) Confirm, or explain if you are unable to do so, that the guaranteed delivery times for both PO to Addressee and PO to PO will be the same areas - both overnight and second day.
- (e) Clarify DMM Section E500.6.4 – if a PO-PO Express Mail article is sent to a second day area on a Saturday, will delivery be guaranteed on Monday or Tuesday (assume the delivery office is closed on Sunday and open the other six days of the week - is delivery made on the second business day after mailing- Tuesday in this case - or is it delivered on the first business day which is on or after the second day - Monday in this case)?

RESPONSE:

- (a) See the response to DBP/USPS-16(a) in Docket No. R2001-1.
- (b) See the response to DBP/USPS-16(b) in Docket No. R2001-1. It is appropriate to claim on time delivery when the mailpiece arrives at the destination post office and delivery is attempted before the guaranteed time.
- (c) See response to DBP/USPS-16(c) in Docket No. R2001-1.
- (d) See response to DBP/USPS-16(e) in Docket No. R2001-1.
- (e) See response to DBP/USPS-16(f) in Docket No. R2001-1.

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

DBP/USPS-84. With respect to the EXFC/PETE/Express Mail programs, please provide details of the steps that are taken to ensure the accuracy of the data provided by both the droppers and reporters.

RESPONSE:

For the EXFC and PETE service performance measurement systems, the contractor provides initial training and ongoing communications to all droppers and reporters emphasizing the importance of providing accurate information about the mail pieces dropped or received. In addition, there is a system to follow up on data that is identified as unusual, and, as appropriate, that data is either validated or removed because it is determined to be unreliable.

The Express Mail service performance data from the Product Tracking System is based on Express Mail pieces receiving a scan in connection with acceptance and delivery. Accordingly, there are no droppers or reporters used.