Postal Rate Commission
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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

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON
(DFC/USPS-35, 40, 50, 52, 65-66, AND 68-72)
(June 15, 2005)

The United States Postal Service hereby provides its institutional response to interrogatories DFC/USPS-35, 40, 50, and 52, filed on May 17, 2005, and DFC/USPS-65-66, and 68-72, filed on June 1, 2005. An objection was filed to interrogatory DFC/USPS-67 on June 13, 2005.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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DFC/USPS-35. For the data reported in response to DFC/USPS-15, please identify all assumptions and search parameters used in querying, analyzing, and reporting the data (e.g., a scan indicating final disposition or delivery was either "Delivered" or "Returned to Sender," and an article was deemed not to have received a scan indicating final disposition or delivery if no such scan was recorded within N days after the acceptance scan).

RESPONSE:

These data are 100 percent minus the percentage of all pieces receiving an Acceptance or Manifest Acknowledgement (electronic shipping information received) event with delivery expected by March 31, that also received one of the following six event scans:

Delivered; Arrival at Pick Up Point; Attempted; Return to Sender; Forwarded; and Undeliverable as Addressed.

DFC/USPS-40. Please provide the percentage of Signature Confirmation pieces for which delivery records show that the customer waived the signature.

RESPONSE:

This percentage is not available. When the customer waives the signature, a signature is still obtained if the recipient is available to sign at delivery. Information about whether the customer waived the signature is retained only in those cases in which the recipient's signature was not obtained. For that information, see the response to DFC/USPS-17.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
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DFC/USPS-50. Please describe how Certified Mail letters and flats are separated, mechanically or manually, from mail that does not require a signature upon delivery.

RESPONSE:

The wide field of view camera on the BCS letter equipment (e.g. DBCS, DIOSS) provides the capability of holding out Certified Mail within incoming secondary distribution operations. The UFSM 1000 equipment is also capable of holding out Certified Mail using the Certified label barcode when the machine is used for incoming secondary distribution. The AFSM 100s do not have this capability. APPS equipment can also perform a separate sort off the Certified barcode, but it is not likely that a sort plan would contain separate accountable mail runouts for each zone. Finally, when incoming secondary distribution is performed manually at either the plant or at a delivery unit, Certified Mail pieces will be isolated and directed to the accountables mail clerk. Any Certified Mail pieces sorted directly to the carriers (e.g. through AFSM 100 incoming secondary distribution) would be sorted out by the carriers and directed to the accountables mail clerk.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
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DFC/USPS-52. Please provide documents issued since Docket No. 2001-1 was filed that relate to delivery of Certified Mail to high-volume recipients including, but not limited to, the Internal Revenue Service and state tax agencies.

RESPONSE:

Please see Attachments 1 and 2.

PROCESSING AND DISTRIBUTION CENTER OPERATIONS

March 17, 2005

MANAGERS, IN-PLANT SUPPORT (AREA)

SUBJECT: Certified Mail Holdouts for Federal & State Tax Center Assignments.

In order to expedite the processing of certified tax returns, certified mail holdouts for tax centers should be assigned immediately by following the directions below:

Letters:

- Certified mail (Federal / State Tax Center) should be separated at origin P&DCs and P&DFs when volume warrants.
- Certified mail holdouts can only be on automated letter equipment with WFOV cameras (DIOSS/MPBCS/DBCS/DBCS EC).
- Up to a maximum of 20 certified mail holdouts can be made per sort program.
- Only Outgoing Primary/Outgoing Secondary/Incoming Primary sort programs should be modified during tax season to include certified holdouts.
- Use the Certified Mail Detector (CMD) function in SPS (<PF1> <D>).
- Certified Mail holdouts are assigned by five- or nine-digit ZIP Code. No "default" certified stacker holdout is assigned on primary sort programs.
- Assign the same ZIP Code (five- or nine-digit) destinations to a certified and non-certified stacker, e.g.,
    - Non-certified - Memphis Service Center 37501-0102 Bin 43
    - Certified - Memphis Service Center 37501-0102 Bin 52
- Give the sort program a different loadable name since this sort program is temporary.
- Dispatch certified trays using CIN 229.

Flats:

Headquarters has worked with area flat coordinators and software specialists to install software for the UFSM 1000s in the cities that host IRS Tax Centers and some State Capitals. The software will read certified from non-certified mail based on a new sort program that allows separation of any of the USPS Special Service codes (Certified, Del Con, etc.) If the sort program flags a bin as a "Firm Manifest", such as the IRS certified bin, all the scans that were read will be automatically sent up to the PTS system and a manifest will be printed. At these locations, the following procedures should be followed:

475 L'ENFANT PLAZA SW ROOM 7631
WASHINGTON, DC 20260-2814
202-268-5072
FAX: 202-268-5388

- Certified Mail (Federal / State Tax Centers) should be separated at destination P&DCs and P&DFs when volume warrants.
- AFSM100 – Assign a bin for the local IRS Tax Center and for the State Tax Center. Once the tax volume is identified, flow to the UFSM1000.
- UFSM1000 – Assign the same ZIP Code (five- or nine-digit) destinations to a certified and non-certified stacker, e.g.,
    - Non-certified - Memphis Service Center 37501-0102 Bin 43
    - Certified - Memphis Service Center 37501-0102 Bin 52
- Dispatch certified trays with CIN 286.

Additionally, the Internal Revenue Service has consolidated filing locations for individual tax returns. There are now seven locations for filing individual returns. As an aid, a complete listing of the processing locations and a map are attached.

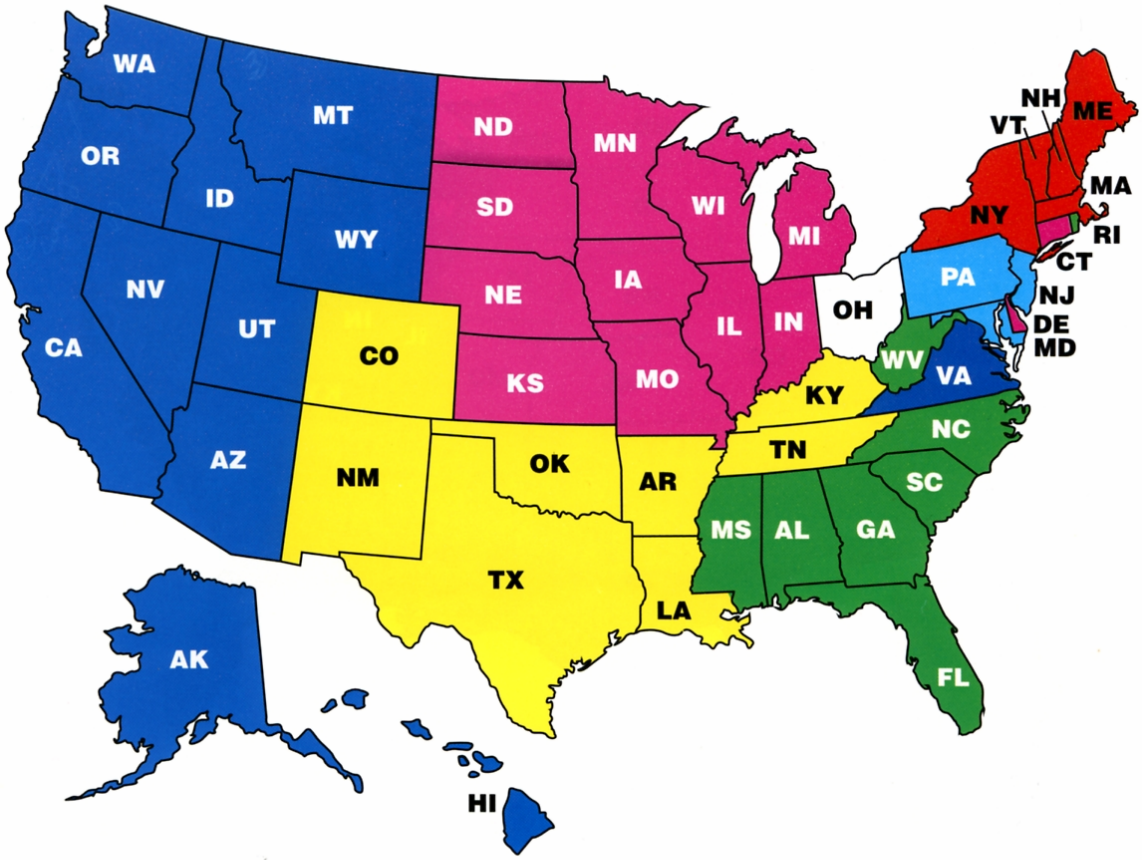
Should you have questions regarding the above strategy, you can contact Cynthia King at 202-268-4064 for letters, or Mauro Licciardello at 202-268-4148 for flats.

for Robert W. Fenold
David E. Williams

Attachments

cc Walter O'Tormey

2005 INDIVIDUAL TAX RETURN PROCESSING MIGRATION



FILING LOCATIONS

- Fresno, CA
- Austin, TX
- Kansas City, MO
- Memphis, TN
- Atlanta, GA
- Philadelphia, PA
- Andover, MA

IRS
Department of the Treasury
Internal Revenue Service
www.irs.gov
Publication 4038 (Rev. 6-2004)
Catalog Number 34341A

IRS Individual tax return processing centers

Refund	**Payment**	**Refund**	**Payment**
Andover, MA 05501-0002	Andover, MA 05501-0102	Kansas City, MO 64999-0002	Kansas City, MO 64999-0102
Andover, MA 05501-0014	Andover, MA 05501-0114	Kansas City, MO 64999-0014	Kansas City, MO 64999-0114
Andover, MA 05501-0015	Andover, MA 05501-0115	Kansas City, MO 64999-0015	Kansas City, MO 64999-0115
Atlanta, GA 39901-0002	Atlanta, GA 39901-0102	Memphis, TN 37501-0002	Memphis, TN 37501-0102
Atlanta, GA 39901-0014	Atlanta, GA 39901-0114	Memphis, TN 37501-0014	Memphis, TN 37501-0114
Atlanta, GA 39901-0015	Atlanta, GA 39901-0115	Memphis, TN 37501-0015	Memphis, TN 37501-0115
Austin, TX 73301-0002	Austin, TX 73301-0102	Philadelphia, PA 19255-0002	Philadelphia, PA 19255-0102
Austin, TX 73301-0014	Austin, TX 73301-0114	Philadelphia, PA 19255-0014	Philadelphia, PA 19255-0114
Austin, TX 73301-0015	Austin, TX 73301-0115	Philadelphia, PA 19255-0015	Philadelphia, PA 19255-0115
Fresno, CA 93888-0002	Fresno, CA 93888-0102		
Fresno, CA 93888-0014	Fresno, CA 93888-0114		
Fresno, CA 93888-0015	Fresno, CA 93888-0115		

Internal Use Only Do Not Provide To Customers

Frequently Asked Questions
Individual Tax Returns to Internal Revenue Service Using Priority Mail™ with Confirmation Services; Delivery Confirmation™ and Signature Confirmation™

IT IS THE U.S.P.S. UNDERSTANDING THAT THE IRS DOES NOT ACCEPT EITHER DELIVERY CONFIRMATION OR SIGNATURE CONFIRMATION SERVICE AS PROOF OF DELIVERY. IF YOU NEED PROOF OF MAILING ACCEPTABLE TO THE IRS, THEN USE CERTIFIED MAIL OR REGISTERED MAIL, AND OBTAIN A POSTMARKED MAILING RECEIPT.

Question: Can I use Priority Mail with Delivery Confirmation or Signature Confirmation service to mail my tax return?

Answer: Yes, but the IRS does not accept either service as proof of mailing or proof of delivery. If you need proof of mailing and delivery acceptable to the IRS, then use Certified Mail or Registered Mail, and obtain a postmarked mailing receipt.

Question: What is provided when I use Priority Mail with either Delivery or Signature Confirmation service when mailing my tax return to the IRS?

Answer: Priority Mail with Delivery Confirmation service will provide you a mailing receipt for your records and allows you to verify, electronically via the web at www.usps.com or through our toll free number 800-222-1811, that your package was delivered to the Internal Revenue Service. **This electronic confirmation is not currently accepted as proof of delivery by the IRS,** but the postmark on the package, if on or before the deadline, is treated as showing timely filing, even if the delivery is after the deadline.

Priority Mail with Signature Confirmation service will provide you a mailing receipt for your records, and allows you to verify, electronically via the web at www.usps.com or through our toll free number 800-222-1811, that your package was delivered to the Internal Revenue Service. You may also request to have a copy of the recipient signature image mailed or faxed to you for no additional fee. Again, **this electronic confirmation is not currently accepted as proof of delivery by the IRS,** but the postmark on the package can be used to show timely filing.

Question: Should I use Priority Mail with Delivery or Signature Confirmation service in place of Certified Mail or Registered Mail?

Answer: Generally no. Certified Mail is the IRS approved proof of delivery product for most letter-size and flat-size mail. As of June 2002, Certified Mail service provides Internet access to delivery information. So for tax returns 8 ounces or less, First-Class Mail with Certified Mail service costs less than and provides more than Priority Mail with Delivery Confirmation service. According to IRS Publication 17, "your paper return

is filed on time if it is mailed in an envelope that is properly addressed and postmarked by the due date. The envelope must have enough postage. If you send your return by Registered Mail, the date of the registration is the postmark date. The registration is evidence that the return was delivered. If you send a return by Certified Mail and have your receipt postmarked by a postal employee, the date on the receipt is the postmark date. The postmarked Certified Mail receipt is evidence that the return was delivered".

The IRS treats the date stamped on your mailing receipt for Certified Mail or Registered Mail as the postmark date on the mail, in case the actual postmark is not available. The IRS does not give a similar benefit for the mailing receipts for Delivery Confirmation and Signature Confirmation service.

Also, there are several situations when the IRS requires Certified Mail or Registered Mail to be used as proof of delivery. If you are corresponding with the IRS on a matter other than the filing of your tax return, it is suggested that you ask the IRS which mailing method it requires.

Question: What about my state income tax?

Answer: Priority Mail with Delivery Confirmation or Signature Confirmation service is available, but we don't know how many states will accept Priority Mail with Delivery or Signature Confirmation service as proof of mailing and/or proof of delivery when corresponding with them. You may want to confirm with your state office as to whether or not they will accept either of these services as legal proof of mailing and/or proof of delivery.

Question: Will Priority Mail with Delivery Confirmation or Signature Confirmation service get my return to the IRS faster?

Answer: Our service standard for Priority Mail is two to three business days, similar to the standards for First-Class Mail. Delivery Confirmation or Signature Confirmation service adds value but will not impact delivery time.

Question: Will using Delivery Confirmation or Signature Confirmation service slow down my return?

Answer: No, your mail piece will receive the same delivery service as pieces without Delivery Confirmation or Signature Confirmation service, but you will be able to electronically confirm when it was delivered.

Question: Where can I find more information on Delivery Confirmation or Signature Confirmation Service?

Answer: Answers to the most frequently asked questions can be found by visiting our Track & Confirm page on the USPS Web Site at www.usps.com.

DFC/USPS-65. Please provide the percentage of Certified Mail delivery records for which the recipient's address of delivery is not on file.

RESPONSE:

The Postal Service does not know the number or percentage of Certified Mail delivery records for which the recipient's address of delivery is not on file, and was unable to develop this percentage despite efforts to do so.

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INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-66. Please provide the percentage of electronic return receipts for which the recipient's address of delivery is not on file.

RESPONSE:

Analysis for April and May of 2005 indicates that the recipient's address of delivery was not on file for 9.6 percent of electronic return receipts, but this number might be overstated because some records may have been double counted.

DFC/USPS-68. Suppose a customer receives magazines in the mail that the publisher sent to the customer at the Periodicals rate. May this customer place these magazines into a box and ship the box at the rate for Bound Printed Matter? Please explain why this shipment would or would not qualify for the Bound Printed Matter rate.

RESPONSE:

It would, under DMCS 511(c)(ii), assuming it were sent by a member of the public, that the individual magazines met the requirements for Bound Printed Matter, and that the box were within the weight limit and other applicable requirements for Bound Printed Matter.

DFC/USPS-69. Suppose a customer receives newspapers in the mail that the publisher sent to the customer at the Periodicals rate. May this customer permanently bind these newspapers with staples, place these newspapers into a box, and ship the box at the rate for Bound Printed Matter? Please explain why this shipment would or would not qualify for the Bound Printed Matter rate.

RESPONSE:

It would not, because the newspapers were not created as, and are not, Bound

Printed Matter. That is not changed by the customer's addition of staples.

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DFC/USPS-70. For every postal facility that provides Post Office Box service, please identify the fee group to which those boxes belong.

RESPONSE:

Please see the Excel file associated with this response.

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INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-71. Please refer to the response to DFC/USPS-22. Please explain the type of receipt that would be postmarked and how this receipt would show the name and address of the recipient.

RESPONSE:

Customers can get the credit/debit card receipt that is generated by the APC postmarked if the customer submits the mail piece to the window clerk. This receipt will only show the destination ZIP Code.

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INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-72. Please provide the percentage of Certified Mail pieces for which the customer purchased a return receipt. Please provide a breakdown by Form 3811 return receipts and electronic return receipts.

RESPONSE:

Seventy-nine percent of Certified Mail had a return receipt in FY 2004. See LR-K-77, page K-1. Since electronic return receipts were first offered toward the end of FY 2004, a breakdown between Form 3811 return receipt and electronic return receipts has not been developed.