

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

PARCEL RETURN SERVICE

Docket No. MC2006-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-1-6)**

The United States Postal Service hereby provides its responses to the following interrogatories the Office of the Consumer Advocate, filed on October 31, 2005:

OCA/USPS-1-6.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 14, 2005

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OCA/USPS-1. Please review the Docket No. MC2003-2 Stipulation and Agreement, Attachment C, Section C. Please provide the "second report" for FY 2005, sections A and B. If you are unable to provide the "second report," please explain why.

RESPONSE:

The next report due is for the period 7/1/05 through 12/31/05, which has not yet ended.

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OCA/USPS-2. In Docket No. MC2003-2, witness Kiefer, on page 15 of his testimony, stated that in the developmental stages of the Parcel Return Service (PRS) products, the Postal Service had “numerous” discussions with mailers.

- a. Has the Postal Service had any additional discussions with the current users of the Parcel Return Service regarding future volume projections? If so, please provide a detailed summary of any discussions related to future volume estimates. If not, please explain how the Postal Service arrived at the need for PRS beyond FY 2006.
- b. Has the Postal Service had any additional discussions with the current users of the Parcel Return Service regarding operational problems – other than the return label problem – relating to PRS? If so, please provide a detailed summary of those discussions, actions taken to resolve problems and the final resolution. If no problems were identified, please so state.
- c. Has the Postal Service had any PRS “staging” issues and if so, how are those issues being handled? (Docket No. MC2003-2, USPS-T-1 at 12.)
- d. Has either the Postal Service or the current users of the PRS had service related issues regarding timely pick-up of the PRS packages at the RBMC or the RDU? If so, please provide a detailed summary of those discussions and the final resolution. If no problems were identified, please so state.
- e. Has any participant taking part in the PRS experiment complained or taken issue with the quality of service received from the USPS? If so, please provide a detailed summary of those discussions listing all service related issues and the final resolution. If no problems were identified, please so state.

RESPONSE:

- a. Yes. Detailed records were not maintained concerning these discussions, which involved information that is proprietary to the participants.
- b. Formal records have not been maintained concerning PRS problem-related discussions that may have taken place between postal personnel and the participants. In general, there have been reports of missorts. Additional training and management attention has been given to the process, including service talks, new signage, and improved quality control procedures. There have been occasional issues surrounding missed pickup appointments, which have been addressed typically at the local level.

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- c. Extensive staging issues do not exist at this time. When the volume during any given time appears to be abnormally excessive, local officials typically contact the participant and transportation is arranged to address the problem.
- d. The timeliness of pick-up is not currently a major issue. If the transportation vendor does not pick up the mail on a given day, local officials typically contact the participant and transportation is arranged to address the problem.
- e. No.

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OCA/USPS-3. Please include in your response to this interrogatory cites to all source documents used, provide copies of all source documents not previously filed in this docket, and show the derivation of all calculated values. The current PRS experiment has elicited only two third-party participants. Given the experience the Postal Service has garnered during the experiment, please respond to the following:

- a. The average actual square footage used to store PRS parcels per merchant or third-party vendor per week for RBMCs and RDUs. Please include in your response cites to all source documents, provide copies of those documents not previously filed in this docket and show the derivation of all calculations.
- b. Where in each RBMC and RDU does the Postal Service expect to store increased PRS returned parcel volumes if more merchants or third-party vendors participate? Please fully explain your response.
- c. At what volume level of PRS return parcels destined to RBMCs will the Postal Service need to either adjust operations and/or expand facilities to accommodate the PRS parcel storage? Please fully explain your response
- d. At what volume level of PRS return parcels destined to RDUs will the Postal Service need to either adjust operations and/or expand facilities to accommodate the PRS parcel storage? Please fully explain your response.

RESPONSE:

- a. This information has not been collected.
- b. At the current time, there are only two PRS participants. Any changes in staging needs due to an increase in the number of participants will be addressed at the local level, if and when such changes occur. Field observations indicate that staging has not been a major issue during the course of this experiment.
- c.d. Please see the response to b. There has been no need to attempt to determine the volume levels at RDUs and RBMCs that would result in the need for staging changes. Presumably, such levels vary locally and could best be addressed individually. To the extent that staging might need to be addressed across the board, mail processing operations and/or the requirements for frequency of pick ups could be adjusted.

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OCA/USPS-4. In Docket MC2003-2, the Postal Service restricted access to the Return Delivery Unit (RDU) to participants electing the “early bird” option. (Docket No. MC2003-2, USPS-T-1 at 16.) Does the Postal Service anticipate continuing this restriction if the PRS is offered on a permanent basis? Please fully explain your response.

RESPONSE:

No. The Postal Service will extend availability, depending on market demand.

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OCA/USPS-5. In Docket No. MC2003-2, USPS witness Keifer (USPS-T-3 at 4) indicated that the Postal Service did not have volumes for Parcel Return Service (PRS). The experimental PRS was expected to provide information to improve the data available for PRS rate design. For each year, FY 2004 and FY 2005, please provide total PRS volumes by weight category and by zone. Provide cites to all source documents and provide copies of those documents not filed in this docket.

RESPONSE:

Data are not available in Fiscal Year increments. See Witness Koroma's (USPS-T-3) workpapers at WP-PRS-3 for four quarters (July 2004 through June 2005) of PRS volumes by weight category and by zone which he used in the rate design.

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OCA/USPS-6. In Docket No. MC2003-2, USPS witness Keifer (USPS-T-3 at 17) indicated that the proposed changes “will offer merchants and their agents a faster way to take possession of their customers’ returns....” Currently, what evidence does the USPS have that indicates the success of this service? Please include in your response specific data comparing the speed with which agents take possession of their customers’ returns using PRS and the alternative service. Cite all source documents relied upon to respond to this query, show the derivation of all calculated values and provide copies of those documents not previously filed in this docket.

RESPONSE:

Year-over-year growth of approximately 100% and scores of end-users indicate the success of this service. The Postal Service is not able to track end-to-end transit time.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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