

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS
SUSAN W. BERKELEY (USPS-T-34) TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T34-1(a), (b), (e), AND 3-8)
(June 28, 2006)

The United States Postal Service hereby provides the responses of witness Susan W. Berkeley (USPS-T-34) to interrogatories OCA/USPS-T34-1(a)-(b) and (e), and 3-8, filed on June 14, 2006.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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RESPONSE OF POSTAL SERVICE WITNESS BERKELEY TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T34-1. This interrogatory seeks information on the Express Mail delivery guarantee. Please refer to your testimony at page 3, lines 6-8, where it states, "The guarantee is backed by a refund of total postage if delivery does not occur when specified by the Postal Service, with certain exceptions discussed below."

(a) For Post Office to Addressee Express Mail, are there any circumstances under which the Postal Service has refunded less than the total amount of Express Mail postage for delivery failures, i.e., where delivery does not occur by the guaranteed delivery date and time? Please explain.

(b) For FY 2005, please provide the total amount of refunded postage paid by the Postal Service for Post Office to Addressee Express Mail, as well as the amounts refunded separately for Next Day, 2 Day, and the Second Delivery Day.

(e) Please rank order and discuss separately if necessary the three most important factors causing the Postal Service's delivery failures for Post Office to Addressee Express Mail service for Next Day, 2 Day, and the Second Delivery Day.

RESPONSE:

(a) It is my understanding that if a customer is eligible for an Express Mail refund of postage because of late delivery (i.e., delivery or attempted delivery does not occur by the guaranteed time and one of the exceptions to the availability of a refund does not apply) and successfully applies for a refund, the entire amount of postage is always refunded.

(b) Refund data is not maintained by service type. In FY 2005, a total of \$6,395,514 was paid for all Express Mail claims submitted.

(e) It is my understanding that, as was noted in Docket No. R2005-1 at Tr. 8D/4769, the Postal Service does not maintain information as to the cause of particular Express Mail delivery failures. See also Docket No. R2005-1, Tr. 8D/4902.

RESPONSE OF POSTAL SERVICE WITNESS BERKELEY TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T34-3. This interrogatory seeks information on the Express Mail delivery guarantee. Please refer to your testimony at page 3, lines 19-20. Also, please refer to DFC/USPS-T34-4(b). For Post Office to Addressee Express Mail, please explain under what circumstances claims for merchandise insurance and document reconstruction insurance against loss, damage, or rifling (up to \$100) are paid in addition to the payment of the guaranteed refund of postage.

RESPONSE:

Please see DMM § 609.4.1 and 609.4.2.

RESPONSE OF POSTAL SERVICE WITNESS BERKELEY TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

- OCA/USPS-T34-4.** This interrogatory seeks information on the Express Mail delivery guarantee for customers that purchase Post Office to Addressee Express Mail service. Please refer to your testimony at page 4, lines 7-9.
- (a) Please confirm that the “receipt” provided to customers showing the guaranteed delivery date and time is a copy of “Mailing Label 11-B.” If you do not confirm, please explain.
- (b) Other than Mailing Label 11-B, is the guaranteed delivery date and time included elsewhere on the customer’s Express Mail item or receipt? For example, is the guaranteed delivery date and time embedded in a barcode, or printed on some other label placed on the customer’s Express Mail item? Please explain.
- (c) Please confirm that a retail window clerk manually writes the guaranteed delivery date and time on Mailing Label 11-B. If you do not confirm, please explain.
- (d) Please confirm that the retail window clerk obtains the guaranteed delivery date and time information from the POS terminal. If you do not confirm, please explain.
- (e) For Express Mail acceptance at facilities that do not have POS terminals, please explain how acceptance personnel obtain the guaranteed delivery date and time information.
- (f) With respect to subparts d. and e, above, is the source of the guaranteed delivery date and time information obtained by the retail window clerk or the acceptance personnel a computer database, system or file, or some other source? Please explain.
- (g) With respect to subpart f., above, if the source of the guaranteed delivery date and time information is a computer database, system or file, please identify the name of the computer database, system or file, describe its content and size, explain how it is accessed, and identify those employees in the Postal Service other than retail window clerks and acceptance personnel that have access to the database, system or file.

RESPONSE:

(a) Confirmed.

(b) The NCR POS ONE receipt for an Express Mail transaction shows the delivery commitment in the form of “Next Day Noon,” “2nd Day 3PM,” etc.; however, it does not show the delivery date. It is my understanding that neither

RESPONSE OF POSTAL SERVICE WITNESS BERKELEY TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

POS ONE nor IRTs embed the commitment in any barcode or create any extra label showing the commitment.

(c) Confirmed.

(d) Confirmed, in offices with POS ONE terminals.

(e) At postal facilities without POS ONE terminals, acceptance personnel obtain the guaranteed delivery date and time information from either IRTs or hardcopy directories.

(f) I have been informed that for offices with a POS ONE terminal or IRT, the guaranteed delivery date and time are determined based on a combination of computer data files and system logic.

(g) I have been informed that offices with POS ONE terminals and IRTs utilize the same core data file (called "expchart"). Each origin retail unit has its own version of that data. The expchart file contains cut-off times and corresponding service commitments for each destination ZIP Code. The file is approximately 6.7 MB. Outside the retail computers, the file is only accessible to personnel involved in developing software requirements, testing software, and maintaining the data. The retail computers also have a number of separate data files

RESPONSE OF POSTAL SERVICE WITNESS BERKELEY TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

providing information on exception conditions, which are used as necessary to modify the basic service commitment indicated by the expchart file:

- list of ZIP Codes where street delivery is not made on Sundays and holidays
- list of destination unit closing times on Saturdays, Sundays, and holidays
- list of Postal Service holidays
- list of FedEx holidays
- list of origin/destination pairs with no service available (e.g., as a result of the Gulf Coast hurricanes)
- list of origin/destination pairs with no Next Day service available

RESPONSE OF POSTAL SERVICE WITNESS BERKELEY TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T34-5. This interrogatory seeks information on the Express Mail delivery guarantee for customers that purchase Post Office to Addressee Express Mail service. Please refer to your testimony at page 4, lines 7-9.

(a) For Post Office to Addressee Express Mail Next Day service scheduled for delivery on Monday through Saturday (assuming no holidays), please confirm that the guaranteed delivery time is either 12:00 Noon or 3:00 PM, depending upon the delivery office. If you do not confirm, please explain. If you do confirm, please explain what factors cause the Postal Service to establish 12:00 Noon or 3:00 PM as the guaranteed delivery time.

(b) For Post Office to Addressee Express Mail Next Day service scheduled for delivery on either a Sunday or holiday, please confirm that the guaranteed delivery time is 3:00 PM. If you do not confirm, please explain. If you do confirm, please explain what factors cause the Postal Service to establish 3:00 PM as the guaranteed delivery time, rather than a 12:00 Noon delivery time option also as exists for scheduled delivery on Monday through Saturday.

(c) For Post Office to Addressee Express Mail 2 Day service scheduled for delivery on Monday through Saturday (assuming no holiday), please provide the guaranteed delivery time.

(d) For Post Office to Addressee Express Mail scheduled for the Second Delivery Day after a Sunday or any holiday, please provide the guaranteed delivery time.

RESPONSE:

(a) Confirmed that the delivery commitment for such a Next Day piece will either be 12:00 Noon or 3:00 PM, depending on the origin, destination, and acceptance time. Factors in the setting of these commitments include operational capability and market considerations.

(b) Confirmed. It is my understanding that the lack of a noon delivery commitment on Sundays/holidays is in recognition of the fact that the operational infrastructure is not as robust on Sundays/holidays as it is on weekdays.

(c) – (d) The guaranteed delivery time would be either 12:00 Noon or 3:00 PM.

RESPONSE OF POSTAL SERVICE WITNESS BERKELEY TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T34-6. This interrogatory seeks information on the Express Mail guaranteed delivery date and time for *potential* customers interested in purchasing Post Office to Addressee Express Mail service. Please refer to your testimony at page 4, lines 7-9. For subparts a. – e., below, please provide the following service commitment information for an assumed Express Mail item, entered on the Mailing Date specified—prior to the “Drop-Off” time—for the ZIP Code pairs specified: i.) the scheduled calendar date for delivery (i.e., month/day); ii.) the scheduled delivery time; iii.) the Postal Service’s characterization of the delivery day (i.e., Next Day, 2 Day, the Second Delivery Day); iv.) the number of calendar days to delivery (i.e., 1, 2, 3, or 4 days); and, v.) the Postal Service’s explanation of how to count the number of calendar days to delivery provided in iv.), above.

(a) Mailing Date: Tuesday, July 11, 2006. ZIP Code Pair: From 20001 to 22209.

(b) Mailing Date: Tuesday, July 11, 2006. ZIP Code Pair: From 20001 to 07624.

(c) Mailing Date: Tuesday, July 11, 2006. ZIP Code Pair: From 20001 to 56601.

(d) Mailing Date: Saturday, July 15, 2006. ZIP Code Pair: From 20001 to 97103.

(e) Mailing Date: Saturday, July 1, 2006. ZIP Code Pair: From 20001 to 48154.

(f) Are there any Mailing Dates (within the next 30 days) and ZIP Code pairs for which the Postal Service cannot provide the service commitment information listed in items i.) – v.) above. Please identify or characterize those Mailing Dates and ZIP Code pairs and explain why the Postal Service cannot provide the service commitment information requested.

(g) Please identify the name of the computer database, system or file, describe its content and size, and explain how it was accessed to provide the service commitment information listed in items i.) – v.), above, for subparts a. – e., above.

RESPONSE:

(a) – (e) Objection filed.

(f) It is my understanding that service commitment information is available for every day of the year, though such information would not be in the retail computers, as discussed in my response to OCA/USPS-T34-8(a).

(g) Please see my response to OCA/USPS-T34-4(g).

RESPONSE OF POSTAL SERVICE WITNESS BERKELEY TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T34-7. This interrogatory seeks information on the Express Mail guaranteed delivery date and time for *potential* customers interested in purchasing Post Office to Addressee Express Mail service. Assume the same facts as provided in OCA/USPS-T34-6, subparts a. – e., except that the Express Mail item is entered *subsequent* to the “Drop-Off” time on the same Mailing Dates. For the Mailing Dates and ZIP Code pairs in subparts a. – e., below, please provide the following service commitment information: i.) the scheduled calendar date for delivery (i.e., month/day); ii.) the scheduled delivery time; iii.) the Postal Service’s characterization of the delivery day (i.e., Next Day, 2 Day, the Second Delivery Day); iv.) the number of calendar days to delivery (i.e., 1, 2, 3, or 4 days); and, v.) the Postal Service’s explanation of how to count the number of calendar days to delivery provided in iv.), above.

(a) Mailing Date: Tuesday, July 11, 2006. ZIP Code Pair: From 20001 to 22209.

(b) Mailing Date: Tuesday, July 11, 2006. ZIP Code Pair: From 20001 to 07624.

(c) Mailing Date: Tuesday, July 11, 2006. ZIP Code Pair: From 20001 to 56601.

(d) Mailing Date: Saturday, July 15, 2006. ZIP Code Pair: From 20001 to 97103.

(e) Mailing Date: Saturday, July 1, 2006. ZIP Code Pair: From 20001 to 48154.

(f) Are there any Mailing Dates (within the next 30 days) and ZIP Code pairs for which the Postal Service cannot provide the service commitment information listed in items i.) – v.) above. Please identify or characterize those Mailing Dates and ZIP Code pairs and explain why the Postal Service cannot provide the service commitment information requested.

(g) Please identify the name of the computer database, system or file, describe its content and size, and explain how it was accessed to provide the service commitment information listed in items i.) – v.), above, for subparts a. – e., above.

RESPONSE:

(a) – (e) Objection filed.

(f) Please see my response to OCA/USPS-T34-6(f).

(g) Please see my response to OCA/USPS-T34-4(g).

RESPONSE OF POSTAL SERVICE WITNESS BERKELEY TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T34-8. This interrogatory seeks information on the Express Mail guaranteed delivery date and time for *potential* customers interested in purchasing Post Office to Addressee Express Mail service. Please refer to the following table containing Mailing Dates and ZIP Code pairs:

<u>Mailing Dates</u>	<u>ZIP Code Pairs</u>
Tuesday, July 11, 2006	From 20001 to 22209
Tuesday, July 11, 2006	From 20001 to 07624
Tuesday, July 11, 2006	From 20001 to 56601
Saturday, July 15, 2006	From 20001 to 97103
Saturday, July 1, 2006	From 20001 to 48154

Assume further that a potential retail customer is inquiring about Post Office to Addressee Express Mail service at a retail window for these Mailing Dates and ZIP Code pairs.

(a) Could a retail window clerk with access to a POS terminal provide the scheduled calendar date for delivery (i.e., month/day) and delivery time for the Mailing Dates and ZIP Code pairs in the table above? Please explain. If your answer is in the affirmative, is the retail window clerk's information on the scheduled calendar date for delivery (i.e., month/day) and delivery time obtained from the POS terminal (as opposed to the clerk's general knowledge of Express Mail service, such as knowing that Tuesday delivery in the current week is the same as Tuesday delivery the following week, assuming no holiday)? If your answer is in the affirmative, what is the source of the retail window clerk's information shown on the POS terminal for the scheduled calendar date for delivery (i.e., month/day) and delivery time? Please explain.

(b) For Express Mail acceptance at facilities that do not have POS terminals, please explain how acceptance personnel are able to provide information on the scheduled calendar date for delivery (i.e., month/day) and delivery time for the Mailing Dates and ZIP Code pairs in the table above. What is the source of the acceptance personnel's information on the scheduled calendar date for delivery (i.e., month/day) and delivery time? Please explain.

RESPONSE:

(a) It is my understanding that there is no practical way to use a retail terminal to determine the specific commitment for an Express Mail article accepted at a future date and time. It is also my understanding that commitment information is only available for the specific origin where the customer is inquiring and the time

RESPONSE OF POSTAL SERVICE WITNESS BERKELEY TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

of day of the inquiry, and that information would be available for any destination.

I imagine it is possible that a retail clerk would be able to provide this information based on his or her general knowledge of Express Mail service, though to remove any doubt, a mailer should use USPS.com, or call 1-800-ASK-USPS.

(b) It is my understanding that IRT sites have access to the same data as POS ONE sites and the same limitations discussed in part (a) above apply.

Acceptance personnel in manual offices could use a printed directory to provide information on future commitments. It is important to note that since each directory bears a discontinue date, it seems likely that acceptance personnel would avoid calculating service commitment dates too far into the future, and, especially past the expiration date of the directory.