

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

RESPONSE OF POSTAL SERVICE WITNESS BERKELEY (USPS-T-39)  
TO QUESTIONS POSED AT THE AUGUST 28, 2006 HEARING

The United States Postal Service hereby provides the responses of witness Berkeley to questions posed by Growing Family, Inc., the Office of the Consumer Advocate, and Chairman Omas at the hearing on August 28, 2006.

Each question is restated and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**RESPONSE OF WITNESS BERKELEY (USPS-T-39)  
TO QUESTIONS POSED ON THE STAND ON AUGUST 28, 2006**

**Mr. Straus (GF):** “If there’s any Postal Service document that has a policy similar to the policy in the March 10 letter [the four scenarios] I’d sure like to see it.” (Tr. 15/4569).

**RESPONSE:**

The Postal Service has been unable to locate any document(s) specifically referencing the four scenarios mentioned in the March 10 letter to Growing Family.

**RESPONSE OF WITNESS BERKELEY (USPS-T-39)  
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**Mr. Straus (GF):** “if the Postal Service loses the money order the Postal Service [sic] gets paid, and if the Postal Service loses the check the mailer might or might not[.] [W]here is that spelled out in the regulations or anywhere else that a mailer can see that risk and that policy?” (Tr. 15/4594-95)

**RESPONSE:**

There is a generally known risk when accepting a personal check rather than requiring cash as a payment for COD. There are no Postal Service regulations outlining the risk of a check remaining unaccounted for after being forwarded to the mailer.

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**Mr. Straus (GF):** “I’m troubled here because the question [GF/USPS-T39-6] asked for number of claims paid. We assumed that the answer was number of claims paid especially because it lists an amount that was paid and now we’re told by the witness she’s not sure whether this is really claims paid or total claims, so could we ask the Postal Service to report on what these data actually are? (Tr. 15/4616)

**RESPONSE:**

On the stand, I stated that these were total claims (including invalid and denied claims), as it was my understanding that the Postal Service collected data on the total number of claims only, and the claims count referenced in this report would be all claims filed. I have now been corrected that the claims count in this report is for paid claims. Therefore, the report title should be changed from “Claims Count” to “Paid COD Claims Count.”

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**Chairman Omas:** “Mr. Rubin, can you provide that to us as to who made that decision [to reduce the payments to Growing Family in May, 2005]?”

Mr. Straus: And when.

Chairman Omas: And when. (Tr. 15/4631-32)

**RESPONSE:**

The decision to clarify the claims payment policy resulted from an Office of Inspector General (OIG) finding in early 2005. The ensuing reduction of the payment amount for Growing Family claims was a coordinated decision, also in early 2005, by Corporate Accounting and the Law Department.

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**Ms. Dreifuss (OCA):** “You said that to provide these answers [to Growing Family interrogatories] you consulted with people at headquarters who oversee the activities of the St. Louis accounting center. . . . I’m wondering who those individuals are at headquarters who oversee these activities, and with whom you consulted. You can give me their positions, not necessarily their names.”

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Chairman Omas: “Would you please provide for us in writing the people that you talked to with their titles, et cetera, within seven days?” (Tr. 15/4650-4651)

**RESPONSE:**

Guidance and information for responding to many of the Growing Family interrogatories came from discussions with the following individuals: (1) Manager, St. Louis Accounting Service Center; (2) Manager, Accounts Payable Branch, St. Louis Accounting Service Center; (3) Manager, Revenue and Field Accounting, Headquarters Finance (who oversees payment policy for the St. Louis Accounting Service Center); (4) Accountant, Revenue and Field Accounting, Headquarters Finance; (5) Consumer Research Analyst, Headquarters Consumer Advocate; and (6) Marketing Specialist, Product Development, Headquarters Marketing.