

**BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001**

Postal Rate and Fee Changes, 2006

Docket No. R2006-1

**DOUGLAS F. CARLSON
NOTICE OF FILING OF ERRATA
TO DIRECT TESTIMONY (DFC-T-1)
[ERRATUM]**

September 11, 2006

On September 6, 2006, I filed my direct testimony. I have attached to this notice revised pages 44 and 49. On page 44, line 13, "My speculation" changes to "My belief." On page 49, "every community surely has hundreds of customers" changes to "many communities surely have hundreds of customers."

Respectfully submitted,

Dated: September 11, 2006

DOUGLAS F. CARLSON

1 • Collection times became uniform in residential and business areas. Many
2 post offices now use dedicated collection routes, instead of assigning
3 letter carriers to collect boxes while they deliver mail on their routes. Post
4 offices in many cities post a morning collection time such as 10 AM at all
5 boxes in residential areas and ignore the requirement in POM § 323.41 for
6 collections to be made within 20 minutes of the posted time. This way,
7 they ensure that EXFC droppers deposit their mail early in the morning,
8 and managers gain maximum flexibility for themselves in making the
9 collections at a convenient time. Dedicated collection routes are not a
10 problem for customer service per se; however, they would provide better
11 customer service if they visited residential boxes at 2 PM instead of
12 10 AM.

13 My belief that EXFC accounts for many of the reductions in collection
14 services is not mere speculation. The July 1999 headquarters memo notes that
15 customers may believe that early collection times are designed to circumvent the
16 EXFC system. Postal management was remiss for not ensuring that managers
17 responding to the incentives of a pay-for-performance system continued to follow
18 policy when implementing operational changes to further those objectives. Much
19 of the damage to the value of First-Class Mail service already is done.

20 **E. Collection Box Data**

21 I have focused on problems with collections since 1998. After attempting
22 to resolve problems at the local level in cities around the country, I decided that
23 the problems were too large in scope to be addressed effectively in this manner.
24 In 2002, I submitted a Freedom of Information Act (FOIA) request to the Postal
25 Service for an electronic copy of pertinent information from the CBMS database.
26 The Postal Service declared that releasing information on locations and posted
27 collection times of collection boxes would pose a security risk. I filed a lawsuit,
28 and in March 2005, a federal judge ruled in my favor and ordered the Postal
29 Service to disclose the data. In September 2005, the Postal Service provided
30

1 The Postal Service also has determined that customers in several parts of
2 Manhattan are not entitled to 5 PM collections on weekdays, even for boxes that
3 are located at stations or that receive a weekday average of at least 100 pieces
4 of mail per day. In the 10002 ZIP Code, the latest collection time is noon. In
5 10003 and 10009, the latest collection time is 1 PM. In 10012 and 10013, the
6 latest collection time is 2 PM. In 10014, the latest collection time is 1 PM. Most
7 of these ZIP Codes are in lower Manhattan. In these ZIP Codes, even boxes in
8 front of stations have the standard collection time for the area. The Postal
9 Service simply does not care about customers seeking to mail letters in these
10 areas.

11 Some of these reductions in Manhattan occurred in 2004 and 2005. The
12 Postal Service rolled collection times back to 1 PM on weekdays throughout
13 Manhattan before the Republican National Convention. By March 2005, these
14 1 PM collection times still appeared on boxes in midtown Manhattan — boxes
15 that formerly had 5 PM collections. Coincidentally, some of the 5 PM collections
16 began to be restored on the collection labels during my visit in March 2005.
17 However, the Postal Service made the 1 PM collections permanent in several
18 areas in Lower Manhattan.

19 These collection schedules clearly are designed for the convenience of
20 the Postal Service, not the convenience of customers. These examples are just
21 a few of thousands of collection schedules nationwide that do not comply with the
22 Postal Service's national service standards, which are customer focused. By
23 failing to provide collection services consistent with these standards in the EXFC
24 era, the Postal Service has lowered the value of First-Class Mail service. Some
25 examples, such as the ones that I have identified in New York and Chicago, are
26 alarming. However, many communities surely have hundreds of customers who
27 have experienced the same service reduction that the San Rafael attorney
28 experienced in July 2006. And if I were a postal manager concerned about
29 electronic diversion of mail, I would be alarmed to discover that postal officials in
30 major cities in America were providing services so poor that they seemingly were
31 trying to encourage customers to seek alternatives to using the mail.