

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

**RESPONSES OF MAJOR MAILERS ASSOCIATION
WITNESS RICHARD E. BENTLEY TO INTERROGATORIES OF
THE UNITED STATES POSTAL SERVICE (USPS/MMA-T1-23-24)**

Major Mailers Association hereby provides the responses of witness Richard E. Bentley to the following interrogatories of the United States Postal Service: USPS/MMA-T1-23-24, filed on September 20, 2006.

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

Respectfully submitted,

MAJOR MAILERS ASSOCIATION

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Dated: Middleburg, Virginia
October 4, 2006

USPS/MMA-T1-23

Please refer to Postal Service witness Mitchum's testimony (USPS-T-40) at page 21, lines 17-19. Please confirm that the Postal Service's proposal to eliminate the electronic notice requirement in DMCS 931.31 for Destination Confirm mailings was intended to eliminate a burden from mailers who do not want to provide the notice, and would not affect any mailers who want to provide electronic notice. If you do not confirm, please explain why not.

RESPONSE:

As a general matter, it is not possible for me to confirm exactly what USPS witness Mitchum or the Postal Service intended. I recognize that USPS witness Mitchum stated that the proposal to eliminate the electronic notice requirement (start-the-clock) of DMCS § 931.31 was made "because customers found the requirement burdensome." However, none of the MMA mailers I have spoken with advocate elimination of start-the-clock for all purposes. Moreover, Mr. Mitchum did not say that elimination of the start-the-clock provision "would not affect any mailers who want to provide electronic notice," as your question suggests. Frankly, I think that, in order for mailers who want to continue using start-the-clock not to be affected by elimination of the start-the-clock provision, the DMCS would still have to incorporate an understanding about just when the clock does start to run for the purposes of Delivery Confirm.

If, as you indicate, the "start-the-clock" provision for Confirm Service is voluntary, then it is **possible** that mailers who want to provide electronic notification of their mailings would not be affected for their own purposes. However, there are still two important reasons for maintaining this requirement.

First, allowing mailers to voluntarily stop providing such notice eliminates an important tool that could and should be used by the Postal Service to measure its ability to meet its service goals and take appropriate corrective actions where necessary. The Postal Service should be required to maintain its database on a

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national basis for this purpose. As quoted from Postal Service Publication 197 by OCA witness Callow (OCA-T-5, p. 23):

Preshipment notification enables the Postal Service to use Confirm information to measure, diagnose, monitor, and improve mail processing and delivery service performance.

Unless mailers are required to “start-the-clock”, the Postal Service would lose its database and its ability to use Confirm Service data to meet this objective on a national scale.

Second, allowing the “start-the-clock” provision to be voluntary would reduce the importance of such procedures for mailers who find the provision to be absolutely essential for using Confirm Service. As such, MMA is not in favor of any changes that could signal to postal employees that the “start-the-clock” provision is anything but an absolute necessity, without which, Confirm Service has little meaning. Performing a voluntary procedure is not as important as enforcing a specific requirement.

Should the Commission allow the “start-the-clock” procedure to become voluntary for mailers, I recommend that the DMCS should (1) clearly establish that mailers have an absolute ***right*** to complete documentation regarding when their mail has been accepted by the Postal Service and (2) spell out clearly reasonable procedures to be followed by mailers and the Postal Service.

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Please refer to your testimony at page 32, lines 3-5, where you state that "[t]he evidence provided by the Postal Service indicates that the costs generated by providing Confirm do not change with the number of scans produced."

- (a) Please specifically identify the evidence to which you refer.

- (b) Please confirm that for a large increase in the number of scans (especially if this increase is associated with the addition of new subscribers), more calls would be expected at the help desk, increasing help desk costs. If you do not confirm, please explain why not.

- (c) Please confirm that for a large increase in the number of scans (especially if this increase is associated with the addition of new subscribers), more travel would be expected to assist customers, increasing travel costs. If you do not confirm, please explain why not.

RESPONSE:

- (a) The cost data to which I refer is provided by USPS witness Page at USPS-LR-L-59, Attachment 17, page 1. The test year costs are shown for FY 2008.

- (b) This question is difficult to confirm or deny as posed. For purposes of answering your question, I have assumed that the "large" number of scans that you reference does not impact the maximum number of scans that the Postal Service's current Confirm system in place can process without a major upgrade to the system.

As your question suggests, a large increase in scans may or may not be associated with the addition of new subscribers. If there is a large increase in scans from existing subscribers but no change in the number of subscribers, there likely would be no material increase in the help desk costs. If there was a large increase in the number of subscribers but no increase in the number of scans, then there likely would be a temporary increase in help

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desk costs. Accordingly, it seems reasonable that the cost driver for help desk costs is the number of subscribers and not the number of scans.

With respect to the last point, I have been informed that one of the most common reasons why Confirm subscribers call the help desk is to have their password reset because of an inability to access the Confirm website. Apparently, passwords are invalidated if there is no activity for 30 days. Changing that policy could reduce help desk costs.

A second reason to call the help desk is to report delivery problems. Such calls could, indirectly, increase with the number of scans if more delivery problems are identified. However, the Postal Service should encourage such calls to help it rectify service problems. Moreover, the root cause of such calls is not the result of providing Confirm Service (which merely identifies the problem) but more the result of operational problems.

- (c) I have been informed that postal employees generally incur travel costs in order to promote Confirm Service at tradeshow or industry workgroup functions. Travel is not normally required to help with new subscribers since information is normally sent to the Postal Service. Therefore, it seems reasonable that travel costs would vary more with Postal Service's promotional and goodwill planning and not at all with the number of scans provided.