

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

SIX-DAY TO FIVE-DAY STREET DELIVERY
AND RELATED SERVICE CHANGES

DOCKET NO. N2010-1

RESPONSE OF PUBLIC REPRESENTATIVES' WITNESS LUTTRELL
TO UNITED STATES POSTAL SERVICE INTERROGATORIES
(USPS/PR-T-2-7, 10, 11, 23 AND 24)

The Public Representatives hereby provide the response of witness Edward Luttrell to United States Postal Service interrogatories USPS/PR-T2-7, 10, 11, 23 and 24, submitted on August 6, 2010. The interrogatories are reproduced in their entirety and are followed by a response.

Respectfully submitted,

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**RESPONSE OF PUBLIC REPRESENTATIVES' WITNESS LUTTRELL
TO UNITED STATES POSTAL SERVICE INTERROGATORY USPS/PR-T2-7**

USPS/PR-T2-7

Please refer to your testimony at page 3, line 28 and explain what you mean by the "predictability of six day postal delivery service."

RESPONSE:

In this sentence, the quoted phrase refers to both the specific days of the week as well as generally consistent time of day schedule of six-day postal delivery service to rural micro businesses with street addresses. In fulfilling orders, in receiving payments, in complying with responses for legal, accounting and other basic services, the National Grange believes that the Postal Service provides unique and irreplaceable service advantages to micro entrepreneurs operating in rural communities. In my experience meeting with local Grange members across the nation to listen to their concerns, it is apparent that rural small business owners are in many forms of communication with their vendors, customers, clients, government officials, etc. The National Grange's contention is that six-day postal delivery service allows these business owners to more accurately estimate when a part, payment, communication, notice order or other item sent or received by a microbusiness will arrive at its destination. Such estimations help enhance the reputation and reliability of rural small businesses vis a vis their urban and suburban competitors. The National Grange believes that accurate estimation of receipt or delivery of business related items carried by the Postal Service for rural small businesses is substantially enhanced with six-day delivery schedules vs. a five-day schedule.

**RESPONSE OF PUBLIC REPRESENTATIVES' WITNESS LUTTRELL
TO UNITED STATES POSTAL SERVICE INTERROGATORY USPS/PR-T2-10**

USPS/PR-T2-10

Please refer to your testimony at page 2, lines 9 and 10.

(a) Please list and describe the criteria by which you judge whether a high speed Internet service is "reliable." Please identify examples of such service.

(b) Please list and describe the criteria by which you judge whether a high speed Internet service is "Cost effective." Please identify examples of such service.

RESPONSE:

(a) I accept the Federal Communications Commission's definition, which defines "reliable" high speed broadband service in the National Broadband Plan as being 4 megabits per second download. Recent data indicate that 7 million housing units in the United States lack 4 megabit service. In addition, FCC data also indicate that although housing units without this level of service exist throughout the country, they are more common in rural areas. See FCC's National Broadband Plan (2009), Chapter 3, page 20.

(b) To the best of my knowledge, each broadband provider has varying pricing modules for rural customers. Reasons for the variances differ. One factor is that some telecommunications service providers are able to utilize subsidies under the Universal Service Fund more efficiently than others, mitigating some pricing discrepancy for their customers. As part of the National Broadband Plan, the FCC has moved to address this discrepancy by proposing that by 2018, the Universal Service Fund should be reformed by Congress form a source of funding primarily supporting telephone/voice service in rural/remote communities to include greater flexibility to use these funds for broadband deployment in underserved areas, including underserved rural communities. Additionally, whether a product or service is "cost effective" varies across the income

strata. What may be cost effective or affordable for one rural family may be out of reach for another.

**RESPONSE OF PUBLIC REPRESENTATIVES' WITNESS LUTTRELL
TO UNITED STATES POSTAL SERVICE INTERROGATORY USPS/PR-T2-11**

USPS/PR-T2-11

(a) Please refer to page 2, line 12 of your testimony. Is it your testimony that the elimination of Saturday delivery to rural street addresses should only be contemplated when the transition to electronic communications in rural areas reaches a certain threshold?

(b) Please refer to page 3, line 16. Please clarify whether the "universal access to advanced telecommunications services" to which you refer would be on a 5-, 6- or 7-day a week basis.

RESPONSE:

(a) The National Grange's position is that currently universal broadband service is not reliable or available in many rural areas. This position may be revisited as high-speed availability expands, but currently the infrastructure does not exist to replace mail service with electronic communications methods. Generally, the question as to whether the elimination of Saturday delivery to rural street addresses should only be contemplated when the transition to electronic communications in rural areas reaches a certain threshold has not been formally addressed through the Grange's policy development process. Up to this point, grassroots members have not established a link between the Grange's policy supporting continuation of six-day local postal delivery service and its policy supporting universal access to broadband and other advanced telecommunications services in every rural community.

In my experience, a link creating conditional support for reduced local mail delivery service when certain thresholds of broadband service are achieved in rural communities is a plausible response that could be endorsed by our delegates, but at this time, it is not a likely one. In the 2010 National Grange Blueprint for Rural America, which reflects the priority concerns raised by grassroots Grange delegates at the 143rd annual convention of the National Grange held last November, the following policy position related to universal access to advanced telecommunications technologies was clearly articulated:

Universal access to affordable, reliable and competitive telecommunications technologies such as telephone, cellular, wireless, digital broadcast television, radio, high speed broadband, satellite and competitive video services must be available to rural communities at affordable costs. The National Grange supports implementation of a comprehensive National Broadband Plan that makes a strong commitment by the Federal Government to assure universal access to high speed broadband for all Americans, regardless of where they live and promotes greater education for rural consumers on the advantages of broadband connections for their homes, farms, and small businesses.

(b) In general, the National Grange's public policy assumption related to universal access to advanced telecommunications services in rural areas is that these services should be available 7 days a week, 24 hours a day, barring occasional weather events or other localized, accidental physical disruptions of these services to give rural Americans access to the same level of technology and service that suburban and urban Americans enjoy.

**RESPONSE OF PUBLIC REPRESENTATIVES' WITNESS LUTTRELL
TO UNITED STATES POSTAL SERVICE INTERROGATORY USPS/PR-T2-23**

USPS/PR-T2-23

Please refer to page 5, line 10.

(a) Do you agree that the risk of “baby chicks arriving dead or in a malnourished state to ... family farmers, spreading disease among other live poultry shipments” today in a six-day environment is greatly diminished by the fact that the Postal Service routinely calls recipients of such shipments by telephone to arrange for expeditious pick-up on the day of arrival at the delivery unit? If not, please explain.

(b) Do you agree that the risk of “baby chicks arriving dead or in a malnourished state to ... family farmers, spreading disease among other live poultry shipments” today in a six-day delivery environment is greatly diminished by the fact that some shippers use Express Mail? If not, please explain.

RESPONSE:

(a) I acknowledge that notification of shipment arrival has and does, indeed, enhance the survivability of live poultry shipped via U.S. Mail. The Grange's concern is related to the general welfare and survivability of fragile young animals if they are left unattended for an increased number of two-day and, if the proposal is adopted, possibly three-day periods (such as around Federal holidays) before final delivery.

(b) The use of Express Mail can mitigate some of these animal welfare concerns. However, currently there is no direct delivery of live poultry over weekends and holidays. Requiring the use of Express Mail for these shipments would add cost to family farmers who rely on this service.

**RESPONSE OF PUBLIC REPRESENTATIVES' WITNESS LUTTRELL
TO UNITED STATES POSTAL SERVICE INTERROGATORY USPS/PR-T2-24**

USPS/PR-T2-24

Please indicate what percentage of National Grange members have their mail delivered to:

- (a) a rural route (or street) address
- (b) a Post Office box.

RESPONSE:

- (a) The National Grange does not know the percentage of its members that have their mail delivered to a rural route (or street) address.
- (b) The National Grange does not know the percentage of its members that have their mail delivered to a Post Office box.