

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

RATE AND SERVICE CHANGES TO IMPLEMENT  
BASELINE NEGOTIATED SERVICE AGREEMENT  
WITH WASHINGTON MUTUAL BANK

Docket No. MC2006-3

**NOTICE OF UNITED STATES POSTAL SERVICE OF CORRECTIONS TO  
INTERROGATORIES TO OFFICE OF CONSUMER ADVOCATE WITNESS  
CALLOW: USPS/OCA-T1—1-3(b) AND USPS/OCA-T1—1-4 [ERRATA]**

On August 24, 2006 the United States Postal Service filed interrogatories and requests for production of documents to Office of Consumer Advocate witness Callow (USPS/OCA-T1—1-4). Interrogatory USPS/OCA-T1-3(b) contained an error in line 2. The word “with” should be replaced by the word “for.” Interrogatory USPS/OCA-T1-4 was misidentified in the original as OCA/USPS-T1-4. The corrected interrogatories are attached hereto.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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August 25, 2006

USPS/OCA-T1-3. Please refer to page 3, lines 10 to 12, of your testimony. You state, "I accept Postal Service witness Ayub's assumption that Washington Mutual's entire discount induced First-Class Mail solicitation letter volume is converted from Standard Mail."

- a) In your judgment, does Washington Mutual's ability to convert its solicitation letter volume from Standard Mail to First-Class Mail suggest that Washington Mutual regards First-Class Mail as a close substitute for Standard Mail?
- b) Do you agree with the proposition that by substituting a more expensive product (First-Class Mail) for a less expensive product (Standard Mail), Washington Mutual expects the additional expense to be offset by a higher response rate to its First-Class Mail solicitations? If no, please explain.

USPS/OCA-T1-4. Please refer to page 12, lines 17 to 19, of your testimony. You state that "Washington Mutual receives discounts on all eligible First-Class Mail solicitation letters exceeding the minimum discount threshold volume of 490 million mailpieces that are prompted for any reason, ensuring Washington Mutual a positive financial outcome."

- a) In reaching this conclusion, did you consider whether Washington Mutual's negotiation and litigation costs associated with this NSA would have an effect on Washington Mutual's financial outcome? If yes, please provide the results of your analysis.
- b) Do you agree that Washington Mutual's financial outcome under the NSA depends, in part, on the rate of customer responses it receives from its First-Class mail solicitations?
- c) If Washington Mutual's solicitation letter volume is converted from Standard Mail to First-Class Mail and the rate of customer responses it receives from its First-Class mail solicitations does not increase, will Washington Mutual's financial outcome necessarily be positive? If yes, please explain.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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