

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

RATE AND SERVICE CHANGES TO IMPLEMENT
BASELINE NEGOTIATED SERVICE AGREEMENT
WITH BANK OF AMERICA CORPORATION

Docket No. MC2007-1

**RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS AYUB TO INTERROGATORIES OF THE OFFICE OF CONSUMER
ADVOCATE (OCA/USPS-T1-36, 39)
(April 6, 2007)**

The United States Postal Service hereby provides the response of witness Ayub to the following interrogatories of the Office of Consumer Advocate: OCA/USPS-T1-36, 39, filed on March 9, 2007. The interrogatories are stated verbatim and are followed by the response. The Postal Service's response to OCA/USPS-T1-35 and 37 will be forthcoming.

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel, Customer Programs

Frank R. Heselton
Matthew J. Connolly

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1135
(202) 268-8582; Fax -5418

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OCA/USPS-T1-36. Please refer to your testimony at page 16, lines 8-9, and page 21, lines 1-2, which reference the baseline value read/accept rates for First-Class Mail and Standard Mail letters, respectively.

- a. Please confirm that the referenced baseline value read/accept rates for First-Class Mail and Standard Mail letters are based upon barcodes other than the Four-State barcode. If you do not confirm, please explain.
- b. Please confirm that the Postal Service has available to it read/accept rates from tests of mailpieces displaying the Four-State barcode conducted by the Postal Service or vendors of mail processing equipment. If you do not confirm, please explain. If you do confirm, please provide the results of all such tests.

RESPONSE:

- a. Confirmed.
- b. Confirmed. The percentages below reflect the average monthly Confirm scan rates for USPS move validation letter mailings.

Jan '07 99.0%

Feb '07 98.6%

The percentages below reflect the scan rates from the seamless acceptance pilot that we are conducting with three mailers that are using the intelligent mail barcode:

Average Scan Rate – 97.55%

Weighted Average Scan Rate – 97.14

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OCA/USPS-T1-39. Please refer to the request, Attachment F, the “Negotiated Service Agreement Between United States Postal Service and Bank of America Corporation,” Section II. K., “EDL (or “Enhanced Distribution Label”),” and Section III. E., “Seamless Acceptance.”

- a. Is Seamless Acceptance currently a requirement for bulk letter-rated First-Class Mail and Standard Mail? If not, what are the Postal Service plans for making Seamless Acceptance a requirement for all bulk letter-rated First-Class Mail and Standard Mail? Please explain.
- b. Please explain whether or not use of Seamless Acceptance by BAC will permit the Postal Service to track BAC’s letter-rated First-Class Mail and Standard Mail from the point of entry with the Postal Service to customer delivery. More specifically, will the Postal Service be able to track the location of each piece of BAC’s letter-rated First-Class Mail and Standard Mail that is entered in a tray (or other container), the location of the tray in a pallet (or other container), and the location of the pallet on a truck (or other form of transportation)? Please explain.
- c. Please explain and discuss the relationship (if any) between the Surface Visibility program/system and Seamless Acceptance.
- d. The Enhanced Distribution Label (EDL) is described as a “24-digit barcode label for trays and sacks.” Please discuss whether the Postal Service is currently able to read EDLs on trays and sacks. Please explain and discuss whether or not the Postal Service plans to extend the use of EDLs to containers other than trays and sacks. If so, please identify the other containers to which EDLs will be applied, and any timelines for the use of EDLs on each type of container.

RESPONSE:

- a. Seamless Acceptance is not currently a requirement for bulk letter-rated First-Class Mail and Standard Mail. To my knowledge, the USPS is still pilot testing the programs collectively referred to as “seamless acceptance” and is not currently planning to make seamless acceptance a requirement for mailers, pending development of approaches to deploy the program. Please see my response to VP/USPS-T1-3(a) and (b).
- b. When BAC is engaged in seamless acceptance and meets the criteria for participation, the Postal Service will be able to track BAC’s letter-rated First-Class Mail and Standard Mail starting at the point of entry and ending at the last sort operation on mail processing equipment. The Postal Service is still in the

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process of implementing tray tracking across nationally deployed material handling equipment, but the primary scan needed for seamless acceptance will be in place. The location of mailpieces in a tray, the location of a tray in a pallet, and the location of a pallet on a truck will not be available.

- c. USPS is looking to expand visibility points throughout the USPS processing network with programs such as “Surface Visibility.” Surface Visibility is a key component of Seamless Acceptance because it furnishes scan information for Seamless Acceptance mailings on tray and pallet level scans. Entry scan capabilities are being enabled through the use of the Intelligent Container barcode.
- d. The Postal Service is able to read the Intelligent Tray barcode (also known as the Enhanced Distribution label) at some points in the processing network and is looking to expand this capability through nationally deployed material handling equipment located in our mail processing network. The transportation infrastructure is also being augmented through the addition of new processes that will allow the Postal Service to scan trays. For example, trays that travel on air transportation are scanned by the air transport providers, and the information collected from such scans is forwarded to the USPS. Upgrades in technology and mail tracking procedures have enabled the Postal Service to scan the Intelligent Tray barcode while trays are processed through the Tray Management System. Today the Intelligent Tray barcode can be applied on trays, sacks and tubs. For other containers, a different barcode, known as a container barcode is

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used on pallets and rolling equipment for visibility. To my knowledge, a timeline for implementation has not been established by the Postal Service.

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.

Matthew J. Connolly

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