

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-T1-24-26, 29-30)**
(March 21, 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-T1-24-26, 29-30, filed on March 2, 2007. The interrogatories are stated verbatim and are followed by the response. The Postal Service's response to OCA/USPS-T1-27-28 will be forthcoming.

UNITED STATES POSTAL SERVICE

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS AYUB TO
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OCA/USPS-T1-24. Please refer to your testimony at page 16, lines 8-9, which references a baseline value read/accept rate of 96.8 percent for First-Class Mail automation letters.

- a. Please provided the read/accept rate for First-Class Mail automation letters for FY 2006, or the most recent year available.
- b. In what fiscal year was the data collected that is used to estimate the baseline value read/accept rate of 96.8 percent for First-Class Mail automation letters?

RESPONSE:

- a. It is my understanding that the read/accept rates used in USPS-LR-L-110 in Docket No. R2006-1 are the most recent data available.
- b. The BAC baseline read/accept rates are based on BAC's actual mail volumes for FY 2006 and the read/accept rates used in USPS-LR-L-110 in Docket No. R2006-1. Please see my response to OCA/USPS-T1-15.

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OCA/USPS-T1-25. Please refer to your testimony at page 21, lines 1-2, which references a baseline value read/accept rate of 96.9 percent for Standard Mail Regular automation and ECR letters.

- a. Please provided the read/accept rate for Standard Mail Regular automation and ECR letters for FY 2006, or the most recent year available.
- b. In what fiscal year was the data collected that is used to estimate the baseline value read/accept rate of 96.9 percent for Standard Mail Regular automation and ECR letters?

RESPONSE:

- a. It is my understanding that the read/accept rates used in USPS-LR-L-110 in Docket No. R2006-1 are the most recent data available.
- b. The BAC baseline read/accept rates are based on BAC's actual mail volumes for FY 2006 and the read/accept rates used in USPS-LR-L-110 in Docket No. R2006-1. Please see my response to OCA/USPS-T1-16.

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OCA/USPS-T1-26. Please refer to your testimony at page 15, lines 15-19, which states, in part:

read and accept rates are likely to depend primarily on the generation of barcoding protocol used by the mailer and the scanning equipment used by the Postal Service—factors that are unlikely to generate wide mailer-to-mailer variations.

Given the statement quoted above, why do you expect or believe Bank of America (BAC) will be able to improve the read/accept rate for its First-Class Mail and Standard Mail (sic) letters? Please explain.

RESPONSE:

The section of my testimony quoted in this interrogatory is based on the assumption that all mailers use equivalent barcodes for their mailings. However, there is an art to mail piece design which is independent of the technology capability of the machine. The technology sets an upper bound on performance but factors such as the quality, consistency and accuracy of the barcode may vary from customer to customer depending on the processes they utilize in preparing and applying the barcode (e.g., equipment used to print barcode image, quality of output paper used, etc.). This NSA will encourage BAC to test different combinations of processes to a greater degree than it would without the NSA to improve the read/accept rates of its mail volume.

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OCA/USPS-T1-29. Please refer to your testimony at page 24, lines 15-26, and page 25, lines 1-20, which reference the data collection plan for the NSA. For each Rate Schedule 630A through E, please confirm that the Postal Service will report as part of the data collection plan the amount of discounts paid to BAC. If you do not confirm please explain.

RESPONSE:

Confirmed.

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OCA/USPS-T1-30. Please refer to your testimony at page 25, lines 12-13, which references calculation of forward and return rates for BAC's First-Class Mail volumes, and calculation of a UAA rate for BAC's Standard Mail volumes. Please confirm that the Postal Service will also calculate separate read and accept rates for BAC's First-Class Mail volumes and Standard Mail volumes. If you do not confirm, please explain.

RESPONSE:

Confirmed.

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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