

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 INTERROGATORY OF THE OFFICE OF CONSUMER  
ADVOCATE (OCA/USPS-T1-47)  
(April 18, 2007)**

The United States Postal Service hereby provides the response of witness Ayub to the following interrogatory of the Office of Consumer Advocate: OCA/USPS-T1-47, filed on April 5, 2007. The interrogatory is stated verbatim and is followed by the response.

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

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS AYUB TO  
INTERROGATORY OF THE OFFICE OF CONSUMER ADVOCATE**

**OCA/USPS-T1-47.** Please refer to your testimony at page 7, lines 21-23, where it states that Bank of America (BAC) “also agrees to use Four-State Barcodes on BRM, QBRM, and CRM pieces enclosed in bills, invoices and other mailpieces mailed by the Bank,” citing the NSA at Section III.G.

- a. Please confirm that BAC receives approximately 450 million BRM, QBRM, and CRM pieces annually. If you do not confirm, please explain.
- b. Please confirm that under the NSA, BAC will not receive any discounts for improvements in read/accept rates resulting from the use of Four-State Barcodes on BRM, QBRM, and CRM pieces. If you do not confirm, please explain.
- c. Given the requirement to use Four-State Barcodes on BRM, QBRM, and CRM pieces, please explain the rationale for not offering discounts for improvements in read/accept rates on such BRM, QBRM, and CRM pieces.

**RESPONSE:**

- a. Confirmed.
- b. Confirmed.
- c. The Postal Service and BAC have agreed that BAC should only be eligible to earn discounts on mailpieces for which BAC pays postage (i.e., First-Class Mail and Standard Mail) due to the practical obstacles to calculating discounts on BAC mailpieces for which postage is not paid. Unlike First-Class Mail and Standard Mail for which PERMIT and CAPS information is available, such information is not available for BAC’s BRM, QBRM, and CRM mailpieces. As a result, it would be difficult, if not impossible, to reconcile BAC’s BRM, QBRM, and CRM volumes with postage payment and performance data for those volumes to determine earned discounts for those volumes under the Agreement.  
  
Notwithstanding this fact, the Postal Service expects that it will realize savings from the Bank’s use of Four-State Barcodes on BRM, QBRM, and CRM mailpieces.

## **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

475 L'Enfant Plaza, S.W.  
Washington, D.C. 20260-1135  
(202) 268-8582; Fax -5418  
April 18, 2007