

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 AMERICAN POSTAL WORKERS UNION, AFL-CIO
(APWU/USPS-T1-4-7, 9)
(May 15, 2007)**

The United States Postal Service hereby provides the response of witness Ayub to the following interrogatories of the American Postal Workers Union, AFL-CIO: APWU/USPS-T1-4-7, 9, filed on May 1, 2007. The interrogatories are stated verbatim and are followed by the response. Interrogatory APWU/USPS-T1-8 has been redirected to Bank of America Corporation.

UNITED STATES POSTAL SERVICE

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APWU/USPS-T1-4. In your response to OCA/USPS-T1-35, you provided Worksheet IMB Scan Rate_#35.

- a) Please confirm that the scan rates provided in that worksheet are not calculated in the same way as those described in LR-L-110. If you can not confirm, please explain how they are the same.
- b) Please confirm that the scan rates provided in that worksheet are not calculated in the same way as specified in the BAC/USPS Negotiated Service Agreement submitted with this case. If you can not confirm, please explain how they are the same.
- c) Is there any way of knowing that all the pieces that are shown in the “piecelevel electronic documentation” mentioned in point number three of your response were actually fed on any machine?
- d) Were the destinations of the pieces checked against the list of places that do not require DBCS sorts?
- e) To what does the #35 refer in the label of this worksheet?

RESPONSE:

- a) Confirmed.
- b) Confirmed. Pieces could be scanned within the meaning of Worksheet IMB Scan Rate_#35 without being read and accepted within the meaning of the NSA, and *vice versa*.
- c) Absent use of an IMB, it is my understanding that at this time there is no way of knowing through the available reports if the pieces were fed on a machine.
- d) No.
- e) Interrogatory OCA/USPS-T1-35.

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APWU/USPS-T1-5. Please refer to the document attached to your response to OCA/USPS-T1-35 that you call the “Seamless Acceptance” power point used in a presentation by Pritha Mehra to the Major Mailers Association on April 17, 2007.

- a) The first page of that document indicates a date of February 20, 2007. To what group was this document presented in February and who presented it?
- b) Was this document used for any other presentations between February and April 17th? If so, to which groups and who was the presenter?
- c) Were the power point slides produced by Pritha Mehra?
- d) Pages 17 through 27 of that document are identified as “draft”. Please explain what is meant by draft in this instance.
- e) Were the pages identified as “draft” included in the April 17, 2007 presentation? Were they included in any other presentation?

RESPONSE:

- a) The presentation with the file name “MTAC 100_workgroup” (the document referred to in this interrogatory) was given by Pritha Mehra, Manager, Marketing Technology & Channel Management, at the Workgroup of the Mailers' Technical Advisory Committee (MTAC) on or about February 20, 2007. See United States Postal Service Notice of Correction to Response of Witness Ayub to Interrogatory of the Office of Consumer Advocate (OCA/USPS-T1-35) [Errata].
- b) No.
- c) It is my understanding that the slides referred to in this interrogatory were produced by or under the direction of Pritha Mehra.
- d) It is my understanding that the “draft” watermark visible on pages 17 through 27 of the presentation was intended to inform participants of the Workgroup of the Mailers' Technical Advisory Committee (MTAC) that the information contained in those pages was preliminary and did not represent the final thoughts or positions of the Postal Service. See United States Postal Service Notice of Correction to Response of Witness Ayub to Interrogatory of the Office of Consumer Advocate (OCA/USPS-T1-35) [Errata].

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- e) No. See United States Postal Service Notice of Correction to Response of Witness Ayub to Interrogatory of the Office of Consumer Advocate (OCA/USPS-T1-35) [Errata].

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APWU/USPS-T1-6. In the power point presentation entitled "Seamless Acceptance Pilot" that you provided in your response to OCA/USPS-T1-35, page 7 refers to mailpiece counts.

- a) Are the piece scans referred to there the same ones as were calculated from the data in IMB Scan_Rate#35? If not, can you identify the source of the scans discussed on page 7?
- b) There is reference to a 2% improvement in the scan rates since November. Is the 98% scan rate identified there the most current scan rate? What was the scan rate in November 2006?
- c) Please confirm that the scan rates presented in IMB Scan_Rate#35 includes scans from November 2006 through March 2007.

RESPONSE:

- a) No. The piece scans referred to on page 7 in the Microsoft Power Point presentation titled "Seamless Acceptance Pilot" dated February 20, 2007, referenced above were derived from a subset of the data contained in "IMB Scan_Rate#35".
- b) Yes. 96 percent.
- c) Confirmed.

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APWU/USPS-T1-7. Toward the end of your response to OCA/USPS-T1-35 you state “we believe that significant improvements in read/accept rates for bulk prebarcoded mail of the sort entered by BAC are unlikely to have occurred since 1999. Most of our R&D and investments in barcoding equipment upgrades since 1999 have been aimed at improving our read/accept rates for handwritten addresses and other low quality addresses, and for development of the IMB with its additional data fields.”

a) Are the read/accept rates presented in LR-L-110 only for “bulk prebarcoded mail”? Please identify where in the documentation (USPS LR-K-68 “Study Description”) the type of mail is described.

b) If not, would any of the investments in barcoding equipment upgrades since 1999 have impacted the read/accept rates that are presented in LR-L-110?

c) In preparing the proposed NSA, did the Postal Service inquire as to the improvements BAC and its vendors have undertaken to enhance their mail read/acceptance rates since 1999? If so, what were those improvements? If not, why not?

RESPONSE:

a) No. It is my understanding that the read/accept rates presented in LR-L-110 represents all mail types. Bulk prebarcoded mail is not specifically described or identified in USPS LR-K-68.

b) Although some of the Postal Service’s investments in barcoding equipment may have increased the read/accept rates presented in LR-L-110, the Postal Service has not attempted to analyze the relationship between these investments and the read/accept rates that are presented in LR-L-110. Therefore, I cannot say with any certainty whether investments in barcoding equipment have led to increases in the read/accept rates presented in LR-L-110.

c) No. Because the Postal Service could not identify the specific read/accept rates for each mailer, there was no way for it to determine whether there was any relationship between any improvements BAC and its vendors undertook to enhance their mail read/acceptance rates and actual improvements in those rates.

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APWU/USPS-T1-8. Toward the end of your response to OCA/USPS-T1-35 you reference “the large-volume service bureaus that prepare the mail of BAC and its peers.”

- a) What percentage of BAC’s letter mail is prepared by BAC and what percentage is prepared by its contract service bureaus?
- b) Who are the service bureaus that prepare the BAC mail?

RESPONSE:

Redirected to Bank of America Corporation.

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APWU/USPS-T1-9. In your response to VP/USPS-T1-26 (c) you state that you “understand that there is a direct correlation between MERLIN accept rates and the read rates of automation mail.”

a) Is that understanding based on the information that is provided on page 8 of the document entitled “Seamless Acceptance Pilot” presented as part of your answer to OCA/USPS-T1-35? If not, please identify what your understanding is and what that understanding is based on.

b) Did the Postal Service check the MERLIN accept rates of BAC or any of the service bureaus that prepare the BAC mail in its work in preparation for this NSA? If so, what did those read rates show? If not, why not?

RESPONSE:

a) My understanding is based on the information contained within the document entitled “Seamless Acceptance Pilot” and my observations of other mailers.

b) Yes, however, I cannot provide the results for BAC mailings handled by the service bureaus because there was no process for distinguishing BAC mail from other mail in the service bureaus’ mailings. Additionally, the MERLIN results do not shed light on the accept rates of BAC mail because the mail discussed in the MERLIN reports was a mix of mail from multiple originators, not just BAC. Furthermore, because the MERLIN standards differ from those used to measure read and accept rates, the observed read and accept rates can differ.

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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