

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268

Rate and Service Changes to Implement
Functionally Equivalent Negotiated Service
Agreement With Discover Financial Services, Inc.

Docket No. MC2004-4

PRESIDING OFFICER'S INFORMATION REQUEST NO. 2

(Issued August 12, 2004)

Proponents are requested to provide responses to the questions set out below to assist in developing a record in this case. To facilitate inclusion of these answers in the record, Proponents are to identify a witness prepared to attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers at our hearings. Answers are to be provided by August 23, 2004.

Please refer to the response to POIR 1, Question 4. The following citation is from the DM News, August 5, 2004, article "PARS on Track for Rollout This Month".

PARS is being deployed in two phases. Phase one begins this month and will be completed by November, at which point PARS will be deployed at 80 computerized forwarding system sites, 49 processing and distribution centers and 15 remote encoding centers. The equipment is already in place at the postal service's National Customer Support Center in Memphis, TN. The second phase is to begin early next year.

The article also credits a Postal Service official with an estimate that the system, when fully deployed, will save the Postal Service \$1 million a day. Please revise the response to POIR 1, Question 4, as necessary and include an estimate of the effects of the

deployment of PARS on cost inputs to USPS-T-1 Appendix A, including but not limited to Computerized Forwarding System (CFS) Processing and Mailstream Processing costs taken from MC2002-2 USPS-LR-1.

George Omas
Presiding Officer