

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 VALPAK DIRECT MARKETING
SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.
(VP/USPS-T1-26)
(April 30, 2007)**

The United States Postal Service hereby provides the response of witness Ayub to the following interrogatory of Valpak Direct Marketing Systems, Inc., and Valpak Dealers' Association, Inc.: VP/USPS-T1-26, filed on April 4, 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

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AND VALPAK DEALERS' ASSOCIATION, INC.**

VP/USPS-T1-26. Please refer to your response to VP/USPS-T1-8.

- a. In your response to part a, you indicate that the data for the 96.8 percent benchmark accept rate in the NSA were collected in 1999. Please indicate the type and amount of equipment (i.e., number of pieces) related to letter sorting that the Postal Service has deployed since the 1999 data collection for the current benchmark. In your response, and in addition to sorting machines themselves, please include equipment for MERLIN and any and all upgrades to barcode readers or optical character readers for existing letter sorting equipment.
- b. For the equipment provided in response to preceding part a, please indicate the approximate capital investment (in millions of dollars) by the Postal Service.
- c. To what extent, if any, can deployment of MERLIN be said to have improved the read/accept rates for bulk mail?
- d. Please compare the capability of the most-recently deployed letter sorting machines for reading and accepting both barcodes and printed addresses with the fleet of letter sorting machines that were deployed in 1999. In particular, please indicate when the latest letter sorting machines were deployed and whether the most-recently deployed machines have any enhanced capabilities for reading and accepting letter mail.
- e. Does the Postal Service have any plans to update its data on the accept rate for letter mail? Please explain.

RESPONSE:

- a. Please see my response to APWU/USPS-T1-1 and the USPS response to APWU/USPS-RFA-1-13. It is my understanding that these responses identify the improvements to mail processing equipment since 1999.
- b. I understand that approximately \$150 million has been spent to improve barcode read rates.
- c. I understand that there is a direct correlation between MERLIN accept rates and the read rates of automation mail (i.e., a high MERLIN accept rate correlates to a high automation read rate).
- d. I have been informed that the deployment of the latest letter sorting machines was completed in 2004 when they were updated to include the WFOV camera. The enhanced capabilities of the most recently deployed machines are described

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in my response to APWU/USPS-T1-1. Additionally, the most-recently deployed letter-sorting machines differ from machines that were deployed in 1999 in that the new machines incorporate technology that allows them to read the Intelligent Mail Barcode (IMB) and the IBIP (2D) barcode. These barcode improvements are not intended to improve read/accept rates but are intended to enhance customer services and to automate and simplify the process of combining the data from Planetcode and Postnet and auxiliary services by combining that data into unified barcodes.

- e. I am unaware of any plans by the Postal Service to update its data on the accept rate for letter mail. However, implementation of this NSA and the reporting requirements set forth in the data collection plan will provide greater visibility into mail processes related to the read/accept rates of First-Class Mail and Standard Mail.

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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