

ORIGINAL

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS PATELUNAS TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T5-2-4)

The United States Postal Service hereby provides responses of witness Patelunas to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T5-2-4, filed on July 17, 1996.

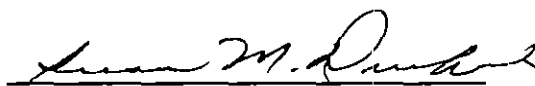
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

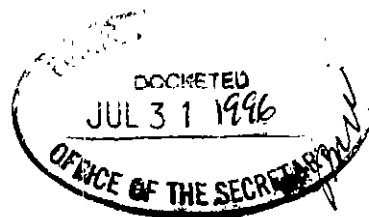
UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Susan M. Duchek

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1145  
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July 31, 1996



Answer of Richard Patelunas to the Interrogatories of  
Office of the Consumer Advocate  
to United States Postal Service

OCA/USPS-T5-2.

Certified mail pieces are being marked with fluorescent taggants. See Business Mailers Review, July 1, 1996.

a) If fluorescent taggants are being used to reduce costs for other special services, please identify the special service and explain how these fluorescent taggants will reduce costs for each special service identified.

b) For each special service that is the subject of Docket No. MC96-3, please provide estimated per transaction or per piece cost savings from fluorescent taggants for the test year and FY 97. Please provide supporting workpapers.

c) What are the cost savings from fluorescent taggants by relevant special service that are incorporated into the roll forward of costs from FY 95 to FY 96?

d) If cost savings from fluorescent taggants are not factored into the roll forward of costs from FY 95 to FY 96, please explain why not.

OCA/USPS-T5-2 Response (a) - (d):

(a)-(d) The use of fluorescent taggants is not expected to reduce costs for any special service that is the subject of Docket No. MC96-1. Fluorescent taggants were introduced in response to customer complaints concerning the lack of delivery records for certified letter mail processed on automated equipment. The new CBCS and DBCS are equipped with Certified Mail Detectors that recognize the fluorescent taggant. The certified piece can then be removed from the automated processing stream to insure that a signature is recorded at the time of delivery.

Answer of Richard Patelunas to the Interrogatories of  
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to United States Postal Service

OCA/USPS-T5-3

Refer to Exhibit USPS-T-5C concerning the costs and revenues for certified mail. Please confirm that attributable costs for certified mail decrease 20.8 cents per transaction, representing a 17.6 percent decline, from FY 1994 to FY 1995. Specifically, the attributable costs per piece decreased from 118.2 cents to 97.4 cents per piece. If you do not confirm, please explain.

OCA/USPS-T5-3 Response:

The amounts are confirmed

Answer of Richard Patelunas to the Interrogatories of  
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to United States Postal Service

OCA/USPS-T5-4.

Refer to Exhibit USPS-T-5C, Cost and Revenue Analysis at 16, concerning the costs for certified mail. Please identify and explain any changes in mail processing and delivery that would account for the 17.6 percent decline in attributable costs per transaction for certified mail from FY 1994 to FY 1995.

OCA/USPS-T5-4 Response:

I am not aware of any processing or delivery changes that would account for the 17.6 percent decline in attributable costs per transaction for certified mail from FY 1994 to FY 1995. The decline in attributable costs per transaction is the result of a relatively large increase in volume accompanied by a small increase in total attributable costs.

**DECLARATION**

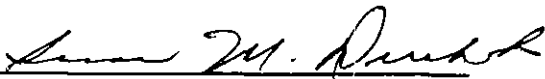
I, Richard Patelunas, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in cursive script, appearing to read "Richard Patelunas", is written over a horizontal line.

Dated: 7-31-96

**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.

  
Susan M. Duchek  
Susan M. Duchek

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