

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS CAMPBELL TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T29-1 THROUGH 7 AND 9)

The United States Postal Service hereby provides the responses of witness Campbell to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T29-1 through 7 and 9, filed on January 24, 2000.

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


OCA/USPS-T29-8 has been redirected to witness Fronk, whose response is filed today under a separate notice.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998 Fax -5402
February 7, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE
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OCA/USPS-T29-1.

Please refer to Figure 1 on page 8 of your testimony. The mail flow diagramed here begins at the incoming primary. Other than the boxes marked "BRMAS Operation" and "Postage Due Unit," are there any differences in operations between the advance deposit BRM mail flow and that of an identical mail piece with a stamp instead of the BRM indicia?

RESPONSE:

This response is provided under the assumption that an "identical mail piece" contains both a preapproved, preprinted POSTNET barcode and an approved Face Identification Mark (FIM) indicating that the mail piece contains a POSTNET barcode. Other than the BRMAS Operation and Postage Due Unit, there are generally no differences in operations between the advance deposit BRM mail flow and that of an identical mail piece with a stamp instead of the BRM indicia.

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OCA/USPS-T29-2.

Please respond to OCA/USPS-T29-1 for Figure 2 on page 12 of your testimony.

RESPONSE:

This response is provided under the assumption that an "identical mail piece" contains both a preapproved, preprinted POSTNET barcode and an approved Face Identification Mark (FIM) indicating that the mail piece contains a POSTNET barcode. Other than the BRMAS Operation and Postage Due Unit, there are generally no differences in operations between the non-advance deposit BRM mail flow and that of an identical mail piece with a stamp instead of the BRM indicia.

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OCA/USPS-T29-3.

Please respond to OCA/USPS-T29-1 for QBRM.

RESPONSE:

This response is provided under the assumption that an "identical mail piece" contains both a preapproved, preprinted POSTNET barcode and an approved Face Identification Mark (FIM) indicating that the mail piece contains a POSTNET barcode. Other than the BRMAS Operation and Postage Due Unit, there are generally no differences in operations between the QBRM mail flow and that of an identical mail piece with a stamp instead of the BRM indicia.

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OCA/USPS-T29-4.

Please refer to LR-I-160, Section L and to the Commission's Opinion and Recommended Decision, Docket No. R97-1, paragraph [5198], pages 326-327. The Commission's observation was that single-piece mail that would benefit from proposed discounts for PRM and QBRM consisted of mail pieces that were already mostly barcoded and already generating cost savings. Did you consider using courtesy reply mail as a benchmark for QBRM instead of hand written mail? Please explain fully.

RESPONSE:

No. I did not consider using courtesy reply mail as a benchmark for QBRM. A handwritten mail piece is the more appropriate benchmark because households must generate handwritten mail pieces when no preapproved, prebarcoded reply mail pieces are provided.

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OCA/USPS-T29-5.

Prior to the incoming primary, are there any operational cost differences between a QBRM mail piece and an identical mail piece which has a stamp applied? Please explain fully.

RESPONSE:

Prior to the incoming primary operation, I am not aware of any cost differences between a QBRM mail piece and an identical mail piece which has a stamp applied.

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OCA/USPS-T29-6.

Other than the 8.9 percent you have assumed as post office box destination, what proportion of QBRM is destined for firm holdout, i.e., avoids carrier delivery?

RESPONSE:

Other than the 8.9 percent I have assumed as post office box destination, I do not know the proportion of QBRM pieces that avoid carrier delivery.

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OCA/USPS-T29-7.

Other than the 8.9 percent you have assumed as post office box destination, what proportion of handwritten mail is destined for firm holdout, i.e., avoids carrier delivery?

RESPONSE:

Other than the 8.9 percent I have assumed as post office box destination, I do not know the proportion of handwritten mail pieces that avoid carrier delivery.

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OCA/USPS-T29-9.

Assume an individual returns a QBRM piece, but mistakenly places a First-Class stamp on the mail piece. Please describe all processing differences and cost differences which would result.

RESPONSE:

The above assumption generally would result in no processing difference or cost difference except when one of the following scenarios occurs.

Scenario 1

If a mistakenly placed stamp covers the face identification mark (FIM) on a QBRM piece, then the mail piece may not be isolated during the outgoing facing and cancellation operation. In this instance, the mail piece would be routed to an Optical Character Reader rather than going directly to an outgoing primary operation with other QBRM pieces. The result is one extra processing step for the stamped QBRM piece, implying a higher cost than for non-stamped QBRM pieces.

Scenario 2

Some non-profit organizations suggest that an individual who returns a BRM piece voluntarily place postage on the mail piece. By doing so, the individual helps to reduce the organization's postage costs. Those BRM pieces with stamps are processed no differently than BRM pieces without stamps. However, the organization may request a credit or refund for the amount of

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Response to OCA/USPS-T29-9 (continued)

postage affixed to BRM pieces. In this instance, the Postal Service incurs some costs that are not normally incurred by BRM pieces.* More specifically, these costs are typically incurred when a clerk processes a reimbursement request. A QBRM mail piece bearing a stamp mistakenly placed on the mail piece may, in some cases, incur these costs.

* A business reply permit holder is charged for the work hours used to process the refund per DMM 544 S922.3.10.

DECLARATION

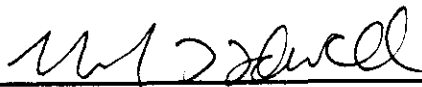
I, Chris F. Campbell, declare under penalty of perjury that the foregoing answers are true to the best of my knowledge, information and belief.

Chris F. Campbell
Chris F. Campbell

Dated: 2/7/00

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.



Michael T. Tidwell

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