

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

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POSTAL RATE COMMISSION
OFFICE OF THE CLERK

Docket No. R2000-1

POSTAL RATE AND FEE CHANGES, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS MOELLER TO INTERROGATORY OF
ASSOCIATION FOR POSTAL COMMERCE
(PostCom/USPS-T35—1)**

The United States Postal Service hereby provides the response of witness Moeller to the following interrogatory of the Association for Postal Commerce: PostCom/USPS-T35—1, filed on February 23, 2000.

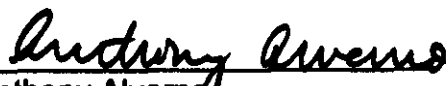
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Anthony Alverno
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2997; Fax -6187
March 8, 2000

**U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO
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PostCom/USPS-T35-1. Please refer to line 22 on page 13 through line on page 14, where you state, "Another reason to maintain the automation discounts is the expectation that many future mail processing developments will involve more extensive automated sortation of flats and will be enhanced by the presence of a mailer-applied barcode."

- a. Please confirm that reducing automation discounts will most likely reduce mailer investment in automation.
- b. Please list and describe all reasons why the value of a barcode will increase in the future.
- c. Please provide all studies and reports that describe why the value of a barcode will increase in the future.
- d. Please provide all studies and reports that quantify the increase in the value of a barcode in the future flats mail processing environment.

RESPONSE:

- a. Not confirmed. I do not know how costly it is for individual mailers to apply barcodes and meet the automation standards. It could be that the level of the barcode discount, even though slightly reduced from its current level, is more than enough to encourage mailers to continue to generate such pieces.
- b. It is my understanding that the Postal Service does not know if the value of the barcode will increase in the future given existing flat sortation and OCR technology. Please see witness Kingsley's testimony (USPS-T-10) at page 17-18 related to the continuing value of a barcode.
- c. I know of no studies that describe or measure the extent to which the value of a barcode will increase in the future. My testimony cites mail processing developments that will be facilitated by the presence of a mailer-applied barcode, but is not intended to imply there will be an absolute increase in the value of a barcode, or that such value will exceed the discounts proposed in this proceeding.

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which are based on 230 and 500 percent of the measured savings for the test year.

Also, see witness Kingsley's response to interrogatory DMA/USPS-T10-29.

- d. See response to subpart (c).

DECLARATION

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


JOSEPH D. MOELLER

Dated: 3/8/00

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.



Anthony Alverno

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
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