

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

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T39-12) [ERRATUM]

The United States Postal Service hereby provides the revised response of witness Mayo to interrogatory OCA/USPS-T39-12, filed by the Office of the Consumer Advocate on March 16, 2000. The Postal Service filed a partial objection to this interrogatory on March 29, 2000, and filed a partial response on March 30, 2000. As a result of discussions with the Office of the Consumer Advocate, the Postal Service has agreed to supplement its original response with pricing information it obtained in 1998 about money order competitors. The attached response replaces the original.

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

David H. Rubin
David H. Rubin

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April 18, 2000

REVISED APRIL 18, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T39-12. Did the Postal Service conduct any research or survey of competitors in the money order business or of alternatives to the use of postal money orders? If so, provide all documents relating to such research or studies; if not, explain why not.

RESPONSE:

Partial objection filed. My understanding is the Postal Service has conducted such research.

I am informed that, in 1998, the Postal Service obtained the following pricing information for money orders provided by competitors.

Flat fees or percentage fees based on the face value dollar amount are typically charged on money orders. Money order prices range from as high as \$10 to free. Some money order providers charge either a nominal fee or provide money orders for free, as a loss leader used to drive customer traffic for higher margin products and services.

Travelers Express Co.: Price competitive. Some agents charge nothing, most charge between \$0.30 and \$1.00. Maximum face value is \$500. Cost for inquiry regarding a lost or stolen money order (trace) (\$8.00) is high relative to the competition.

Integrated Payment Systems Inc. (Western Union): Money orders are priced competitively. Priced between \$0 and \$0.90 (depending in part on the face value of the money order – this varies by retail agent)

Nations Bank: Nations Bank charges considerably more for money orders than the competition.

DECLARATION

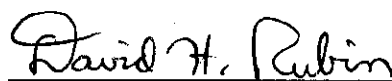
I, Susan W. Mayo, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Susan W Mayo

Dated: April 18, 2000

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.

A handwritten signature in cursive script that reads "David H. Rubin". The signature is written in black ink and is positioned above a horizontal line.

David H. Rubin

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