

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

COMPELLED RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
CARLSON INTERROGATORIES DFC/USPS-70 AND 77(d)&(f)

In accordance with Presiding Officer's Ruling No. R2000-1/58 (May 5, 2000), the United States Postal Service hereby provides its responses to the following interrogatories of Mr. Carlson: DFC/USPS-70 and 77(f) and (g).

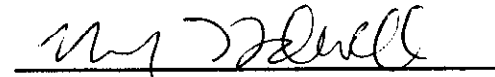
Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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May 12, 2000

**COMPELLED RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF MR. CARLSON**

DFC/USPS-70

Please provide recent national EXFC performance data for every category available (e.g., flats; letters; SPRs;. handwritten, typewritten, barcoded; etc.)

RESPONSE:

Attached are summary national FY 98 and 99 EXFC performance data broken down by mil piece type.

EXFC -- BY INDICIA

FY	SERV	INDICIA	
		METERED %ONTIME	STAMPED %ONTIME
1998	1	92.78	93.42
	2	83.03	82.46
	3	82.13	80.39
*TOTAL 1998		87.36	86.78
1999	1	93.30	93.35
	2	86.80	85.99
	3	86.08	84.70
*TOTAL 1999		89.60	89.01

EXFC -- BY SHAPE

FY	SERV	SHAPE		
		CARD %ONTIME	FLAT %ONTIME	LETTER %ONTIME
1998	1	89.55	86.86	93.49
	2	78.66	71.63	83.60
	3	73.40	71.11	82.37
*TOTAL 1998		82.52	78.40	87.84
1999	1	90.01	86.39	93.85
	2	82.88	72.11	87.55
	3	82.07	71.59	86.59
*TOTAL 1999		85.85	78.50	90.19

EXFC -- BY ADDRESS PRINTING

FY	SERV	ADDR	
		PRINTED %ONTIME	WRITTEN %ONTIME
1998	1	92.95	93.16
	2	83.20	81.77
	3	82.10	79.53
*TOTAL 1998		87.45	86.26
1999	1	93.47	92.88
	2	86.99	85.09
	3	86.24	83.68
*TOTAL 1999		89.76	88.29

EXFC -- BARCODE USAGE

FY	SERV	PREBARC	
		NOT PRE B/C %ONTIME	PRE-BARCODE %ONTIME
1998	1	92.90	93.44
	2	82.20	85.22
	3	80.94	83.83
*TOTAL 1998		86.74	88.84
1999	1	93.21	93.71
	2	86.10	87.97
	3	85.24	87.06
*TOTAL 1999		89.12	90.44

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DFC/USPS-77. Please refer to the response to OCA/USPS-62.

- . . .
- d. Please discuss any studies or other information that the Postal Service has to indicate that the absence of an alpha designation or rate value on postage stamps may or may not cause customer confusion in future years as customers seek to determine the value of non-denominated stamps that they have in their possession.
- . . .
- f. Please discuss the possibility that the Postal Service will have sufficient lead time before implementing new rates in 2001 to print stamps that have the new rate on them, eliminating the need for non-denominated stamps.

RESPONSE:

- d. The Postal Service has issued previous stamps without an alpha designation. The 32-cent Love Cherub stamp is an example of a stamp that was produced in both non-denominated and denominated formats in 1995. The stamp was generally well received by the public and postal employees. Unlike the alpha stamps for which we receive numerous inquiries concerning the applicable rate, the Postal Service received relatively few inquiries regarding this stamp. Approximately 1.4 billion were distributed in a non-denominated format beginning February 1995. That was followed by a production run of another 1.4 billion denominated stamps bearing the same image.
- Each alpha stamp has generated complaints from mail users and philatelists. Consequently, once the denominated stamps which followed each alpha stamp were produced, the Postal Service has generally disposed of the excess alpha stamps soon thereafter.

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RESPONSE to DFC/USPS-77(d)&(f) continued

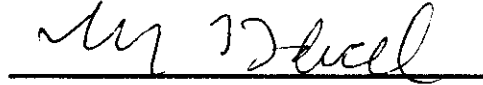
While the Postal Service expects that there will be some inquiries from the public regarding the face value of non-denominated rate implementation stamps, based upon our Love Cherub experience, it does not expect the number of inquiries to match the level associated with alpha stamps.

For purposes of R2000-1 implementation, the Postal Service will produce fewer transitional non-denominational stamps than were produced in the days of alpha stamps. Instead of a 4-month supply to ensure adequate inventories, the Postal Service expects to meet customer needs with a six-week supply (of non-denominated stamps of the same design as the denominated stamp that will follow), because of the ability to rely on more printers.

- f. The Postal Service is not in a position to assume that the window between an R2000-1 Governors Decision and a Board of Governors implementation date will permit it to wait until after the Governors' Decision to begin producing stamps. Therefore, in light of the lead time necessary to produce and distribute an adequate supply of transition stamps, the Postal Service must act on the assumption that the window could be as short as it has been in recent omnibus rate cases -- in the neighborhood of 30 days-- and initiate the production of transition stamps in advance to cover all contingencies.

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, appearing to read "M. Tidwell", is written above a solid horizontal line.

Michael T. Tidwell

May 12, 2000