POSTAL RATE AND FEE CHANGES, 2000   **Docket No. R2000-1**

DOUGLAS F. CARLSON
INTERROGATORIES TO STAMPS.COM WITNESS
WITNESS FRANK R. HESELTON
(DFC/STAMPS.COM-T1-1-8)

May 30, 2000

Pursuant to Rules 25–27, I hereby submit interrogatories to Stamps.com witness Frank R. Heselton.

The instructions contained in my interrogatories to Postal Service witness Mayo (DFC/USPS-T39-1–9) are incorporated herein by reference.

Respectfully submitted,

Dated: May 30, 2000

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DOUGLAS F. CARLSON

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the required participants of record in accordance with section 12 of the *Rules of Practice.*

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DOUGLAS F. CARLSON

May 30, 2000
Emeryville, California

DFC/STAMPS.COM-T1-1. Please refer to your testimony at page 10, lines 4–7.

  a. Please confirm that QBRM mail is prepared using FIM "C". If you do not confirm, please explain.

  b. Please confirm that an AFCS machine sorts FIM "C" mail to the stackers for pre-bar-coded mail and that pre-bar-coded mail is taken directly to a BCS. If you do not confirm, please explain.

  c. Please confirm that IBIP mail proposed for a discount would be prepared using FIM "D". If you do not confirm, please explain.

  d. Please confirm that an AFCS machine sorts FIM "D" mail to the stackers for typewritten mail, not the stackers for pre-bar-coded mail. If you do not confirm, please explain.

  e. Please confirm that IBIP mail receives its outgoing primary sortation either through the RBCS system (if the AFCS machine is set in the "lift everything" mode) or on an MLOCR (if the AFCS machine is set to lift script mail only). If you do not confirm, please explain.

  f. Please identify the mail-processing costs that QBRM mail avoids when it bypasses RBCS or an MLOCR for outgoing primary sortation.

  g. Please confirm that both IBIP mail and typewritten mail flow to the same next step (MLOCR or BCS OSS) in processing after being faced and cancelled on an AFCS machine. If you do not confirm, please explain.

  h. Suppose the AFCS is set in "lift everything" mode. Two envelopes pass through the AFCS machine: (1) an IBIP envelope printed with a delivery-point bar code, and (2) a typewritten, stamped envelope with no bar code. Please confirm that the RBCS system will not use the delivery-point bar code already printed on the IBIP envelope, will resolve each address using OCR recognition technology to determine the correct bar code, and will spray a bar code onto each envelope. If you do not confirm, please explain.

  i. Suppose two envelopes pass through an MLOCR: (1) an IBIP envelope printed with a delivery-point bar code, and (2) an OCR-readable, typewritten, stamped envelope with no bar code. Please explain how, if at all, the IBIP envelope will avoid mail-processing costs compared to the typewritten envelope during MLOCR processing.

DFC/STAMPS.COM-T1-2. Please refer to your testimony at page 10, lines 11–14.

  a. Please state the basis for your statement that over one third of customer letters would have been prepared with handwritten addresses had IBIP not been available.

  b. Please confirm that automation can fully resolve a substantial percentage of handwritten addresses. If you do not confirm, please explain.

  c. Please confirm that omission of a ZIP+4 Code in a typewritten, OCR-readable address is inconsequential for mail processing because the MLOCR will

perform a database lookup and spray a correct delivery-point bar code. If you do not confirm, please explain.

DFC/STAMPS.COM-T1-3. Please refer to your testimony at page 11, lines 2–4.

    a. Please confirm that some IBIP envelopes replace non-IBIP envelopes that would have been typewritten and fully OCR-readable. If you do not confirm, please explain.

    b. Please confirm that some IBIP envelopes replace non-IBIP envelopes that would have cost no more to process than IBIP envelopes. If you do not confirm, please explain.

DFC/STAMPS.COM-T1-4. Please refer to your testimony at page 20, lines 17–18. Suppose a customer attempts to send an envelope using Stamps.com software to an address, but the address the customer supplies has a missing or invalid directional or suffix. Suppose, further, that the Stamps.com software offers the customer choices to fix the deficiency. Please explain how you can be sure that the customer will choose the correct remedy for the deficiency, thus ensuring that the letter will be deliverable as addressed.

DFC/STAMPS.COM-T1-5. Please refer to your testimony at page 20, lines 17–18.

    a. Would you consider a letter addressed to a nonexistent house number on a valid street to be a delivery-line deficiency? If not, please explain.

    b. Please confirm that Stamps.com software will allow a customer to print an IBIP mail piece addressed to some nonexistent house numbers on valid streets. If you do not confirm, please explain. (For example, using Stamps.com software, I successfully printed an IBIP envelope addressed to 243 Calvin Place in Santa Cruz, California, even though no house on Calvin Place has the number 243. The number 243 falls in a valid number range — this street has numbers 101 through 268 — but number 243 does not exist.)

DFC/STAMPS.COM-T1-6.

    a. Please confirm that your cost-avoidance analysis is based on the costs that QBRM mail avoids, with adjustments for additional reduced costs associated with UAA mail. If you do not confirm, please explain.

    b. Please confirm that QBRM mail typically is deposited loose in the collection stream. If you do not confirm, please explain.

    c. Please confirm that customers may properly bundle IBIP letters. If you do not confirm, please explain.

    d. Please confirm that the Postal Service should handle properly bundled IBIP letters as bundled metered mail. If you do not confirm, please explain.

    e. Please discuss the amount of mail-processing costs (per letter) that are avoided in processing bundled metered letters compared to the benchmark of loose, handwritten letters.

DFC/STAMPS.COM-T1-7.

a. Please confirm that improperly dated IBIP and metered mail generally incurs additional processing costs above the costs that properly dated IBIP and metered mail will incur. If you do not confirm, please explain.

b. Please confirm that Stamps.com software, when printing postage, defaults to the current date in the user's computer and does not prompt the user to confirm that this date is the correct print date, even if the user is printing postage as late as, for example, 10:00 PM on a particular day. If you do not confirm, please explain.

c. Please confirm that the feature of the Stamps.com software described in (b) is likely to lead to a greater amount of incorrectly dated IBIP mail being deposited in the mail stream than if the software required customers to confirm that the date the system proposed to print on the indicia was, in fact, the customer's intended date of mailing. If you do not confirm, please explain.

DFC/STAMPS.COM-T1-8. Please refer to your testimony at page 25, lines 18–23 and page 26, lines 1–8.

a. Do the Postal Service's limitations on envelope size, shape, and weight for automation compatibility apply for loose mail that must pass through the culling, facing, and cancelling system? Please provide any citations to the record, postal manuals, or postal regulations that would support an affirmative answer to this question.

b. Do you believe that #10 envelopes that weigh three ounces will be sufficiently thin that they will be processed successfully through the culling system and the AFCS? Please explain.

c. Should IBIP letters receive a four-cent discount based on automation compatibility if the letters are rejected from the culling system for being too thick? Please explain.