

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

RESPONSES OF UNITED STATES POSTAL SERVICE  
TO QUESTIONS POSED DURING ORAL CROSS-EXAMINATION

The United States Postal Service hereby provides its response to questions concerning the eBillPay service raised during cross-examination on various witnesses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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June 8, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN  
TO QUESTIONS POSED DURING ORAL CROSS-EXAMINATION**

In reference to the "new product called e-BillPay" [TR. Volume 2/564]:

- (1) "And I think we need to have information from the Postal Service on what the volumes, costs, and revenues are." Tr. 2/571.
- (2) "I would be inclined to ask the Postal Service to provide the information for the test year . . ." Tr. 11/4522.
- (3) "We would like to have the Postal Service provide us with any additional information [related to the price sensitivity that may exist between the mail and electronic bill payments] that has not already been provided on this record that they may have, that it may have, whether it is something that has been developed within the Postal Service or materials that they may have obtained in connection with their eBillPaying activities from other sources including their partners in this endeavor made available to the Commission." Tr. 12/4921.

**RESPONSE:**

(1) & (2) Shown below are the Postal Service's projections of the Test Year 2001 volumes, revenues, and costs for the new eBillPay service. To avoid confusion, it should be noted that the "\$400 million in profit" mentioned at Tr. 2/566 is the total revenue for the entire suite of ePayment services (both consumer and business) in Fiscal Year 2004.

Volume	20.6 million consumer transactions
Revenue	\$15.1 million
Costs	\$28.6 million

Please note 55% of the consumer transactions result in a First-Class single-piece mail payment rather than an electronic payment.

(3) Please see the Postal Service's response to the question posed at Tr. 12/4951, filed on May 3, 2000. Also, please note that the First-Class single piece volume forecast for the Test Year reflects the overall degree of electronic diversion expected in that year because it incorporates the historical trend in volume.

## 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.



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