

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

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
PITNEY BOWES, INC. WITNESS MARTIN
(USPS/PB-T1-1-5)

Pursuant to rules 25 and 26 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to Pitney Bowes, Inc. witness Martin: USPS/PB-T1-1-5.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Mark W. Ro

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3231 Fax -5402
June 15, 2000

USPS/PB-T1-1. On page 2 line 9 of your testimony you state that single-piece First-Class Mail is "the product to which the least attention has been given..."

(a) Please confirm that the Postal Service has added the following equipment components to its processing facilities during the past decade and that this equipment has directly affected the costs for single-piece mail, thus minimizing the need to increase First-Class single-piece rates over time. If not confirmed, please explain.

- (i) Advanced Facer Canceler System Input Sub System (AFCS-ISS)
- (ii) Multi Line Optical Character Reader Input Sub System (MLOCR-ISS)
- (iii) Remote Bar Code System (RBCS)
- (iv) Remote Computer Read (RCR)
- (v) Letter Mail Labeling Machine (LMLM)
- (vi) Mail Processing Bar Code Sorter Output Sub System (MPBCS-OSS)
- (vii) Delivery Bar Code Sorter/Delivery Bar Code Sorter Output Sub System (DBCS/DBCS-OSS)

(b) Please confirm that each of the following equipment components would have a bigger impact on constraining the costs associated with processing First-Class single-piece mail than it would on constraining the costs associated with processing workshared mail (presorted and/or prebarcoded mail). If not confirmed, please explain.

- (i) Advanced Facer Canceler System Input Sub System (AFCS-ISS)
- (ii) Multi Line Optical Character Reader Input Sub System (MLOCR-ISS)
- (iii) Remote Bar Code System (RBCS)
- (iv) Remote Computer Read (RCR)
- (v) Letter Mail Labeling Machine (LMLM)
- (vi) Mail Processing Bar Code Sorter Output Sub System (MPBCS-OSS)
- (vii) Delivery Bar Code Sorter/Delivery Bar Code Sorter Output Sub System (DBCS/DBCS-OSS)

(c) Please reference the chart in Docket No. R97-1, USPS-RT-17, page 30 (Tr. 33/17479). Please confirm that the equipment changes described above in parts (a) and (b) have reduced the mail processing cost differences between the heterogeneous single-piece mail types over time as shown in the chart. If not confirmed, please explain.

(d) Please confirm that the equipment changes described in parts (a) and (b) above have also contributed to improving the service associated with First-Class single-piece mail. If not confirmed, please explain.

USPS/PB-T1-2. On page 6 lines 21-24 you state that "the proposed discount will enable the Postal Service to offset the loss of single-piece First-Class Mail volume that would otherwise result from the rate increases proposed in this case. It will also

empower the Postal Service to capture and retain mail that is highly profitable but increasingly susceptible to electronic diversion." Did you conduct any market research or other studies that sought to determine how the Pitney Bowes and/or PC Postage discount proposals would affect the extent to which First-Class single-piece mail would be prevented from diverting to other (e.g., electronic) alternatives? If so, please provide copies of all documentation associated with those studies and discuss the conclusions you reached. If not, upon what evidence do you base your claim?

USPS/PB-T1-3. Have you conducted any market research or other studies that sought to determine whether the general public actually wants de-averaged First-Class single-piece rates (compared to the one current 33-cent rate for a first-ounce mail piece)? If so, please provide copies of all documentation associated with those studies and discuss the conclusions you reached.

USPS/PB-T1-4. On page 7 lines 18-19 of your testimony you state that the increased use of metering technology will result in "an increase in what is widely recognized to be cleanest type of mail in the First-Class mailstream."

(a) Please explain what you mean by the term "cleanest type of mail."

(b) Please provide the basis for your assertion that this mail is "widely recognized to be the cleanest type of mail in the First-Class mailstream."

(c) Please provide or reference some quantitative data that you feel supports this statement. If no data is provided or referenced, please explain how your assertion is valid.

USPS/PB-T1-5. On page 7 of your testimony, you state that ... "the market research Dr. Heisler performed very conservatively estimates the extent to which the metering technology discount will stimulate migration from stamps to metering technology." Please provide the basis for your statement that Dr. Heisler's estimates are very conservative.

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.


Mark W. Ro

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