

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 HALDI
(USPS/PB-T2-11-16)

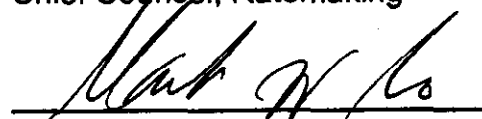
Pursuant to rules 25 and 26 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to Pitney Bowes, Inc. witness Haldi: USPS/PB-T2-11-16.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Mark W. Ro

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June 15, 2000

USPS/PB-T2-11. In footnote 9 on page 16, you mention Bulk Metered Mail (BMM) letters that are already faced and trayed.

(a) Have you ever studied BMM letter mail processing? If so, please state the date, approximate time of day, and location of those studies and provide copies of any records created in conjunction with such studies.

(b) Please describe the methods that a large volume meter mail user would undertake from the point that they begin to prepare mail pieces to the point that those mail pieces are "entered" at the Postal Service.

(c) Is it your understanding or opinion that BMM letters exist in today's mail processing environment?

USPS/PB-T2-12. On page 24 line 16 you state, "For existing metered mail, the revenue reduction from implementation of the proposed discount will amount to approximately \$245 million. Assuming this were the only revenue loss associated with your proposal (i.e., an increase in meter usage or meter mail volume would not materialize), how should this revenue loss be funded in order for the Postal Service to meet its revenue requirement?"

USPS/PB-T2-13. On page 22 lines 20-23 of your testimony you state that "The proposed discount will help the Postal Service to promote and retain its core product, single piece First-Class Mail. Not only is this mail highly profitable, it also is increasingly subject to electronic diversion." Have you conducted any market research or other studies that sought to determine the extent to which First-Class single-piece mail would divert to other alternatives (e.g., electronic) if your discount were not approved? If not, upon what evidence do you base your assertion that this discount will help retain this mail volume?

USPS/PB-T2-14.

(a) Please confirm that other single-piece mailers save the Postal Service costs as a result of the method that they use to pay postage. For example, if a mailer that used to buy postage stamps from a Postal Service window clerk decides to buy postage stamps at a local supermarket, he/she would save the Postal Service costs. If not confirmed, please explain.

(b) Assuming that other single-piece mailers also save the Postal Service costs based on the method they use to purchase stamps, please explain how your proposal would be fair and equitable, given that meter mail users would be singled out for such a discount.

USPS/PB-T2-15. On page 20 lines 12-14 of your testimony, you state that "an important purpose of the discount is to induce people to quit using stamps altogether, in favor of more cost-effective metering technology." Has any market research been conducted by or for Pitney Bowes for the purpose of determining whether the general public prefers stamps to meters/PC postage? If so, please provide all documents generated in connection with such research.

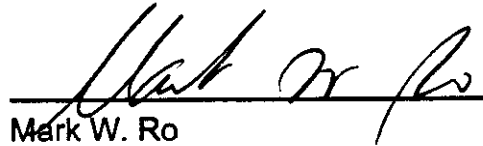
USPS/PB-T2-16. On page 25 lines 8-10 of your testimony you state that "the increased convenience associated with metering technology could draw in new customers, or lead existing customers to increase their usage of Postal Service."

(a) Have you conducted any market research or other studies to determine whether this would, in fact, happen? If so, please provide copies of all supporting documentation.

(b) Please confirm that it is possible that the volume of meter mail could remain unchanged if your discount proposal were approved. If not confirmed, please explain.

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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