

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 HEISLER
(USPS/PB-T3-13-17)

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 Heisler: USPS/PB-T3-13-17.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Mark W. Ro

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June 16, 2000

USPS/PB-T3-13. According to the data presented at pages 15 and 16 of your testimony, 5% of the population of "qualified" households will convert from stamps to PC Postage if the monthly access fee for PC Postage is \$5.00. No discount is necessary for this conversion. If a discount of 1 cent per piece is offered, an additional 8% of the population will convert. The discount saves the average household 27 cents per month (1 cent x 324 mailpieces/year + 12 months/year), lowering the net monthly cost from \$5.00 to \$4.73. In your opinion, is it reasonable for monthly savings of 27 cents to cause 8% of all qualified households to convert from stamps to PC Postage? Please explain.

USPS/PB-T3-14. According to the data presented at pages 17 and 18 of your testimony, 4% of the population of "qualified" small businesses with 0-25 employees will convert from stamps to PC Postage if the monthly access fee for PC Postage is \$5.00. No discount is necessary for this conversion. If a discount of 1 cent per piece is offered, an additional 19% of the population will convert. The discount saves the average small business with 0-25 employees \$1.88 per month (1 cent x 2,250 mailpieces/year + 12 months/year), lowering the net monthly cost from \$5.00 to \$3.12. In your opinion, is it reasonable for monthly savings of \$1.88 to cause 19% of all qualified small businesses with 0-25 employees to convert from stamps to PC Postage? Please explain.

USPS/PB-T3-15. According to the data presented at pages 17 and 19 of your testimony, 5% of the population of "qualified" small businesses with 26-50 employees will convert from stamps to PC Postage if the monthly access fee for PC Postage is \$5.00. No discount is necessary for this conversion. If a discount of 1 cent per piece is offered, an additional 23% of the population will convert. The discount saves the average small business with 26-50 employees \$2.08 per month (1 cent x 2,500 mailpieces/year + 12 months/year), lowering the net monthly cost from \$5.00 to \$2.92. In your opinion, is it reasonable for monthly savings of \$2.08 to cause 23% of all qualified small businesses with 26-50 employees to convert from stamps to PC Postage? Please explain.

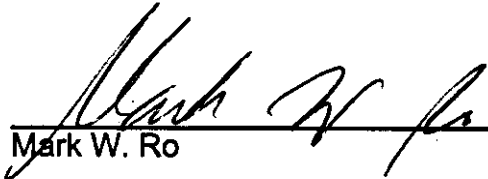
USPS/PB-T3-16. According to the data presented at pages 20 and 21 of your testimony, 0% of the population of "qualified" small businesses with 0-25 employees will convert from stamps to postage meters if the monthly lease cost for postage meters is \$20.00 and no discount is offered. If a discount of 1 cent per piece is offered, 18% of the population will convert. The discount saves the average small business with 0-25 employees \$2.92 per month (1 cent x 3,500 mailpieces/year + 12 months/year), lowering the net monthly cost from \$20.00 to \$17.08. In your opinion, is it reasonable for monthly savings of \$2.92 to cause 18% of all qualified small businesses with 0-25 employees to convert from stamps to postage meters? Please explain.

USPS/PB-T3-17. According to the data presented at pages 20 and 22 of your testimony, 2% of the population of "qualified" small businesses with 26-50

employees will convert from stamps to postage meters if the monthly lease cost for postage meters is \$20.00. No discount is necessary for this conversion. If a discount of 1 cent per piece is offered, an additional 24% of the population will convert. The discount saves the average small business with 26-50 employees \$3.13 per month (1 cent x 3,750 mailpieces/year + 12 months/year), lowering the net monthly cost from \$20.00 to \$16.87. In your opinion, is it reasonable for monthly savings of \$3.13 to cause 24% of all qualified small businesses with 26-50 employees to convert from stamps to postage meters? 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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