

UNITED STATES OF AMERICA
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

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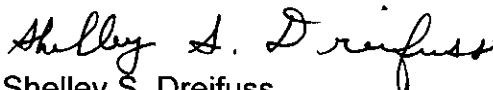
Docket No. R2000-1

ANSWERS OF THE OFFICE OF THE CONSUMER ADVOCATE
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
WITNESS: GAIL WILLETTE (USPS/OCA-T7-24-29)
(JULY 3, 2000)

The Office of the Consumer Advocate hereby submits the answers of Gail Willette to interrogatories of United States Postal Service, dated June 19, 2000. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

TED P. GERARDEN
Director
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ANSWERS OF OCA WITNESS GAIL WILLETTE
TO INTERROGATORIES USPS/OCA-T7-24-29

USPS/OCA-T7-24. Please refer to your testimony at page 7, lines 5-7. Do you consider unit price per transaction to be the primary factor affecting whether consumers employ electronic bill payment instead of using the mail. If so, please provide the basis for your opinion?

RESPONSE TO USPS/OCS-T7-24:

No.

ANSWERS OF OCA WITNESS GAIL WILLETTE
TO INTERROGATORIES USPS/OCA-T7-24-29

USPS/OCA-T7-25. At page 7, line 16, of your testimony, you claim that "underpayment of [First-Class Mail] postage does not appear to be a problem" because overpaid revenue is greater than shortpaid revenue by 204.6 million dollars.

- (a) Is it your testimony that the Postal Service should make no effort to enforce applicable rates for First-Class Mail if the total amount overpaid on some pieces in that class exceeds the total amount underpaid on other pieces?
- (b) In your view, how much postage underpayment on First-Class Mail pieces should the Postal Service tolerate?
- (c) With respect to underpaid postage, to which mail users should the Postal Service be more lenient?
- (d) In your view, how much postage underpayment on First-Class Mail pieces has to occur before the Postal Service has a problem with postage underpayment?

RESPONSE TO USPS/OCA-T7-25:

- (a) No.
- (b) and (d) This is a question that has been decided by Postal service management and I do not know how it has been decided. Generally, if the cost of enforcement exceeds the underpayment of postage, then the underpayment would be tolerated. The response to OCA/USPS-106 indicates that for First-Class single-piece letters, the Postal Service tolerated \$65,291,060 in GFY 1999.
- (c) If leniency is an issue, this is again a Postal Service management decision. I know of no provision in the statute for leniency in underpayment of postage.

ANSWERS OF OCA WITNESS GAIL WILLETTE
TO INTERROGATORIES USPS/OCA-T7-24-29

USPS/OCA-T7-26. Would you describe Qualified Business Reply Mail as "a program where creditors and other business correspondents provide postage paid envelopes for customers?"

RESPONSE TO USPS/OCA-T7-26:

Yes. Prepaid Reply Mail, as proposed by the Postal Service in Docket No. R97-1 was also such a program.

ANSWERS OF OCA WITNESS GAIL WILLETTE
TO INTERROGATORIES USPS/OCA-T7-24-29

USPS/OCA-T7-27. Please refer to your testimony at page 15, lines 1-5. Do you regard these statements as consistent with the findings of Docket No. R97-1 witness Ellard (USPS-RT-14; Tr. 35/19083) that 60 percent of consumers would prefer a "one-stamp" system. If you do not, please explain.

RESPONSE TO USPS/OCA-T7-27:

I have no estimate of the number of consumers in that category. Therefore, I do not know whether or not it is consistent. Please see my response to USPS/OCA-T7-3.

ANSWERS OF OCA WITNESS GAIL WILLETTE
TO INTERROGATORIES USPS/OCA-T7-24-29

USPS/OCA-T7-28. Please refer to your testimony at page 19, footnote 37. Provide all support for your belief that customers who are provided with "accurate, clean prebarcoded envelope[s]" would choose to lay them aside in order to use a hand-addressed envelope instead.

RESPONSE TO USPS/OCA-T7-28:

The premise of your question is incorrect. I have not stated that I believe customers lay aside reply envelopes to use hand-addressed envelopes. I said that the CEM discount might prevent such behavior, to the extent that it exists.

ANSWERS OF OCA WITNESS GAIL WILLETTE
TO INTERROGATORIES USPS/OCA-T7-24-29

USPS/OCA-T-29.

(a) On [a] percentage basis, please provide your best estimate of the number [of] household mailers currently aware of the rate of postage required to be paid on a standard one-ounce First-Class Mail piece. Please describe the basis for your estimate and provide any documents generated in connection with the development of that estimate.

(b) On [a] percentage basis, please provide your best estimate of the number household mailers currently aware of the rate of postage required to be paid for a standard one-ounce QBRM piece. Please describe the basis for your estimate and provide any documents generated in connection with the development of that estimate.

RESPONSE TO USPS/OCA-T7-29:

(a) and (b). I do not have such estimates.

DECLARATION

I, Gail Willette, declare under penalty of perjury that the answers to interrogatories USPS/OCA-T7-24-29 of the United States Postal Service are true and correct, to the best of my knowledge, information and belief.

Executed July 3, 2000

Gail Willette

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.


SHELLEY S. DREIFUSS

Washington, DC 20268-0001
July 3, 2000