

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 THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF STAMPS.COM
(STAMPS.COM/USPS-1 THROUGH 6)

The United States Postal Service hereby provides its responses to the following interrogatories: STAMPS.COM/USPS-1 through 6 (filed on June 19, 2000).

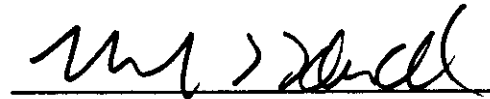
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

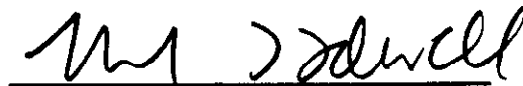


Michael T. Tidwell

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July 3, 2000

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.



Michael T. Tidwell

July 3, 2000

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO STAMPS.COM INTERROGATORIES

STAMPS.COM/USPS-1.

Please confirm that, for letters with a customer-applied 9-digit POSTNET barcode, the Postal Service must mark-out, obliterate or cover up the barcode so that an 11-digit POSTNET barcode can be applied and the original 9-digit barcode will not be read. If you do not confirm, please explain why.

RESPONSE:

Confirmed, if the barcode is in the lower right corner and the piece does not contain a FIM A or C. Not confirmed if the barcode is in the address block. However, a 9-digit barcode on a letter does not allow for DPS processing in the vast majority of instances and could be sorted to the carrier on automation and the carrier would be required to case into walk sequence in the office, unlike DPS letters. A 5-digit barcode can be upgraded to an 11-digit barcode while a 9-digit barcode can NOT be upgraded to an 11-digit barcode.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO STAMPS.COM INTERROGATORIES

STAMPS.COM/USPS-2.

- (a) Please confirm that to process a letter with a customer-applied 9-digit POSTNET barcode, one of the steps taken by USPS is to run the mailpiece through a special machine that places an adhesive label over the 9-digit POSTNET barcode. This allows USPS to apply an 11-digit POSTNET barcode in its place. If you do not confirm, please explain why.
- (b) Please provide the per piece cost to USPS to apply the label described above (including the cost of the label).

RESPONSE:

A letter mail labeling machine (LMLM) does provide an opportunity to place an adhesive label in the lower right corner of an envelope to allow for application of a readable barcode. If a 9-digit barcode is in the address block, the LMLM would not be used since automation can still spray a barcode in the lower right. If two barcodes are present on a piece, the lower right barcode has priority for BCR processing.

Assuming a marginal productivity of 3,852 pieces per hour and a wage rate of \$28.244 per hour, the cost to apply labels would be \$0.733 cents per piece.

The costs per label are *de minimis*.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO STAMPS.COM INTERROGATORIES

STAMPS.COM/USPS-3.

Please describe all of the processing steps that a letter with a customer-applied 9-digit POSTNET barcode must go through in order to be processed with a USPS-applied 11-digit POSTNET barcode.

RESPONSE:

An address block barcoded letter coming through the collection mailstream with a FIM D would be directed from the Advanced Facer Cancellor to the MLOCR which would attempt to encode and spray a barcode. The MLOCR does NOT contain a wide area barcode reader to read barcodes in the address block. If the OCR can not read the entire address, the image will go to Remote Computer Read and, if necessary, to the Remote Encoding Center to be keyed for barcoding on a subsequent BCS-OSS handling.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO STAMPS.COM INTERROGATORIES

STAMPS.COM/USPS-4.

Please confirm that it is more costly for USPS to process a letter with a customer-applied 9-digit POSTNET barcode than it would be to process the exact same letter without a customer-applied 9-digit POSTNET barcode. If you do not confirm, please explain why.

RESPONSE:

In some instances it would be more costly, in other instances it would not.

Please see the responses to STAMPS.COM/USPS-1 through 3.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO STAMPS.COM INTERROGATORIES

STAMPS.COM/USPS-5.

Please state or estimate all of the additional costs to USPS in processing a mailpiece with a customer-applied 9-digit POSTNET barcode than it would be to process the exact same letter without a customer-applied 9-digit POSTNET barcode. If you do not confirm, please explain why.

RESPONSE:

The Postal Service has not performed a study which quantifies any additional mail processing costs referred to in the responses to STAMPS.COM/USPS-1 through 4.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO STAMPS.COM INTERROGATORIES

STAMPS.COM/USPS-6.

Please identify each word processing program (e.g. WordPerfect 8.0. Word 97) known by the Postal Service to produce CASS-certified 11-digit POSTNET barcodes.

RESPONSE:

None produces 11-digit POSTNET barcodes which are CASS-certified.