

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, 1997)

Docket No. R97-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS DAVID R. FRONK
(OCA/USPS-T32-2-52)
August 15, 1997

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories 1-7 to the United States Postal Service dated July 16, 1997, are hereby incorporated by reference.

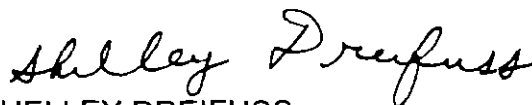
Respectfully submitted,



GAIL WILLETTE

Director

Office of the Consumer Advocate



SHELLEY DREIFUSS

Attorney

OCA/USPS-T32-2. Your testimony at 23 states,

The additional-ounce rate continues to be an important source of revenue for the Postal Service. In 1996, additional ounces generated about \$4.3 billion in revenue, or 13 percent of First-Class Mail revenue for the year.

The proposal to maintain this rate at its current level is consistent with the revenue requirement. A uniform rate of 23 cents for both nonautomated and automated mail is also consistent with the need for simplicity in rate design.

- a. Does the Postal Service have or know of an estimate of the number of households that are aware of the difference between the First-Class stamp rate and the First-Class additional-ounce rate? If so, please provide the estimate and all related source documents.
- b. If not, please explain why no estimate is available.

OCA/USPS-T32-3. Does the Postal Service have an estimate of the number of households that are aware of the difference between the First-Class stamp rate and additional-ounce rate and maintain sets of stamps to apply postage for both rates?

- a. If so, please provide the estimate and all associated source documents.
- b. If not, please explain why no estimate is available.

OCA/USPS-T32-4. At page 17, you note that "First-Class Mail weighing one ounce or less and exceeding standard letter-size dimensions, or not conforming to a specified range of aspect (length to width) ratios, is assessed a nonstandard surcharge." Does the Postal Service have or know of an estimate of the number of households that are

aware of the difference between the First-Class stamp rate and the nonstandard surcharge?

- a. If so, please provide the estimate and all related source documents.
- b. If not, please explain why no estimate is available.

OCA/USPS-T32-5. Does the Postal Service have an estimate of the number of households that are aware of the difference between the First-Class stamp rate and nonstandard surcharge and maintain sets of stamps to apply postage for both rates?

- a. If so, please provide the estimate and all associated source documents.
- b. If not, please explain why no estimate is available.

OCA/USPS-T32-6. Does the Postal Service have or know of an estimate of the number of households that are aware of the difference between the First-Class stamp rate and the single-piece card rate?

- a. If so, please provide the estimate and all related source documents.
- b. If not, please explain why no estimate is available.

OCA/USPS-T32-7. Does the Postal Service have an estimate of the number of households that are aware of the difference between the First-Class stamp rate and the single-piece card rate and maintain sets of stamps to apply postage for both rates?

- a. If so, please provide the estimate and all associated source documents.
- b. If not, please explain why no estimate is available.

OCA/USPS-T32-8. Please describe all educational efforts undertaken by the Postal Service within the last three years to educate households about differences among and qualifications for:

- a. The First-Class rate.
- b. The additional ounce rate.
- c. The nonstandard surcharge.
- d. The single-piece card rate.

OCA/USPS-T32-9. Please describe all educational efforts undertaken by the Postal Service within the last three years to educate Postal Service personnel about differences among and qualifications for:

- a. The First-Class rate.
- b. The additional ounce rate.
- c. The nonstandard surcharge.
- d. The single-piece card rate.

OCA/USPS-T32-10. Please submit all documents relating to the questions asked in USPS-T32-8 and USPS-T32-9.

OCA/USPS-T32-11. Please describe all situations not mentioned above where a household may enter mail into the mailstream in which there is no intervention by Postal Service personnel prior to entry of the mail, or purchase of the product or service.

OCA/USPS-T32-12. Please describe all evidence that exists showing that households underpay or overpay postage for First-Class mail.

- a. Submit all documents that relate to this question.
- b. Describe the Postal Service's enforcement and auditing procedures for ensuring payment of correct First-Class mail postage.

OCA/USPS-T32-13. Please describe all evidence that exists showing that households underpay or overpay postage for the additional ounce rate for First-Class mail. Please especially describe all evidence on the incidence of households affixing an additional 32 cent stamp to pay the additional ounce rate.

- a. Submit all documents that relate to this question.
- b. Describe the Postal Service's enforcement and auditing procedures seeking to ensure payment of correct First-Class mail postage.

OCA/USPS-T32-14. Please describe all evidence that exists showing that households underpay or overpay postage for single-piece cards. Please especially describe all evidence on the incidence of households affixing a 32 cent stamp to pay for single-piece card mailings.

- a. Submit all documents that relate to this question.
- b. Describe the Postal Service's enforcement and auditing procedures seeking to ensure payment of correct First-Class mail postage.

OCA/USPS-T32-15. Please describe all evidence that exists showing that households underpay or overpay postage for the nonstandard surcharge for First-Class mail.

- a. Submit all documents that relate to this question.
- b. Describe the Postal Service's enforcement and auditing procedures seeking to ensure payment of correct First-Class mail postage.

OCA/USPS-T32-16. Please separately quantify revenues lost and revenues gained by any of the underpayments or overpayments queried about in USPS-T32-12 through 15 during the most recent fiscal year for which such data is available. If no information is available, please explain why not.

OCA/USPS-T32-17. Does the Postal Service have or know of an estimate of the average level of education held by the those households that maintain separate sets of First-Class stamps for the first ounce rate, on the one hand, and, on the other, the additional ounce rate, the single-piece card rate, and the nonstandard surcharge rate?

- a. If so, please provide the estimate and all associated source documents.
- b. If not, please explain why no estimate is available.

OCA/USPS-T32-18. Your testimony at 6 states: "In comparison to other alternatives, Prepaid Reply Mail has the advantage of avoiding administrative and enforcement problems associated with what would happen if the general public were expected to use differently-rated stamps for its First-Class Mail correspondence and transactions."

A footnote refers to the Decision of the Governors of the United States Postal Service on the Recommended Decisions of the Postal Rate Commission on Courtesy Envelope Mail and Bulk Parcel Post, Docket No. MC95-1 at 4 (March 4, 1996) (hereinafter, "CEM Decision"). Please confirm that the Postal Service adheres entirely to the reasoning expressed in the CEM decision. If not confirmed, please explain.

OCA/USPS-T32-19. Please consider a hypothetical proposal that would expand upon the Postal Service's Prepaid Reply Mail ("PRM") and Qualified Business Reply Mail ("QBRM") proposals. Under this hypothetical proposal a consumer could affix a 30 cent stamp on a "courtesy reply envelope" which the sender (e.g., a utility company) had properly prepared for automation capability purposes (i.e., it met the proposed envelope preparation qualifications for Prepaid Reply Mail). For purposes of brevity we shall refer to this as the MPRM proposal – i.e., the Modified Prepaid Reply Mail proposal.

- a. As to MPRM, please explain how each of the Board of Governors' objections to the CEM recommendation in Docket No. MC95-1, as expressed in their CEM Decision, is relevant.
- b. For each objection in (a), please supply all empirical information supporting such objection.
- c. For each objection in (a), submit all documents that contradict the objection.
- d. As to MPRM, list all other objections the Postal Service has that are not contained in the CEM Decision or in your direct testimony in this docket.
- e. As to each objection set forth in response to (d), please supply all empirical information supporting such objection.

- f. As to each objection set forth in response to (d), submit all documents that contradict the objection.

OCA/USPS-T32-20. What is the Postal Service's estimate of the volume of households that will re-address and re-route a pre-addressed Prepaid Reply Mail envelope?

- a. If an estimate is provided, please show the derivation and provide copies of all source documents used.
- b. If no estimate is available, please explain why one has not been prepared, and upon what empirical basis you support your assertions.

OCA/USPS-T32-21. Please see attachment 1, which is a copy of a pre-paid Postal Service envelope mailed by the Postal Service to postal patrons for use in purchasing postage stamps. What volume of the pre-paid pre-addressed envelopes have been inappropriately entered into the Postal Service's mailstream by patrons who have altered the pre-printed address and used the envelope for purposes other than its original intent?

- a. If an estimate is provided, please provide the derivation of all calculated numbers, cite all sources and provide copies of source documents not previously filed in response to OCA/USPS-T32-20.
- b. If no volumes are available, please explain why the Postal Service has not collected this information.

OCA/USPS-T32-22. You state on page 43 of your direct testimony your estimates that “up to ten percent” of courtesy reply mail would switch to PRM, using as a base the 41 percent of all courtesy reply mail associated with credit card companies and utilities. You also “further estimate that a smaller fraction, 2 percent, of the remaining 4,000 million pieces of courtesy reply envelope mail could switch to PRM. On page 45 you state that the “Postal Service estimates that a number of organizations currently using Business Reply Mail may be interested in and qualify for either this classification [QBRM] or the PRM classification discussed above.”

- a. Please provide an empirical basis for your “up to ten percent” estimate. If the basis for the estimate is not empirical, please explain fully the basis for the estimate. Include citations to source documents and provide them if they are not on file with the Commission.
- b. Did you survey utility and credit card companies as to their potential participation in PRM and QBRM? If not, why not?
- c. Isn't it plausible that the actual participation in PRM and QBRM by credit card companies and utility companies who now provide courtesy reply envelopes will approach zero, since currently they pay zero postage costs on the courtesy reply envelope? Consider that one may observe massive shifts in non-household originating mail volume when rates change by just a few cents. Please comment.

OCA/USPS-T32-23. Please explain the Postal Service's understanding of how the increased mailing costs incurred by participating businesses and other organizations in PRM and QBRM are likely to be funded.

OCA/USPS-T32-24. Assume that a public utility wishes to take advantage of PRM or QBRM, and thereby increase its postage expenses.

- a. What approvals would it have to obtain from public utility commissions?
- b. How long would such approvals be expected to take?
- c. Would it have the option of seeking a rate increase to cover the increased postage costs?

OCA/USPS-T32-25. Your testimony at 35 states, "The new rates offer consumers the advantages of convenience and potential savings in mailing costs. Advantages to businesses include potentially faster return of remittances"

- a. When identifying an advantage to businesses of the potential for the faster return of remittances, is it your contention that customers will alter their normal bill payment behavior because a business now includes a prepaid return envelope? If your response is affirmative, please cite the source of your information and provide copies of all source documents not previously provided (e.g., Library Reference H-200).
- b. When identifying an advantage to businesses of the potential for the faster return of remittances, are you referring to the Postal Service's ability to process "clean" mail (as you define it on page 19) more quickly? If not, please explain.

- c. What evidence does the Postal Service have showing that it is able to process "clean" mail more quickly than "dirty" mail? Please explain fully and cite the sources of information to which you are referring. If a document exists containing surveys or findings on this issue, please supply it.

OCA/USPS-T32-26. Your testimony at 36 states that "it appears clear that electronic diversion is a real threat to through-the-mail bill payment. The proposed PRM rate can help address the threat of electronic diversion"

- a. Confirm that under the proposed PRM and QBRM plans, use of such plans is dependent upon non-households' (i.e., private industry's) decisions to participate in such plans (assume that such firms meet the Postal Service's qualifications for the plans). If not confirmed, please explain.
- b. If confirmed, do you foresee any ability by households (i.e., individual consumers) to participate in PRM or QBRM other than as passive recipients of incoming mail sent as PRM or QBRM mail? Explain.
- c. In reference to part (b) of this interrogatory, would you agree that to the extent a household mailer cannot participate (other than as passive recipients) in a PRM or QBRM program, then the Postal Service's PRM and QBRM proposals will not reduce the threat of electronic mail diversion to the Postal Service? Explain.

OCA/USPS-T32-27. Does the Postal Service have any knowledge of the extent to which the greeting card industry places notices on its product (e.g., in the place on the

envelope where postage would be affixed) that a particular card requires additional postage because of the weight or size of the card? If so, please describe.

OCA/USPS-T32-28. Does the Postal Service have any knowledge of the extent to which the private-sector post card industry (e.g., manufacturers of travel post cards) places notices on its product (e.g., in the place on the envelope where postage would be affixed) that a particular card requires additional postage because of the weight or size of the card? If so, please describe.

- a. What percentage of such labeled cards and envelopes is underpaid?
- b. What percentage of such labeled cards and envelopes is overpaid?

OCA/USPS-T32-29. Does the Postal Service have any knowledge of the extent to which publicly available software programs exist to prepare barcodes and FIMS that would be appropriate for use by PRM and QBRM participants? Please describe.

- a. If so, what is the cost of such programs for public users?
- b. Are they compatible with personal computers of the type that small businesses commonly use?
- c. Are they effective in preparing qualified automation compatible mail?

OCA/USPS-T32-30. Of the total amount of mail sent to households that contains courtesy reply envelopes, what percentage of the courtesy reply envelopes is automation compatible? Please show the sources for and derivations of your computation.

OCA/USPS-T32-31. Assume that the Postal Service's overall proposed rate structure in this case is adopted. Further assume that a household is sent First-Class mail where the First-Class courtesy reply envelope is fully automation compatible, but the mailer to the household is not a participant in PRM and QBRM. Also assume the correct return postage would be 33 cents. What would be the cost coverage on that individual piece of mail? Please show the derivation of your finding.

OCA/USPS-T32-32. This interrogatory relates to efforts the Postal Service has made to enable mailers to make their mailings automation compatible.

- a. To what extent does the Postal Service supply software or technical assistance to mailers wishing to make their mail automation compatible? Please explain.
- b. Has the Postal Service considered the possibility of offering access on its website to software programs that would help businesses and households prepare envelopes for automation capability? If so, please explain. If not, why not?

OCA/USPS-T32-33. Please refer to MPRM as described in OCA/USPS-T32-19.

- a. Describe any information the Postal Service has as to whether potential participants in PRM (e.g., companies that currently provide courtesy reply envelopes) would be willing to participate in a form of PRM (which we call MPRM) where instead of prepaying postage they merely printed on the

(appropriately prepared) return envelope a notation that appropriate MPRM postage was required.

- b. If the Postal Service has no such information, what is your opinion as to:
- (i) the likelihood of such participation in MPRM;
 - (ii) the financial incentives (and disincentives) to either participate or not participate in MPRM, including the benefit of receiving bill payments faster because of faster mail processing times;
 - (iii) how private businesses might assess the costs and benefits (including good will) of MPRM versus the costs and benefits of PRM and QBRM;
 - (iv) the effect of consumer pressure on businesses to participate in MPRM.

OCA/USPS-T32-34. Would adoption of MPRM be consistent with the Postal Service's goals of increasing automation (as referred to in your testimony at page 21)? If not, please explain.

OCA/USPS-T32-35. Please refer to page 4 of the CEM Decision, which states: "The Postal Service presented testimony in this case discussing a number of administrative and enforcement concerns that would arise if the mailing public routinely had to choose, on a piece-by-piece basis, between two letter stamp denominations. Potential problems include an increase in short-paid mail" Your testimony at page 37 echoes those concerns, referring at n. 11 to certain testimony from Docket No. MC95-1. For example, refer to the rebuttal testimony of witness Alexandrovich in Docket No. MC95-1, at 17, Tr.16310, where he states: "One does not have to resort to

assumptions about the darker side of human nature to realize that some increase in short-paid mail is inevitable.”

- a. Does the Postal Service think that the American *household* public is not intelligent enough to ascertain when, for example, using a 30 cent versus a 33 cent stamp is appropriate?
- b. If the answer to (a) is affirmative, to what proportion of the American household public would this apply?
- c. Cite empirical evidence for any affirmative response to (a) or (b).

OCA/USPS-T32-36. Please refer again to the above-cited portion of the CEM Decision.

- a. Does the Postal Service think that the American *household* public is not honest enough to be trusted with an active role in a modified PRM system such as MPRM (e.g., deliberately using 30 cent stamps on non-barcoded mail)?
- b. If the answer to (a) is affirmative, to what proportion of the American household public would this apply?
- c. Cite empirical evidence for any affirmative response to (a) or (b).
- d. Describe all the methods by which an unscrupulous person may alter the mail piece or perform other practices to underpay First-Class postage that would be relevant to the Postal Service's concerns here.
- e. Does the Postal Service have the legal authority to seek to prosecute persons who alter mail pieces in order to underpay postage? Please describe.
- f. If the answer to (e) is affirmative, does the Postal Service ever seek to prosecute such persons? Please explain.

OCA/USPS-T32-37. At page 34 (see especially n.7) you state that PRM envelopes would be pre-approved by the Postal Service, meeting specific automation standards.

- a. Please describe the pre-approval system in detail, focusing on how the Postal Service plans to examine the correctness of the address, barcodes, FIMS, and other indicia signifying a piece is eligible for the discount.
- b. What plans exist for the Postal Service to inspect and audit mailers to ensure continued compliance? Please discuss.

OCA/USPS-T32-38. Please describe fully how, under the current state of automation in letter processing, processing equipment detects that First-Class mail does not bear sufficient postage.

- a. Are stamps encoded to signify their postage to automation equipment used by the Postal Service? Explain.
- b. Will the Postal Service implement any new procedures in mail processing if their PRM and QBRM proposals are adopted? Explain.
- c. Witness Potter in Docket No. MC95-1 stated in his rebuttal testimony that "the automated facer/canceler equipment is designed to identify mail that has little or no postage, but cannot necessarily identify the precise level of postage applied." Rebuttal Testimony at 13, n.8, Tr.16220. Is this statement still true? Please discuss.

OCA/USPS-T32-39. Please discuss how, under the current state of automation in letter processing, the Postal Service delivers mail with underpayment of postage, and how it collects postage due. Please compare how the Postal Service handles short-paid First-Class mail versus non-paid First-Class Mail.

OCA/USPS-T32-40. Referring to the previous interrogatory, does the Postal Service maintain any policies whereby it decides to forego collection of underpayment or nonpayment of postage? If so, please describe.

OCA/USPS-T32-41. The Postal Service proposes a monthly fee of \$1,000 for mailers who choose to offer PRM envelopes or cards, as discussed at page 35 of your testimony. Please set forth the derivation of Postal Service costs used to develop the monthly fee.

OCA/USPS-T32-42. At page 37 you refer to the "two stamp" problem, referring to the testimony of witnesses Alexandrovich (USPS-RT-7) and Potter (USPS-RT-6) in Docket No. MC95-1. To what extent, if any, does the Postal Service continue to rely on the rebuttal testimony (including testimony delivered during cross-examination) of those witnesses?

OCA/USPS-T32-43. Is it the Postal Service's position that the estimates and projections in the Alexandrovich and Potter rebuttal testimony in Docket No. MC95-1

are still correct? Please address specifically all quantitative estimates and projections from that testimony, and provide updates where necessary.

OCA/USPS-T32-44. Witness Potter also stated his concern that the CEM proposal in Docket No. MC95-1 would cause citizens "to lose trust" in the Postal Service. See page 20 of his rebuttal testimony, Tr. 16227.

- a. Does the Postal Service have any empirical evidence (including, but not limited to survey evidence) relating to how much the public "trusts" the Postal Service? If so, please supply it.
- b. Does the Postal Service have any empirical evidence (including, but not limited to survey evidence) relating to whether the public believes First-Class postage is too high (or that the postage rate is appropriate)? If so, please supply it.
- c. Would a rate reduction pursuant to the Postal Service's PRM and QBRM proposals inspire added trust in the Postal Service? Please comment specifically as to household and non-household mailers.
- d. Would a rate reduction pursuant to MPRM inspire added trust in the Postal Service, perhaps under the notion that rates were fairer for households? Explain.

OCA/USPS-T32-45. Please refer to the rebuttal testimony of witness Alexandrovich in Docket No. MC95-1, at 17-18, Tr. 16310-11 where he addresses the costs of dealing with short-paid mail.

- a. What are the current costs?
- b. Does the Postal Service assess any extra charges to a recipient of postage due mail other than the underpayment? If so, specify the extra charges. If not, why not?
- c. Does the Postal Service assess any extra charges to the sender of postage due mail when it has been returned to the sender? If so, specify the extra charges. If not, why not?

OCA/USPS-T32-46. Please refer to the rebuttal testimony of witness Alexandrovich in Docket No. MC95-1, at 20, Tr. 16313, where he addresses the costs of purchasing CEM stamps at the post office. He concludes that introducing a CEM stamp would result in increased transaction costs for consumers and increased window costs for the Postal Service.

- a. State your agreement or disagreement with his analysis and conclusions as to increased transaction costs for consumers and increased window costs for the Postal Service.
- b. What would be the incremental window cost to the Postal Service of selling a 30-cent CEM stamp to household consumers at retail postal facilities? Consider in your analysis any increased costs that would be incurred based on the possibility that non-postal retail stores (i.e., so-called consignment outlets) would not choose to carry a 30 cent stamp.
 - (i) In referring to Library Reference H-1, Summary Description of USPS Development of Costs by Segments and Components, Fiscal Year 1996, it

appears there are two relevant activity codes: 5040, "At Window Serving a Customer - Selling Stamps," and 6040, "Window-Related Activity - Selling Stamps." Please confirm. If not confirmed, please explain.

- (ii) Confirm that there is no breakdown for selling different types and denominations of stamps (except for migratory bird stamps). If not confirmed, please explain.
- c. What is the incremental window cost to the Postal Service of selling a new issue of (the current) 32-cent First-Class stamp, e.g., the Bugs Bunny stamp?
 - d. How much money does the Postal Service estimate it saves (e.g., avoiding window costs) annually because consignment outlets sell postage stamps? Please explain the derivation of your estimate.
 - (i) Do consignment outlets determine what types of stamps they will carry?
 - (ii) Does the Postal Service place any limitations on the types of stamps consignment outlets may carry?
 - e. MPRM arguably would be used by consumers who bought their stamps at either postal facilities or at retail consignment outlets. Would consignment outlets be likely to sell two or more differently priced stamps? In your answer, refer to the percentage of outgoing household mail that would be a candidate for such stamps, e.g., mail used to pay utility and credit card and other bills.
 - f. The FY1995 Household Diary Study shows at Table 4-10 that in 1995 households received, on average, 2.91 pieces of "bill/invoice/premium" mail per week, up from 2.52 per week in 1987. The same table shows that households in 1995 received, on average, 1.30 pieces of personal mail per week, down from

1.56 in 1987. Do you agree that there is a trend toward a greater proportion of mail received and sent by households that is business related in nature as opposed to personal in nature? If not, please explain.

- g. Please estimate the proportion of the 2.91 pieces per week of business mail that contain courtesy reply envelopes, and separately, business reply envelopes.
- h. What percentage of mail sent by households to non-households is currently in a courtesy reply envelope?
- i. Assume that an MPRM 30 cent rate and a 33-cent regular First-Class rate is approved. Could the Postal Service solve the alleged "two-stamp" problem by issuing stamp booklets with both denominations, e.g., ten 30-cent stamps and ten 33-cent stamps?
- j. Does the Postal Service sell other stamp denominations in booklet form (e.g., post cards)? Please describe.

OCA/USPS-T32-47. As noted, witness Alexandrovich complained about increased window costs for the Postal Service if it were to sell CEM stamps.

- a. How many different denominations of stamps does the Postal Service sell?
- b. Currently, what percentage of total stamps sold are not 32-cent First-Class letter stamps?
- c. How many kinds of 32-cent First-Class Letter stamps does the Postal Service sell?
- d. Confirm that the Postal Service promotes the sale of different kinds of 32-cent First-Class letter stamps by informing the public of their availability through such

means as displaying them at retail postal facilities. If not confirmed, please explain.

- e. When considering whether or not to release a new version of a 32-cent First-Class stamp, does the Postal Service analyze the incremental window costs of introducing an additional stamp set? If so, describe how the analysis is done and quantify such costs for some recent issues. If not, why not?

OCA/USPS-T32-48. As a professional economist, please comment on whether the Postal Service's QBRM and PRM proposals, and the MPRM proposal, would improve allocative efficiency generally by more closely aligning costs and rates.

OCA/USPS-T32-49. Please refer to your direct testimony at page 38 regarding market research. In planning the PRM and QBRM proposals, did the Postal Service consult with any consumer advocacy groups? If so, please describe. If not, why not?

OCA/USPS-T32-50. Please describe the educational efforts the Postal Service plans in the event a 33-cent First-Class postage rate is approved, and in the event PRM and QBRM are approved. Separately list the projected costs of such campaigns.

OCA/USPS-T32-51. Has the Postal Service surveyed or analyzed the automation compatibility of courtesy reply envelopes of the type frequently sent by business concerns to households (e.g., utility companies that send prebarcoded envelopes to customers)? Please describe any results or analysis. If such results or analysis are

contained in a report, submit that report. If there exists more than one report, submit the most recent version. If no survey or analysis has been conducted, please explain why.

OCA/USPS-T32-52. During hearings in Docket No. MC95-1, Postal Service witness McBride stated (Tr. 762) that the Postal Service was contemplating a requirement that courtesy reply mail pieces be automation compatible and meet the Service's quality requirements. Please confirm that Domestic Mail Manual section C810.8.0, Enclosed Reply Cards and Envelopes, effectuates that change. If not confirmed, please explain.



IF UNDELIVERABLE AS ADDRESSED,
RETURN TO LOCAL POSTMASTER



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 73026 WASHINGTON DC


POSTAGE WILL BE PAID BY ADDRESSEE

CHANTILLY POST OFFICE
4410 BROOKFIELD CORP DR
CHANTILLY VA 20151-9998



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 DREIFUSS
Attorney

Washington, D.C. 20268-0001
August 15, 1997