BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001 Aug 15 4 25 PM 197

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS DAVID FRONK TO INTERROGATORIES OF DOUGLAS CARLSON (DFC/USPS-T32-8(b) - (h))

The United States Postal Service hereby files the responses of witness Fronk to the following interrogatories of Douglas Carlson, dated August 4, 1997: parts (b) through (h) of DFC/USPS-T32-8.

The interrogatories are stated verbatim and followed by the responses. Objections to DFC/USPS-T32-8a and T32-9 were filed on August 12, 1997.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

Michael T. Tidwell

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260-1137 (202)268-2998/FAX: -5402 August 15, 1997

RESPONSE OF U.S. POSTAL WITNESS FRONK TO INTERROGATORIES OF DOUGLAS F. CARLSON

DFC/USPS-T32-8. For the following questions, please redirect them if you are unable to answer them.

- a. Please confirm that I, Douglas F. Carlson, am an individual.
- b. Please refer to the envelopes labelled "1" and "2" that are pictured in Attachment 1 to DFC/USPS-T32-8. The envelopes are printed on regular envelope stock. Please confirm that the envelopes appear to be automationcompatible.
- c. If you do not confirm in (b), please explain all respects in which these envelopes appear not to be compatible with automation.
- d. Are you aware that Microsoft Word 6.0 is a word-processing program that is commonly used by individuals?
- e. Are you aware that the envelope labelled "2" in Attachment 1 to DFC/USPS-T32-8 could be printed using standard options in Microsoft Word 6.0?
- f. Please explain fully the basis for your statement in your response to DFC/USPS-T32-4(c) that "individuals do not prepare mail that is automation-compatible as the term is used in the PRM proposal[.]"
- g. If I, as an individual, printed the envelope labelled "2" in Attachment 1 to DFC/USPS-T32-8 using Microsoft Word 6.0, would you still claim that "individuals do not prepare mail that is automation-compatible as the term is used in the PRM proposal"?
- h. Does the Postal Service benefit when a person mails a letter with a typewritten, OCR-readable address instead of a handwritten address that requires the assistance of a Data Conversion Operator via the RBCS system to apply a bar code?

RESPONSE:

- (a) Objection filed.
- (b) Not confirmed.
- (c) Please note that the Postal Service PRM proposal does not involve discounts to individuals who apply their own barcodes. I point this out because your questions indicate there may be some potential confusion over what the Postal Service is proposing with PRM. Home-applied barcodes are not at issue in the PRM proposal. Such barcodes involve issues such as home printer quality and address management which are outside the scope of PRM.

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RESPONSE to DFC/USPS-T32-8 (continued)

Under the Prepaid Reply Mail (PRM) proposal set forth in my testimony (pages 5-6 and 33-44), businesses or other organizations can provide their correspondents with Postal Service-approved, postage-paid courtesy envelopes that will enable the correspondents to return mail such as bill payments without affixing postage. The proposed PRM classification offers an opportunity for the general public to benefit from a discounted letter rate of 30 cents. (There is also a PRM card rate of 18 cents.)

In terms of the envelopes labeled "1" and "2" in Attachment 1 to DFC/USPS-T32-8 (reattached to this response for convenience), I note that you have provided a photocopy of the envelopes rather than the actual mail pieces themselves, making a definitive determination of automation-compatibility impossible. While I am not an automation expert, I see a number of potential problems with the photocopy of these envelopes. First, the tops of facing identification mark (FIM) bars must be no lower than 1/8 inch from the top edge of the mail piece. The FIM bars in both "1" and "2" appear to be more than ¼ inch from the top of the mail piece. Second, the FIM bars in "2" have considerable smudging between the bars, which may make it difficult for them to be read during the facing-canceling process. Third, both envelopes may be thicker than ¼ inch or heavier than 3.3 ounces, making them incompatible with automation. Fourth, both envelopes may not meet barcode reflectance requirements.

- (d) I am aware that Microsoft Word 6.0 and other versions of Word, for example, the more recently introduced Word 7.0, are word-processing programs that are commonly used by individuals.
- (e) I am aware that Microsoft Word 6.0 offers an option that allows the user to apply a delivery point barcode and FIM A bars as shown in "2" of Attachment 1.

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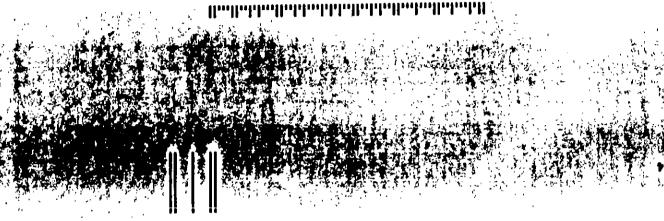
RESPONSE to DFC/USPS-T32-8

- (f) Please see my response to DFC/USPS-T32-8(c) above. What I meant by my statement is that the PRM proposal does not involve individuals applying their own barcodes with their home computers, but instead involves PRM recipients offering prepaid envelopes or cards to their customers. As stated in my response to DFC/USPS-T32-2, the envelopes or cards would be pre-approved by the Postal Service. They would need to meet Postal Service automation standards and bear a FIM, a proper barcode, and indicia signifying the piece is eligible for the discount, and have other markings specified and approved by the Postal Service. Each participating PRM recipient would need to maintain a certified, high-quality, easily-audited system for determining the amount of mail received. The PRM proposal does not involve the Postal Service certifying millions of home-based systems.
- (g) Yes.
- (h) Mail with handwritten addresses is relatively high cost mail. Mail that is "cleaner" and potentially cheaper to process reduces Postal Service costs and keeps rates lower than they might otherwise be. Lower rates benefit postal customers, and since the Postal Service is in business to serve its customers, this is of benefit to the Postal Service as well.

Douglas F. Carlson

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Berkeley CA 94712-3574 PO Box 12574 :--Douglas F. Carlson Unimination

DECLARATION

I, David R. Fronk, hereby declare, under penalty of perjury, that the foregoing Docket No. R97-1 interrogatory responses are true to the best of my knowledge, information, and belief.

David R. Fronk

Date

8-15-97

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.

Michael T. Tidwell

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260-1145 August 15, 1997