RECEIVED
DEC 18 11 15 AM '01
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 2001) Docket No. R2001-1

ERRATA TO OFFICE OF THE CONSUMER ADVOCATE
MOTION TO COMPEL RESPONSES TO INTERROGATORIES
OCA/USPS-231-233, 243, 245-47, AND
239-42, 244, 248-53
(December 18, 2001)

Pursuant to Rule 21 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate (OCA) hereby moves to compel **information** requested in interrogatories OCA/USPS-231-233, 243, 245-47 **[ ]** and 239-42, 244, 248-53, filed as three sets.[1] In accordance with the Commission's Rules 26(d) and 27(d), the interrogatories are reproduced in an attachment to this pleading. The Postal Service filed an objection to these interrogatories on December 3, 2001.

The first group of objections is to interrogatories premised on telephone calls made to the Postal Service's toll-free customer service number – 1-800-ASK-USPS. The Postal Service appears to take the untenable position that if it questions the integrity of OCA staff members (those who placed and reported the calls to 1-800-ASK-USPS), it can be excused from answering legitimate interrogatories. The insinuations made in the Postal Service's December 3 pleading are personally offensive to me and

[1] Interrogatories OCA/USPS-225-247 were filed on November 21, 2001; Interrogatories OCA/USPS-248-254 were filed on November 23, 2001; Interrogatories OCA/USPS-255-305 were filed on November 26, 2001. OCA will not continue to press for answers to interrogatories concerning Planet Code and CONFIRM®, *i.e.*, 268-285 and 290.

Pamela Thompson.[2] I placed the telephone call described in interrogatory OCA/USPS-231, and Ms. Thompson placed two telephone calls that are described at interrogatories OCA/USPS-232 and –233.

At pages 3-4 of the Objection, some of the following insinuations are made:

- "how can anyone know that the conversations took place, much less assume that they were reported accurately, or assume that the parts reported fully and fairly capture the meaning and context of the entire conversation?"
- that OCA only reported "conversational fragments"

In order to dispel any questions about the truthfulness, accuracy, or completeness of the conversations related in interrogatories 231-233, Pamela Thompson and I have attached declarations **(re-dated Attachments 1 (Revised) and 2)** reporting the conversations that we had with ASK-USPS agents. The Postal Service implies in its Objection that OCA staff should have tape-recorded the conversations so that a verbatim check of everything the discussants said could be verified. I do not wish to violate any laws prohibiting the tape recording of telephone conversations, nor would

---

[2] OCA condemns the Postal Service's tactic of insinuating that OCA staff members may have been untruthful or deceitful. OCA observes that other participants refrain from making such attacks even when large sums of money are at stake and the statements made are far more difficult to believe. For example, in Docket No. R97-1, Postal Service witness Porras' chief support for an improbable reversal in the Postal Service's financial position, *i.e.*, losing approximately $2.5 billion for the remainder of the test year of that proceeding when, at the time witness Porras testified, the Postal Service was enjoying a surplus of approximately $1.2 billion, was the assurances of a myriad of unnamed program managers that they would spend the money they had asked for. Tr. 35/18604, 18627, 18639, and 18700. No attorney cross-examining witness Porras in that hearing questioned the truthfulness of the unnamed program managers' assurances nor accused witness Porras of misrepresenting the statements reportedly made to him. In fact, the Postal Service did not spend the $2.5 billion that program managers assured witness Porras would be spent, and instead of finishing FY 1998 with a deficit of $1.4 billion as the Postal Service claimed (PRC Op. R2000-1, para. 2002), the Postal Service realized a surplus of $550 million (USPS Exh. 6L, Docket No. R2001-1).

Furthermore, OCA makes note of the Postal Service's practice of redirecting many participants' interrogatories from witnesses, who would be obliged to swear to the truthfulness of the responses given, to the Postal Service as an institution, for which no one will swear to the truthfulness or accuracy of the responses given. Much of this constitutes the foundation of the Postal Service's case, yet the undersigned cannot recall aspersions made by participants like those made in the Postal Service's Objection.

I ask a staff member to do so. Consequently, no tape recordings were made. I have attached notes that I jotted down during my telephone conversation (re interrogatory 231) **(as Attachment 1A)** and have made the original of these notes a library reference.

It must be emphasized, however, that the Postal Service's position that it can evade relevant inquiries such as these with aspersions on OCA's behavior is without merit. These questions are relevant to issues under consideration by the Commission in the instant proceeding, as will be demonstrated below.

In Docket No. R2000-1, the Commission expressly "tempered" the cost coverage for Express Mail because of concerns about quality of service and that "the Postal Service is not properly informing consumers about the limitations of its delivery network . . . ."[3] Likewise, the Commission "moderated" the amount of institutional costs assigned to Priority Mail due to concerns about the value of service provided by Priority Mail.[4] The Commission was critical of the Postal Service's advertising practices for Priority Mail.[5] "[D]ocumented discrepancies" were noted;[6] misgivings about the Postal Service's failure to give consumers the ability "to make informed choices" were expressed;[7] and the Postal Service was cautioned "not [to] misle[a]d [customers] into purchasing a more expensive product that will not provide added service."[8]

---

3 PRC Op. R2000-1, para. 5013.

4 *Id.*, para. 5304.

5 *Id.*, para. 5301.

6 *Id.*, para. 5300.

7 *Id.*

8 *Id.*, para. 5301.

OCA's calls to 1-800-ASK-USPS and visits to postal facilities were made for the purpose of testing whether the Postal Service has addressed the Commission's R2000-1 concerns. Based upon the answers given in telephone inquiries and in personal visits, OCA staff sees indications that the Postal Service continues to withhold information needed by consumers to make informed choices between Priority and First-Class Mail. A graver concern raised by OCA's inquiries is that there may even be a policy to exaggerate the quality level of Priority Mail service or to use misleading statements to dissuade consumers from choosing the much lower priced First-Class Mail service and induce them to use the more costly Priority Mail service instead.

The questions posed as parts (a) – (q) of interrogatory 231, (a) –(f) of interrogatory 232, and (a) – (f) of interrogatory 233 would be valid even if no specific inquiries had ever been made. Two advertisements provided in response to interrogatory OCA/USPS-179 lead potential customers to believe that Priority Mail and Express Mail are transported with equal dispatch. Furthermore, since members of the public generally are unfamiliar with the distinctions made by postal experts that transportation is a function separate and distinct from processing and delivery, the Postal Service seemingly is trying to mislead the public into believing that there is no distinction between the type of service obtained under Express Mail and Priority Mail. OCA respectfully urges the Presiding Officer to direct the Postal Service to answer all parts of interrogatories 231 – 233.

The Postal Service's contention at page 4 of its Objection that OCA must prove that statements such as those made by the ASK-USPS agent are typical before it will be required to answer them is flatly contradicted by the Commission's rules of

procedure. Commission rules 26(a) and 27(a) merely require that an interrogatory consist of a request that "appears reasonably calculated to lead to the discovery of admissible evidence." There is no duty imposed, or even suggested, by these rules that OCA must telephone 1-800-ASK-USPS one hundred times or a thousand times before it is permissible to inquire about the policies cited in interrogatories 231-233. OCA placed these calls randomly simply to see whether the Postal Service had heeded the Commission's recommendations in Docket No. R2000-1 that it give information to consumers allowing them to make an informed choice between First Class and Priority Mail. The statements made by the ASK-USPS agents were unmistakable signs of policies and practices that were inconsistent with the Commission's R2000-1 recommendations. Therefore, they serve as the basis for inquiries appearing "reasonably calculated to lead to . . . admissible evidence." The burden now shifts to the Postal Service to conduct a review of documents and materials (whether in hard copy or electronic form) that represent what its policies and practices are to inform the public.

The question posed by the Postal Service at page 5 of its Objection, "How in the world is [it] supposed to respond . . .?" is disingenuous. The Postal Service has extensive experience in responding to requests for information. The Service knows [ ] full well that it must make a good faith effort to search for the documents and materials in those departments and offices, and of those individuals, within the organization that oversee the activities of the ASK-USPS contractor and provide the materials used to train the ASK-USPS agents and give them information. Furthermore, if any written or electronic records exist evidencing a policy to withhold First Class Delivery times from

the public, or make statements to induce consumers to choose Priority Mail over First Class, then the Postal Service must make a good faith effort to locate and produce such materials.

The second category of questions to which the Postal Service objects concern**[s]** retail services for which the Postal Service has not presented a request for new classifications and rates to the Commission. The Postal Service's position seemingly is that *it* is the final arbiter of the Commission's jurisdiction over retail services, not the Commission. Implicit in the Postal Service 's refusal to provide information about Post ECS, Electronic Postmark, FirstClass Phone Cards, Dinero Seguro, REMITCO, Sure Money, Retail Merchandise, PostOffice Online, USPS eBillPay™, USPS Pay@Delivery™, USPS Send Money, NetPost™ CardStore, and NetPost™ Certified Mail is that once the Postal Service has made a determination that a service is "nonpostal," it need only provide what little information *it* believes to be relevant to an omnibus proceeding on postal rates and fees.

OCA takes the opposite view. It is OCA's conviction that the Postal Service must not be excused from answering questions about the nature of retail services it provides to the public, nor from questions about the extent to which such services recover their variable, fixed, and sunk costs.

The Postal Service obliquely suggests that there are other "legal avenues" that must be used to raise the issue of the Commission's jurisdiction over retail services offered by the Postal Service to the public that the Postal Service deems, unilaterally, to be "nonpostal."[9] The Postal Service's failure to make a direct statement of the

---

[9] Objection at 7, n. 2.

"avenues" that OCA should be pursuing makes it difficult for OCA to respond. OCA is put in the untenable position of having to pose the straw man arguments that the Postal Service should have posed. Nevertheless, OCA will demonstrate that an omnibus rate proceeding is a legitimate platform for making such a determination.

The Postal Service most recently articulated its position on the proper method for resolving a dispute about the postal/nonpostal nature of a retail service in Docket No. C99-1 (the Post ECS complaint case). In that case, the Postal Service argued that the Commission had no power to determine whether a service is postal or nonpostal in character; rather, according to the Service, this power rests solely the United States District Courts.[10] The Postal Service argued that a complaint proceeding before the Postal Rate Commission was not the lawful forum for resolving questions of this kind. In Order No. 1239, [11] the Commission denied the motion of the Postal Service, instead applying the principle that the Complainant, United Parcel Service, had asserted: regulatory agencies have the authority to determine the scope of their jurisdiction (at 7 and 13).

Since the Postal Service fails to make a positive statement about the "legal avenues" that the OCA should have pursued, OCA is left with no alternative but to speculate about what the Postal Service might have meant. OCA formally requests that it be permitted to file a reply to any opposition to this motion to compel that the Postal

---

[10] "Motion of the United States Postal Service to Dismiss," Docket No. C99-1, filed November 5, 1998, at 3.

[11] "Order Denying Motion of United States Postal Service to Dismiss Complaint and Notice of Formal Proceedings," Docket No. C99-1, issued May 3, 1999.

Service may file if, in the opposition, the Postal Service finally declares what its position is on the other "legal avenues."

One possibility is that the Postal Service may now accept that complaints under 39 U.S.C. § 3662 are a legitimate mechanism to resolve disputes over the postal/nonpostal character of retail services. While it may be true that litigants have used the complaint mechanism to bring the issue before the Commission, nowhere in title 39 is a litigant limited to the complaint procedure. When no omnibus rate proceeding is in active litigation before the Commission, complainants may initiate a proceeding for the purpose of examining the question whether a service being offered is postal or nonpostal.

Section 3662 contains no language empowering the Commission to resolve whether a service is a postal or nonpostal service. Indeed, such language is absent from the Postal Reorganization Act. The basis for the Commission's determination that it has the power to resolve such disputes is grounded in subchapter II, in particular whether a challenged service is of a type subject to the Commission's jurisdiction under sections 3622 and 3623.[12] Postal Service attempts to foreclose Commission consideration of rates for services not established through the conventional approval mechanism involving a recommendation by the Commission and adoption by the Governors will be in vain.[13] The determination of the postal/nonpostal character of a challenged service is essentially an exercise by the Commission of its mail classification

---

12 Order No. 1239 at 11.

13 *Id.*

authority.[14] Furthermore, once the Commission has adjudged that a service is postal in character, it is authorized to adduce evidence from the Postal Service that will permit the further determination that the rate is/is not compensatory.[15]

The current rate and classification request now before the Commission is the appropriate platform for adducing evidence from the Postal Service that will aid in the determination (1) whether the challenged services are postal or nonpostal in character, and (2) whether they are compensatory. If the Postal Service fails to present a complete set of classification and fee proposals before the Commission under sections 3622 and 3623 of title 39, and this matter is raised by a participant in the rate request proceeding, then the Commission should make a determination whether the service in question comports with the policies of the Postal Reorganization Act as set forth in sections 3622 and 3623.

Under section 3623(b), the Commission may submit to the Governors on its own initiative, a recommended decision on changes in the mail classification schedule. OCA, like any other participant in this proceeding, may ask the Commission to determine whether the retail services currently being offered to the public outside the control of the Commission are, in fact, postal services; and if it is determined that they are, whether the Commission should recommend them to the Governors as comporting with the criteria of section 3623. In an omnibus rate case, the Commission has a duty to recommend a full set of postal rates that also meet the criteria of section 3622.

---

14 *Id.* at 12.

15 *Id.* at 14.

It is universally accepted that the paramount criterion of section 3622 is subpart(b)(3), which requires each type of mail service to bear its attributable costs [ ]. OCA has posed a series of interrogatories for the purpose of eliciting information that will aid in the determination whether the retail services listed above are postal in character and, if they are, whether they are recovering all of their incremental costs plus an appropriate share of institutional costs.

Precedent exists for the Commission to make determinations about the postal or nonpostal character of particular services as part of an omnibus rate proceeding. In Docket No. R76-1,[16] the omnibus rate case immediately following the adjudication of *Associated Third Class Mail Users v. United States Postal Service*, 405 F. Supp. 1109 (D.D.C. 1975), the Commission carefully weighed whether particular special services offered by the Postal Service to the public were postal or nonpostal in character. In instances in which the Commission decided that a service was nonpostal, the Postal Service was permitted to establish fees unilaterally. For special services determined to be postal in character, the Commission established the fee.

The Commission has not yet had an opportunity to consider whether the retail services at issue are postal or nonpostal in character. OCA will present this matter to the Commission at a subsequent stage in the proceeding. The time for discovery against the Postal Service, however, is scheduled at the beginning of [ ] each proceeding. Consequently, OCA necessarily must ask for all of the evidence it needs to

---

[16] In Appendix F of PRC Op. R76-1, the Commission was "faced with the problem of determining which of [the special services] are included within the category of 'postal services.'" App. F at 1. The Commission proceeded step by step, examining the characteristics of each special service, before it took the "final step in isolating jurisdictional from nonjurisdictional services." *Id.* at 3. All of this was done in the context of an omnibus rate proceeding.

aid in the determination whether a service is postal or nonpostal, and, if postal, whether the service satisfies the criteria of sections 3622 and 3623; and this inquiry must be pursued during the allotted time for discovery. Since under the Commission's rules, information must be produced that "appears reasonably calculated to lead to the discovery of admissible evidence," OCA's questions about the nature of the challenged services and the facts and policies resulting in the Postal Service's choice not to make a request of the Commission before offering these services to the public (and charging fees for the service) are essential to the question whether these services are postal or nonpostal in character. These were the discovery requests posed in interrogatories OCA/USPS-241(b), (d), (e), (g), (h), 242, 243 (all concerning USPS eBillPay™), 244(b), 245, 246 (all concerning USPS Send Money), 249 (concerning USPS Pay@Delivery™), 251 (concerning NetPost™ CardStore), and 253 (concerning NetPost™ Certified Mail).

OCA may be successful in convincing the Commission that many of the services at issue are postal in character. It is clear from the nature of several of the services at issue, that they involve the physical mailing of items that are universally accepted as subject to the Commission's jurisdiction. For example, cards purchased under NetPost™ CardStore are mailed in First Class.[17] USPS eBillPay™ payments are sometimes entered as First-Class Mail.[18] USPS Pay@Delivery™ is a payment service offered in connection with Priority Mail and Delivery Confirmation.[19] USPS SendMoney

---

17 Partial response to interrogatory OCA/USPS-250.

18 Partial response to interrogatory OCA/USPS-241.

19 Partial response to interrogatory OCA/USPS-248.

appears to function as a substitute for First-Class bill payments.[20] NetPost™ Certified Mail appears to be a variant of Certified Mail, but with a "referral fee" added by the Postal Service.[21]

Under the Commission's and the *ATCMU* court's formulation that services ancillary to the provision of postal services or very closely related to the delivery of mail are subject to the Commission's authority,[22] eBillPay, NetPost™ CardStore, and NetPost™ Certified Mail may very well be adjudged postal services. Each involves the mailing of a First-Class letter; and in the case of NetPost™ CertifiedMail, the mailing of other classes of mail as well. USPS Pay@Delivery™ is ancillary to Priority Mail; and USPS SendMoney functions as a substitute for traditional First-Class Mail.

Since the distinct possibility exists that the Commission may determine these services to be postal in character, at the present time, during the discovery phase of the instant proceeding, the remaining information requested by OCA to determine whether fees charged for these services are compensatory should be required. Information on the incremental costs of providing these services and even the sunk costs[23] of offering these services to the public are essential to an assessment under 39 U.S.C. §3622(b)(3) **and the other pricing criteria**. Moreover, if these are "postal" services, they should be expected to make a contribution to the institutional costs of the Postal

---

[20] Partial response to interrogatory OCA/USPS-244. In Order No. 1239 at 21 the Commission viewed such characteristics as germane to the investigation whether a challenged service is postal or nonpostal in nature.

[21] Partial response to interrogatory OCA/USPS-252.

[22] PRC Op. R76-1, App. F at 3; and *ATCMU* at 1115.

[23] Under the principles established in PRC Op. R83-1 (ECOM), paras. 7037 – 7045, fair and equitable rates for a service that has not recovered its attributable costs over an extended period must

Service under criteria 3622(b)(1) – (9). Therefore, OCA asks the Presiding Officer to direct the Postal Service to provide answers to the following interrogatories: OCA/USPS-241(j), (l), (m), (n), (q), 244(e), (f) – (h), 248(l) – (k), and 250(i) – (l).

Even if the Commission were to find that none of the services at issue are postal in character, under principles established in Docket No. R87-1 and R94-1, the Commission has the authority to obtain detailed cost and revenue information for the purpose of determining even that non-jurisdictional services cover their costs. In Order No. 1034 (at 4),[24] the Commission underscored that its duties under §§ 3621 and 3622 may only be fully discharged if it has available to it cost, volume, and revenue information on non-jurisdictional services (such as international mail) because of their "undeniable impact on the domestic mail revenue requirement." This is equally true of **allegedly** non-jurisdictional domestic services. Therefore, in any event, responses to interrogatories requesting information on whether fees for the challenged services are compensatory must be furnished.

One final objection is raised by the Postal Service – to interrogatory OCA/USPS-247. This interrogatory was drafted following an inquiry made by a long-term post office box customer in Stanton, Nebraska 68779. He first telephoned the Postal Service for an explanation of why his post office box fee had approximately doubled following the Docket No. R97-1 rate and fee increases and had gone up about a third following the Docket No. R2000-1 proceeding. **His local postmaster was unable to answer his question. Next, he called OCA.** On his behalf, as well **as** on behalf of numerous other boxholders experiencing substantial fee increases over the space of a few years,

---

include [ ] recovery of these sunk costs in the cost coverage component of the rate recommended by the Commission.

OCA posed an interrogatory asking the Postal Service to explain how cost methodology and fee design have resulted in fee increases of the magnitude described. This is a legitimate inquiry calling for a postal expert knowledgeable about the trends in post office box costs and fees to explain this multi-year phenomenon. The mere fact that one community's fee increases is used as a springboard for comment does not render this question irrelevant. The Postal Service should be directed to provide an answer.

Wherefore, the reasons presented above, OCA respectfully requests that the Postal Service be directed to submit complete answers to interrogatories OCA/USPS-231-233, 243, 245-47, and 239-42, 244, 248-53.

Respectfully submitted,

Shelby S. Dreifuss

Shelley S. Dreifuss
Acting Director
Office of the Consumer Advocate

1333 H Street, N.W.
Washington, D.C. 20268-0001
(202) 789-6830; Fax (202) 789-6819

---

[24] **Citing P.O. Ruling R87-1/78.**

Revised Declaration of Shelley Dreifuss as a Foundation for
Office of the Consumer Advocate Motion to Compel Responses
to Interrogatory OCA/USPS-231

I, Shelley Dreifuss, declare:

1. That on November 1 or 2, 2001, I telephoned 1-800-ASK-USPS for the purpose of comparing the advantages of mailing a lightweight item via Priority Mail versus First Class, from Durham, NC 27705 to Burtonsville, MD 20866.

2. I am pretty sure about the date because I had just made a test mailing of a Priority Mail flat and a First-Class letter from a postal collection box located at 3457 Hillsborough Road, Durham, NC 27705 to my home in Burtonsville, MD 20866.

3. I was visiting Durham, NC on October 27-28, and dropped the items in the collection box cited in paragraph 2 on Sunday, October 27. I noted in letters enclosed in each of the mailed items that the mail would not be collected until noon on Monday, October 29, 2001.

4. Using the Delivery Confirmation information available at the Postal Service's website, I am reminded that the Priority Mail flat was delivered to my home on October 31. The First-Class letter was delivered on the same day.

5. Having had this experience – that a Priority Mail flat and a First-Class letter received the same service (two business days) between Durham and Burtonsville – I wanted to see what the stated First Class and Priority Mail service standards are. The simple questions for which I was seeking answers were: What is the stated service standard for First Class between 27705 and 20866? And, What is the stated service standard for Priority Mail between 27705 and 20866? Were both items delivered early, on time, or late? I decided that the best way to have these questions answered would be to call 1-800-ASK-USPS. I surely wasn't trying to trick or trap the ASK-USPS agent. I just wanted answers to my few simple questions.

6. In its Objection, the Postal Service insinuates that I might have made up this conversation (the conversation is referred to as a "purported conversation" at page 3). I did not fabricate any part of what I described in interrogatory 231. Everything I related there was actually said by me and said by the ASK-USPS agent.

7. In its Objection, the Postal Service insinuates that I only related "snippets" of the conversation (page 3). I related the full conversation, not merely snippets. Not surprisingly, I did not phone 1-800-ASK-USPS to ask for the agent's recipe for apple pie nor to give the agent my recipe (although my pies are quite good); nor did I phone the ASK-USPS agent to ask the agent's opinion on whether Duke

University or University of Maryland is likely to be the NCAA basketball champion this season, although this is a question of vital importance in my household. As I stated in paragraph 5, I just wanted to know what the service standards are for First Class and Priority Mail between Durham and Burtonsville.

(I did ask an additional question about Express Mail delivery times between Durham and Burtonsville, but the answer was consistent with my expectation so I did not pose an interrogatory about it).

8. I jotted down some notes as I spoke to the ASK-USPS agent. They help me to recall that the agent told me that the Priority Mail service standard from 27705 to 20866 is two days, but not guaranteed. The Postal Service agent deserves credit for informing me that the delivery time was not guaranteed and the Service also deserves credit for meeting the Priority Mail service standard. The Priority Mail flat has an October 29 postmark and was delivered on October 31.

9. The ASK-USPS agent, apparently touting the advantages of Priority Mail over First Class, also stated that "Priority Mail receives the same transportation as Express Mail." I wrote down the words exactly as they were spoken to me. Even thought the Postal Service insinuates that I did not report the conversation I had "accurately," "fully," and "fairly," this is absolutely not the case. As I stated in paragraph 5, I did not try to trap or trick the agent. For example, I never asked: "Doesn't Priority Mail receive the same transportation as Express Mail?" It would never occur to me to ask such a preposterous question. That is the reason that the agent's remark took me by surprise and the reason that I submitted interrogatory 231 to the Postal Service. I thought that a statement like that was inaccurate and misleading, amounting to a high-pressure sales tactic.

10. The ASK-USPS agent would not specify whether the First-Class service standard between 27705 and 20866 is one, two, or three days. The agent would only say that it is between 1 – 3 days. When the agent warned me that First Class can take up to 30 days to be delivered my surprise increased manifold. Why would the Postal Service say such a thing to a consumer? As before, I assert that I did not fabricate this statement nor did I trick or trap the ASK-USPS agent. I have never seen any evidence in any proceeding in which I have participated that suggests that First Class is at serious risk of being delivered in up to 30 days. I would never have asked such a question nor made such a suggestion to an ASK-USPS agent.

11. Since the time that I drafted and submitted interrogatory 231 two matters have come to my attention that reinforce my belief that there is a deliberate policy of the Postal Service to shade information on Priority Mail and withhold information on First Class so as to induce consumers to purchase Priority Mail over First Class.

12. The first of the two matters cited in paragraph 11 is a pair of advertisements furnished by the Postal Service in response to interrogatory OCA/USPS-179 on November 23, 2001. In these two advertisements, the Postal Service clearly tries to establish an equivalence between Express Mail Service and Priority Mail Service – both are advertised, without distinction, as being transported on "fleets of planes" and with "dedicated cargo space." The ASK-USPS agent said something similar in the words the agent used, *i.e.*, that Priority Mail and Express Mail "receive the same transportation."

13. The second of the two matters cited in paragraph 11 is an experience I had on December 8, 2001. On that date I visited a Postal Service retail facility on the bottom level of White Flint Mall in Kensington, MD. I bought stamps there that day and the receipt read: "White Flint Postal Store, Kensington, MD 20895-9998." I asked the clerk in attendance that day how long it would take for an item mailed First Class to be delivered from Kensington, MD to Durham, NC 27708. (I inquired about 27708 because that is the ZIP code in Durham to which I normally send mail). The clerk said that it takes "3 days." There was no hedging or equivocation – the clerk said that First Class takes 3 days, period. I then asked the clerk, "What if I mail a First Class letter across the street?" The clerk said it still takes 3 days, although it *might* take a little less time. The purpose of relating this exchange is that it mirrors my conversation with the ASK-USPS agent, related in paragraph 10, that is, the Postal Service appears to discourage its agents and employees from giving specific information about First Class delivery times.

    [The clerk wore a name tag, and I wrote down the clerk's name. If the Postal Service wishes to have me reveal it, I will; but to guard the privacy of the individual who made this statement, I will wait to be contacted by Postal Service counsel before I reveal it. I also made inquiries about Priority Mail and Express Mail between Kensington, MD and Durham, NC, and was informed that each would take two days.]

    [On October 26, the day before my trip to Durham, I was given similar information when I inquired about the First Class delivery time to Durham, NC, at my community post office in Spencerville, MD 20868. There the clerk would say no more than First Class takes between one and three days, but would not give me a specific delivery time. I did not write down the clerk's name, but I use this facility often, and if the Postal Service wishes, I can visit it again and ask the clerk's name.]

I declare under penalty of perjury that the foregoing statement is true to the best of my knowledge, information and belief.

Date: 12/18/01

Shelley S. Dreifuss

Shelley S. Dreifuss

[Attachment 1A, page 1]

This Priority Mail flat was put into a collection box in Durham, North Carolina on Saturday, October 27, 2001, for collection on Monday, October 29, 2001, at noon.

Mail box collection location:
3457 Hillsborough Rd
Durham, NC 27705

3520 Kangaroo Drive
Durham, NC 27705

Express Mail

from 27705 to 20866
by 5 pm ; delivered by noon next day
after 5 pm; no info on when delivered

Priority Mail

from 27705 to 20866
2 days; not guaranteed;
said Priority Mail receives same transportation as Express Mail

First Class

from 27705 to 20866
1-3 days (would not specify)
warned me that can take up to
30 days

Attachment 2

Declaration of Pamela A. Thompson as a Foundation for
Office of the Consumer Advocate Motion to Compel Responses
To Interrogatory OCA/USPS-232 and 233

I, Pamela Thompson, declare:

1. That on November, 14, 15, 16 or 19, 2001, in a separate phone conversation from that identified in "2" below, I telephoned 1-800-ASK-USPS for the purpose of comparing the advantages of mailing a lightweight item via Express Mail, Priority Mail and First-Class Mail, from Arlington, Va 22207 to Chantilly, VA 20151.

2. That on November 14, 15,16 or 19, 2001, I telephoned 1-800-ASK-USPS for the purpose of comparing the advantages of mailing a lightweight item via Express Mail, Priority Mail and First Class Mail, from Orlando, FL 32830 to Chantilly, VA 20151.

3. I am relatively sure of the date range because I drafted the interrogatories regarding my findings just after my phone conversations occurred and subsequently submitted my interrogatories for filing just a few days prior to the set of interrogatories OCA/USPS-225-247 being filed.

4. In its Objection, the Postal Service insinuates that I might have made up this conversation (the conversation is referred to as a "purported conversation" at page 3). I did not fabricate any part of what I described in interrogatories 232 and 232. Everything I related there was actually said by me and said by the ASK-USPS-agent. However, I did leave out final comments made by the ASK-USPS-agent in response to my query in OCA/USPS-232. The ASK-USPS-agent stated, after I asked why I would want to pay an additional $3.16 for Priority Mail, that I would have to make the choice.

5. During each conversation, I jotted down some notes. I used the notes in preparing my interrogatories. However, once I had formulated my interrogatories, I did not retain those notes.

I declare under penalty of perjury that the foregoing statement is true, to the best of my knowledge, information and belief.

Date: Dec. 18, 2001

Pamela A. Thompson

Attachment 3

Interrogatories Subject to Motion to Compel

OCA/USPS-231. A member of the OCA staff recently telephoned 1-800-ASK-USPS for the purpose of comparing the advantages of mailing a lightweight item via Priority Mail versus First Class, from Durham, NC 27705 to Burtonsville, MD 20866. The representative at 1-800-ASK-USPS informed the OCA caller that Priority Mail would take two days for delivery, but the representative would not state how long it would take for First-Class delivery of the piece. The ASK-USPS representative would only state that First Class takes "between one and three days" and refused to offer more specific delivery information. When the OCA caller indicated that First Class might serve her needs about as well as Priority Mail, the ASK-USPS representative warned that: "First Class can take up to 30 days to be delivered." The ASK-USPS representative also stated that Priority Mail had an advantage over First Class because "Priority Mail travels on the same transportation as Express Mail."

(a) Is it Postal Service policy to refuse to inform a mailer (or potential mailer) about the delivery times for First-Class Mail? Please explain fully.

(b) Does the Postal Service withhold First-Class delivery times from representatives who answer calls at 1-800-ASK-USPS? Please explain fully.

(c) What is the basis for the ASK-USPS representative's statement that "First Class can take up to 30 days to be delivered?"

(d) Please confirm that the statement "First Class can take up to 30 days to be delivered" is a misleading statement apparently made to pressure a potential customer to choose Priority Mail over First Class.

(e) Is the statement "Priority Mail travels on the same transportation as Express Mail" an entirely accurate statement? If not, why would the ASK-USPS representative make such a statement?

(f) Please specify all instances in which a Priority Mail piece "travels on the same transportation as Express Mail" for each leg of transportation.

(g) Please specify any instances in which a Priority Mail piece does not "travel on the same transportation as Express Mail."

(h) If there are instances in which Priority Mail does not "travel on the same transportation as Express Mail," then confirm that the ASK-USPS representative made a misleading statement seemingly for the purpose of pressuring a potential customer to choose Priority Mail over First Class.

(i) Please give an estimate of the Priority Mail volume that travels on the "same transportation as Express Mail."

(j) Please give an estimate of the Priority Mail volume that travels on different transportation than Express Mail.

(k) If there is insufficient space in any part of the Express Mail transportation network to carry all of the Express Mail volume and all of the Priority Mail volume ready to be loaded onto a vehicle, airplane, train, etc., then is all Express Mail loaded ahead of the available Priority Mail? What steps are then taken to transport the remaining Priority Mail?

(l) Please provide copies of any Postal Service policy statements, bulletins, scripts, memoranda, directives, training material, or any other type of written statement

or document transmitted from any level of the Postal Service to another (or within any level) reflecting a policy to encourage customers or potential customers to choose Priority Mail over First Class. In addition to any written material, provide such material if the medium used to convey the message is electronic, via computer screen display, internet, in audio, or in video form.

(m) Please provide copies of any Postal Service policy statements, bulletins, scripts, memoranda, directives, training material, or any other type of written statement or document transmitted from any level of the Postal Service to another (or within any level) that the ASK-USPS representative might have referred to or been aware of as a basis for refusing to state specific First-Class delivery times. In addition to any written material, provide such material if the medium used to convey the message is electronic, via computer screen display, internet, in audio, or in video form.

(n) Please provide copies of any Postal Service policy statements, bulletins, scripts, memoranda, directives, training materials, or any other type of written statement or document transmitted from any level of the Postal Service to another (or within any level) that the ASK-USPS representative might have relied on, referred to, or been aware of as a basis for stating that Priority Mail travels on the same transportation as Express Mail. In addition to any written material, provide such material if the medium used to convey the message is electronic, via computer screen display, internet, in audio, or in video form.

(o) Please provide copies of any Postal Service policy statements, bulletins, scripts, memoranda, directives, training materials, or any other type of written statement or document transmitted from any level of the Postal Service to another (or within any level) that the ASK-USPS representative might have relied on, referred to, or been aware of as a basis for stating that First Class can take up to 30 days to be delivered. In addition to any written material, provide such material if the medium used to convey the message is electronic, via computer screen display, internet, in audio, or in video form.

(p) Does Priority Mail always receive the "same" processing as Express Mail?
   - (f) If so, explain all such instances when this occurs.
   - (ii) If not, then explain all such instances when Priority Mail is processed differently from Express Mail.
   - (iii) Please give an estimate of Priority Mail volume that is processed the "same" as Express Mail.
   - (iv) Please give an estimate of Priority Mail volume that is processed differently than Express Mail.
   - (v) Assuming that Priority Mail is generally processed differently than Express Mail, then why wasn't the ASK-USPS representative instructed to give a more complete picture of the type of service a mailer can expect when choosing Priority Mail?

(q) Is Priority Mail always delivered in the "same" manner as Express Mail?
   - (i) If so, explain all such instances when this occurs.
   - (ii) If not, then explain all such instances when Priority Mail is delivered in a different manner than Express Mail.

(iii) Please give an estimate of Priority Mail volume that is delivered the "same" as Express Mail.

(iv) Please give an estimate of Priority Mail volume that is delivered in a different manner than Express Mail.

(v) Assuming that Priority Mail is often delivered in a different manner than Express Mail, then why wasn't the ASK-USPS representative instructed to give a more complete picture of the type of service a mailer can expect when choosing Priority Mail?

OCA/USPS-232. A member of the OCA staff recently telephoned 1-800-ASK-USPS for the purpose of comparing the advantages of mailing a one-ounce letter via Priority Mail, Express Mail, or First Class from Arlington, VA 22207 to Chantilly, VA 20151. The OCA staff member ASK-USPS representative how long it would take for such a letter to reach its destination. The ASK-USPS representative said that it would take an "estimated day" to get there if it were mailed First-Class and would cost $0.34. It would take an "estimated day" if it were mailed Priority Mail and would cost $3.50, and, it would take 1 day if it were mailed Express Mail and would cost $12.45 for guaranteed overnight delivery. The ASK-USPS representative stated that it would be better to send the letter via Priority Mail, if the customer wanted the letter to get delivered the next day. When queried about why the customer would want to pay an additional $3.16 for Priority Mail, the representative said that Priority Mail was more likely to get there the next day than was First-Class Mail. Further, the customer was told that Priority Mail gets transported via the Express Mail network.

(a) When a customer makes an inquiry such as described in this interrogatory, what information is available to the 1-800-ASK-USPS telephone representative to assist in responding to the customer's query? Please provide a copy of all materials available to the ASK-USPS representative. If the information is available on a computer screen display, please provide a copy of all screen displays used to respond to such an inquiry.

(b) Please explain how a Priority Mail piece going from ZIP-Code 222XX to ZIP-Code 201XX would be transported via the Express Mail network.

(c) Please confirm that for locations that are fairly close together -- such as Arlington, VA and Chantilly, VA; Washington, D.C. to Baltimore, MD; Baltimore, MD to Wilmington, DE – Priority Mail would be transported differently than Express Mail. Please explain in detail the transportation for these nearby city pairs, comparing Priority Mail to Express Mail.

(d) Please explain the basis for the statement by the ASK-USPS representative that it would be better to send the letter via Priority Mail, if the customer wanted the letter to get delivered the next day. For letters mailed from Arlington, VA to Chantilly, VA, what percentage of First-Class letters are delivered overnight? For letters mailed from Arlington, VA to Chantilly, VA, what percentage of Priority Mail is delivered overnight?

(e) What is the current First-Class single-piece letter service standard for a mail piece sent from ZIP-Code 222xx to ZIP-Code 201xx?

(f) For the current period, what is the average delivery time for a First-Class letter going from ZIP-Code 222xx to ZIP-Code 201xx?

(g) What is the current Priority Mail letter service standard for a mail piece sent from ZIP-Code 222xx to ZIP-Code 201xx?
(h) What is the current average delivery time for a Priority Mail letter going from ZIP-Code 222xx to ZIP-Code 201xx?

OCA/USPS-233. A member of the OCA staff recently telephoned 1-800-ASK-USPS for the purpose of comparing the advantages of mailing a one-ounce letter via Priority Mail, Express Mail, or First Class from Orlando, FL 32830 to Chantilly, VA 20151. The ASK-USPS representative stated that Priority Mail is transported via the Express Mail network.

(a) When a customer poses a query such as described in this interrogatory, what information is available to the 1-800-ASK-USPS telephone representative to assist in responding to the customer's query? Please provide a copy of all materials available to the ASK-USPS representative. If the information is available on a computer screen display, please provide a copy of all screen displays used to respond to such an inquiry.
(b) Please explain how a Priority Mail piece going from ZIP-Code 328XX to ZIP-Code 201XX would be transported via the Express Mail network.
(c) What is the current First-Class single-piece letter service standard for a mail piece sent from ZIP-Code 328xx to ZIP-Code 201xx?
(d) For the current period, what is the average delivery time for a First-Class letter going from ZIP-Code 328xx to ZIP-Code 201xx?
(e) What is the current Priority Mail letter service standard for a mail piece sent from ZIP-Code 328xx to ZIP-Code 201xx?
(f) What is the current average delivery time for a Priority Mail letter going from ZIP-Code 328xx to ZIP-Code 201xx?

OCA/USPS-239. Please refer to Tr. 46C/20911, Docket No. R2000-1. In response to interrogatory OCA/USPS-142, Operating Revenue, Operating Expenses, and Operating Income/Loss figures were given for Post ECS and Electronic Postmark.

(a) Please state whether any of these figures has been corrected or revised since they were first reported in response to OCA's interrogatory. If so, supply all corrections and/or revisions.
(b) Also, please bring these figures up to date (through the current Accounting Period). (Break out specific Fiscal Years and current APs).
(c) Please add a column equivalent to that set forth in Table 1, Tr. 21/9210 (Docket No. R2000-1) giving Total Operating Revenue, Total Operating Expenses, and Total Operating Income/Loss "Since Inception" through the current AP.

OCA/USPS-240. Please refer to Tr. 21/9210, Docket No. R2000-1. In response to interrogatory OCA/USPS-122, Operating Revenue, Operating Expenses, and Operating Income/Loss were given for FirstClass Phone Cards, Retail Merchandise, PostOffice Online, Liberty Cash, Dinero Seguro, REMITCO, and Sure Money.

(a) Please state whether any of these figures has been corrected or revised since they were first reported in response to OCA's interrogatory. If so, supply all corrections and/or revisions.

(b) Also, please bring these figures up to date (through the current Accounting Period). (Break out specific Fiscal Years and current APs).
(c) Include Total Operating Revenue, Total Operating Expenses, and Total Income/Loss Since Inception through the current AP.

OCA/USPS-241. At < http://www.usps.com/paymentservices/>, one of the online payment services offered is USPS eBillPay™ for Consumers.
(a) What was the date of inception for this service?
(b) Please describe the role of the Postal Service in offering this service. Provide all documents describing the role of the Postal Service in offering this service.
(c) Is First-Class Mail ever used to pay bills on behalf of consumers?
(d) If so, in what percentage of instances are bills paid by mail?
(e) In what percentage of instances are bills paid by electronic funds transfer?
(f) Are bills ever presented by means of First-Class Mail?
(g) If so, in what percentage of instances are bills presented by mail?
(h) In what percentage of instances are bills presented in electronic form? What form does such presentation take?
(i) Please provide, by fiscal year, since inception, the revenues generated on behalf of the Postal Service by USPS eBillPay™ for Consumers. For FY2002, please provide this information by AP. Please state the source for all information provided in response to this question.
(j) For each fiscal year since inception, please state the revenue per bill payment generated by USPS eBillPay™ for Consumers. For FY2002, please provide this information by AP. Please state the source for all information provided in response to this question.
(k) Please provide, by fiscal year, since inception, the operating costs incurred by the Postal Service in providing USPS eBillPay™ for Consumers. For FY2002, please provide this information by AP. Please state the source for all information provided in response to this question.
(l) What are the total start-up costs since inception for USPS eBillPay™ for Consumers?
(m) Are the rates charged to consumers for USPS eBillPay™ for Consumers set at a level high enough so that start-up costs for USPS eBillPay™ for Consumers are recovered over a specific period of time? If so, what is the specific time period? If not, how are the start-up costs of USPS eBillPay™ for Consumers being funded? Please state the source for all information provided in response to this question.
(n) Are the rates charged to consumers for USPS eBillPay™ for Consumers high enough to recover the operating costs of USPS eBillPay™ for Consumers? Please provide, by fiscal year since inception, the revenues and the operating costs used to answer the question posed. Please state the source for information used in performing the calculation.
(o) For each fiscal year since inception, please state the operating cost per bill payment generated by USPS eBillPay™ for Consumers. For FY2002, please provide this information by AP. Please state the source for all information provided in response to this question.

(p) For each fiscal year since inception, please state the total cost per bill payment generated by USPS eBillPay™ for Consumers. (For purposes of this question, total cost is defined as operating cost plus start-up cost). For FY2002, please provide this information by AP. Please state the source for all information provided in response to this question.

(q) In total, since inception, please provide the net surplus/loss generated by USPS eBillPay™ for Consumers. State whether operating costs alone are used in providing this answer. State explicitly whether start-up costs are added to operating costs in providing this answer.

OCA/USPS-242. If First-Class Mail is involved in the operation of USPS eBillPay™ for Consumers, then why hasn't the Postal Service come to the Postal Rate Commission for a recommended decision on a classification and rate for this service?

(a) Is USPS eBillPay™ for Consumers a service ancillary to the provision of First Class? Please explain.

(b) Is First Class a service ancillary to USPS eBillPay™ for Consumers? Please explain.

OCA/USPS-243. At < http://www.usps.com/paymentservices/demo/welcome.htm>, the statement is made, with respect to USPS eBillPay™: "The service is safe, fast, backed by the United States Postal Service.®" Please explain how the Postal Service "backs" USPS eBillPay™.

(a) Does the Postal Service reimburse a consumer if late charges are incurred because of a late bill payment and USPS eBillPay™ is at fault? Please explain fully.

(b) Does the Postal Service reimburse a consumer if fraudulent charges are made against a consumer's account and USPS eBillPay™ is at fault? Please explain fully.

(c) Are charges such as those described in parts (a) and (b) treated as Postal Service operating costs in the offering of USPS eBillPay™? Please explain fully.

OCA/USPS-244. At < http://www.usps.com/paymentservices/>, one of the online payment services offered is USPS Send Money.

(a) What was the date of inception for this service?

(b) Please describe the role of the Postal Service in offering this service. Provide all documents describing the role of the Postal Service in offering this service.

(c) Please provide, by fiscal year, since inception, the revenues generated on behalf of the Postal Service by USPS Send Money. For FY2002, please provide this information by AP. Please state the source for all information provided in response to this question.

(d) Please provide, by fiscal year, since inception, the operating costs incurred by the Postal Service in providing USPS Send Money. For FY2002, please provide this information by AP. Please state the source for all information provided in response to this question.

(e) What are the total start-up costs since inception for USPS Send Money for Consumers?

(f) Are the rates charged to customers for USPS Send Money set at a level high enough so that start-up costs for USPS Send Money are recovered over a specific period of time? If so, what is the specific time period? If not, how are the start-up costs of USPS Send Money being funded? Please state the source for all information provided in response to this question.
(g) Are the rates charged to consumers for USPS Send Money high enough to recover the operating costs of USPS Send Money? Please provide, by fiscal year since inception, the revenues and the operating costs used to answer the question posed. Please state the source for information used in performing the calculation.
(h) In total, since inception, please provide the net surplus/loss generated by USPS Send Money. State whether operating costs alone are used in providing this answer. State explicitly whether start-up costs are added to operating costs in providing this answer.

OCA/USPS-245. At < http://www.usps.com/paymentservices/demo/welcome.htm>, the statement is made, with respect to USPS Send Money: "The service is safe, fast, backed by the United States Postal Service.®" Please explain how the Postal Service "backs" USPS Send Money.
(a) Does the Postal Service reimburse a consumer if late charges are incurred because of a late bill payment and USPS Send Money is at fault? Please explain fully.
(b) Does the Postal Service reimburse a consumer if fraudulent charges are made against a consumer's account and USPS Send Money is at fault? Please explain fully.
(c) Are charges such as those described in parts (a) and (b) treated as Postal Service operating costs in the offering of USPS Send Money? Please explain fully.

OCA/USPS-246. Why hasn't the Postal Service come to the Postal Rate Commission for a recommended decision on a classification and rate for USPS Send Money?

OCA/USPS-247. The OCA received a call recently from a Post Office Box customer in Stanton, Nebraska 68779. He complained that the fees for his size 2 box had approximately doubled since late 1998 (calendar year), and had gone up another 33 percent following the implementation of the R2000-1 fee schedule. From his description, it appears that his rates went from $6.50 in late 1998 (calendar year), to $12 in January of 1999, and then to $16 in January 2001. (It is likely that his Post Office Box was in Group II in Docket No. R94-1, in Group D in Docket No. R97-1, and in Group D6 in Docket No. R2000-1). Understandably, he was baffled about the reason that his Post Office Box fees had increased many times the level of inflation. Using his complaint as an example of trends in Post Office Box costs and fees over the last three – five years, why have fees increased so sharply for a size 2 PO Box in an area like Stanton, NE? Please explain fully how rising costs, PO Box cost methodology, and fee design have caused such dramatic fee increases in the fee group(s) cited above.

OCA/USPS-248. At <http://www.usps.com/paymentservices/pspaymnt.htm> one of the online payment services offered is USPS Pay@Delivery™.

a. Please describe the operation of this service in detail.
b. Is this service offered in connection with Priority Mail? Please explain.
c. Is this form of payment limited to Priority Mail? Please explain.
d. Is this form of payment available to pay for items shipped by carriers other than the Postal Service, e.g., UPS or Fedex? Please explain.
e. What was the date of inception for this service?
f. Please describe the role of the Postal Service in offering this service. Provide all documents describing the role of the Postal Service in offering this service.
g. Please provide, by fiscal year, since inception, the revenues generated on behalf of the Postal Service by USPS Pay@Delivery™. For FY2002, please provide this information by AP. Please state the source for all information provided in response to this question.
h. Please provide, by fiscal year, since inception, the operating costs incurred by the Postal Service in providing USPS Pay@Delivery™. For FY2002, please provide this information by AP. Please state the source for all information provided in response to this question.
i. What are the total start-up costs since inception for USPS Pay@Delivery™? Please state the source for this answer.
j. Are the rates charged to customers for USPS Pay@Delivery™ set at a level high enough so that start-up costs for USPS Pay@Delivery™ are recovered over a specific period of time? If so, what is the specific time period? If not, how are the start-up costs of USPS Pay@Delivery™ being funded? Please state the source for all information provided in response to this question.
k. Are the rates charged to customers for Pay@Delivery™ high enough to recover the operating costs of USPS Pay@Delivery™? Please provide, by fiscal year since inception, the revenues and the operating costs used to answer the question posed. Please state the source for information used in performing the calculation.
l. In total, since inception, please provide the net surplus/loss generated by USPS Pay@Delivery™. State whether operating costs alone are used in providing this answer. State explicitly whether start-up costs are added to operating costs in providing this answer.

OCA/USPS-249. Does USPS Pay@Delivery™ function much like COD?
a. Please list and describe all similarities.
b. Please list and describe all differences.
c. Is USPS Pay@Delivery™ a service ancillary to the provision of Priority Mail? Please explain.
d. If USPS Pay@Delivery™ is offered primarily in connection with Priority Mail and functions much like COD, then why hasn't the Postal Service come to the Postal Rate Commission for a recommended decision on a classification and rate for this service?

OCA/USPS-250. At <http://www.usps.com/netpost/cardstore/> one of the online services offered is NetPost™ CardStore.
a. Please describe the operation of this service in detail.

b. Are cards purchased through this service mailed as First-Class Mail? Please explain.
c. Can a customer use NetPost™ CardStore and have a card mailed in any other classes of mail than First Class, e.g., Priority Mail or Express Mail? Please explain.
d. Is this service available if cards are shipped by carriers other than the Postal Service, e.g., UPS or Fedex? Please explain.
e. What was the date of inception for this service?
f. Please describe the role of the Postal Service in offering this service. Provide all documents describing the role of the Postal Service in offering this service.
g. Please provide, by fiscal year, since inception, the revenues generated on behalf of the Postal Service by NetPost™ CardStore. For FY2002, please provide this information by AP. Please state the source for all information provided in response to this question.
h. Please provide, by fiscal year, since inception, the operating costs incurred by the Postal Service in providing NetPost™ CardStore For Fy2002, please provide this information by AP. Please state the source for all information provided in response to this question.
i. What are the total start-up costs since inception for NetPost™ CardStore? Please state the source for this answer.
j. Are the rates charged to customers for NetPost™ CardStore set at a level high enough so that start-up costs for NetPost™ CardStore are recovered over a specific period of time? If so, what is the specific time period? If not, how are the start-up costs of NetPost™ CardStore being funded? Please state the source for all information provided in response to this question.
k. Are the rates charged to customers for NetPost™ CardStore high enough to recover the operating costs of NetPost™ CardStore? Please provide, by fiscal year since inception, the revenues and the operating costs used to answer the question posed. Please state the source for information used in performing the calculation.
l. In total, since inception, please provide the net surplus/loss generated by NetPost™ CardStore. State whether operating costs alone are used in providing this answer. State explicitly whether start-up costs are added to operating costs in providing this answer.

OCA/USPS-251. With respect to NetPost™ CardStore:
a. Is NetPost™ CardStore ancillary to the provision of First-Class Mail? Please explain.
b. Is First-Class Mail ancillary to the provision of NetPost™ CardStore? Please explain.
c. If NetPost™ CardStore cards are primarily (or mostly) mailed as First-Class Mail, then why hasn't the Postal Service come to the Postal Rate Commission for a recommended decision on a classification and rate for this service?

OCA/USPS-252. At < http://www.usps.com/netpost/certifiedmail/> one of the online services offered is NetPost™ Certified Mail.

a. Please confirm that the following statement is made to describe NetPost™ Certified Mail at the Uniform Resource Locator set forth above:
The U.S. Postal Service now offers traditional certified mail via the Internet. This new service verifies the address, adds the barcode, prints, folds, and completes the certification forms with just a few clicks of a mouse.

All *you* do is create a document, pay online and send.

b. Please describe the operation of this service in detail.
c. Please list the classes of postal service to which NetPost™ Certified Mail may be added.
d. Is this service available for items shipped by carriers other than the Postal Service, e.g., UPS or Fedex? Please explain.
e. Please confirm that the following statement is made at <http://www.usps.com/netpost/certifiedmail/aboutcm.htm>:
Certified mail service is available for: First-Class Mail and Priority Mail.
Certified Mail using Priority Mail is not yet available through this service.

f. Please confirm that at http://www.usps.com/netpost/certifiedmail/cmfaq.htm#usps, the FAQs for NetPost™ Certified Mail contain the following question and answer:
"Is this authentic United States Postal Service Mail?
Yes."
g. Please confirm that Certified Mail offered under Fee Schedule 941 is subject to the jurisdiction of the Postal Rate Commission.
h. Since the Postal Service vends NetPost™ Certified Mail as "traditional certified mail" (see quote from part a. of this interrogatory) and "authentic United States Postal Service Mail" (see quote from part f. of this interrogatory), then should not NetPost™ Certified Mail also be subject to the jurisdiction of the Postal Rate Commission? Please explain.
i. What was the date of inception for this service?
j. Please describe the role of the Postal Service in offering this service. Provide all documents describing the role of the Postal Service in offering this service.
k. What are the rates for NetPost™ Certified Mail? Give the full set of rates that may be paid by NetPost™ Certified Mail customers.
l. Please provide, by fiscal year, since inception, the revenues generated on behalf of the Postal Service by NetPost™ Certified Mail. For FY2002, please provide this information by AP. Please state the source for all information provided in response to this question.
m. Please provide, by fiscal year, since inception, the operating costs incurred by the Postal Service in providing NetPost™ Certified Mail, please provide this information by AP. Please state the source for all information provided in response to this question.
n. What are the total start-up costs since inception for NetPost™ Certified Mail? Please state the source for this answer.

o. Are the rates charged to customers for NetPost™ Certified Mail set at a level high enough so that start-up costs for NetPost™ Certified Mail are recovered over a specific period of time? If so, what is the specific time period? If not, how are the start-up costs of NetPost™ Certified Mail being funded? Please state the source for all information provided in response to this question.

p. Are the rates charged to customers for NetPost™ Certified Mail high enough to recover the operating costs of NetPost™ Certified Mail? Please provide, by fiscal year since inception, the revenues and the operating costs used to answer the question posed. Please state the source for information used in performing the calculation.

q. In total, since inception, please provide the net surplus/loss generated by NetPost™ Certified Mail. State whether operating costs alone are used in providing this answer. State explicitly whether start-up costs are added to operating costs in providing this answer.

OCA/USPS-253. With respect to NetPost™ Certified Mail:

a. Is NetPost™ Certified Mail offered in connection with Fee Schedule 941 Certified Mail? Please explain.

b. Is NetPost™ Certified Mail offered in connection with First-Class Mail? Please explain.

c. Is NetPost™ Certified Mail ancillary to the provision of Fee Schedule 941 Certified Mail? Please explain.

d. Is Fee Schedule 941 Certified Mail ancillary to the provision of NetPost™ Certified Mail ancillary to the provision of First-Class Mail? Please explain.

e. Is NetPost™ Certified Mail ancillary to the provision of First-Class Mail? Please explain.

f. Is First-Class Mail ancillary to the provision of NetPost™ Certified Mail? Please explain.

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 Rule 12 of the rules of practice.

Shelley S. Dreifuss

Shelley S. Dreifuss

Washington, D.C. 20268-0001
December 18, 2001