

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

EXPERIMENTAL RATE AND SERVICE CHANGES
TO IMPLEMENT NEGOTIATED SERVICE AGREEMENT
WITH CAPITAL ONE SERVICES, INC.

Docket No. MC2002-2

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS JAMES D. WILSON
TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T4-1-2, 4-5)

The United States Postal Service hereby provides the responses of witness
Wilson to the following interrogatories of Office of the Consumer Advocate:
OCA/USPS-T4-1-2,4-5, filed on October 4, 2002. Interrogatory OCA/USPS-T4-3 was
redirected to witness Crum.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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October 15, 2002

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OCA/USPS-T4-1. Please confirm your testimony at page 3, lines 15-16.

- (a) Please confirm that pursuant to the Address Service Requested (ASR) for months 1 through 12, a First-Class mailer that inserts a keyline into the address block for the purpose of receiving move-related address changes has provided sufficient information (because of the keyline) to receive electronic notification for undeliverable-as-addressed (UAA) pieces that are not move-related. If you do not confirm, please explain.
- (b) Under Address Service Requested for months 1 through 12, is it possible for a First-Class mailer that inserts a keyline into the address block to receive only electronic notification of move-related address changes but not electronic notification for UAA pieces that are not move-related? Please explain.
- (c) With respect to Address Service Requested for months 1 through 12, does the Postal Service physically return to the mailer First-Class pieces that are UAA and can't be forwarded. Please explain.

RESPONSE:

(a) Confirmed. A mailer who inserts a valid ACS Participant Code and keyline into the address block has potentially provided sufficient information to receive electronic notification of UAA pieces. However, the insertion of these values does not generate an electronic notification for ASR-endorsed UAA pieces that are not move-related. Since First-Class Mail bearing the ASR endorsement that cannot be delivered as addressed or forwarded must be returned, the piece is instead manually marked with the reason for non-delivery and returned-to-sender without creation of an ACS electronic notification.

(b) Yes, this is the purpose of the use of the Address Service Requested endorsement in conjunction with the ACS program. The mailer is specifically indicating its desire to be notified electronically if the piece is UAA due to a move-related reason,

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and to have the mailpiece physically returned if the piece is UAA for a non-move-related reason.

(c) Yes, First-Class Mail pieces bearing the Address Service Requested endorsement are physically returned when the pieces are UAA and cannot be forwarded.

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OCA/USPS-T4-2. Please refer to your testimony at page 3, lines 15-16.

- (a) Please confirm that under the Negotiated Service Agreement (NSA), the Postal Service is providing Change Service Requested, Option 2, to Capital One at no charge. If you do not confirm, please explain.
- (b) Please confirm that in January 2003 the Postal Service will offer Change Service Requested, Option 2, to all First-Class mailers at no charge. If you do not confirm, please explain.
- (c) Please confirm that in the absence of the NSA, the Postal Service will offer Change Service Requested, Option 2, to Capital One at no charge. If you do not confirm, please explain.

RESPONSE:

(a) Please see proposed DMCS 610.2 for conditions of waiver of address correction fees.

(b) Not confirmed. It is not the intention of the Postal Service to offer all First-Class Mail participants in the ACS program the ability to utilize the ancillary endorsement Change Service Requested, Option 2, at no charge. Those participants in the ACS program using Change Service Requested, Option 2, will incur the normal ACS fees.

(c) Not confirmed. The Postal Service would not offer to Capital One the use of Change Service Requested, Option 2, at no charge in the absence of the NSA.

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OCA/USPS-T4-4. Please refer to your testimony at page 2, lines 17-18. At the present time, Capital One has chosen to physically receive the returns of its First-Class Mail that is undeliverable-as-addressed (UAA) at no charge. Please explain manual correction (for which a \$0.70 fee is charge, pursuant to Fee Schedule 911) and how it differs from the physical return of First-Class Mail that is undeliverable-as-addressed (UAA) at no charge presently received by Capital One.

RESPONSE: Undeliverable First-Class Mail pieces bearing the Change Service Requested endorsement that cannot or do not generate an electronic notice are returned to the sender. No manual correction fee is charged because First-Class Mail provides returns at no additional charge. The mail pieces themselves would be marked with the reason for the non-delivery and would therefore look the same as the UAA pieces that Capital One currently receives.

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OCA/USPS-T4-5. Please refer to your testimony at page 3, lines 21-23

- (a) For First-Class Mail, please provide the volume that bears the endorsement Address Service Requested (ASR) or Change Service Requested (CSF) in FY 2000 and 2001.
- (b) For First-Class Mail, please provide the volume that bears the endorsement ASR or CSR on which the electronic correction fee was charged in FY 2000 and FY 2001.
- (c) Please provide the number of First-Class mailers that were charged an electronic correction fee, and the volume and amount charged for each mailer in FY 2000 and FY 2001.

RESPONSE:

(a) The ACS program office does not collect or track the total volumes of mail entered bearing the specified endorsements.

(b) and (c) The ACS program office does not collect or track ACS notifications by endorsement or mailer. The total number of electronic notifications supplied via the ACS program in the specified years is:

FY 2000	=	25,193,066
FY 2001	=	26,984,924

The number of First-Class mailers charged an electronic address correction fee via the ACS program is:

FY 2000	=	1201
FY 2001	=	1334

CERTIFICATE OF SERVICE

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

Nan K. McKenzie

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