

UNITED STATES OF AMERICA  
Before The  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

Experimental Changes to Implement )  
Capital One NSA )

Docket No. MC2002-2

OFFICE OF THE CONSUMER ADVOCATE  
INTERROGATORIES TO UNITED STATES POSTAL SERVICE  
WITNESS MICHAEL K. PLUNKETT  
(OCA/USPS-T2-15-21)  
October 21, 2002

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Pursuant to Rules 25 through 28 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 OCA/USPS-1-2 dated October 3, 2002, are hereby incorporated by reference.

Respectfully submitted,



SHELLEY S. DREIFUSS  
Director  
Office of the Consumer Advocate

EMMETT RAND COSTICH  
Attorney

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

OCA/USPS-T2-15. Please refer to your response to OCA/USPS-T2-1, where you state that “Confirmed that these goals, *and possibly others*, would need to be met in order for the Postal Service to consider entering into a Negotiated Service Agreement with another company.” (emphasis added) Please identify and describe the “possibly” other goals that would need to be met.

OCA/USPS-T2-16. Please refer to your testimony at page 1, lines 18-21, where it refers to “customer-specific pricing arrangements” between the Postal Service and its international mail customers, and the “three distinct goals” on lines 6-9.

- (a) Please confirm that the Postal Service has entered into “customer-specific pricing arrangements” with one or more international mail customers that accomplish one or more of the “three distinct goals” identified on lines 6-9. If you do not confirm, please explain.
- (b) Please identify the number of “customer-specific pricing arrangements” concluded between the Postal Service and its international mail customers that accomplish one or more of the “three distinct goals” identified on lines 6-9 by distinct goal.
- (c) Please identify the number of “customer-specific pricing arrangements” concluded between the Postal Service and its international mail customers that accomplish all “three distinct goals” identified on lines 6-9.

OCA/USPS-T2-17. Please refer to your response to OCA/USPS-T2-4.

- (a) Please confirm that a cost-basis was determined by the Postal Service to justify the volume threshold of “more than 750 million pieces of qualified First-Class Mail annually” to provide electronic Address Correction Service (ACS) notifications at no charge. If you do not confirm, please explain.
- (b) Please confirm that the \$13.1 million in cost savings to the Postal Service of providing electronic ACS to Capital One at no charge would not change if the volume threshold of “more than 750 million pieces of qualified First-Class Mail annually” were set to zero. If you do not confirm, please explain.
- (c) Please confirm that the volume threshold of “more than 750 million pieces of qualified First-Class Mail annually” is arbitrary. If you do not confirm, please explain.

OCA/USPS-T2-18. Please refer to your response to OCA/USPS-T2-11(a).

- (a) Please confirm that the offering of Change Service Requested, Option 2, at no charge to any First-Class mailer *that is not an ACS participant* and whose return or forwarding volumes exceeded the average would produce net cost savings to the Postal Service. If you do not confirm, please explain.
- (b) Please provide an example of a mailer whose “average cost of handling undeliverable-as-addressed pieces physically is greater than the cost of providing returns electronically” but does not result in net cost savings to the Postal Service.

OCA/USPS-T2-19. Please refer to your response to OCA/USPS-T2-9(a), where it states that the agreement “was negotiated between both parties and therefore must be believed by each to benefit its own interests.”

- (a) Is it fair to conclude that any finalized Negotiated Service Agreement (NSA) between any mailer and the Postal Service is beneficial to the Postal Service?
- (b) What incentives are there on the part of any Postal Service negotiator(s) to conclude an NSA that is in the financial interests of the Postal Service?
- (c) If the NSA is conclusively beneficial to the Postal Service, what is the purpose of witness Crum’s testimony?
- (d) Did the Postal Service perform any financial analyses prior to, or during, its negotiations with Capital One on any feature of the NSA concluded with Capital One. Please provide copies of all such financial analyses in hardcopy and electronic form.
- (e) Please provide copies of all communications between the Deputy Postmaster General and the Chief Marketing Officer of the Postal Service concerning the negotiations between the Postal Service and Capital One to conclude the NSA.

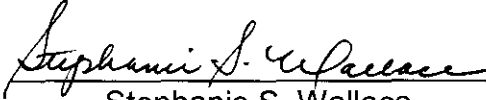
OCA/USPS-T2-20. Does the Postal Service audit or otherwise oversee the actions of its contracting officers? If so, why?

OCA/USPS-T2-21. Has a Postal Service contracting officer ever gone to work for the entity with whom he/she negotiated contracts? Would the Postal Service consider such employment to be a conflict of interest?

- (a) Has the General Accounting Office (GAO) ever investigated Postal Service contracts or contracting procedures for conflicts of interest?
- (b) Has the Inspection Service or Office of the Inspector General ever investigated Postal Service contracts or contracting procedures for conflicts of interest?
- (c) Please provide copies of any reports by the GAO, Inspection Service, or Office of the Inspector General concerning contracts or contracting procedures involving conflicts of interest.

#### 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.

  
Stephanie S. Wallace

Washington, D.C. 20268-0001  
October 21, 2002