

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

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-T4-6-10)

The United States Postal Service hereby provides the responses of witness  
Wilson to the following interrogatories of Office of the Consumer Advocate:  
OCA/USPS-T4-6-10, filed on October 11, 2002.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
\_\_\_\_\_  
Nan K. McKenzie

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October 21, 2002

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS WILSON  
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OCA/USPS-T4-6. Please refer to your testimony at page 1, lines 14-18.

- (a) For FY 2000, FY 2001 and FY 2002, please provide the total volume of First-Class Mail that was physically returned.
- (b) For FY 2000, FY 2001 and FY 2002, please provide the total volume of presorted First-Class Mail that was physically returned.
- (c) For FY 2000, FY 2001 and FY 2002, please provide the total volume of First-Class Mail that was forwarded.
- (d) For FY 2000, FY 2001 and FY 2002, please provide the total volume of presorted First-Class Mail that was forwarded.

RESPONSE:

- (a) The total of all First-Class Mail physically returned is not available. The total volume of First-Class Mail physically returned through the Computerized Forwarding System (CFS) unit is:

FY 2000	Not available
FY 2001	384,040,959
FY 2002	367,191,524

- (b) The total of all presorted First-Class Mail physically returned is not available.
- (c) The total of all First-Class Mail forwarded is not available. The total volume of First-Class Mail forwarded through the Computerized Forwarding System (CFS) unit is:

FY 2000	Not available
FY 2001	1,878,519,905
FY 2002	1,839,557,232

- (d) The total of all presorted First-Class Mail forwarded is not available.

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OCA/USPS-T4-7. Please refer to your testimony at page 3, lines 3-4.

- (a) For FY 2000, FY 2001 and FY 2002, please provide the total number of electronic Address Change Service notifications for First-Class Mail endorsed "Address Service Requested."
- (b) For FY 2000, FY 2001 and FY 2002, please provide the total number of electronic Address Change Service notifications for First-Class Mail endorsed "Change Service Requested" by type of notice, i.e., new address, or reason for nondelivery.
- (c) For FY 2000, FY 2001 and FY 2002, please provide the total number of manual corrections (for which a \$0.70 fee is charged, pursuant to Fee Schedule 911) for First-Class Mail.

RESPONSE:

- (a) – (b) Please see Response to OCA/USPS-T4-5 (a).
- (c) It is my understanding that the only time that a manual correction fee is charged for First-Class Mail pieces is under the following circumstance. If a piece is endorsed "Address Service Requested" and the pieces are forwarded, a separate manual correction notice is provided to the mailer. The manual correction fee is collected through the individual delivery unit. The number of manual corrections provided at \$0.70 is not available at a national level.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS WILSON  
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OCA/COS-T4-8. Please refer to your testimony at page 1, lines 14-18.

- (a) Please provide the percentage of Capital One's First-Class solicitation mail that was forwarded in FY 2000, FY 2001 and FY 2002.
- (b) Please provide the percentage of Capital One's First-Class customer account mail that was forwarded in FY 2000, FY 2001 and FY 2002.

RESPONSE:

(a)-(b) The Postal Service does not track the amount of mail forwarded for a particular customer and therefore the information is unavailable.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS WILSON  
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OCA/USPS-T4-9. Please refer to your testimony at page 3, lines 7-10.

- (a) Please explain in detail the activities a First-Class mailer must undertake and complete to become enrolled in the Address Change Service (ACS) program.
- (b) Please explain in detail the activities the Postal Service's National Customer Support Center must undertake and complete to activate a First-Class mailer as a participant in the ACS program.
- (c) Please confirm that a First-Class mailer must pay a fee that covers the costs of the Postal Service associated with enrolling and activating such a mailer in the ACS program. *If you do not confirm, please explain.*
- (d) Please provide the cost to the Postal Service associated with enrolling and activating each First-Class mailer in the ACS program.
- (e) Please provide the form(s) to be completed by a First-Class mailer in order to be enrolled in the ACS program.

RESPONSE:

- (a) The process of enrolling in the ACS program is clearly documented in Publication 8.

Address Change Service, which can be found at

<http://www.usps.com/cpim/ftp/pubs/pub8.pdf>. See Testimony of James D. Wilson, at page 3, line 6. The application process can be found at page 31 of Publication 8.

- (b) Once the customers' ACS application is completed a participant code is assigned and the code is electronically transmitted to all CFS sites across the country. The activities performed at the NCSC involve:

- Providing technical assistance and telephone support
- Reviewing sample mailpieces to evaluate accuracy of information
- Data entry of customer information into master data set of ACS participants
- Transmittal of updates to CFS units

- (c) As stated in Publication 8, there is no activation or enrollment fee associated with the ACS program.

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- (d) The cost to the Postal Service to enroll and activate a First-Class mailer into the ACS program is approximately \$15.00 per First-Class Mail enrollee in the ACS program. (Labor costs \* % of time on enrollment \* % First-Class of ACS / First-Class ACS participants.)
- (e) The ACS application form is found at the end of Publication 8.

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OCA/USPS-T4-10. Please refer to Section II of your testimony where you discuss the typical handling of First-Class Mail that is UAA, and alternative handling options.

- (a) For the participants in the ACS program, please discuss the reasons why, and types of, mailers that might utilize "Address Service Requested" versus "Change Service Requested."
- (b) Please discuss the reasons why, and types of, mailers that might utilize manual correction service (for which a \$0.70 fee is charged, pursuant to Fee Schedule 911) rather than participate in the ACS program.

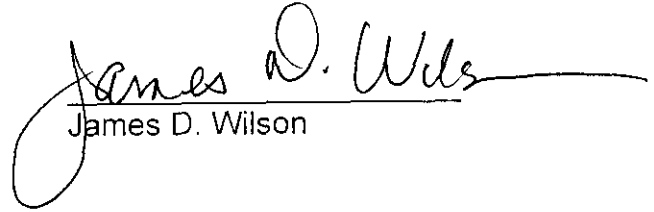
RESPONSE:

- (a) There are different needs for different mailers. Mailers who utilize the Address Service Requested endorsement are requesting physical return of the mailpiece. The reasons most often reported is to protect confidential information contained in the mailpiece that they are obliged to safeguard. Mailers who utilize the Change Service Requested endorsement are less concerned about the confidentiality of information contained in the mailpiece and perceive the mailpiece as having no return value.
- (b) Mailers that would use the manual correction service are typically unable or unwilling to perform the software reprogramming efforts or the mailpiece redesign efforts associated with implementing the ACS program.

**DECLARATION**

I, James D. Wilson, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

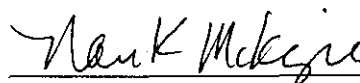
Dated: 10/21/02

  
James D. Wilson



## 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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October 21, 2002