

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

**NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS CHARLES L. CRUM
(NAA/USPS-T3-16-22)
November 15, 2002**

The Newspaper Association of America hereby submits the attached
interrogatories to United States Postal Service witness Charles L. Crum (USPS-T-3)
and respectfully requests a timely and full response under oath.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

By: _____
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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document in accordance
with section 12 of the Rules of Practice and the Presiding Officer's rulings.

November 15, 2002

William B. Baker

**NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORY TO
UNITED STATES POSTAL SERVICE WITNESS CHARLES L. CRUM
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NAA/USPS-T3-16: The following questions refer to page 1 of USPS-LR-1/MC2002-2 (referenced in your testimony at page 5, line 5), where you show a “Mailstream Processing” cost of 29.95 cents for “Capital One Physical Mailpieces Returned” citing “Table 5.2.4.1, Row 2, Column F” of USPS-LR-J-69 (Docket No. R2001-1). If you do have not quantitative information for which the following sub-parts ask, please provide your best judgment, estimate, opinion, educated guess, and/or a qualitative answer (such as higher than or lower than) based on your understanding of the mail at issue and the facilities involved.

- a. With respect to the 29.95 cent cost noted in footnote 5 of Table 5.2.4.1, please explain the extent to which this 29.95 cent cost is an average cost for all returned First-Class Mail, including “First-Class Mailpieces of the following shapes: letters, postcards, flats, parcels, and IPPs.”
- b. In this average mix, what are the proportions of First-Class Mail in the following categories:
 - (i) letters,
 - (ii) postcards,
 - (iii) flats,
 - (iv) parcels, and
 - (v) IPPs?
- c. Please provide your estimate of the average unit cost of returning letters only, and provide a reference to the available data from which such a unit cost could be calculated.
- d. To what extent does the particular mix of First-Class Mail returned to Capital One (in terms of the proportions of letters, postcards, flats, parcels, and IPPs) compare to the average mix of returned First-Class Mail underlying the 29.95 cent cost figure?

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NAA/USPS-T3-17: For an average First-Class Mail piece that is returned physically by the Postal Service, at the average mail processing cost of 29.95 cents, please state the proportion that have barcodes and receive automated processing, and the proportion that receive non-automated or manual processing, such as might be received by flats, or letters without barcodes, or parcels. If the CFS places a barcode on some or all returned pieces, please explain whether there are differences in the treatment of letters, flats, parcels or letters without barcodes.

NAA/USPS-T3-18: If you have any separate estimate, rough or otherwise, of the specific unit cost of First-Class Mail that is physically returned *to Capital One*, for 2001 or any other year, please provide it.

NAA/USPS-T3-19: Did you or anyone else at the Postal Service, to your knowledge, attempt to develop a specific estimate of the unit cost of returning Capital One's non-forwardable UAA mail beyond USPS-LR-1/MC2002-2? If so, please provide that estimate. If not, please explain why not.

NAA/USPS-T3-20: Please describe all major problems or obstacles that inhibited or prevented the development and use of a specific unit cost estimate that is tailored to and reflects the particular circumstances of Capital One.

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NAA/USPS-T3-21: Please confirm that the costs presented in USPS-LR-1/MC2002-2 page 1, used to develop the total average physical return costs of Capital One mail of 53.47 cents per piece that you present, use the average cost of returning First-Class Mail as a proxy for the specific cost of returning Capital One's non-forwardable UAA mail? If you cannot confirm, please explain why not.

NAA/USPS-T3-22: In your opinion, how good (or how poor) is the proxy (the average unit cost of returning First-Class letters cards, flats, parcels, and IPPs) for the specific cost of returning Capital One's non-forwardable UAA First-Class Mail? Please explain.