

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

Experimental Changes to Implement)
Capital One NSA)

Docket No. MC2002-2

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS CHARLES L. CRUM
(OCA/USPS-T3-22-25)
November 15, 2002

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,

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OCA/USPS-T3-22. Please refer to Attachment A and Attachment B of your testimony. Attachment B, page 1 shows an increased contribution of \$1,846,000, based on additional mail volume of 15,458,969 pieces. Attachment A, page 2 shows a Before Rates Solicitation Mail Volume of 768,000,000 pieces.

- (a) Refer to Attachment A, page 2. Please confirm that after the implementation of the NSA, total First-Class solicitation mail volume will equal 776,432,165 ($768,000,000 + 8,432,165$). If you do not confirm, please explain.
- (b) Refer to Attachment A, page 2. Please confirm that after the implementation of the NSA, total First-Class customer mail volume will equal 647,026,804 ($640,000,000 + 7,026,804$). If you do not confirm, please explain.
- (c) Refer to Attachment B, page 2. Please confirm that the after rates Return Cost Savings should be calculated using 1,423,458,969 pieces of mail, rather than 1,408,000,000 pieces of mail. If you do not confirm, please explain.
- (d) Refer to Attachment B, page 2. Please confirm that the calculation of after rates Return Cost Savings does not identify any return cost savings for the additional 15,458,969 pieces. If you do not confirm, please explain in detail.
- (e) Please confirm that the total Return Cost Savings should be \$13,219,161 $[(0.13592277 - 0.12663613) * (1,408,000,000 + 15,458,969)]$. If you do not confirm, please explain in detail.

OCA/USPS-T3-23. Please refer to Attachment A, page 2, lines (1) and (2), of your testimony.

- (a) In what manner have you (or anyone else at the Postal Service) analyzed the basis for Capital One's Solicitation Return Percentage of 9.6 percent? Please provide copies of all analysis.
- (b) In what manner have you (or anyone else at the Postal Service) analyzed the basis for Capital One's Statement Return Percentage of 1.2 percent? Please provide copies of all analysis.

OCA/USPS-T3-24. Please refer to your response to APWU/USPS-T3-4(d), where you state "I am assuming that Capital One's First-Class Mail is forwarded at or below the average rate."

- (a) In the statement quoted above, are you referring to Capital One's entire First-Class Mail volume? Please explain.
 - (i) Please explain whether you assume Capital One's First-Class solicitation mail volume is forwarded at or below the average rate.
 - (ii) Please explain whether you assume Capital One's First-Class customer account mail volume is forwarded at or below the average rate.
- (b) Please explain the basis for your assumption that Capital One's First-Class Mail is forwarded at or below the average rate, given that Capital One witness Jean has stated in response to OCA/COS-T1-18(a) and (b), by reference to OCA/COS-T1-9(c), that "Capital One has no way to estimate" the percentage of Capital One's First-Class solicitation and customer account mail that is forwarded.

- (c) Capital One processes its First-Class solicitation mail addresses through the National Change of Address (NCOA) database approximately 60 days prior to mailing. This results in a solicitation return percentage for Capital One of 9.6 percent, nearly 8 times the average presort letters return percentage of 1.23 percent. However, you assume that Capital One's First-Class Mail is forwarded at or below the average rate of 1.96 percent. What explains the large percentage difference as compared to the average for pieces returned to Capital One and the "at or below the average rate" assumption for pieces forwarded on behalf of Capital One?
- (d) With respect to your response to APWU/USPS-T3-4(e), what is the analogous average forwarding rate for 1) letter-shaped Standard Mail, and 2) all standard Mail that is endorsed "Address Service Requested" or "Forwarding Service Requested"?

OCA/USPS-T3-25. Please refer to the Domestic Mail Classification Schedule (DMCS), section 353, "Forwarding and Return." Please provide the "factor equal to the number of Standard Mail pieces nationwide that are successfully forwarded for every one piece that cannot be forwarded and must be returned."