

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  
TO INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-10)

The United States Postal Service hereby provides its response to the following interrogatory of Office of the Consumer Advocate: OCA/USPS-10, filed on November 15, 2002.

The 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

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Scott L. Reiter

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December 11, 2002

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TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-10. OCA submitted interrogatory OCA/USPS-T2-16 to witness Plunkett on October 21, 2002. In that interrogatory OCA questioned witness Plunkett about the Postal Service's NSA agreements with international customers (a fact that he noted in USPS-T-2 at 1, l. 21). In his response to interrogatory 16 (filed October 31, 2002), witness Plunkett states that he has "not studied agreements with international customers" and does not indicate familiarity with such agreements. Please provide an institutional response to the questions posed in interrogatory 16 based upon consultation with officials who are knowledgeable about international mail agreements.

- (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 at page 1, l. 6-9, of USPS-T-2. Fully explain any negative answer.
- (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 at page 1, lines 6-9, of USPS-T-2, by distinct goal. Fully explain any negative answer.
- (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 at page 1, l. 6-9, of USPS-T-2. Fully explain any negative answer.

**RESPONSE:**

Please note that witness Plunkett's testimony draws no connection between the two statements cited in the question. The "three distinct goals" are discussed in the context of the "unique opportunities create[d]" by "Capital One's use of the mail." The international agreements are cited to support the statement that the concept of customer-specific agreements is not new.

- (a) Confirmed.
- (b) As of November 29, 2002, the Postal Service has concluded 155 "customer-specific-pricing arrangements" that accomplish at least one of the "three distinct goals."
- (c) None. As noted above, the three distinct goals relate specifically to the Capital One NSA, including "to maintain and increase the use of First-Class Mail." First-Class Mail is a domestic, not an international, service.

## 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.

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