

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

UNITED STATES POSTAL SERVICE INTERROGATORIES  
AND REQUEST FOR PRODUCTION OF DOCUMENTS  
TO OFFICE OF CONSUMER ADVOCATE WITNESS CALLOW  
(USPS/OCA-T2-20-24)

Pursuant to rules 25 and 26 of the Rules of Practice and procedure, the  
United States Postal Service directs the following interrogatories and requests for  
production of documents to Office of Consumer Advocate witness Callow:  
USPS/OCA-T2-20-24.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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January 17, 2003

USPS/OCA-T2-20. Are there differences in average per-piece discounts (total First-Class Mail workshare discounts plus proposed DMCS 620 discounts over total volume) between larger and smaller mailers? If so, please explain and provide examples. If not, please explain why not.

USPS/OCA-T2-21. For purposes of this interrogatory, the term “presort bureau” refers to mailers that consolidate, barcode, and sort mail prepared by its customers. As such the bureaus do not necessarily maintain the address lists for the mail that they process. The address lists are maintained by their customers.

- a) Please confirm that presort bureaus would not be eligible for the experimental automated address correction service you propose. If you do not confirm, please explain.
- b) Please confirm that presort bureaus would not be eligible for the experimental automated address correction service you propose if they mail under their own (the presort bureau’s) permit. If you do not confirm, please explain.
- c) Please confirm that presort bureaus would not be eligible for the experimental automated address correction service you propose if they mail under their customer’s permit. If you do not confirm, please explain.
- d) Please explain under what circumstances presort bureaus would qualify for your proposed experimental volume-based declining block rates.
- e) Please list all other types of mail service providers (e.g., printers, consolidators etc.) that would not qualify for your proposed experimental volume-based declining block rates. For each listed type of mail service provider, explain why they would not be eligible.

USPS/OCA-T2-22. Under your proposed Experimental Volume-Based Declining Block Rates,

- a) Please confirm that, under the example provided in your proposed DMCS language 620.64, as revised, the mailer who claims the discounts of \$.05 to \$.06 would not be able to claim discounts of \$.03, \$.035, and \$.04 on any of its volume. If you do not confirm, please explain.
- b) Please confirm that a mailer would not be able to claim the full range of discounts: \$.03, \$.035, \$.04, \$.045, \$.05, \$.055, and \$.06. If you do not

confirm, please explain and provide a hypothetical showing how this is possible.

USPS/OCA-T2-23. Please refer to the discount example in your proposed DMCS § 620.64.

- a) Please confirm that the marginal incentive for additional volume above 1.3 billion pieces is 1.5 cents. That is, one piece is added at a 6 cent discount, but one piece that had a 4.5 cent discount falls out of the 150 million pieces qualifying for a discount, and thus no longer gets any discount. If you do not confirm, please explain.
- b) Please confirm that there is no marginal incentive for additional volume over 1.45 billion pieces, because one piece with a 6 cent discount simply replaces another piece with a 6 cent discount. If you do not confirm, please explain.
- c) Please confirm that, in comparison to the cumulative total discount at 1.3 billion pieces of \$7.65 million, the cumulative total discount at 1.2 billion pieces would be \$6.35 million, and that, in this instance, the marginal unit discount when adding 100 million pieces of mail (from 1.2 to 1.3 billion) would be \$1.3 million divided by 100 million pieces, or 1.3 cents. If you do not confirm, please explain.

USPS/OCA-T2-24. Under the Postal Service's proposed rate schedule 610A, please confirm that the marginal incentive for additional pieces over 1.6 billion is 6 cents.

## **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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