

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

Customized Market Mail)
Minor Classification Changes)

Docket No. MC2003-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS CHRISTOPHER C. ASHE
(OCA/USPS-T1-1-13)
March 21, 2003

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.

If data requested are not available in the exact format or level of detail requested, any data available in (1) a substantially similar format or level of detail or (2) susceptible to being converted to the requested format and detail should be provided.

The production of documents requested herein should be made by photocopies attached to responses of these interrogatories. If production of copies is infeasible due to the volume of material or otherwise, provision should be made for inspection of responsive documents at the Office of the Consumer Advocate, 1333 H Street, N.W., Washington, D.C. 20268-0001, during the hours of 8:00 a.m. to 4:30 p.m.

If a privilege is claimed with respect to any data or documents requested herein, the party to whom this discovery request is directed should provide a Privilege Log (see, e.g., Presiding Officer Ruling C99-1/9, p. 4, in *Complaint on PostECS*, Docket No.

C99-1). Specifically, “the party shall make the claim expressly and shall describe the nature of the documents, communications, or things not produced or disclosed in a manner that, without revealing information itself privileged or protected, will enable other parties to assess the applicability of the privilege or protection.” Fed. R. Civ. P. 26(b)(5).

The term “documents” includes, but is not limited to: letters, telegrams, memoranda, reports, studies, newspaper clippings, speeches, testimonies, pamphlets, charts, tabulations, and workpapers. The term “documents” also includes other means by which information is recorded or transmitted, including printouts, microfilms, cards, discs, tapes and recordings used in data processing together with any written material necessary to understand or use such punch cards, discs, tapes or other recordings.

“All documents” means each document, as defined above, that can be located, discovered or obtained by reasonable diligent efforts, including without limitation all documents possessed by: (a) you or your counsel; or (b) any other person or entity from whom you can obtain such documents by request or which you have a legal right to bring within your possession by demand.

“Communications” includes, but is not limited to, any and all conversations, meetings, discussions and any other occasion for verbal exchange, whether in person or by telephone, as well as all documents, including but not limited to letters, memoranda, telegrams, cables, or electronic mail.

“Relating to” means discussing, describing, reflecting, containing, analyzing, studying, reporting, commenting on, evidencing, constituting, setting forth, considering, recommending, concerning, or pertaining to, in whole or in part. Responses to requests

for explanations or the derivation of numbers should be accompanied by workpapers. The term "workpapers" shall include all backup material whether prepared manually, mechanically or electronically, and without consideration to the type of paper used. Such workpapers should, if necessary, be prepared as part of the witness's responses and should "show what the numbers were, what numbers were added to other numbers to achieve a final result." The witness should "prepare sufficient workpapers so that it is possible for a third party to understand how he took data from a primary source and developed that data to achieve his final results." Docket No. R83-1, Tr. 10/2795-96. Where the arithmetic manipulations were performed by an electronic digital computer with internally stored instructions and no English language intermediate printouts were prepared, the arithmetic steps should be replicated by manual or other means.

Please especially note that if you are unable to provide any of the requested documents or information, as to any of the interrogatories, provide an explanation for each instance in which documents or information cannot be or have not been provided.

Respectfully submitted,

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OCA/USPS-T1-1. The following questions refer to cost differences that may arise due to irregularly shaped CMM mail pieces being accepted and handled at a DDU compared to the acceptance and handling costs of a nonletter Standard mail piece.

- a. Please explain your examination of the potential cost differences in accepting and handling nonletter Standard mail pieces versus irregularly shaped CMM mail pieces at the DDU. In your response, include copies of all documents, analyses, notes, workpapers and data sources used in your examination. Provide copies of all source documents relied upon, cite all sources used and show the derivation of all calculated numbers.
- b. If no examination was performed, please explain fully why not.

OCA/USPS-T1-2. The following question addresses potential increases in the amount of carrier handling and delivery time needed for the delivery of an irregularly shaped CMM mail piece as compared to the delivery of current nonletter mail.

- a. Please explain whether or not you performed any analysis or relied upon any studies that examined the carrier time needed to handle and deliver a CMM mail piece (CMM) as opposed to the time needed to deliver a Standard nonletter mail piece. If so, please include in your response copies of all documents, analyses, notes, workpapers and data sources used in performing the analysis. Provide copies of all source documents relied upon, cite all sources used and show the derivation of all calculated numbers.

- b. If no analysis was performed, please explain fully why not.

OCA/USPS-T1-3. In developing the CMM proposal, did you discuss the proposal with any operations personnel to see if there were potential operational concerns regarding the handling of CMM mail pieces?

- a. If so, please provide copies of all documents including notes taken or summaries made regarding their reaction to your proposal. If no notes or summaries were made of the discussions, summarize the input operations personnel gave regarding CMM mail pieces.
- b. If not, please explain why operations personnel were not consulted.

OCA/USPS-T1-4. In developing the CMM proposal, did you discuss the proposal with any rural route or city carriers to see if they anticipated any difficulties in casing and subsequently delivering CMM mail pieces?

- a. If so, please provide copies of all notes taken or summaries made regarding these discussions. Indicate how many carriers were contacted and include in your response all documents, analyses, notes, workpapers and data sources developed or used as a result of these consultations. Cite all sources and provide the derivations of all calculated numbers.
- b. If not, please explain why carriers were not consulted.

OCA/USPS-T1-5. Excluding focus group facilitators, please provide the number of participants in attendance at each of the four focus groups reported in USPS-LR-2 and

provide copies of all summary notes, data and other information developed as a result of each focus group discussion. If no documentation or data was collected, please explain how National Institute conducted its analysis.

OCA/USPS-T1-6. On page 4 of your testimony, you state: “advertisers and designers have often sought approval for mailing of such pieces.” What is the basis for your statement and what person or office at the Postal Service received such requests? Please provide the number, or an estimate, of the number of advertisers and designers who have sought approval for mailing such pieces.

OCA/USPS-T1-7. On page 6 of your testimony, you state: “we believe that there is a consistent level of interest in CMM...”

- a. Please estimate CMM volumes for each of the first five years of its initial offering. Include in your response all documents, analyses, notes, workpapers and data sources used in making your determination. Provide copies of all source documents relied upon, cite all sources used and show the derivation of all calculated numbers.
- b. If no volume analysis was performed please fully explain why not.

OCA/USPS-T1-8. On page 7 of your testimony, you state: “... CMM will have no substantial effect on institutional contribution.”

- a. Please provide copies of all documents including notes, workpapers, data sources, analyses and studies performed in determining the contribution each piece of CMM mail will make to institutional costs. Cite your sources

and provide the derivation of all calculated numbers. If no analysis was performed, explain fully why not.

- b. Include in your response your rationale for concluding that all of the costs of handling, processing and delivering a CMM mail piece will be covered by the proposed price of a CMM mail piece. Please include in your response copies of all documents including analyses, notes, workpapers and data sources used in making your determination. Provide copies of all source documents, cite all sources used and show the derivation of all calculated numbers. If no analysis was performed, explain fully why not.

OCA/USPS-T1-9. Please provide all packaging and addressing requirements that must be followed in order to enter a CMM mailing at the DDU.

OCA/USPS-T1-10. Assume that a CMM mail piece is presented to the Postal Service at a DDU. The CMM mail piece meets all the dimensional requirements you have stated. However, the CMM mail piece does not have a rigid structure – a well-defined silhouette. Rather, the mail piece is flexible such as soft plastic or rubber and can change shape when handled and still be within the dimensional requirements of a CMM piece. Will this type of CMM mail be allowed into the mail stream at the DDU?

- a. If so, please provide the carrier costs of handling and delivering this type of CMM mail piece. Include in your response copies of all documents relied upon, show the derivation of all calculations and cite all sources.

- b. If not, please identify what dimensional requirement(s) provided would prevent a mail piece of this type from being entered into the mail stream.

OCA/USPS-T1-11. Have you addressed the mail security impact of accepting CMM mail pieces at DDU's?

- a. If you did not factor potential security issues into your proposal, please explain fully why not.
- b. If you did factor potential security issues into your proposal, please include in your response copies of all documents, analyses, notes, workpapers and data sources used in making your determination. Provide copies of all source documents, cite all sources used and show the derivation of all calculated numbers.

OCA/USPS-T1-12. Page 13 of USPS-LR-2 states that advertisers would like to produce more elaborate mail pieces, "but refrain from doing so in order to ensure receipt of postage discounts." Given the stated desire of advertisers to receive postage discounts, why do you believe mailers would be willing to forgo discounts and pay a premium to mail each CMM mail piece?

OCA/USPS-T1-13. Please give a ballpark estimate of the unit costs of handling CMM mail. State the assumptions made in developing the estimate. Provide any notes, calculations, and references to source materials used to prepare the estimate.