

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Rate and Service Changes To Implement
Functionally Equivalent Negotiated Service
Agreement With HSBC North America Holdings Inc.

Docket No. MC2005-2

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS JESSICA A. DAUER (OCA/USPS-T1-1-5)
(March 15, 2005)

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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USPS-T1-1. Please refer to your testimony at page 13, line 3, where you state that you used an “ACS cost savings of \$8.1 million.”

- a. Provide an electronic spreadsheet of this computation.
- b. Explicitly state any assumptions made and the rationale for making them.
- c. Cite or provide any inputs to the computation.
- d. State whether or not you employed the Commission’s method for calculating ACS cost savings. If you did not, please explain your reasons.

USPS-T1-2. Please refer to Appendix B, page 1. You explain that you have used an inflationary cost growth factor, projected by the Postal Service, of 4 percent.

- a. Did you make an independent determination to use a 4 percent growth factor or were you advised by others to do so? Please explain.
- b. If it is your independent determination, please explain your rationale for using this growth factor.
- c. If others advised you to use this factor, please state their name(s) and position(s). What was the rationale of those identified to use the 4 percent growth factor?

USPS-T1-3. At the time witness Crum estimated the savings resulting from providing Capital One with electronic return of its solicitation First-Class Mail in lieu of physical return of this mail, was PARS deployed in any postal facilities involved in the physical or electronic return of First-Class Mail?

- a. If so, please list all facilities in which PARS was deployed.

- b. If not, then please confirm that witness Crum's savings estimates did not reflect the use of PARS in the physical or electronic return of First-Class Mail.
- c. Is PARS currently being deployed in any postal facilities?
- d. If so, then please list all facilities in which it is being deployed. Please provide the annual volume of First-Class Mail that is processed through facilities in which PARS is currently being deployed.
- e. What is the target date for the full deployment of PARS?
- f. Is it correct that the use of PARS to effect the physical and electronic return of First-Class Mail involves different operations than those involved in facilities where PARS has not yet been deployed?
- g. If so, please provide a detailed step-by-step comparison of the operations performed on UAA mail in facilities that employ PARS versus facilities that do not employ PARS.
- h. Is it reasonable to expect that the cost of returning UAA mail via facilities that utilize PARS may be different from the cost of returning UAA mail via facilities that do not utilize PARS? Please explain.
- i. Please provide any quantitative information collected or developed by the Postal Service on the difference in cost between UAA mail returned via PARS versus UAA mail returned without PARS.
- j. Please provide any qualitative information collected or developed by the Postal Service on the difference in cost between UAA mail returned via PARS versus UAA mail returned without PARS.

USPS-T1-4. What was the base year for the data used by witness Crum to develop cost estimates in the Capital One baseline case?

- a. Is it possible that the base year for cost estimates in the next rate case will be different from that used by witness Crum in the Capital One baseline case? Please explain.
- b. Is it possible that the period of time during which the HSBC NSA will be in effect will generally coincide with the test year of the next rate case (at least in part) and years following the test year? Please explain.

USPS-T1-5. In Appendix C of your testimony you present the HSBC NSA Proposed Data Collection Plan. Does the Postal Service plan to submit data collection reports for the HSBC NSA that are closely modeled on the Capital One Data Collection Report that was filed with the Commission on January 31, 2005? Please explain.