

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

RATE AND SERVICE CHANGES TO IMPLEMENT
BASELINE NEGOTIATED SERVICE AGREEMENT
WITH BANK OF AMERICA CORPORATION

Docket No. MC2007-1

**RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS AYUB TO INTERROGATORIES OF THE OFFICE OF CONSUMER
ADVOCATE (OCA/USPS-T1-34, 38, 40)**
(March 30, 2007)

The United States Postal Service hereby provides the response of witness Ayub to the following interrogatories of the Office of Consumer Advocate: OCA/USPS-T1-34, 38, 40, filed on March 9, 2007. The interrogatories are stated verbatim and are followed by the response. The Postal Service's response to OCA/USPS-T1-35-37, 39 will be forthcoming.

UNITED STATES POSTAL SERVICE

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS AYUB TO
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OCA/USPS-T1-34. Please refer to your testimony at page 18, lines 18-20, which identify the baseline return rate of 0.7 percent and 2.7 percent for the First-Class operational and marketing mail, respectively, entered by Bank of America Corporation (BAC). Also, refer to page 15, lines 11-13, which concerns Postal Service verification of the reasonableness of the return and forward rates for Bank of America Corporation's First-Class Mail. Please explain the processes used by the Postal Service to independently verify the reasonableness of the baseline return rate of 0.7 percent and 2.7 percent for BAC's Schedule A and Schedule B First-Class Mail, respectively.

RESPONSE:

I reviewed BAC's internal records on its UAA rates to verify the accuracy of the baseline return rates for First-Class Mail (operational and marketing mail) set forth in the testimony of BAC witness Jones (i.e., 0.7 percent and 2.7 percent for BAC's Schedule A and Schedule B First-Class Mail, respectively). See BAC-T-1, at 17-18. Additionally, with the assistance of internal postal operations groups, we analyzed return volume at each of the sites where BAC mail is returned to develop an estimate of total returns. I compared these estimates to the data contained in BAC's internal records to determine whether the return rates set forth in the testimony of BAC witness Jones were reasonable. The Postal Service has used similar processes in all previous NSA discussions to validate a co-proponent's UAA rates.

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OCA/USPS-T1-38. Please refer to the request, Attachment F, the “Negotiated Service Agreement Between United States Postal Service and Bank of America Corporation,” Section II. J., “DPV Report.”

- a. Please confirm that BAC will be required to check the address list of all its First-Class Mail and Standard Mail mailings against a Delivery Point Validation (DPV) database. If you do not confirm, please explain.
- b. Please explain how and to what extent checking the address list of a mailing against a DPV database improves the read and accept rate of mailpieces in such a mailing.

RESPONSE:

- a. Confirmed.
- b. For a mailpiece to be read and accepted by Postal Service mail processing equipment, the mailpiece must include address elements necessary for the delivery of that mailpiece. A mailer can ensure that the addresses in its list are not missing any of these elements by checking its mailing list against a DPV database. Additionally, the use of DPV decreases the chance the mailpiece cannot be Delivery Point Sequenced (DPS) because the delivery point is validated in our databases. DPS identifies invalid delivery points, thereby eliminating addresses to such points and leading to improvements in read rates.

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OCA/USPS-T1-40. Please refer to the request, Attachment F, the “Negotiated Service Agreement Between United States Postal Service and Bank of America Corporation,” Section II. Y., “PostalOne!.” Please explain whether or not PostalOne! will permit the Postal Service to know the number of BAC’s letter-rated First-Class Mail and Standard Mail pieces in each tray (or other container), the number of trays on each pallet (or other container), and the number of pallets on each truck (or other form of transportation).

RESPONSE:

PostalOne! will permit the Postal Service to capture this information.

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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