

DOCKET SECTION

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
THE ALLIANCE OF NONPROFIT MAILERS
(ANM/USPS-18-19, 24)

The United States Postal Service hereby provides responses to the following interrogatories of the Alliance of Nonprofit Mailers: ANM/USPS-18-19, 24, filed on December 9, 1997. Objections to interrogatories ANM/USPS-20-23, 25-26 were filed on December 19, 1997.

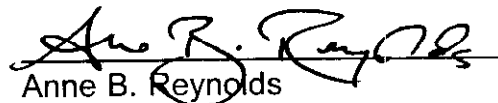
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Anne B. Reynolds

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2970; Fax -5402
December 23, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE ALLIANCE OF NONPROFIT MAILERS

ANM/USPS-18. Please confirm that the Postal Service first published regulations in the Federal Register to implement Section 705(a) of Public Law 103-123, codified at 39 U.S.C. § 3626(j)(1)(D), on May 5, 1995. If you do not confirm fully, please provide a Federal Register citation to any prior regulations.

RESPONSE: *Confirmed that the Postal Service published notice of its final rule on May 5, 1995. The proposed rule was published on March 7, 1995.*

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AMN/USPS-19. Please confirm that the first Postal Service handbook explaining Section 705(a) of Public Law 103-123 and the regulations promulgated on May 5, 1995, was Publication 417, published on or about October 1, 1995 – i.e., the first month of FY96. If you do not confirm fully, please produce a copy of any prior handbook.

RESPONSE: Confirmed.

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ANM/USPS-20:

- (a) Please state how many mailings, pieces, and pounds of mail prepared for entry at Standard A (formerly third-class) nonprofit rates were in fact entered at commercial rates during each of the following periods because the Postal Service determined, before or during entry of the mail, that it did not qualify for Standard A (or third-class) nonprofit rates:
- (i) the period from May 5, 1995, through the end of Fiscal Year 1995,
 - (ii) Fiscal Year 1996, and
 - (iii) the period from the beginning of Fiscal Year 1997 through March 8, 1997.

If any of the data requested are unavailable for the entire period, please provide all data currently available and indicate the period(s) to which such data apply.

- (b) For each mailing identified in response to part (a), please state whether the Postal Service required the mailer to correct the permit imprint, meter stamp, or postage affixed to the mail to reflect the fact that the mail was ultimately entered at some rate other than Standard A Nonprofit Rates.

RESPONSE: *Objection filed December 19, 1997.*

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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ANM/USPS-21. Please state how many mailings, pieces, and pounds of mail originally entered at Standard A (formerly third-class) nonprofit rates later generated back postage payments to the Postal Service during each of the following periods after the Postal Service found that the mail was ineligible for commercial rates:

- (a) from May 5, 1995, through the end of Fiscal Year 1995,
- (b) during Fiscal Year 1996, and
- (c) from the beginning of Fiscal Year 1997 through March 8, 1997.

If any of the data requested are unavailable for the entire period, please provide all data currently available and indicate the period(s) to which such data apply.

RESPONSE: Objection filed December 19, 1997.

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ANM/USPS-22. Please produce all Postal Service rules, regulations, operations manuals, handbooks and similar documents in effect during any part of the period from May 5, 1995 through March 8, 1997, which dealt with any of the following topics:

- (a) The accounting treatment (in RPW data and elsewhere) of mail bearing Standard A (or third-class) nonprofit indicia, but entered at commercial rates;
- (b) The accounting treatment (in RPW data and elsewhere) of mail bearing Standard A (or third-class) nonprofit indicia, but later giving rise to a payment of back postage on the ground that the mail was ineligible for nonprofit rates.

RESPONSE: *Objection filed December 19, 1997.*

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ANM/USPS-23. With respect to all IOCS tallies used in this rate case, what instructions were given to IOCS tally takers concerning the classification of a mail piece that bore Standard A nonprofit indicia but was in fact entered at another rate? If the instructions were other than to record the piece as Standard A nonprofit mail, please produce documents setting forth the instructions in full.

RESPONSE: Objection filed December 19, 1997.

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ANM/USPS-24. Describe the policies and practices of the USPS concerning enforcement of the mail preparation requirements adopted as part of nonprofit mail reclassification during the second half of calendar 1996 and first quarter of calendar 1997. In your response, please focus on the extent to which the USPS permitted nonprofit mailers to enter already prepared mail that did not meet all of the requirements for the rate category at which it was entered. Provide the best data or your best estimates of the actual volume of mail that was entered in a rate category for which it may not have met every requirement during (a) last quarter of FY 96 and (b) the first two quarters of FY97.

RESPONSE: The Postal Service did not enact any policies or practices concerning enforcement of mail preparation requirements adopted as part of nonprofit mail reclassification. Information regarding "the extent to which the USPS permitted nonprofit mailers to enter already prepared mail that did not meet all of the requirements for the rate category at which it was entered" has not been compiled.

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ANM/USPS-25. This question concerns mailings entered at standard A (formerly third-class) nonprofit rates between May 5, 1995 and March 8, 1997, but later assessed additional postage under another rate class or subclass.

- (a) For how many of the mailings did the Postal Service revise the Form 3602s or the data reported on the Form 3602?
- (b) What revisions were made?
- (c) Please produce all Postal Service rules, regulations, operations manuals, handbooks and similar documents governing revision of Form 3602, or data reported on Form 3602, in these circumstances.
- (d) Please produce all data studies, analyses or similar documents concerning the actual rate of compliance with the procedures specified in response to part (b).

RESPONSE: Objection filed December 19, 1997.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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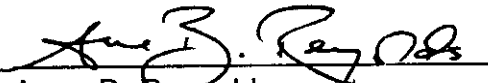
ANM/USPS-26. This question concerns mailings which the mailer attempted to enter at standard A (formerly third-class) nonprofit rates between May 5, 1995 and March 8, 1997, but which the Postal Service refused to accept for entry without payment of additional postage under another rate class or subclass.

- (a) For how many of the mailings did the Postal Service revise the Form 3602s or the data reported on the Form 3602?
- (b) What revisions were made?
- (c) Please produce all Postal Service rules, regulations, operations manuals, handbooks and similar documents governing revision of Form 3602, or data reported on Form 3602, in these circumstances.
- (d) Please produce all data studies, analyses or similar documents concerning the actual rate of compliance with the procedures specified in response to part (b).

RESPONSE: Objection filed December 19, 1997.

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.


Anne B. Reynolds

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
December 23, 1997