

UNITED STATES OF AMERICA
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

OFFICE OF THE CONSUMER ADVOCATE INTERROGATORIES
TO UNITED STATES POSTAL SERVICE
WITNESS ALI AYUB
(OCA/USPS-T1-31-33)
(March 7, 2007)

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. Instructions included with OCA interrogatories OCA/USPS-T1-1-4, dated February 15, 2007, are hereby incorporated by reference

Respectfully submitted,

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OCA/USPS-T1-31. Please refer to response to OCA/USPS-T1-2(c). Your response refers to the following assumptions from your testimony at Appendix A: Assumptions, at

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	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
[4] Reduction in Operations Return Rate Due to NSA	0.0%	5.0%	10.0%
[5] Reduction in Standard UAA Rate Due to NSA	0.0%	5.0%	10.0%
[6] Reduction in Marketing Return Rate Due to NSA	0.0%	10.0%	20.0%
[7] Reduction in Forwarding Rate Due to NSA	0.0%	10.0%	20.0%
[8] Increase in USPS First-Class Mail Read/Accept Rates	0.1%	0.7%	1.3%
[9] Increase in USPS Standard Mail Read/Accept Rates	0.1%	0.7%	1.6%

Also, please refer to the testimony of Bank of America Corporation (BAC) witness Jones (BAC-T-1) at pages 17 and 18, lines 25-26, and lines 1-4, respectively, which state:

- The mail processing performance of the mail covered by the NSA will improve by one percentage point.
 - The percentage of the mail covered by the NSA that is undeliverable as addressed will decline by ten percent.
 - The percentage of the mail covered by the NSA that requires forwarding will decline by ten percent.
- a. For Fiscal Years 2007, 2008, and 2009, please confirm that the percentage figures in Lines [4] through [9], referenced above, represent your assumptions as to the expected improvement in performance for each category by BAC. If you do not confirm, please explain.
- b. Refer to response to OCA/USPS-T1-2(c), where you state: “The percentages listed in the column labeled FY 2007 (i.e., Year 1 of the NSA), are based on my assumption that this NSA will not cause any such improvements during FY 2007.” For FY 2007, please explain the percentage figure 0.1% in Lines [8] and [9].

- c. Refer to the first bullet in the testimony of witness Jones, referenced above, which identifies a one percent improvement in mail processing performance. For FY 2009, please explain the percentage figures of 1.3% and 1.7% in Lines [8] and [9], respectively.
- d. Refer to the second bullet in the testimony of witness Jones, referenced above, which identifies a ten percent decline in UAA mail. For FY 2009, please explain the percentage figure of 20% in Lines [6] and [7].
- d. Refer to the third bullet in the testimony of witness Jones, referenced above, which identifies a ten percent decline in forwarded mail. For FY 2008, please explain the percentage figure of 5% in Lines [4] and [5].

OCA/USPS-T1-32. Please refer to your testimony at page 16, lines 15-19, which references a baseline value read/accept rate of 96.8 percent for First-Class Mail automation letters. Also, please refer to page 21, lines 1-2, which references a baseline value read/accept rate of 96.9 percent for Standard Mail Regular automation and ECR letters.

- a. For First-Class Mail automation letters, please confirm that the baseline value read/accept rate of 96.8 percent represents the read and accept rate for the first pass of such automation letters on a delivery barcode sorter (DBS). If you do not confirm, please explain.
- b. For Standard Mail automation and ECR letters, please confirm that the baseline value read/accept rate of 96.9 percent represents the read and accept rate for

the first pass of such automation letters on a delivery barcode sorter (DBS). If you do not confirm, please explain.

OCA/USPS-T1-33. Please refer to your testimony at page 15, lines 3-6, which references reductions in the volume of UAA mail that must be forwarded or returned.

- a. Please confirm that the Postal Service is seeking to improve address quality through the cooperation of mailers in order to reduce the estimated \$1.8 billion in UAA costs to the Postal Service. (See “Address Quality Symposium” and related sessions at the upcoming National Postal Forum, at www.npf.org). If you do not confirm, please explain.
- b. Are there a number of changes mailers can make to assist the Postal Service to improve address quality? Please explain in what ways mailers can assist the Postal Service.
- c. Are some mailers currently entering mail that imposes less-than-average UAA costs for the Postal Service, while others impose greater-than-average UAA costs? Do you agree, based upon evidence from previous NSAs, that there is a substantial distribution of UAA rates around the average? What are the characteristics of mailers (or their mailpieces) that impose less-than-average UAA costs, or impose greater-than-average UAA costs? Please explain.
- d. With respect to mail processing operations, does the Postal Service expect mailer use of the information learned at the Forum sessions to result in improvements in the read and accept rates, and decreases in UAA mail? Please explain.

- e. In the past, has the Postal Service undertaken efforts similar to those at the upcoming Forum to improve the read and accept rates? What has been the result? Please explain whether there has been a trend of improvement in read and accept rate resulting from these efforts.