

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-T1-32-33)**

(March 23, 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-T1-32-33, filed on March 7, 2007. The interrogatories are stated verbatim and are followed by the response. The Postal Service's response to OCA/USPS-T1-31 will be forthcoming.

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel, Customer Programs

Frank R. Heselton
Matthew J. Connolly

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1135
(202) 268-8582; Fax -5418

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS AYUB TO
INTERROGATORIES OF THE OFFICE OF CONSUMER ADVOCATE**

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.

RESPONSE:

- a. Confirmed.
- b. Confirmed.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS AYUB TO
INTERROGATORIES OF THE OFFICE OF CONSUMER ADVOCATE**

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.

RESPONSE:

- a. Confirmed.
- b. There are a number of ways mailers can improve their address quality.

Generally, increased use of address hygiene products such as Move Update and internal quality controls on list management systems can lead to lower UAA rates.
- c. As with any statistical sample of mailers, there will be a distribution of UAA rates around the average. I have not conducted any specific study that will allow me to identify the characteristics of mailers that have UAA rates that are higher or lower than the average. It is my experience from previous NSA discussions that mailers who use the mail exclusively for the purpose of communicating with their

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS AYUB TO
INTERROGATORIES OF THE OFFICE OF CONSUMER ADVOCATE**

existing customers, and are therefore sending a majority of their mail to established mailing addresses, have lower UAA rates than mailers who use the mail for prospecting purposes.

- d. It is my understanding that the Postal Forum is intended to promote effective and efficient mailing practices within the mailing community. Theoretically, if a mailer were to implement some of the mailing practices promoted at the Postal Forum, I would expect to see decreases in that mailer's UAA volumes and improvements that mailer's read/accept rates.
- e. I am unaware of any actions the Postal Service has taken in the past to improve read and accept rates that are similar to the proposals that were discussed or featured at the Postal Forum. However, the Postal Service may use other channels of communication for promoting improvements in read and accept rates. Because I am unaware of any study that measures the improvement from these efforts, I cannot determine whether there has been a trend of improvement in read and accept rates resulting from these efforts.

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.

Matthew J. Connolly

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1135
(202) 268-8582; Fax -5418
March 23, 2007