Postal Rate Commission
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Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Rate and Service Changes to Implement Baseline Negotiated Service Agreement with Bookspan	)))	Docket No. MC2005-3

OFFICE OF CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS MICHELLE K. YORGEY (OCA/USPS-T2-11-14)
(August 5, 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. Instructions included with OCA interrogatories OCA/USPS-T2-1-5 dated July 27, 2005, are hereby incorporated by reference.

Respectfully submitted,

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OCA/USPS-T2-11. Please refer to your testimony at page ii. You state that: "In 1996, I was selected as the Program Manager for International Customized Mail agreements in the newly formed International Business Unit. I was responsible for negotiation, development and implementation of ICM agreements."

a. Please describe your duties in negotiating and implementing ICM agreements.

b. Please give the time period during which you negotiated and implemented ICM agreements.

c. Please state the number of ICM agreements, by year, that the Postal Service entered into during the period of time given in answer to part b. of this interrogatory. Please break down this number into:

   i. number, or percentage, of total ICM agreements (by year) that broke even, i.e., revenues equaled costs.

   ii. number, or percentage, of total ICM agreements (by year) that produced a surplus, i.e., revenues exceeded costs.

   iii. number, or percentage, of total ICM agreements (by year) that lost money, i.e., costs exceeded revenues.

d. Please list all measures used by the Postal Service to ensure revenue surpluses for ICM agreements.

   i. How successful were these measures?

   ii. If the measures were not entirely successful, what changes to these measures are being taken with respect to ICM agreements.

e. Please describe in detail all methods and techniques that were used under your direction to estimate the volumes that would be entered by mailers pursuant to ICM agreements.

i. How accurate were the volume estimation methods and techniques that were used?

ii. If the measures were not entirely successful, what changes to these methods and techniques were adopted to make them more successful?

OCA/USPS-T2-12.

a. Please explain how it is to the advantage of the Postal Service to have asymmetric threshold adjustments, i.e., if actual volumes are **12** percent or more above that year's commitment, then the next year's volume commitment will be an **average** of the current year and original volume commitment; but if volume is **5** percent or more below that year's commitment, then the next year's volume commitment is decreased by the **full** percentage difference between the actual volume and the original commitment.

b. Please confirm that these adjustments are skewed strongly in favor of Bookspan. If you do not confirm, then please explain.

OCA/USPS-T2-13. In your testimony, at 8, you describe an upswing in volumes for Bookspan in 2004. You further state that: "Bookspan explained to us that this was a one-time occurrence in response to new legislation limiting telephone solicitation . . . ."

a. What corroborative evidence do you have that this is a "one time occurrence?" Provide all such evidence.

b. Is it your understanding that the new legislation limiting telephone solicitation is permanent and not limited to 2004? If your answer is negative, please explain fully.

c. Please provide a citation to the new legislation limiting telephone solicitation.

OCA/USPS-T2-14. Please refer to your testimony, at 2. You describe the multiplier effect as producing, for new customers, additional:

(1) Standard Mail catalogs

(2) Bound Printed Matter book fulfillment

(3) First-Class Mail correspondence

(4) Please add as a fourth type of multiplier effect mail, Standard Mail parcels (as per Bookspan-T-1 at 5, line 4)

a. Re (1) – (4) above, give the percentage breakdown by shape (e.g., letter, flat, or package) for each type of multiplier effect mail. The total for each multiplier effect category should sum to 100%.

b. Re (1) – (4) above, give the average weight for each type of multiplier effect mail. Also give a weight profile for each type of multiplier effect category broken down by deciles. E.g., for Standard Mail catalogs the lowest decile might be 0.1 – 3.0 ounces, the second lowest decile might be 3.1 – 4.5 ounces, etc.

c. Re (1) – (4) above, give a machinability profile for each type of multiplier effect mail. E.g, for Standard Mail catalogs, the machinability profile might be 40% machinable letters, 10% nonmachinable letters, 40% machinable flats, 10% machinable packages.