

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

Rate and Service Changes to Implement)
Functionally Equivalent Negotiated Service)
Agreement with Bank One Corporation)

Docket No. MC2004-3

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS MICHAEL K. PLUNKETT (OCA/USPS-T1-24-27)
July 22, 2004

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/BOC-T1-1-10, dated June 28, 2004, are hereby incorporated by reference.

Respectfully submitted,

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OCA/USPS-T1-24. Please refer to your testimony at VI. Discount Cap, pages 15-17, and PRC Op. MC2002-2, page 154, footnote 83, which states:

This excludes any potential increased contribution as a result of Capital One responding to the declining block rate structure by increasing its volume of First-Class Mail. The commission is excluding this potential contribution because the record does not provide an adequate basis for evaluating the response of Capital One (and its competitors) to the declining block rates. See Chapter V, Section M, for the analysis leading to this conclusion.

Please expand on your testimony and address the Commission's concern with respect to unknown before rates volumes and the unknown response to discounts.

OCA/USPS-T1-25. Please refer to your testimony at VI. Discount Cap, pages 15-17, and PRC Op. MC2002-2, page 154, para. [8025], which states:

Third party mailers will be unharmed by the NSA so long as the dollar amount of the volume discounts the Postal Service makes available to Capital One is not greater than the costs it avoids as a result of the return mail feature of the agreement.

Please explain how the Postal Service has protected third party mailers from harm should the dollar amount of the volume discounts provided to Discover exceed the costs avoided as a result of the return mail feature of the Discover NSA.

OCA/USPS-T1-26. Please refer to your testimony Appendix A, pages 3, 4 and 5.

- (a) Please confirm that the "WEIGHTED AVERAGE/TOTAL" of 498,514,731 and 59,603,231 in column 11 on pages 4 and 5, respectively, sum to 558,117,962, the "Total Pieces" in column (3) on page 3. If you do not confirm, please explain.
- (b) On page 4, please explain how the "WEIGHTED AVERAGE/TOTAL" of 498,514,731 in column 11 was derived. Show all calculations.

- (c) On page 5, please explain how the “WEIGHTED AVERAGE/TOTAL” of 59,603,231 in column 11 was derived. Show all calculations.
- (d) Please confirm that the volumes for the specified Nonautomation Presort Letters and Automation Presort Letters rate categories in column 11 on pages 4 and 5 sum to the volumes of the same Nonautomation Presort Letters and Automation Presort Letters rate categories on page 3, column 1. If you do not confirm, please explain.
- (e) On page 4, please explain how the volumes of Nonautomation Presort Letters and Automation Presort Letters in column 11 were derived. Show all calculations.
- (f) On page 4, please provide all calculations that show the derivation of the percentages in column 12 associated with Nonautomation Presort Letters and Automation Presort Letters.
- (g) On page 5, please explain how the volumes of Nonautomation Presort Letters and Automation Presort Letters in column 11 were derived. Show all calculations.
- (h) On page 5, please provide all calculations that show the derivation of the percentages in column 12 associated with Nonautomation Presort Letters and Automation Presort Letters.

OCA/USPS-T1-27. Please refer to your testimony Appendix A, pages 4 and 5.

- (a) On page 4, in columns (14) and (16), please confirm that the “Total Unit Cost Estimates, Including Contingency” of 0.107 and 0.107, respectively, are not used anywhere in Appendix A. If you do not confirm, please explain.
- (b) On page 5, in columns (14) and (16), please confirm that the “Total Unit Cost Estimates, Including Contingency” of 0.146 and 0.129, respectively, are not used anywhere in Appendix A. If you do not confirm, please explain.
- (c) Please explain the rationale for calculating, and intended use of, the figures referred to in parts (a) and (b) of this interrogatory.