

UNITED STATES OF AMERICA
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, 2000)

Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
(OCA/USPS-57-66)
February 10, 2000

Pursuant to sections 26 and 27 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-1-14 dated January 24, 2000, are hereby incorporated by reference.

Respectfully submitted,



TED P. GERARDEN

Director

Office of the Consumer Advocate

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OCA/USPS-57. Please refer to the response of the Postal Service to OCA/USPS-3. The interrogatory requests supporting documentation for an FY 1999 CRA equivalent to the documentation filed for BY 1998. The response states that the Service will file "supporting documentation required by" Rule 102. Interrogatory 3 requests information different from that required by Rule 102.

- (a) Please confirm that the Postal Service will provide a response to interrogatory 3 that includes information different from that required by Rule 102. If you do not confirm, please explain why the Postal Service neither objected nor provided a responsive answer to interrogatory 3.
- (b) Please confirm that the Postal Service regularly creates workpapers underlying each year's CRA that contain information different from that required by Rule 102. If you do not confirm please explain.
- (c) Please provide *all* workpapers underlying the FY 1999 CRA.

OCA/USPS-58. Refer to OCA/USPS-8 and OCA/USPS-9 and the responses thereto filed February 7, 2000. The questions below relate to widespread or saturation mailings by the Postal Service to the general public, not to mailings to employees or single-piece mailings, targeted business mailings, or other limited-scope mailings.

- (a) For the volume of GFY 1998 and GFY 1999 Postal Service mailings reported in the Government Fiscal Year 1999 Revenue, Pieces, and Weight Report, what portion of the mailings are entered under Permit No. G-10? Are any non-Postal Service mailings sent under Permit No. G-10? Does the Postal Service use permits other than G-10? If so, please list the permit numbers and the volumes mailed under those permits for GFYs 1998 and 1999.

- (b) Provide copies of mail entry documents, comparable to those required by the Postal Service of mailers, for Postal Service mailings entered under Permit No. G-10 in GFY 1998 and GFY 1999.
- (c) Provide any documents, including audits, reports, budgets, studies, reviews, or similar documents, concerning the cost of preparing and/or mailing widespread or saturation mailpieces mailed under Permit No. G-10 (or other permits).
- (d) Are such mailpieces mailed under Permit No. G-10 (or other permits) prepared by the Postal Service or by outside contractors?
- (e) Are RPW reported volumes for Postal Service Mail estimates? If so, are any attempts made to reconcile such estimates with accounting records? Please explain.
- (f) Please provide copies of all documents relating to the proper use of permits such as Permit No. G-10 by Postal Service employees or agents.
- (g) State whether any records exist that would identify mailings made by the Postal Service to the general public either on an area or regional basis or on a nationwide basis. From any such records, provide a list of such mailings in GFY 1998 and GFY 1999.

OCA/USPS-59. Refer to OCA/USPS-10 and the response thereto filed February 7, 2000. Please confirm that a reasonable "estimated TY volume variable unit cost for Standard A Mail Saturation ECR" is \$0.05415. The derivation of this estimate is described below. If \$0.05415 is not a reasonable estimate, please provide an estimate and explain the derivation of the estimate.

Derivation of \$0.05415: Exhibit USPS-32B provides a TYAR volume variable cost for all Standard Mail (A) regular ECR of \$2,471,864,000. Exhibit USPS-T-6, Table 1, provides a TYAR volume for all Standard Mail (A) regular ECR of 32,828,211,000. This results in an average unit volume variable cost for all Standard Mail (A) regular ECR of \$0.075297. No calculation was provided by the Postal Service for the volume variable costs of saturation ECR. USPS-LR-I-166, filed January 12, 2000, spreadsheet "wp1_comm.xls," provides at page 3 TYAR volume forecasts for each category of regular ECR (auto, basic, HD, saturation letters; basic, HD, saturation non-letters). At page 10 the same spreadsheet provides total test year mail processing and delivery costs for each category. The average unit test year cost for mail processing and delivery for all categories of regular ECR is \$0.07162; the average unit test year cost for the two saturation categories (letters and non-letters) is \$0.05150. Accordingly, saturation unit cost appears to be 71.9151% of overall regular unit ECR cost. Turning to volume variable cost, $71.9151\% \text{ of } \$0.075297 = \0.05415 .

OCA/USPS-60. Refer to the attachment. Provide the unit cost of producing this mailpiece (do not include cost of mailing the mailpiece). This mailpiece was sent as First-Class Mail under Permit No. G-10. Is there any reason that a similar mailpiece could not be sent as Standard Mail (A) saturation ECR? If so, please explain.

OCA/USPS-61. Provide an estimate of the cost of producing 130 million sheets of 12 self-adhesive standard size stamps, denominated as "make-up rate" stamps (i.e., similar in size and format to the "Fruit Berries" stamp sheet, #15645-16622, but for 12 stamps rather than 20).

OCA/USPS-62. Provide an estimate of the time required to plan, print, and distribute new denominations of First-Class stamps, including "make-up rate" stamps, for an assumed effective date of new rates of January 2001.

OCA/USPS-63. Please provide an estimate of the number of domestic delivery addresses the Postal Service expects to have in January 2001.

OCA/USPS-64. Refer to USPS-LR-I-179, filed February 7, 2000, and USPS-T-6, Table 1. Total volume appears to differ by approximately 8.5 billion pieces, with most of that occurring in Standard Mail (A). Please provide an explanation of the differences in the volume projections in USPS-LR-I-179 (specifically at page 8 for PFY 2001) from the TYAR volume projections in USPS-T-6, Table I for GFY 2001. Identify all differences in forecasting methodologies and assumptions between the two forecasts.

OCA/USPS-65. Please provide the equivalent of Library References I-130 through I-149 for a Base Year 1999.

OCA/USPS-66. Please refer to the two page document at the beginning of USPS-LR-I-182 entitled "Electronic Bill Payment and the Impacts on Mail Volume--Evidence from the Household Diary Study 1995-1997." The last sentence on the second page of that document indicates that recommended questions "are included in the report."

- (a) Please provide a copy of the report referred to in this sentence.
- (b) Please provide a list of the questions recommended for inclusion in the Household Diary Study.
- (c) Have any of the recommended questions been included in the 1998 or 1999 versions of the Household Diary Study? If not, why not?



BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 73026 WASHINGTON DC

ARLINGTON POST OFFICE
2200 N GEORGE MASON DR
ARLINGTON VA 22207-9998

UNITED STATES POSTAL SERVICE
ARLINGTON POST OFFICE
2200 N GEORGE MASON DR
ARLINGTON VA 22207-9998

Please print your name and address in the address label to the right.

Please print your daytime telephone number in the spaces below.

Area Code Day Time Phone Number Extension

Please fill out the order form completely. Indicate items, quantities, price, and total cost of the order.

ITEM	DESCRIPTION	PRICE	QTY	COST
FLAG STAMPS				
33¢	Stamps (Book of 10) Peel & Stick	\$3.30		
33¢	Stamps (Book of 20) Peel & Stick	\$6.60		
33¢	Stamps (Cof of 100) Peel & Stick	\$33.00		
HS STAMPS				
33¢	Stamps (Cof of 100) Com 11 Stamps	\$33.00		
BREAST CANCER RESEARCH STAMP				
40¢	Breast Cancer Research Semi-Postal (Peel & Stick) (Face of 20) - 1 Sheet A "Celebration of Life", the Breast Cancer Research Stamp includes First-Class postage and a contribution to cancer research. By using this stamp or purchasing it as a gift for others to use, you not only increase awareness, but you will be helping to fund the fight to find a cure. Great Gift Idea To Support Cancer Research!!	\$R 1.01		

Total Front Above \$

Total Holiday Stamps \$

Total Included \$

Thank You!

Please Do Not Send Cash
Do not tender along dashed line. To use the order form send a check or money order payable to "Postmaster" in the reply envelope. Orders of \$200.00 or more will be sent by Certified Mail and must be signed for upon delivery.

ORDERS FILLED WITHIN 3 BUSINESS DAYS

Please complete the return address label on the back of this form.

DO NOT DETACH

HOLIDAY STAMP ISSUES



MAILPIECE

INSERT

Bringing the Post Office to the You



8409 Lee Highway
Merrifield VA 22081-9996

POSTAL CUSTOMER

STAMPS BY MAIL

convenient, easy, fast

*An easy way to Purchase Your Holiday Stamps
Shop at home and Relax-Convenience from your local Post Office*

FIRST-CLASS MAIL
POSTAGE & FEE PAID
USPS
Permit No. G-10

RETURN TO: NAME, ADDRESS, CITY, STATE, ZIP, COUNTRY
Please complete this label with your return address. Please do not detach the label. It will be used to mail your order.

Name _____
Street/PO Box _____
City _____ State _____ Zip _____

STAMPS BY MAIL ORDER FORM

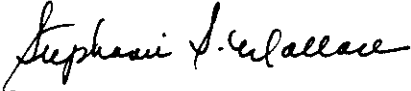
Holiday Stamp Issues

ITEM	DESCRIPTION	PRICE	QTY	COST
HOLIDAY CONTEMPORARY				
No.	(20) 33¢ Stamps - Peel & Stick	\$6.60		
HANUKKAH				
No.	(20) 33¢ Stamps - Peel & Stick	\$6.60		
KWANZAA				
No.	(20) 33¢ Stamps - Peel & Stick	\$6.60		
MADONNA AND CHILD				
No.	(20) 33¢ Stamps - Peel & Stick	\$6.60		
SUBTOTAL HOLIDAY STAMPS				\$

Happy Holidays!

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.


Stephanie S. Wallace

Washington, D.C. 20268-0001
February 10, 2000