

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

INSTITUTIONAL RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF PITNEY BOWES REDIRECTED FROM WITNESS TAUFIQUE  
(PB/USPS-T32-45 THROUGH 52 AND 59)

The United States Postal Service hereby files its responses to the following interrogatories misdirected by Pitney Bowes to witness Taufique on June 20, 2006: PB/USPS-T32-45 through 52 and 59. The interrogatories have been redirected to the Postal Service for institutional response. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF PITNEY BOWES  
REDIRECTED FROM WITNESS TAUFIQUE**

**PB/USPS-T32-45.** Please confirm that in 1967, Congress abolished “drop letters.” For your convenience, you may wish to refer to the testimony of Richard B. Kielbowicz in MC 95-1.

**RESPONSE**

The Opinion and Recommended Decision in Docket No. MC95-1 on page II-16, states : “A 1967 act both abolished the drop letters category, and further classified all ‘bills and statements of account’ as First-Class, thereby preventing banks and other financial institutions access to much cheaper third class.”

The Postal Service accepts this as an accurate statement.

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**PB/USPS-T32-46.** Please confirm that between 1933 and 1934, the rate for drop letters delivered by the carrier embodied a one cent discount as compared to the rate for other first-class letters. For your convenience, you may wish to refer to the testimony of Richard B. Kielbowicz in MC 95-1.

**RESPONSE**

That may be confirmed by reference to the 1933 Guide cited in response to

PB/USPS-T32-44.

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**PB/USPS-T32-47.** Please provide a list of the classes and subclasses for which incentives are provided for entering the mail closer to or at the facility where the mail receives its final sort prior to delivery.

**RESPONSE**

There are various incentives provided to mailers in various subclasses for efficiency and policy reasons. Please see the Domestic Mail Classification Schedule posted on the Postal Rate Commission's website. Any class or subclass that has a rate schedule that includes zoned rates or destination entry discounts can be viewed as providing incentives "for entering the mail closer to or at the facility where the mail receives its final sort prior to delivery."

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**PB/USPS-T32-48.** Please provide a list of the classes and subclasses for which incentives are not provided for entering the mail closer to or at the facility where the mail receives its final sort prior to delivery.

**RESPONSE**

Please see the response to PB/USPS-T32-47. Those classes and subclasses that do not have zoned rates or destination entry discounts can be viewed as not providing incentives “for entering the mail closer to or at the facility where the mail receives its final sort prior to delivery.”

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**PB/USPS-T32-49.** Please provide your best estimate of average haul (average distance transported) on purchased transportation in FY 2005 for:

- a. First-Class Mail Single Piece Letters.
- b. First-Class Mail Presort Letters.
- c. Priority Mail.
- d. Express Mail.
- e. Periodicals Within County.
- f. Periodicals Outside County.
- g. Standard Mail Enhanced Carrier Route.
- h. Standard Mail Regular.
- i. Package Services Parcel Post.
- j. Package Services Bound Printed Matter.
- k. Package Service Media Mail.

**RESPONSE**

These data are available only for Priority Mail average haul on purchased air transportation (does not include ground transportation) and have been provided in USPS Library Reference L-37. Average haul data are also available for Parcel Post in LR-L-47. Bound Printed Matter data are available in USPS-LR-L-89, Attachment A, and LR-L-126 (Periodicals' rate design spreadsheet, Outside-County.xls, worksheet 'Pound Data\_Adv') provides the average haul data for Outside County Periodicals. Except for the Priority Mail data in LR-L-37 (on purchased air transportation), the average haul data is not specifically for purchased transportation. In addition, for some categories of mail, such as Parcel Post, the average haul is related to the distance between origin and destination and may not reflect the actual distance traveled on postal transportation in order to provide service between the origin and destination. For instance, if a Parcel Post package must travel from an origin AO to the OSCF to a BMC, then to a DSCF and delivery unit,

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**RESPONSE to PB/IUSPS-T32-49 (continued):**

that distance traveled may be further than the distance "as the crow flies" between the OAO and DDU. Also, most of these data have not been updated in recent years. Base year average haul estimates are also used for the test year before and after rates.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
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**PB/USPS-T32-50.** Please provide the source of each of the estimates provided in response to PB/USPS-T32-49 above.

**RESPONSE**

Please see the response to PB/USPS-T32-49.

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**PB/USPS-T32-51.** Please provide your best estimate of average haul (average distance transported) on purchased transportation in TY 2008 for:

- a. First-Class Mail Single Piece Letters.
- b. First-Class Mail Presort Letters.
- c. Priority Mail.
- d. Express Mail.
- e. Periodicals Within County.
- f. Periodicals Outside County.
- g. Standard Mail Enhanced Carrier Route.
- h. Standard Mail Regular.
- i. Package Services Parcel Post.
- j. Package Services Bound Printed Matter.
- k. Package Service Media Mail.

**RESPONSE**

Please see the response to PB/USPS-T32-49.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
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**PB/USPS-T32-52.** Please provide the source of each of the estimates provided in response to PB/USPS-T32-51 above.

**RESPONSE**

Please see the response to PB/USPS-T32-49.

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**PB/USPS-T32-59.** Please refer to page 6 of Witness Mayes' (USPS-T-25) testimony in this docket, where she states "[p]eriodicals that are entered by mailers at origin SCFs or intermediate facilities upstream from the destination SCF must undergo mail processing operations of a bulk transfer type, such as crossdocking, at the non-destination facilities. By entering their Periodicals at destination facilities, mailers save the Postal Service the cost of these bulk transfer operations."

- a. Please confirm that it is also true that First-Class Presort Letters entered by mailers at origin SCFs or intermediate facilities upstream from the destination SCF must undergo mail processing operations of a bulk transfer type, such as crossdocking, at the non-destination facilities. If you cannot confirm, please explain fully.
- b. Please confirm that it is also true that were mailers to enter First-Class Presort Letters at destination facilities, the mailers could save the Postal Service the cost of these bulk transfer operations. If you cannot confirm, please explain fully.

**RESPONSE**

- a. First-Class Mail Presort Letter container movements have not been studied, but to the extent that the containers remain intact from their point of entry at an upstream facility to a downstream facility, there would be container movement costs.
- b. To the extent that a First-Class Mail Presort letters mailer is not currently entering mailings at the destinating SCF, some bulk transfer savings could be incurred if that mailer began entering mailings at the destinating SCF. It is worth noting that for First-Class Mail Presort already entered within the DSCF service area, there would be no change in costs.