

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-T1-41-43)
(April 2, 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-T1-41-43, filed on March 16, 2007. The interrogatories are stated verbatim and are followed by the response.

UNITED STATES POSTAL SERVICE

By its attorneys:

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OCA/USPS-T1-41. Please refer to your response to OCA/USPS-T1-6, and the Excel file, "Weighted average read rates.xls." In the column "USPS Modeled Acceptance Rate (%)," cell E10 contains the following formula used to derive the figure 97.29%: $=0.2103*0.961+0.7897*0.9761$.

- a. Please confirm that the weighting factor of 0.2103 represents the percent of automation letters to be processed as "Inc Sec 1 Pass Auto" (see USPS-LR-L-110, tabs AUTO MAADC MODEL, AUTO AADC MODEL, AUTO 3-DIGIT MODEL, and AUTO 5-DIGIT MODEL). If you do not confirm, please explain.
- b. Please explain the rationale for the weighting factor of 0.2103 applied to the acceptance rate of 96.1 percent for "Inc Sec 1 Pass Auto."
- c. Please confirm that the weighting factor of 0.7897 represents the percent of automation letters to be processed as "Inc Sec 2 Pass Auto" (see USPS-LR-L-110, tabs AUTO MAADC MODEL, AUTO AADC MODEL, AUTO 3-DIGIT MODEL, and AUTO 5-DIGIT MODEL). If you do not confirm, please explain.
- d. Please explain the rationale for the weighting factor of 0.7897 applied to the acceptance rate of 97.61 percent for "Inc Sec 2 Pass Auto – Pass 1."

RESPONSE:

- a. Not confirmed. The weighing factor identified in the interrogatory ("0.2103") represents the percent of automation 5-digit letters processed as "Inc Sec 1 Pass Auto" in the FIRST-CLASS AUTOMATION 5-DIGIT PRESORTED LETTERS MAIL FLOW MODEL on the tab AUTO 5-DIGIT MODEL. The formula used to derive the figure 97.29% (i.e., " $=0.2103*0.961+0.7897*0.9761$ ") is contained in cell E9 and not E10.
- b. The weighting factor that is used is consistent with the mail flow volumes identified in cell V48 at Tab "AUTO 5-DIGIT MODEL" in USPS-LR-L-110 in Docket No. R2006-1 on the percentage of incoming secondary auto that receives an incoming secondary 1 pass auto. The weighting factor I utilize is the same one used in USPS-LR-L-110 for all automation 5-digit mail volumes.
- c. Confirmed.

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- d. The weighting factor is consistent with the mail flows volumes identified in cell V63 at Tab "AUTO 5-DIGIT MODEL" in USPS-LR-L-110 in Docket No. R2006-1 on the percentage of incoming secondary auto that gets an incoming secondary 1 pass auto. The weighting factor I utilize is the same one used in USPS-LR-L-110 for all automation 5-digit mail volumes.

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OCA/USPS-T1-42. Please refer to your response to OCA/USPS-T1-6, and USPS-LR-L-110, under the AUTO MAADC MODEL tab.

- a. Please confirm that the accept rate (0.9616) for Mixed AADC letters fed at the “Out Sec Auto” sort is calculated from volumes of letters that previously received an “Out Prim Auto” sort plus volumes of Mixed AADC letters for which the “Out Sec Auto” sort will be their first sort. If you do not confirm, please explain how the data were collected for “pure” Mixed AADC volumes.
- b. Please confirm that Mixed AADC letters fed at the “Inc MMP Auto” sort consist of Mixed AADC letters that previously received an “Out Sec Auto” sort and letters for which the “Inc MMP Auto” sort will be their first sort. If you do not confirm, please explain how the data were collected for “pure” Mixed AADC volumes.
- c. Please confirm that Mixed AADC letters fed at the “Inc SCF/Prim Auto” sort consist of Mixed AADC letters that previously received an “Out Sec Auto” or “Inc MMP Auto” sort and letters for which the “Inc SCF/Prim Auto” sort will be their first sort. If you do not confirm, please explain how the data were collected for “pure” Mixed AADC volumes.
- d. Please confirm that Mixed AADC letters fed at the “Inc Sec Auto” sort consist of Mixed AADC letters that previously received an “Out Sec Auto,” “Inc MMP Auto,” or “Inc SCF/Prim Auto” sort and letters for which the “Inc Sec Auto” sort will be their first sort. If you do not confirm, please explain how the data were collected for “pure” Mixed AADC volumes.

RESPONSE:

- a. Confirmed.
- b. Partially confirmed. The Docket No. R2006-1 acceptance rates were developed by operation (e.g., Out Sec Auto), not by mail category (Mixed AADC Automation Letters). Given this, our best estimate of the acceptance rate for Mixed AADC Automation Letters through a particular operation is the average acceptance rate (including that for both Mixed AADC Automation letters and other mail categories) for that operation.
- c. Not Confirmed. 3-digit letters and not Mixed AADC letters are fed at the “Inc SCF/Prim Auto”. Please see my response to part (b) above.
- d. Not Confirmed. 5-digit letters and not Mixed AADC letters are fed at the “Inc Sec Auto”. Please see my response to part (b) above.

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OCA/USPS-T1-43. Please refer to your response to OCA/USPS-T1-6, and the Excel file, "Weighted average read rates.xls," in which you calculated the weighted average read rates for Bank of America's First-Class Mail and Standard Mail automation letters.

- a. Please confirm that the "USPS Modeled Acceptance Rates (%)" used to calculate Bank of America's First-Class Mail and Standard Mail automation letter read rates were obtained from Docket No. R2005-1, USPS-LR-K-68. If you do not confirm, please explain.
- b. Please confirm that the volume data used to estimate the "USPS Modeled Acceptance Rates (%)" were developed in AP 11 of FY 1999. If you do not confirm, please explain.

RESPONSE:

- a. Confirmed.
- b. Confirmed.

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.

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