ORIGINAL

Official Transcript of Proceedings

Before the

UNITED STATES POSTAL RATE COMMISSION

In the Matter of: POSTAL RATE AND FEE CHANGE

Docket No. R2000-1

VOLUME 46-D

DATE: Thursday, August 31, 2000

PLACE: Washington, D.C.

PAGES: 21077 – 21890

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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes, 2000 — Docket No. R2000-1

DESIGNATION OF WRITTEN CROSS-EXAMINATION

Party	Interrogatories
United States Postal Service	
Donald M. Baron (USPS-T-12)	
Magazine Publishers of America	UPS/USPS-T12-13, 16
Postal Rate Commission	POIR No. 20, Question 4
United Parcel Service	UPS/USPS-T12-16
A. Thomas Bozzo (USPS-T-15)	
Postal Rate Commission	POIR No. 1, Question 8
Charles L. Crum (USPS-T-27)	
Postal Rate Commission	ADVO/USPS-T27-7 POIR No. 20, Question 2, D & F
Sharon Daniel (USPS-T-28)	
Postal Rate Commission	AAPS/USPS-T28-6 ABA&NAPM/USPS-T28-16, 31 UPS/USPS-T28-1-2 POIR No. 6, Question 4 POIR No. 7, Questions 3 and 4 POIR No. 11, Questions 1 and 2 POIR No. 13, Questions 3-5 POIR No. 21, Question 1

Party	Interrogatories
Scott J. Davis (USPS-T-30)	
David B. Popkin	DBP/USPS-221 redirected to T30
Carl G. Degen (USPS-T-16)	
Magazine Publishers of America	MPA/USPS-T16-1c
Postal Rate Commission	POIR No. 21, Question 2
Jennifer L. Eggleston (USPS-T-26)	
Postal Rate Commission	POIR No. 5, Questions 9 and 10 (of 2) POIR No. 11, Question 4 POIR No. 12, Question 5 POIR No. 20, Question 1 POIR No. 20, Question 2, Parts A-C
David R. Fronk (USPS-T-33)	
Postal Rate Commission	POIR No. 11, Question 3 POIR No. 13, Questions 6-8
Thomas W. Harahush (USPS-ST-49)	
Postal Rate Commission	Response of Witness Harahush to Question of UPS Posed at Hearing (Tr. 16/6675-76) Response of Witness Harahush to Questions Raised by Commissioner Covington During Hearings (Tr. 16/6681) Response of Witness Harahush to Questions Raised by Commissioner Goldway During Hearings (Tr. 16/6679)
United Parcel Service	Response of Witness Harahush to Questions Raised by Commissioner Goldway During Hearings (Tr. 16/6679)

Party	Interrogatories
Herbert B. Hunter (USPS-T-5)	
Magazine Publishers of America	POIR No. 17, Questions 3-5, and 8
National Newspaper Association	Response of Witness Hunter to Question Posed by NNA During Hearing (Tr. 2/915)
Postal Rate Commission	NNA/USPS-T5-2, 20-21, 24, 34-36, 39 NNA/USPS-T11-2-7, 13, 15 redirected to T5 UPS/USPS-T5-14, 25, 67-68, 71a, 72a, 81, 83, 88, 91 UPS/USPS-2 redirected to T5 POIR No. 1, Question 2 POIR No. 15, Question 1 POIR No. 17, Questions 3-5, and 8 Response of Witness Hunter to Question Posed by NNA During Hearing (Tr. 2/915)
United Parcel Service	UPS/USPS-49-50, 57, 59-61 redirected to T5 POIR No. 17, Questions 4-5
Cameron Kashani (USPS-T-14)	
Postal Rate Commission	AAP/USPS-T14-4 MPA/USPS-T14-2 POIR No. 6, Questions 1-3 POIR No. 10, Questions 1-6 POIR No. 12, Questions 2-3
Nancy R. Kay (USPS-ST-45)	
Postal Rate Commission	Response of Witness Kay to Request of Presiding Officer at Hearing (Tr. 39/17812)

Party	Interrogatories
James M. Kiefer (USPS-T-37)	
Association of American Publishers	Response of Witness Kiefer to Question Posed During Oral Cross-Examination (Tr. 13/5329)
Postal Rate Commission	POIR No. 2, Question 1 POIR No. 6, Question 14 Response of Witness Kiefer to Question Posed During Oral Cross-Examination (Tr. 13/5329)
Linda A. Kingsley (USPS-T-10)	
McGraw-Hill Companies, Inc., The	MH/USPS-T10-26
Postal Rate Commission	Response of Witness Kingsley to Questions Posed During Oral Cross-Examination (Tr. 5/2028, 2059, 1955 and 2013-4)
Virginia J. Mayes (USPS-T-32)	
Newspaper Association of America	VP-CW/USPS-T32-16 POIR No. 12, Question 1
Postal Rate Commission	POIR No. 1, Question 4 POIR No. 16, Question 1 POIR No. 18, Question 2 Response of Witness Mayes to Question Posed by MOAA During Hearings (Tr. 11/4487) Response of Witness Mayes to Questions Posed During Oral Cross-Examination (Tr. 11/4609, 4610 and 4610-11)

Party	Interrogatories
Susan W. Mayo (USPS-T-39)	
David B. Popkin	DBP/USPS-169, 203, 225-227, 245 redirected to T39
Douglas F. Carlson	DFC/USPS-T39-69-71, 73-74, 76-77
Office of the Consumer Advocate	OCA/USPS-T39-5
Postal Rate Commission	Response to Questions Posed by KeySpan and OCA at April 28 Hearings (Tr. 14/5622, 5683, 5686 and 5707)
Karen Meehan (USPS-T-11)	
Postal Rate Commission	POIR No. 20, Question 3
Michael W. Miller (USPS-T-24)	
Postal Rate Commission	POIR No. 5, Questions 4 and 5 POIR No. 9, Question 4
Joseph D. Moeller (USPS-T-35)	
District Photo, Inc., Mystic Color Lab & Cox Sampling	RIAA/USPS-T35-4-5 Response of Witness Moeller to Question Posed by OCA at April 24 Hearing (Tr. 10/4045-47)
Postal Rate Commission	NAA/USPS-T35-11 POIR No. 2, Question 1 POIR No. 5, Question 3 POIR No. 20, Question 2(e) Response of Witness Moeller to Question Posed by OCA at April 24 Hearing (Further Response) (Tr. 10/4045-47) Response of Witness Moeller to Question Posed by OCA at April 24 Hearing (Tr. 10/4045-47)

Party	Interrogatories
Walter O'Tormey (USPS-ST-42)	
Association of Priority Mail Users, Inc.	MPA/USPS-ST42-8-9
Magazine Publishers of America	MPA/USPS-ST42-1-10
Bradley V. Pafford (USPS-T-4)	
Magazine Publishers of America	POIR No. 17, Questions 1-2, 6-7, and 9
Postal Rate Commission	UPS/USPS-T4-4-5, 15a POIR No. 15, Question 2(c) Response of Witness Pafford to Data Requests of UPS During Oral Cross-Examination (Tr. 2/735, 743, 750 and 755)
United Parcel Service	UPS/USPS-48 redirected to T4 POIR No. 17, Questions 6, 7, and 9

Party	Interrogatories
Richard L. Patelunas (USPS-ST-44)	
American Bankers Association and National Association of Presort Mailers	ABA&NAPM/USPS-ST44-9-11, 27
Major Mailers Association	ABA&NAPM/USPS-ST44-13, 26a MMA/USPS-ST44-7a MMA/USPS-T24-22 redirected to ST44
Office of the Consumer Advocate	OCA/USPS-ST44-11a, c, 35-39, 40a-i, 41-42, 46-50 POIR No. 14, Questions 2(b) and (e) Response of USPS Witness Patelunas to Questions Raised at July 26 Technical Conference Response of Witness Patelunas to Questions Posed at Hearings (Tr. 35/16782-3) Response of Witness Patelunas to Questions Posed at Hearings (Tr. 35/16785 and 16791-2) Response of Witness Patelunas to Questions Raised at Hearings on August 3 (Tr. 35/16779 and 16786)
Postal Rate Commission	POIR No. 14, Questions 1-2 POIR No. 14, Questions 2(b) and (e) POIR No. 21, Questions 3 and 4
Michael K. Plunkett (USPS-T-36)	
Postal Rate Commission	POIR No. 1, Questions 10-12
Mark F. Ramage (USPS-T-2)	
Postal Rate Commission	Response of Witness Ramage to Question of the OCA Posed During Oral Cross-Examination (Tr. 4/1143-44)

Party	Interrogatories
Lloyd Raymond (USPS-T-13)	
Magazine Publishers of America	ADVO/USPS-T13-38, 69, 102, 104, 110, 112, 114-122, 124, 126, 128-131, 133-135, 143-145, 149 MPA/USPS-T13-121-123, 127 Response of Witness Raymond to Information Request Made at Hearing (Tr. 18/8001) Response of Witness Raymond to Questions Posed at Hearing (Tr. 18/7961-63, Tr. 18/7971-73 and Tr. 18/7981-83) Response of Witness Raymond to Questions Posed at Hearing by Commissioner LeBlanc (Tr. 19/8089-90)
Newspaper Association of America	ADVO/USPS-T13-69, 111-112, 119, 124, 128, 131-133, 140, 142
Postal Rate Commission	Response of Witness Raymond to Information Request Made at Hearing (Tr. 18/8001) Response of Witness Raymond to Question Posed at Hearing (Tr. 19/8042) Response of Witness Raymond to Questions Posed at Hearing (Tr. 18/7961-63, Tr. 18/7971-73 and Tr. 18/7981-83) Response of Witness Raymond to Questions Posed at Hearing by Commissioners Goldway and LeBlanc (Tr. 19/8101-02, 8089-90)
Maura Robinson (USPS-T-34)	
Association of Priority Mail Users, Inc.	APMU/USPS-T34-37-39, 41-42, 48 POIR No. 15, Question 3
David B. Popkin	DBP/USPS-5, 205 redirected to T34
Douglas F. Carlson	DFC/USPS-T34-24-26, 30
Postal Rate Commission	POIR No. 5, Questions 7 and 8 POIR No. 6, Questions 6, 7 and 11-12 POIR No. 15, Question 3 Response of Witness Robinson to Question Posed at Hearing (Tr. 7/2894)

Party	Interrogatories
Marc A. Smith (USPS-T-21)	
Postal Rate Commission	ABA&NAPM/USPS-T21-37 POIR No. 4, Question 1
Dennis P. Stevens (USPS-T-20)	
Postal Rate Commission	Response of Witness Stevens to Question Posed by Commissioner Goldway at Hearings (Tr. 17/6699-700)
Altaf H. Taufique (USPS-T-38)	
Postal Rate Commission	POIR No. 1, Question 5-7 POIR No. 2, Questions 1-3 POIR No. 6, Question 5
William P. Tayman (USPS-T-9)	
Postal Rate Commission	ANM/USPS-T9-22 APMU/USPS-T9-6c, 8, 24a, 25, 28c-d DMA/USPS-T9-19 POIR No. 7, Questions 1 and 2 POIR No. 13, Questions 1 and 2 Response of Witness Tayman to Questions Posed During Oral Cross-Examination (Tr. 2/95, 445-6, 473, 491, 493-4 and 570)
Thomas E. Thress (USPS-T-7)	
Postal Rate Commission	Response of Witness Thress to Oral Request of the Presiding Officer (Tr. 35/16864-65)
George S. Tolley (USPS-T-6)	
Postal Rate Commission	POIR No. 1, Question 1

Party	Interrogatories
David G. Yacobucci (USPS-T-25)	
Postal Rate Commission	MPA/USPS-T25-8 POIR No. 12, Question 4

Respectfully submitted,

Margaret P. Crenshaw

Margaret P. Crenshaw
Secretary

INTERROGATORY RESPONSES
DESIGNATED AS WRITTEN CROSS-EXAMINATION

Interrogatory	Designating Parties
United States Postal Service	
Donald M. Baron (USPS-T-12)	
UPS/USPS-T12-13	MPA
UPS/USPS-T12-16	MPA, UPS
POIR No. 20, Question 4	PRC
A. Thomas Bozzo (USPS-T-15)	
POIR No. 1, Question 8	PRC
Charles L. Crum (USPS-T-27)	
ADVO/USPS-T27-7	PRC
POIR No. 20, Question 2, D & F	PRC
Sharon Daniel (USPS-T-28)	
AAPS/USPS-T28-6	PRC
ABA&NAPM/USPS-T28-16	PRC
ABA&NAPM/USPS-T28-31	PRC
UPS/USPS-T28-1	PRC
UPS/USPS-T28-2	PRC
POIR No. 6, Question 4	PRC
POIR No. 7, Questions 3 and 4	PRC
POIR No. 11, Questions 1 and 2	PRC
POIR No. 13, Questions 3-5	PRC
POIR No. 21, Question 1	PRC
Scott J. Davis (USPS-T-30)	
DBP/USPS-221 redirected to T30	Popkin
Carl G. Degen (USPS-T-16)	
MPA/USPS-T16-1c	MPA
POIR No. 21, Question 2	PRC

Interrogatory	Designating Parties
Jennifer L. Eggleston (USPS-T-26)	
POIR No. 5, Questions 9 and 10 (of 2)	PRC
POIR No. 11, Question 4	PRC
POIR No. 12, Question 5	PRC
POIR No. 20, Question 1	PRC
POIR No. 20, Question 2, Parts A-C	PRC
David R. Fronk (USPS-T-33)	
POIR No. 11, Question 3	PRC
POIR No. 13, Questions 6-8	PRC
Thomas W. Harahush (USPS-ST-49)	
Response of Witness Harahush to Question of UPS Posed at Hearing (Tr. 16/6675-76)	PRC
Response of Witness Harahush to Questions Raised by Commissioner Covington During Hearings (Tr. 16/6681)	PRC
Response of Witness Harahush to Questions Raised by Commissioner Goldway During Hearings (Tr. 16/6679)	PRC, UPS
Herbert B. Hunter (USPS-T-5)	
NNA/USPS-T5-2	PRC
NNA/USPS-T5-20	PRC
NNA/USPS-T5-21	PRC
NNA/USPS-T5-24	PRC
NNA/USPS-T5-34	PRC
NNA/USPS-T5-35	PRC
NNA/USPS-T5-36	PRC
NNA/USPS-T5-39	PRC
NNA/USPS-T11-2 redirected to T5	PRC
NNA/USPS-T11-3 redirected to T5	PRC
NNA/USPS-T11-4 redirected to T5	PRC
NNA/USPS-T11-5 redirected to T5	PRC
NNA/USPS-T11-6 redirected to T5	PRC
NNA/USPS-T11-7 redirected to T5	PRC
NNA/USPS-T11-13 redirected to T5	PRC
NNA/USPS-T11-15 redirected to T5	PRC

Interrogatory	Designating Parties
UPS/USPS-T5-14	PRC
UPS/USPS-T5-25	PRC
UPS/USPS-T5-67	PRC
UPS/USPS-T5-68	PRC
UPS/USPS-T5-71a	PRC
UPS/USPS-T5-72a	PRC
UPS/USPS-T5-81	PRC
UPS/USPS-T5-83	PRC
UPS/USPS-T5-88	PRC
UPS/USPS-T5-91	PRC
UPS/USPS-2 redirected to T5	PRC
UPS/USPS-49 redirected to T5	UPS
UPS/USPS-50 redirected to T5	UPS
UPS/USPS-57 redirected to T5	UPS
UPS/USPS-59 redirected to T5	UPS
UPS/USPS-60 redirected to T5	UPS
UPS/USPS-61 redirected to T5	UPS
POIR No. 1, Question 2	PRC
POIR No. 15, Question 1	PRC
POIR No. 17, Questions 3-5, and 8	MPA, PRC
POIR No. 17, Questions 4-5	UPS
Response of Witness Hunter to Question Posed by NNA During Hearing (Tr. 2/915)	NNA, PRC
Cameron Kashani (USPS-T-14)	
AAP/USPS-T14-4	PRC
MPA/USPS-T14-2	PRC
POIR No. 6, Questions 1-3	PRC
POIR No. 10, Questions 1-6	PRC
POIR No. 12, Questions 2-3	PRC
Nancy R. Kay (USPS-ST-45)	
Response of Witness Kay to Request of Presiding Officer at Hearing (Tr. 39/17812)	PRC
James M. Kiefer (USPS-T-37)	
POIR No. 2, Question 1	PRC
POIR No. 6, Question 14	PRC

Interrogatory	Designating Parties
Response of Witness Kiefer to Question Posed During Oral Cross-Examination (Tr. 13/5329)	AAP, PRC
Linda A. Kingsley (USPS-T-10)	
MH/USPS-T10-26	McGraw-Hill
Response of Witness Kingsley to Questions Posed During Oral Cross-Examination (Tr. 5/2028, 2059, 1955 and 2013-4)	PRC
Virginia J. Mayes (USPS-T-32)	
VP-CW/USPS-T32-16	NAA
POIR No. 1, Question 4	PRC
POIR No. 12, Question 1	NAA
POIR No. 16, Question 1	PRC
POIR No. 18, Question 2	PRC
Response of Witness Mayes to Question Posed by MOAA During Hearings (Tr. 11/4487)	PRC
Response of Witness Mayes to Questions Posed During Oral Cross-Examination (Tr. 11/4609, 4610 and 4610-11)	PRC
Susan W. Mayo (USPS-T-39)	
DBP/USPS-169 redirected to T39	Popkin
DBP/USPS-203 redirected to T39	Popkin
DBP/USPS-225 redirected to T39	Popkin
DBP/USPS-226 redirected to T39	Popkin
DBP/USPS-227 redirected to T39	Popkin
DBP/USPS-245 redirected to T39	Popkin
DFC/USPS-T39-69	Carlson
DFC/USPS-T39-70	Carlson
DFC/USPS-T39-71	Carlson
DFC/USPS-T39-73	Carlson
DFC/USPS-T39-74	Carlson
DFC/USPS-T39-76	Carlson
DFC/USPS-T39-77	Carlson
OCA/USPS-T39-5	OCA
Response to Questions Posed by KeySpan and OCA at April 28 Hearings (Tr. 14/5622, 5683, 5686 and 5707)	PRC

Interrogatory	Designating Parties
Karen Meehan (USPS-T-11)	
POIR No. 20, Question 3	PRC
Michael W. Miller (USPS-T-24)	
POIR No. 5, Questions 4 and 5	PRC
POIR No. 9, Question 4	PRC
Joseph D. Moeller (USPS-T-35)	
NAA/USPS-T35-11	PRC
RIAA/USPS-T35-4	DMC
RIAA/USPS-T35-5	DMC
POIR No. 2, Question 1	PRC
POIR No. 5, Question 3	PRC
POIR No. 20, Question 2(e)	PRC
Response of Witness Moeller to Question Posed by OCA at April 24 Hearing (Further Response) (Tr. 10/4045-47)	PRC
Response of Witness Moeller to Question Posed by OCA at April 24 Hearing (Tr. 10/4045-47)	DMC, PRC
Walter O'Tormey (USPS-ST-42)	
MPA/USPS-ST42-1	MPA
MPA/USPS-ST42-2	MPA
MPA/USPS-ST42-3	MPA
MPA/USPS-ST42-4	MPA
MPA/USPS-ST42-5	MPA
MPA/USPS-ST42-6	MPA
MPA/USPS-ST42-7	MPA
MPA/USPS-ST42-8	APMU, MPA
MPA/USPS-ST42-9	APMU, MPA
MPA/USPS-ST42-10	MPA
Bradley V. Pafford (USPS-T-4)	
UPS/USPS-T4-4	PRC
UPS/USPS-T4-5	PRC
UPS/USPS-T4-15a	PRC
UPS/USPS-48 redirected to T4	UPS

Interrogatory	Designating Parties
POIR No. 15, Question 2(c)	PRC
POIR No. 17, Questions 1-2, 6-7, and 9	MPA
POIR No. 17, Questions 6, 7, and 9	UPS
Response of Witness Pafford to Data Requests of UPS During Oral Cross-Examination (Tr. 2/735, 743, 750 and 755)	PRC
Richard L. Patelunas (USPS-ST-44)	
ABA&NAPM/USPS-ST44-9	ABA&NAPM
ABA&NAPM/USPS-ST44-10	ABA&NAPM
ABA&NAPM/USPS-ST44-11	ABA&NAPM
ABA&NAPM/USPS-ST44-13	MMA
ABA&NAPM/USPS-ST44-26a	MMA
ABA&NAPM/USPS-ST44-27	ABA&NAPM
MMA/USPS-ST44-7a	MMA
MMA/USPS-T24-22 redirected to ST44	MMA
OCA/USPS-ST44-11a	OCA
OCA/USPS-ST44-11c	OCA
OCA/USPS-ST44-35	OCA
OCA/USPS-ST44-36	OCA
OCA/USPS-ST44-37	OCA
OCA/USPS-ST44-38	OCA
OCA/USPS-ST44-39	OCA
OCA/USPS-ST44-40a	OCA
OCA/USPS-ST44-40b	OCA
OCA/USPS-ST44-40c	OCA
OCA/USPS-ST44-40d	OCA
OCA/USPS-ST44-40e	OCA
OCA/USPS-ST44-40f	OCA
OCA/USPS-ST44-40g	OCA
OCA/USPS-ST44-40h	OCA
OCA/USPS-ST44-40i	OCA
OCA/USPS-ST44-41	OCA
OCA/USPS-ST44-42	OCA
OCA/USPS-ST44-46	OCA
OCA/USPS-ST44-47	OCA
OCA/USPS-ST44-48	OCA

Interrogatory	Designating Parties
OCA/USPS-ST44-49	OCA
OCA/USPS-ST44-50	OCA
POIR No. 14, Questions 1-2	PRC
POIR No. 14, Questions 2(b) and (e)	OCA, PRC
POIR No. 21, Questions 3 and 4	PRC
Response of USPS Witness Patelunas to Questions Raised at July 26 Technical Conference	OCA
Response of Witness Patelunas to Questions Posed at Hearings (Tr. 35/16782-3)	OCA
Response of Witness Patelunas to Questions Posed at Hearings (Tr. 35/16785 and 16791-2)	OCA
Response of Witness Patelunas to Questions Raised at Hearings on August 3 (Tr. 35/16779 and 16786)	OCA
Michael K. Plunkett (USPS-T-36)	
POIR No. 1, Questions 10-12	PRC
Mark F. Ramage (USPS-T-2)	
Response of Witness Ramage to Question of the OCA Posed During Oral Cross-Examination (Tr. 4/1143-44)	PRC
Lloyd Raymond (USPS-T-13)	
ADVO/USPS-T13-38	MPA
ADVO/USPS-T13-69	MPA, NAA
ADVO/USPS-T13-102	MPA
ADVO/USPS-T13-104	MPA
ADVO/USPS-T13-110	MPA
ADVO/USPS-T13-111	NAA
ADVO/USPS-T13-112	MPA, NAA
ADVO/USPS-T13-114	MPA
ADVO/USPS-T13-115	MPA
ADVO/USPS-T13-116	MPA
ADVO/USPS-T13-117	MPA
ADVO/USPS-T13-118	MPA
ADVO/USPS-T13-119	MPA, NAA
ADVO/USPS-T13-120	MPA

Interrogatory	Designating Parties
ADVO/USPS-T13-121	MPA
ADVO/USPS-T13-122	MPA
ADVO/USPS-T13-124	MPA, NAA
ADVO/USPS-T13-126	MPA
ADVO/USPS-T13-128	MPA, NAA
ADVO/USPS-T13-129	MPA
ADVO/USPS-T13-130	MPA
ADVO/USPS-T13-131	MPA, NAA
ADVO/USPS-T13-132	NAA
ADVO/USPS-T13-133	MPA, NAA
ADVO/USPS-T13-134	MPA
ADVO/USPS-T13-135	MPA
ADVO/USPS-T13-140	NAA
ADVO/USPS-T13-142	NAA
ADVO/USPS-T13-143	MPA
ADVO/USPS-T13-144	MPA
ADVO/USPS-T13-145	MPA
ADVO/USPS-T13-149	MPA
MPA/USPS-T13-121	MPA
MPA/USPS-T13-122	MPA
MPA/USPS-T13-123	MPA
MPA/USPS-T13-127	MPA
Response of Witness Raymond to Information Request Made at Hearing (Tr. 18/8001)	MPA, PRC
Response of Witness Raymond to Question Posed at Hearing (Tr. 19/8042)	PRC
Response of Witness Raymond to Questions Posed at Hearing (Tr. 18/7961-63, Tr. 18/7971-73 and Tr. 18/7981-83)	MPA, PRC
Response of Witness Raymond to Questions Posed at Hearing by Commissioner LeBlanc (Tr. 19/8089-90)	MPA
Response of Witness Raymond to Questions Posed at Hearing by Commissioners Goldway and LeBlanc (Tr. 19/8101-02, 8089-90)	PRC
Maura Robinson (USPS-T-34)	
APMU/USPS-T34-37	APMU
APMU/USPS-T34-38	APMU

Interrogatory	Designating Parties
APMU/USPS-T34-39	APMU
APMU/USPS-T34-41	APMU
APMU/USPS-T34-42	APMU
APMU/USPS-T34-48	APMU
DBP/USPS-5 redirected to T34	Popkin
DBP/USPS-205 redirected to T34	Popkin
DFC/USPS-T34-24	Carlson
DFC/USPS-T34-25	Carlson
DFC/USPS-T34-26	Carlson
DFC/USPS-T34-30	Carlson
POIR No. 5, Questions 7 and 8	PRC
POIR No. 6, Questions 6, 7 and 11-12	PRC
POIR No. 15, Question 3	APMU, PRC
Response of Witness Robinson to Question Posed at Hearing (Tr. 7/2894)	PRC
Marc A. Smith (USPS-T-21)	
ABA&NAPM/USPS-T21-37	PRC
POIR No. 4, Question 1	PRC
Dennis P. Stevens (USPS-T-20)	
Response of Witness Stevens to Question Posed by Commissioner Goldway at Hearings (Tr. 17/6699-700)	PRC
Altaf H. Taufique (USPS-T-38)	
POIR No. 1, Question 5-7	PRC
POIR No. 2, Questions 1-3	PRC
POIR No. 6, Question 5	PRC
William P. Tayman (USPS-T-9)	
ANM/USPS-T9-22	PRC
APMU/USPS-T9-6c	PRC
APMU/USPS-T9-8	PRC
APMU/USPS-T9-24a	PRC
APMU/USPS-T9-25	PRC
APMU/USPS-T9-28c	PRC
APMU/USPS-T9-28d	PRC

Interrogatory	Designating Parties
DMA/USPS-T9-19	PRC
POIR No. 7, Questions 1 and 2	PRC
POIR No. 13, Questions 1 and 2	PRC
Response of Witness Tayman to Questions Posed During Oral Cross-Examination (Tr. 2/95, 445-6, 473, 491, 493-4 and 570)	PRC
Thomas E. Thress (USPS-T-7)	
Response of Witness Thress to Oral Request of the Presiding Officer (Tr. 35/16864-65)	PRC
George S. Tolley (USPS-T-6)	
POIR No. 1, Question 1	PRC
David G. Yacobucci (USPS-T-25)	
MPA/USPS-T25-8	PRC
POIR No. 12, Question 4	PRC

United States Postal Service

Donald M. Baron
(USPS-T-12)

RESPONSE OF UNTED STATES POSTAL SERVICE WITNESS BARON TO INTERROGATORIES OF UNITED PARCEL SERVICE

UPS/USPS-T12-13. In your response to ADVO/USPS-T12-11, you indicate that "a draft of a report on this analysis will be completed in approximately two weeks and will be provided as Library Reference USPS-LR-I-310." Is Library Reference USPS-LR-I-310 a draft report? If so, what remains to be completed before the report is no longer considered a draft? When is the final version of the analysis expected to be completed?

RESPONSE:

USPS-LR-I-310 is the draft report referred to in my response to ADVO/USPS-T12-11. It is impossible to say what additional analysis might be conducted before a final version of this report is completed. The reason I referred to the report as a draft is that I did not have time to consider all of the implications of the new approach. In addition, I anticipated continuing to review the approach and believed that revisions might be necessary.

In any event, the exact date of the completion of the final version of the LR-I-310 report, and the exact contents of that final version are at this point less important than the immediate question of which load time regression analysis should be used to derive final BY 98 volume-variable load-time costs for Docket R2000-1. The latest revised regression that is estimated through use of ES volume and deliveries data, and that produces the results summarized in Tables 3B and 4B presented in my interrogatory UPS/USPS-T12-16 response, produces volume-variabilities that are more reliable than those produced by the SDR, MDR, and BAM regressions currently used by the Commission and the Postal Service, or by any other regressions submitted into evidence to date. Therefore, I believe that these new ES-based variabilities should replace the current Base Year SDR, MDR, and BAM variabilities.

RESPONSE OF UNTED STATES POSTAL SERVICE WITNESS BARON TO INTERROGATORIES OF UNITED PARCEL SERVICE

I have prepared a new library reference, USPS-LR-I-398, to implement this proposed change. This library reference derives the new segment 7 volume-variable costs by mail subclass that result from the substitution of the ES-based variabilities for the variabilities used in USPS-LR-I-80.

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UPS/USPS-T12-16. Refer to Library Reference USPS-LR-I-310, Tables 2 and 4.

(a) Provide an explanation as to why marginal load time with respect to parcels is less in Table 2 than in Table 4.

(b) Provide an explanation as to why the elasticity of load time with respect to parcels is greater in Table 2 than in Table 4.

(c) Provide an explanation as to why the elasticity of load time with respect to parcels decreased from Table 2 to Table 4 at the same time that the marginal load time with respect to parcels increased. Include in your explanation the role that any different definition of parcels between the analysis in Table 2 and that in Table 4 may contribute to this difference.

RESPONSE:

(a) and (b). I believe the reason the marginal load time with respect to parcels is so much higher in Table 4 than in Table 2 is that I applied an incorrect definition of parcels to derive values for the parcels variable in the initial version of the new regression data, which is the one used to derive the Table 4 results. The reason for this error is as follows. The data set obtained from the ES database reports separate variables for flats, SPRs, and parcels. To convert this dataset into the regression data set that produced the Table 4 results, I defined total flats as the sum of the flats and SPR variables, under the mistaken assumption that volumes recorded for the SPR variable are cased SPRs. In fact, cased SPRs are already included along with all other flat pieces in the total volumes recorded for the flats variable. The volumes recorded for the SPR variable are therefore uncased flats, and should be regarded as parcels.

To correct this error, I have now revised the regression data set. SPRs are no longer added to flats, but are added to the pieces recorded for the parcels

variable. This ensures that total parcels now equal the sum of uncased SPRs and all other parcels.

I have also used this revised regression data set to reestimate the regressions. The new results are presented below in Tables 3A and 4B, which are comparable to Tables 3 and 4, respectively, from the LR-I-310 report.

TABLE 3A. REVISED QUADRATIC LOAD-TIME EQUATION BASED ON THE 1996-1998 ENGINEERED STANDARDS DATA BASE (t-Statistics Are In Parentheses)

Independent Variable	Coefficient Estimated
Intercept	-4,734.34 (2.29)
Load Time/Letters Dummy	2,846.04 (8.75)
Load Time/Flats Dummy	1,959.29 (6.10)
Load Time/Accountables Dummy	2,174.17 (8.68)
Load Time/Parcels Dummy	855.52 (2.80)
Letters Delivered	1.24 (1.92)
Letters Delivered Squared	-0.0004 (3.33)
Flats Delivered	1.03 (0.70)
Flats Delivered Squared	-0.002 (2.41)
Accountables Delivered	169.64 (1.62)
Accountables Delivered Squared	-6.99 (3.38)
Parcels Delivered	69.99 (3.46)
Parcels Delivered Squared	-0.28 (2.34)
Letters*Flats	0.00003 (0.07)
Letters*Accountables	0.040 (1.41)
Letters*Parcels	0.003 (0.55)
Flats*Accountables	0.058 (0.87)
Flats*Parcels	-0.014 (0.89)
Accountables*Parcels	-0.790 (0.81)
Deliveries	-0.011 (0.004)
Deliveries Squared	-0.0006 (0.23)
Letters*Deliveries	0.002 (2.67)
Flats*Deliveries	0.005 (2.38)
Accountables*Deliveries	-0.057 (0.52)
Parcels*Deliveries	-0.047 (1.65)
% of Deliveries That Are Residential Other	5,646.66 (3.04)
% of Deliveries That Are Residential Curb	8,277.82 (4.42)
% of Deliveries That Are Residential Central	7,136.93 (3.70)
% of Deliveries That Are Residential NDCBU	7,022.63 (3.61)
% of Deliveries That Are Business Other	4,334.02 (2.08)
% of Deliveries That Are Business Curb	2,560.43 (0.99)
% of Deliveries That Are Business Central	9,348.22 (3.12)
R-Square	56.27%
F Statistic	29.80
Number of Observations	750

TABLE 4A. REVISED TOTAL LOAD TIME PER ROUTE-DAY, MARGINAL LOAD TIMES, AND LOAD-TIME ELASTICITIES DERIVED FROM THE NEW LOAD-TIME REGRESSION DATASET

Predicted Daily Load Time	9,168.29 Seconds
Marginal Load Times (in seconds)	
Letters	1.11
Flats	1.59
Accountables	172.33
Parcels	125.88
Deliveries	4.66
Estimated Elasticities	
Letters	22.95%
Flats	9.34%
Accountables	7.36%
Parcels	8.00%
Deliveries	25.09%

After reviewing the results in Tables 4A and 4B, I further concluded that the estimated coefficients for the entire set of variables defined as the interaction of the different volume variables (letters, flats, parcels, and accountables) are jointly insignificant. This determination is based on the F value of 0.817 that I calculated for this set of coefficients. At 6 numerator and 718 denominator degrees of freedom, this F value implies a probability value of 0.557, which clearly mandates acceptance of the null hypothesis that the volume-interaction coefficients are jointly zero.

In response to this discovery, I have further revised the regression analysis by re-estimating the load-time equation after first eliminating all volume-interaction variables. The results of this latest revised model are presented in Tables 3B and 4B, below.

RESPONSE OF UNTED STATES POSTAL SERVICE WITNESS BARON TO INTERROGATORIES OF UNITED PARCEL SERVICE

TABLE 3B. FINAL REVISED QUADRATIC LOAD-TIME EQUATION BASED ON THE 1996-1998 ENGINEERED STANDARDS DATA BASE (t-Statistics Are In Parentheses)

Independent Variable	Coefficient Estimated
Intercept	-4,322.22 (2.14)
Load Time/Letters Dummy	2,884.95 (8.94)
Load Time/Flats Dummy	1,878.43 (5.90)
Load Time/Accountables Dummy	2,176.28 (8.72)
Load Time/Parcels Dummy	860.26 (2.84)
Letters Delivered	1.41 (2.44)
Letters Delivered Squared	-0.0004 (3.82)
Flats Delivered	0.733 (0.52)
Flats Delivered Squared	-0.001 (2.43)
Accountables Delivered	282.06 (3.75)
Accountables Delivered Squared	-6.96 (3.48)
Parcels Delivered	57.20 (3.43)
Parcels Delivered Squared	-0.25 (2.28)
Deliveries	-0.54 (0.19)
Deliveries Squared	-0.0003 (0.11)
Letters*Deliveries	0.002 (2.88)
Flats*Deliveries	0.005 (2.35)
Accountables*Deliveries	-0.106 (1.08)
Parcels*Deliveries	-0.036 (1.34)
% of Deliveries That Are Residential Other	5,284.46 (2.90)
% of Deliveries That Are Residential Curb	7,905.29 (4.32)
% of Deliveries That Are Residential Central	6,785.69 (3.59)
% of Deliveries That Are Residential NDCBU	6,673.70 (3.50)
% of Deliveries That Are Business Other	3,756.13 (1.86)
% of Deliveries That Are Business Curb	2,045.74 (0.80)
% of Deliveries That Are Business Central	9,192.44 (3.08)
R-Square	55.97%
F Statistic	36.81
Number of Observations	750

TABLE 4B. FINAL REVISED TOTAL LOAD TIME PER ROUTE-DAY, MARGINAL LOAD TIMES, AND LOAD-TIME ELASTICITIES DERIVED FROM THE NEW LOAD-TIME REGRESSION DATASET

Predicted Daily Load Time	9,153.16 Seconds
Marginal Load Times (in seconds)	
Letters	1.13
Flats	1.49
Accountables	174.94
Parcels	26.13
Deliveries	4.52
Estimated Elasticities	
Letters	23.41%
Flats	8.76%
Accountables	7.49%
Parcels	7.80%
Deliveries	24.39%

The Table 3B and Table 4B regression results are, in my view, the most statistically reliable and operationally representative results that have been computed to date. They preserve all of the positive features of the original Table 3 and Table 4 results presented in LR-I-310. Furthermore, they include a high R-square, and an overall F value of 36.81, which is over 6 points higher than the comparable F value produced by the original Table 3 regression.[1]

The most critical improvement obtained by the new model, however, is the estimation of coefficients that imply a marginal load time for parcels at mean daily volumes equal to 26.13 seconds. This estimate is clearly more reasonable than the previous estimates of 126 seconds or higher produced by the Table 3 and

[1] The SAS program and input data for that program that I used to estimate the revised regressions summarized in Tables 3A, 3B, 4A, and 4B are presented in a new library reference, USPS-LR-I-386. This library reference includes a floppy disk containing the input data and the SAS log and output files.

Table 3A regressions. One indication of this greater plausibility is that at 26.13 seconds, the marginal load time for parcels now falls below the marginal load time for accountables, which is estimated at 174.94 seconds. Clearly, an additional accountable service should be expected to require more time, due to the customer contact, than should the loading of an additional parcel piece that can be delivered without any customer contact.

Not surprisingly, these improvements also complete the answers to this interrogatory. First, the final revised marginal parcels load time of 26.13 seconds is now much closer to the corresponding LR-I-310 Table 2 marginal load times, which were derived from the SDR, MDR, and BAM regressions, than are the marginal load times presented in LR-I-310 Table 4. I do not regard the remaining differences among the marginal load times as critical. The reason is that the 26.13 seconds produced by the new regression also produces an elasticity of load time with respect to parcels of 7.80%, which is virtually identical to the corresponding SDR, MDR, and BAM elasticities shown in Table 2.[2] In any event, the 26.13 second estimate is a more credible result than the lower estimates derived from the SDR, MDR, and BAM regressions, since it is much closer to the estimate implied by the accepted rural carrier cost analysis. According to this latter analysis, volume-variable costs for the delivery of parcels to rural boxes equaled $74,684,000 in FY 1998. (USPS-LR-I-80, Cs10.xls, at Line No. 4, Column L in Sheets 10.1.1 and 10.2.1).

[2] The cost-weighted average of the SDR, MDR, and BAM parcels elasticities shown in Table 2 of LR-I-310 is 7.95%

The corresponding estimated volume of parcels delivered, as derived from FY 1998 Rural Carrier Cost System data, equaled 529,427,000 pieces. (USPS-LR-I-80, Cs10.xls, Sheet 10.0.4, Line No. 53, Column D). At an average FY 1998 rural carrier wage rate of $21.07, these costs and volumes translate into a marginal delivery time per parcel delivered of about 24.10 seconds. This result is much closer to the 26.13 seconds derived from the Table 3B load-time regression than it is to the marginal load times per parcel derived from the old load-time regressions.

The operationally sensible marginal load time for parcels achieved by the revised ES-based load time regression, as summarized in tables 3B and 4B, adds to the list of positive features that this new model offers relative to the old SDR, MDR, and BAM regressions. An objective evaluation of this enhanced list of advantages compels, in my view, a judgement in favor of substituting the revised ES-based model for these old regressions. The strengths of the revised ES-based model outweigh the few disadvantages. The Table 3B regression is derived from up-to-date measure-ments of mail volumes by shape. These measurements incorporate into the load time analysis all the major changes in mail composition, including the advent of DPS mail, that have occurred since 1985, when the data used to produce the old regressions were collected. Thus, the Table 3B regression quantifies operational reality far more effectively than do the old regressions.

The Table 3B regression also directly measures the elusive coverage-effect of volume growth on load time. This new measure is simple, straight -

forward and highly robust across the various model specifications that have been tested based on the ES data. Literally all of the new regressions that have been considered show that at mean volumes, the marginal load time of accessing a new delivery point (which, in the case of the single residential delivery is also a new stop) falls between 4 and 5 seconds, and that the corresponding elasticity of load time with respect to deliveries falls between 24 and 26 percent. These results convincingly resolve the coverage-related load-time controversy. Volume-variable elemental load time is now the aggregate of the elasticities of load time with respect to letters, flats, accountables, and parcels times accrued load time. Volume-variable coverage-related load time is the product of accrued load time and the elasticity of load time with respect to deliveries times the elasticity of deliveries with respect to volumes.

These advantages of the newly revised ES-based regression model clearly outweigh its two apparent disadvantages – the failure to measure the effects of collections volume on load time, and the failure to account explicitly for the effects of changes in stop-type composition on load time.

The first problem can be neutralized through use of the weighted average of the collections variabilities obtained from the SDR, MDR, and BAM regressions. There is no basis for concluding that these elasticities cannot be applied independently of the other SDR, MDR, and BAM results. The second disadvantage – namely, the failure to account for load time differences across stop types – turns out to not be a problem to begin with. The new model already accounts for the same factors that cause stop type to affect load time. The stop

type effect accounts for differences in load time per delivery that result from differences between loading mail at single delivery residential stops and loading mail at business locations and all locations containing multiple centralized and NDCBU delivery points. In the new ES-based model, these differences are just as effectively accounted for, if not more so, by the delivery type variables on the right hand side of the regression. These variables measure the percentage of total possible delivery points on a route-day that fall within the centralized, NDCBU, curbside, and other delivery categories, and the coefficients on these variables directly account for the effects of changes in delivery type composition on load times.

The final evidence that conclusively shows why the strong points of the new regression model offset its limitations is the fact that the new Table 3B model predicts total accrued load time cost far more accurately than does the current Base Year model. As observed in the LR-I-310 report, the predicted load times derived from the old SDR, MDR, and BAM regressions based on load time at the average stop imply an aggregate FY 1998 accrued load time costs of only $1,462,151,000. This is 49% below the current Base Year accrued load time cost of $2,856,175,000 derived from the new street-time proportions. In contrast, the corresponding predicted load time derived from the new Table 3B regression implies an aggregate FY 1998 accrued load time cost of $3,294,774,000, which is only about 15% higher than the current Base Year cost.

I see no basis to continue to advocate use of the old regressions in the face of their inferior predictive capabilities compared to that of the new Table 3B

model. This superior predictive capability of the new model combined with its compelling additional advantages described in the preceding paragraphs and in LR-I-310 make it the preferred choice among the available alternatives.

Because I believe that the Table 3B regression and the Table 4B elasticities are the best available, I have prepared a version of Cs06&7.xls that substitutes these elasticities for the current Base Year elasticities used in the version of Cs06&7.xls included in USPS-LR-I-80. This new Cs06&7.xls is documented in Library Reference USPS-LR-I-398.

(c) The elasticity of load time with respect to parcels derived from the revised regression summarized in tables 3B and 4B in my response to 16 (a) and (b) is now approximately the same as the elasticity presented in Table 2 of USPS-LR-I-310. However, the marginal load time with respect to parcels presented in Table 4B is still somewhat higher than that presented in Table 2. The reason marginal load times and load-time elasticities do not always move together is that elasticity is defined as marginal load time divided by the average load time, where the latter is total load time per route-day divided by corresponding total parcels delivered.

Consider two alternative regression analyses. If the second analysis derives a higher marginal load time than the first analysis, it will likely derive a higher average load time as well. Thus, both the numerator and the denominator of the elasticity formula will be higher in the second analysis. The increase in the denominator will offset the increase in the numerator, thereby negating the

increase in elasticity that would otherwise occur. Indeed, if the average and marginal load times of the second analysis exceed their respective values in the first analysis by the same proportion, the elasticities in the two analyses will be equal. It is even possible that the elasticity in the second analysis will be less than in the first analysis. This will occur if the proportional increase in average load time exceeds the proportional increase in marginal load time.

RESPONSE OF POSTAL SERVICE WITNESS BARON TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 20, QUESTION 4

4. Please provide CAT/FAT split factors updated for FY 1999 for use in LR-I-278 and LR-I-444, together with the supporting calculations.

RESPONSE:

Please see library reference USPS-LR-I-476.

United States Postal Service

A. Thomas Bozzo
(USPS-T-15)

8. Please refer to LR-1-107, Excel workbook file "reg9398" and the TSP program starting on page 54 of the library reference that are used by witness Bozzo in developing USPS T-15.

a. Please confirm that the TSP program command on page 55, line 17, of the library reference reads data for 69 variables from Excel workbook file "reg9398".

b. Please confirm tat the Excel workbook file "reg9398" has 66 columns of data.

c. Please provide headers for each column of data in the Excel workbook file "reg9398" that identify the variables to which the data corresponds.

Item 8 Response.

a. Not confirmed. The referenced TSP program reads 66 variables from the "reg9398.xls" workbook file. Please note that the TSP program does not read, and the Excel file does not contain, MODS data for operation group 9, "Cancellations." MODS data for the "Cancellations" group are included in group 13, "Metered and Cancellations."

b. Confirmed.

c. I will provide the Excel file "reg9398 headers.xls" with the requested information in LR-I-185. The row of header information may be inserted into the "reg9398.xls" file to produce a labeled version.

United States Postal Service

Charles L. Crum
(USPS-T-27)

ADVO/USPS-T27-7. In your analyses, you adjust the MTM productivity (unit time) by the (relevant) cost pool variability so that productivity increases when variability decreases (i.e., time to handle a unit decreases with variability). For those cost pools with a variability less than one, this treatment reduces unit operational cost and dropship cost avoidance. For each of the MTM productivities (unit times) listed in LR I-175, Attachment E, Tables 5, 6, and 7, (and unadjusted by the USPS-T-17 variabilities) please explain fully:

(a) Why you do not consider the unit time to represent a constant marginal unit cost.

(b) Whether you consider the unit time to include some measure of (unavoidable) fixed cost.

(c) Whether you believe the unit time reflects declining marginal unit cost.

RESPONSE

a. The implication of adjusting the MTM productivity by the relevant volume-variability factor is that, other things equal, "marginal" productivity increases when the volume variability decreases, i.e., the marginal time to handle a unit decreases with the volume-variability factor other things equal. The effect of the productivity adjustment, other things equal, is to reduce dropship cost avoidance relative to the case of 100 percent volume-variability (or any other higher degree of volume-variability).

The MTM productivities are developed such that they represent average rather than "marginal" productivities. That is, the productivities do not account for the degree(s) of volume-variability of the activities from which they are derived. The higher adjusted productivity reflects the fact that the costs of activities with reduced (or zero) variabilities will not be fully avoidable. Please see U.S. Postal Service response to ADVO/USPS-T27-6(c).

Also, as stated in my response to ADVO/USPS-T27-1(C), the MTM productivities (after adjustment by the necessary factors) were originally intended to be consistent with CRA costs. In cases prior to Docket No. R97-1, the models assumed mail processing volume-variability to equal 100 percent so no adjustment was necessary and adjusted productivities equaled unadjusted productivities.

b. I do not consider the fully unadjusted productivities presented in Attachment E based on MTM time standards alone to include fixed cost elements (defining "fixed" as relative to container being acted upon). I believe the actual activity productivities that these productivities estimate do include some measure of fixed cost and I adjust for that in Attachment D, Tables 1-15 through the use of the PF & D factor, for example. This concept of fixity is distinct from the CRA concept of volume-variability. I apply the relevant cost pool volume-variability factor to the unadjusted MTM productivities in Attachment E in an attempt to make those productivities consistent with the CRA mail processing volume-variability treatment and account for the presence of non-volume-variable (or less than 100 percent volume-variable) activities.

The technical definition of "fixed" in MTM language gets at the standard time that is not variable based on the length of the trip (refer to Docket No. MC95-1, USPS-LR-MCR-27, pages 24-25).

c. I do not believe that, all else equal, MTM productivities unadjusted by any volume-variability factor would result in or reflect declining marginal unit cost.

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Please also note that declining average costs can occur, at least over some range of output, with decreasing, constant, or increasing marginal cost. See my response to ADVO/USPS-T27-5(b).

U.S. POSTAL SERVICE WITNESS CHARLES L. CRUM
RESPONSE TO POIR 20, QUESTION 2, D & F

D. Provide adjustments needed to use FY 1999 data to develop Standard (A) dropship transportation and explain the reasons for those adjustments.

F. Alter the entry flow model, as appropriate, for the Bound Printed Matter Dropship Transportation and Non-Transportation cost studies.

RESPONSE

D. The Standard Mail (A) entry profiles originally filed in USPS LR-I-102, Tables 19-20 provide important input data to the Standard Mail (A) transportation dropship models found in my testimony (USPS-T-27). If 1999 data were to be used for costs, these entry profiles would need to be updated based on 1999 Permit volume data. USPS LR-I-470 provides the changes that impact witness Crum's dropship testimony that were initiated by the entry profile changes as well as other necessary inputs consistent with the use of FY 1999 cost data.

F. Please refer to USPS LR-I-470 for the updates that needed to be made to the Bound Printed Matter cost models to allow for the use of FY 1999 cost data.

United States Postal Service

Sharon Daniel
(USPS-T-28)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO INTERROGATORY OF THE ASSOCIATION OF ALTERNATE POSTAL

Revised 4/11/00

AAPS/USPS-T28-6. In response to AAPS/USPS-T35-4 (redirected from witness Moeller), you state that you cannot provide the requested information "at the requested rate category," which was staturation ECR, but you do provide information for ECR mail in general. For each of the cost segments identified in that response, please estimate whether the cost differential would be the same, smaller, or larger if you were to respond with respect only to saturation ECR mail, and explain why. (For example, if as you state the difference in city delivery in-office cost for two 4-ounce is 1.14 cents greater than for one 8-ounce piece, would that difference be the same, larger, or smaller for saturation mail, and why?)

RESPONSE:

Mail processing costs are lower for saturation mail as seen in Table 6 of USPS-T-28, as are rural and city in-office carrier costs according to USPS LR-I-95; however, a cost study of weight by ECR rate category has not been conducted.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO INTERROGATORIES OF AMERICAN BANKERS ASSOCIATION AND NATIONAL ASSOCIATION OF PRESORT MAILERS

ABA&NAPM/USPS-T28-16. On page 20, line 11, of your testimony you state that the volume numbers you use for calculation of unit delivery costs are RPW volumes. Is this consistent with the volume numbers used for the development of unit mail processing costs by witness Miller? Is it consistent with the volume numbers used for Standard A unit MP and D costs?

RESPONSE:

Yes, the volumes used to calculate the unit delivery costs by shape are consistent with the volume used in development of unit mail processing costs by witness Miller and with the volume numbers used for Standard Mail (A) unit mail processing and delivery costs.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO INTERROGATORIES OF AMERICAN BANKERS ASSOCIATION AND NATIONAL ASSOCIATION OF PRESORT MAILERS

ABA&NAPM/USPS-T28-31. Please refer to document for USPS LR-I-102 "First-Class, Standard Mail (A), and Periodicals Volume by Shape and Weight Increment." On page 5 state that "Official estimates of revenue, pieces, and weight for First-Class, Periodicals, and Standard Mail (A) are developed by the Revenue, Volume, and Performance Measurement group. The primary data source for those estimates is the CBCIS and the domestic RPW sample. The CBCIS draws input from the PERMIT bulk mail acceptance system. These data sources are also used in this analysis although the method used here are, by necessity, somewhat different. Although not exactly equal, there is general consistency between the official estimates and those reported here."

a. Please explain what you mean "...by necessity, somewhat different."

b. Please explain what you mean by "... there is general consistency between the official estimates and those reported here." Please provide the degree to which your estimates differ from the official estimates. What are the official estimates?

RESPONSE:

a. It is my understanding that the estimates in USPS LR-I-102 contain shape and weight increment detail which is not provided in the official estimates. Consequently, the methods used in USPS LR-I-102 must be different than those used to derive the official estimates.

b. The degree to which the estimates differ from the official estimates is provided in the response to subpart (a) to interrogatory ABA&NAPM/USPS-T28-37. The official estimates are from the RPW system. See the testimony of witnesses Pafford (USPS-T-4) and Hunter (USPS-T-5) for official RPW estimates.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO INTERROGATORY OF UNITED PARCEL SERVICE

UPS/USPS-T28-1. Identify all instances in which you have relied on or used in your testimony in any way any FY1999 cost, revenue, volume or other data, and state in each such instance why you used FY1999 data instead of data for BY 1998.

RESPONSE:

I use FY1999 volume data to calculate final adjustments for the FY99 rollforward. These data are consistent with those used by witness Kashani (USPS-T-14).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO INTERROGATORIES OF UNITED PARCEL SERVICE

UPS/USPS-T28-2. Refer to USPS-LR-I-97, the spreadsheet entitled, "Development of Roll Forward Final Adjustments" (LR97fnad.xls) and specifically to the "Transportation" worksheet.

(a) Refer to the Parcel Post line of column "Rollforward AR01 Unit Cost" (cell R65), and confirm that the Test Year After Rates (2001) costs for transportation and postal owned vehicles from the roll-forward model are used to derive the figure 107.1. If you do not confirm, explain in detail.

(b) Refer to the "Inter BMC," "Intra BMC," "DBMC," "DSCF," "DDU," "Inter BMC Oversize," "Intra BMC Oversize," "DBMC Oversize," "DSCF Oversize," and "DDU Oversize" lines of column "Rollforward AR01 Unit Cost" (cells R66 to R75), and confirm that cells R66 to R75 reflect Test Year Unit Costs multiplied by 107.1 (cell R65) divided by 108.4 (cell N65), the Parcel Post line of column "Test Year Unit Cost." If you do not confirm, explain in detail.

(c) Confirm that the 108.4 in cell N65 is the average Parcel Post "Test Year Unit Cost" based on the 2001 "Before-Rates Volume Forecast" (volume mix) from witness Tolley. If you do not confirm, explain in detail.

(d) Explain in detail why witness Tolley's 2001 "After-Rates Volume Forecast" (volume mix) (USPS-T-6, Attachment A) is not used to derive the average Parcel Post Test Year Unit Cost to be applied in place of the 108.4 figure used in cells R66 to R75.

(e) In the formula for cell R65, what is the source of the hard-coded figure 1.172, and why is this figure used?

(f) Refer to the "Mail Processing" worksheet in LR97fnad.xls. In the formula for Parcel Post in column "Rollforward BR01 Unit Cost" (95.05, cell M67), and in the "TY Unit Cost" column for "Inter BMC" (142, cell N68), "Intra BMC" (109, cell N69), "DBMC" (86, cell N70), 'DSCF" (50, cell N71). "DDU" (35, cell N72), "Inter BMC Oversize" (939, cell N73). 'Intra BMC Oversize" (665, cell N74), "DBMC Oversize" (496, cell N75). "DSCF Oversize" (360, cell N76). and "DDU Oversize" (108, cell N77), what is the source of the hard-coded figure 1.151 which appears for each, and why is this figure used?

RESPONSE:

a. Confirmed.

b. Confirmed. For clarification, the TY Unit Costs tie to TY *Before Rates* costs.

c. Confirmed. For clarification, the TY Unit Costs tie to TY *Before Rates* costs.

d. The 108.4 figure is a TY *Before Rates* cost and is consistent with the parcel post transportation unit costs developed in witness Eggleston's testimony (USPS-T-26). The 2001AR Total Mixed costs in column Q are calculated using the after rates volumes.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO INTERROGATORIES OF UNITED PARCEL SERVICE

e. The hard-coded figure 1.172 is the vehicle service final adjustment piggyback factor for parcel post found in Attachment 12 of witness Smith's testimony (USPS-T-21).

f. The hard-coded figure 1.151 is the mail processing final adjustment piggyback factor for parcel post found in Attachment 12 of witness Smith's testimony (USPS-T-21). The mail processing costs developed in USPS LR-I-98 Section 4a are direct labor only. As described in USPS-T-28, page 34 lines 4-5, indirect costs such as supervisors are expected to vary with direct labor costs in the short term and are therefore included in the calculation of final adjustments.

4. This question relates to USPS LR-I-95.
   a. Refer to the sheet named "Delivery Volumes," and consider the sheet as composed of blocks A through I. Blocks A-D are across the top, block E in the middle, and blocks F-I across the bottom. The implicit box volumes (Block D) could have been developed on a cell-by-cell basis by subtracting blocks A and B from block C. Instead, the totals in block D were developed by subtracting the totals in blocks A and B from the totals in block C, and then in a second step, the totals in block D were distributed to shape based on the shape distribution of block C. Please explain the rationale and assumptions involved in developing the shape distribution of the box volume in this way.
   b. Refer to lines 12 and 13 of the sheet named "ecr splits." The unadjusted unit cost of WSS letters is 53 cents per piece and of WSS flats is 23 cents per piece. Without explanation, the relationship of these costs was apparently rejected and, after adjustment, these two costs were taken to be equal at 32 cents per piece. Please explain the rationale for this adjustment. Were any adjustment procedures considered that might have resulted in flats costing more than letters?

RESPONSE:

a. As explained on page 23 lines 10-19 of USPS-T-28, using City Carrier Cost System (CCS) volumes can overstate true volume of DMM-defined letters delivered by city carriers because the volumes by shape recorded in the CCS can be based on where mail is physically cased instead of its DMM shape. For instance, deriving P.O. Box volumes (Block D) in the manner described in the question, produces the following results:

	Implicit PO Box Volume			
	Letters	Flats	Parcels	Total PO Box
First-Class Single Piece	17,287,104	1,882,469	286,894	19,456,468
First-Class Presort	4,999,749	112,268	**(2,008)**	5,110,009
Standard (A) ECR	**(1,868,411)**	4,673,260	13,315	2,818,165
Standard (A) Regular	2,815,119	2,519,508	306,831	5,641,458
Standard (A) NPECR	705,533	334,076	1,552	1,041,160
Standard (A) Nonprofit	2,010,760	249,050	19,025	2,278,835

The bolded negative numbers illustrate the problem with calculating block D in the manner described above. Also, the purpose of this exercise is to estimate the DMM-defined shapes delivered by city carriers. An estimate of the shapes delivered to P.O. Boxes is an assumption that is made because without this, there would be two equations and two unknowns. Using an assumed shape-distribution of P.O. Box volume, it is possible to impute the distribution of DMM-defined shape delivered by city carriers. A reasonable assumption is that mail delivered to P.O. Boxes has the same distribution of shape as total mail. The distribution implied by calculating Block D in the manner described in the question versus RPW distribution is nearly the same in all cases except for Standard Mail (A) ECR.

Implicit PO Box Distribution versus RPW Distribution

	Letters	Flats	Parcels
First-Class Single Piece	1%	-1%	-1%
First-Class Presort	1%	-1%	0%
Standard (A) ECR	105%	-105%	0%
Standard (A) Regular	11%	-7%	-3%
Standard (A) NPECR	0%	0%	0%
Standard (A) Nonprofit	-4%	5%	0%

b. The justification for this procedure is described on page 22 lines 19-24 of USPS-T-28. This adjustment is intended to address situations where a bundle is carried directly to the street. *Flat-shaped* WSS bundles are more likely to be carried directly to the street without first being cased. Therefore, the in-office costs of WSS flat-shaped pieces captured by IOCS are suppressed, even though letters are actually less expensive to handle in the office, all else equal. Other than a qualitative acknowledgement in testimony that flats costs more than letters, no other quantitative adjustment procedure was considered.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7

3. Please refer to LR-I-95, LR95revised.xls, sheets 'city load' (cl) and 'Delivery Volume' (dv). Shortening the notation somewhat, the formula in cell C64 on sheet cl is C53 • dvG3 + (dvG13 – dvG3) • C53, which, after factoring and reducing equals C53 • dvG13. In words, the formula is the unit cost of letters times the DMM-defined letter volume. The formula in cell D64 is D53 • dvH3 + (dvH13 – dvH3) • C53. This one does not reduce. In words, the formula is the unit cost of flats times the CS7 volume of flats plus the difference in flat volume between the DMM and CS7 times the unit cost of letters. It is not clear why a flat-volume difference should be multiplied by the unit cost of letters. Please provide a rationale for this product and explain the rationale for the lack of symmetry between cells cl C64 through C71, and cells cl D64 through E71.

RESPONSE:

As discussed in my response to POIR#6 question 4, "using City Carrier Cost System (CCS) volumes can overstate true volume of DMM-defined letters delivered by city carriers because the volumes by shape recorded in the CCS can be based on where mail is physically cased instead of its DMM shape." It can be deduced that any amount of volume regarded by the DMM as flats that are in excess of what CCS regards as flats (dvH13 – dvH3) must be what CCS regards as letters. Therefore, the appropriate cost per piece for this volume is the CCS letter cost per piece. This happens because some flats have been identified as letters in the CCS because they are cased in the letter case. It is my understanding that these flats are assumed to have the average elemental load costs of letters since they would presumably be part of a letter bundle. Thus, it is logical in this case to assign letter unit costs to this portion of DMM-defined flats.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO

PRESIDING OFFICER'S INFORMATION REQUEST NO. 7

4 Please refer to USPS-T-28, Table 5, revised 3/1/00. The cost difference between the "Regular Nonletter Subtotal" of 8.359 cents and the "ECR Basic Nonletters" cost of 6.589 cents, being 1.77 cents, is used by witness Taufique (USPS-T-38) as part of the cost basis for the carrier route discount for Outside-County Periodicals. It appears that both of these cost figures are weighted averages of the corresponding costs of flats and of parcels within each category.

(a) Please provide the proportion of flats to parcels for each of these Standard A categories.

(b) Please provide the relative proportions of flats to parcels in the Periodicals categories of 5-digit and carrier route.

(c) Acknowledging the relative levels of parcels in the two Standard A categories, please explain the meaning of the cost difference of 1.77 cents and explain its applicability to Periodicals discounts.

RESPONSE:

a. Using data provided in Sections I and II of USPS LR-I-92, Standard (A), the proportions are as follows:

Regular 3/5 Nonauto	36.25% flats to 12.33% parcels (3 to 1)
Regular CR	37.20% flats to 2.31% parcels (16 to 1)

b. Using data provided in Section IV of USPS :LR-I-94, Periodicals, the proportions are as follows:

Regular 3/5 Nonauto	99.62% flats to 0.042% parcels (2,354 to 1)
Regular CR	99.67% flats to 0.001% parcels (79,042 to 1)
Nonprofit 3/5 Nonauto	93.43% flats to 0.030% parcels (3,090 to 1)
Nonprofit CR	98.85% flats to 0.002% parcels (46,531 to 1)
Combined 3/5 Nonauto	98.51% flats to 0.040% parcels (2,453 to 1)
Combined CR	99.44% flats to 0.002% parcels (65,797 to 1)

c. The 1.77 cents cost difference is the difference between the weighted average cost of Standard Mail (A) Regular nonletters and ECR Basic nonletters. Since data were not developed separately for flats and parcels in ECR, it is not currently possible to re-estimate Periodicals carrier route costs using Periodical's percentages of flats and parcels. Thus, the 1.77 cents cost difference is the best available proxy for Periodicals costs.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 11

1. Please refer to the response to question 3 of Presiding Officer's Information Request No. 7. This response says, in part: "It can be deduced that any amount of volume regarded by the DMM as flats that are in excess of what CCS [Carrier Cost System] regards as flats . . . must be what CCS regards as letters. Therefore, the appropriate cost per piece for this volume is the CCS letter cost per piece." Please explain whether it can also be deduced that any DMM-defined parcel volume in excess of the CCS-regarded parcel volume is handled by carriers as flats. If so, does it follow that the appropriate cost per piece for this volume is the CCS flat cost per piece? If not, please explain.

RESPONSE:

With the exception of Nonprofit subclass, the Carrier Cost System (CCS) understates the number of DMM-defined flats as determined by the methodology in USPS LR-I-95 described in POIR#6 question 4. Thus, the methodology in USPS LR-I-95 does not assume any DMM-defined parcel volume in excess of the CCS-regarded parcel volume is handled by carriers as flats. Instead it assumes DMM-defined parcel volume in excess of the CCS-regarded parcel volume is also counted as letters in CCS and allocates the cost per piece of CCS letters to this volume. It is my understanding that some small parcels are sometimes cased in a letter case, which may account for why CCS letter volumes are overstated.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 11

2. Please refer to the response to question 4 of Presiding Officer's Information Request No. 7. The question refers to two categories found in Table 5 of USPS-T-28. The first is "Regular Nonletter Subtotal" and the second is "ECR Basic Nonletters." Part A of the response refers to USPS LR-I-92, and provides flat/parcel proportions for "Regular 3/5 Nonauto" and "Regular CR." The reference to USPS LR-I-92 would appear to be to the Total columns of the `volume&lbs' worksheets of LR92aREG.xls and LR92bECR.xls. However, the proportions provided for "Regular CR" appear to come from LR92aREG.xls, which would make them apply to the "Regular Nonletter Subtotal" category and not to any ECR category. Also, the proportions provided for "Regular 3/5 Nonauto" do not appear to come from the Total column in LR92zREG.xls. In addition, the volumes in the Total column of LR92bECR.xls suggest that the flat/parcel proportions for *all* ECR, not just basic ECR, may be 60.82% flats and 0.14% parcels. Accordingly, please clarify the relationship of the figures provided in part a of the response to the categories in the original question, and provide detailed identity and source information for all flat/parcel proportions provided. For example, distinguish if possible between the three categories of ECR (basic, high density, and saturation) and explain the content of any category designated as "Nonauto."

RESPONSE:

In the response to POIR No. 7 Question 4, the proportions provided for "Regular CR" were incorrectly derived from LR92aREG.xls and therefore apply to the Regular subclass in total, but not specifically to Regular 3/5 Nonauto. It is correct that the volumes in the Total column of LR92bECR.xls suggest that the flat/parcel proportions for *all* ECR, not just basic ECR, are 60.82% flats and 0.14% parcels.

A better source for volumes by rate category was filed in response to ANM/USPS-T28-8 in USPS LR-I-225. Using data in the file ANM8REG.xls, the proportions of flats and parcels in Regular 3/5 Nonauto are correctly calculated in subpart (a) of my response to POIR#7 question 4. These figures were derived by summing the pieces in the 3/5 Nonauto rate category by shape and then calculating the proportions as shown below.

2,347,309,115	letter	
1,654,522,216	flat	36.25%
562,972,259	parcel	12.33%
4,564,803,590	total	

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 11

These same data found in USPS LR-I-225 can be used to determine that the proportions of flats and parcels for ECR Basic as opposed to ECR in total are 60.20% flats and 0.15% parcels, or 389 to 1, as shown below.

7,304,228,941	letter	
11,093,198,289	flat	60.20%
28,549,523	parcel	0.15%
18,425,976,753	total	

The data in USPS LR-I-225 can also be used to determine that the proportions of flats and parcels are 78.11% flats to 0.14% parcels for ECR High Density and 72.94% flats to 0.15% parcels for ECR Saturation.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 13

3. Please refer to Table 5 of USPS LR-I-95, revised 3/1/00, the response to question 2 of POIR No. 11, the response to parts "b" and "c" of question 4 of POIR No. 7, and USPS LR-I-307. Table 5 shows the cost difference between Regular Nonletters (8.359 cents) and ECR Basic Nonletters (6.589 cents) to be 1.770 cents. The latter figure is used as part of the carrier route (relative to 5-digit) cost avoidance for Regular Periodicals in USPS-T-38 and USPS LR-I-167 (workbook OC1.xls, sheet 'Discounts,' cells D20:D23). Three issues appear to exist relating to the applicability of the difference of 1.770 cents to Periodicals.

   (a) LR-I-307 explains (on page 4) that the line-of-travel (LOT) requirement in Basic ECR has reduced the costs of ECR Basic Nonletters by approximately 0.74 cents per piece, and that a LOT requirement for Periodicals does not exist. The library reference also calculates potential savings in Periodicals for the imposition of a LOT requirement on the assumption that no LOT sequencing is currently being done. Accordingly, it appears that approximately 0.74 cents of the 1.770-cent difference is due to the LOT requirement in Basic ECR and therefore would not apply to Periodicals. Please explain whether the 1.770-cent difference should be reduced by 0.74 cents. If not, explain why it still applies to Periodicals.

   (b) The response to question 4b of POIR No. 7 explains that the proportion of parcels in the Periodicals categories is negligible, ranging from 0.001 percent to 0.042 percent. The response to question 2 of POIR No. 11 explains that the proportion of parcels in the Standard A ECR Basic Nonletter category is 0.15 percent and the proportion of flats is 60.20 percent. Of nonletters, then, 99.74 percent is flats and 0.25 percent is parcels. In line with the practice of basing presort discounts on constant profile cost comparisons, and assuming there is no practical difference between the 0.25-percent figure and the negligible proportions for Periodicals, it is possible to calculate a Regular Nonletter Subtotal (to replace the 8.359-cent figure in Table 5) based on 99.74 percent flats and 0.25 percent parcels. This can be done using the separate flat and parcel costs above the 8.359-cent figure in Table 5, and yields a revised cost for the Regular Nonletter Subtotal of 7.632 cents. If the 8.359-cent figure is replaced by the 7.632-cent figure, the 1.770-cent cost difference is reduced by 0.727 cents. Please explain whether this analysis is appropriate. If not, please explain how an appropriate constant-profile avoidance should be estimated.

   (c) If the 1.770-cent figure is reduced by 0.74 cents and 0.727 cents, it becomes 0.303 cents. Part or all of this, however, would appear to be due to the fact that the 8.359-cent figure in Table 5 is composed in part of presort levels less fine than 5-digit. This poses some difficulty since the 1.770-cent figure is being used to provide a carrier route discount relative to the 5-digit level. Please explain whether this analysis is

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 13

correct. Also, please provide any costs available for 5-digit flats or 5-digit nonletters.

RESPONSE:

a) It is reasonable to use the 0.74 cent figure derived in USPS LR-I-307 to conclude that 0.74 cent of the 1.770 difference is due to Line-of-Travel (LOT) sequencing. Therefore, assuming that Carrier Route Periodicals are not LOT sequenced, the difference should be reduced by 0.74 cent. However, it is my understanding that LOT may become required for Periodicals receiving the carrier route discount. In that instance, the cost avoidance measured in LR-I-307 should be placed back into the cost avoidance for Periodicals sorted to carrier route.

b) The computations in the question correctly reduce the greater proportions of parcels in Standard Mail (A) Regular to the level of parcels in ECR, which reduces the differential by 0.727 cent, and this is an appropriate way to estimate a constant-profile avoidance for Periodicals. A constant-profile avoidance approach is appropriate when setting discounts for the Periodicals rate categories, but it is unnecessary in Standard Mail (A) because ECR and Regular are separate subclasses,

c) The computations in this subpart are correct. Since delivery point sequencing and shape are drivers of delivery costs, using a pure 5-digit base to calculate the cost avoidance should not affect the resulting delivery costs for flats. There are no separate cost estimates available for 5-Digit flats.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 13

4. Please refer to the response to POIR No. 6 question [4]a. This response explains that the volume of P. O. Box mail, by subclass, is assumed to have the same shape distribution as the volume of total mail in the same subclass.
   a. Do you agree that P. O. Boxes are a rented in substantial degree by business[es] who receive high volumes of specific kinds of mail, such as those who receive bill payments[?]
   b. If you agree with (a) above, P.O. Box volume may have a different shape distribution from carrier delivered mail. A way of avoiding the assumption that P. O. Box mail has an average shape distribution would be to assume either that city-carrier-delivered volume has an average shape distribution or that city-carrier-delivered volume has the same shape distribution as rural-carrier-delivered volume. The latter assumption is supported by the observation that many rural routes are now in suburban areas that are similar to many areas covered by city carriers. Please explain why the assumption that P. O. Box mail has an average shape distribution is preferred to either of the two [a]lternative assumptions just outlined.

RESPONSE:

a) I am unaware of data showing that post office box mail is more letter-oriented than other mail. I agree that some boxes likely are used for receiving bill payments, but assuming relatively more letters for post office box mail would have only a small effect on the relative delivery costs by shape for Single-Piece First-Class Mail. Moreover, no witness makes use of these cost data. The assumption that P.O. boxes have an RPW distribution of shape was made in First-Class simply to be consistent with the treatment of Standard Mail (A) ECR.

b) While the shape profile by delivery mode (PO boxes) may differ for First-Class Mail as is posited in this question, it is less clear that that would be the case in ECR. As described in response to POIR #6, Question 4a, an adjustment needed to be made in ECR to remedy counter-intuitive results stemming from alternative shape definitions in several data systems. Since it is not clear that the shape profile differs (in ECR) by delivery mode (PO boxes), it is a reasonable assumption to use the overall subclass

shape mix. That is not to say that alternative assumptions are necessarily wrong, or inappropriate; however, lacking specific understanding of the relative shape mixes by delivery mode (in this case PO boxes) argues in favor of using the overall shape mix.

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5. Please refer to the response to POIR No. 6 question 4b. The background for this question is that the city carrier analysis shows the in-office costs for saturation flats to be 0.23 cents and for letters to be 0.53 cents. The response explains that a weighted average of these two costs is used in order to deal with the presumption that many saturation flats, more often than saturation letters, are taken to the street as a third bundle, causing the lower costs for flats in the office. The averaging process essentially allows the third-bundle savings to be shared between letters and flats. When third-bundles are taken directly to the street, and the in-office savings are accordingly realized, one would expect the carrier street costs to be higher than if the bundle had been cased in the office. Please explain where this extra street cost for saturation mail is acknowledged in the cost avoidance for saturation mail. If it is not acknowledged, explain how this extra cost should be accounted for in rate design.

RESPONSE:

Over the past few rate proceedings, improvements have been made in the quantification of costs to recognize the "value" of high-density and saturation density, and the cost differences between letters and flats at these density tiers. The goal is to de-average the relevant costs for the subclass in order to determine the appropriate differentials for ratemaking purposes. Not unexpectedly, however, despite the improvements, elements of averaging remain. In some instances (such as the one cited in this question regarding the in-office cost of letters and flats), it is appropriate to use averaged costs. It would be inappropriate to "penalize" letters because they are "too small" to be carried as third-bundles. Another vestige of averaging is in the mail processing cost for High-Density and Saturation. These two tiers are grouped together (by shape) to estimate the mail processing costs. Also, it could very well be that the situation posited in this question (the "expectation" that carrier street cost for saturation may be higher with the use of a third bundle) is true.

No attempt was made to determine if this "expectation" is indeed a reality, and therefore there was no estimate of how much additional street costs is potentially assignable to the saturation tier cost estimate.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 13

The rate design can recognize this potential imbedded averaging in several ways. In much the same manner that the letter-nonletter differential recognizes the fact that nonletters can weigh 0-16 ounces, while letters only 0-3.3 ounces (and therefore may not be isolating the effect of shape), the passthrough can be less than 100 percent between the High-Density tier and the Saturation tier. In the proposed rate design, although the passthrough is 100 percent between High-Density and Saturation letters (in part to offset the effect of 0 percent passthrough for shape in the Basic tier), the passthrough between High-Density and Saturation nonletters is only 84 percent. Also, to the extent that saturation may benefit from the third-bundle averaging, it may be "hurt" by the averaging of the high-density and saturation tiers in terms of mail processing costs.

RESPONSE OF POSTAL SERVICE WITNESS DANIEL TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 21

POIR 21/1. In response to Order No. 1294 the Postal Service provided test year cost estimates rolling forward actual FY1999 costs. That presentation also revised the final adjustments. LR-I-419, 420. In response to POIR No. 16 the Postal Service provided test year revenues estimates based on hybrid (FY 1999 Qtr. 3 - FY 2000 Qtr 2) billing determinants. Is it appropriate to use the final adjustments initially provided in response to Order No. 1294 consistent with the hybrid billing determinants provided in response to POIR No. 16? If not, please provide final adjustments to test year costs that would be appropriate assuming the use of hybrid-billing determinants for rate and revenue calculations.

RESPONSE:

The final adjustments presented in LR-I-419 and LR-I-429 are just as appropriate to use in conjunction with test year revenue estimates derived employing the hybrid billing determinants as they would be if used in conjunction with revenue estimates derived employing FY 1999 billing determinants, as long as the test year volume forecast/mail mix inputs into the final adjustment models are consistent with the corresponding volumes and mail mix used in the test year revenue estimates. Only two instances have been identified in which this condition does not hold, and in which, therefore, a shift from FY 1999 billing determinants to hybrid billing determinants would create the need for appropriate modification to the final adjustment models. For the final adjustments which result when the volume forecast/mail mix inputs are reconciled (in those two instances) to the corresponding volume distributions upon which the hybrid test year revenue estimates are based, please see LR-I-483 (USPS version) and LR-I-484 (PRC version). The only two instances in which changes appear in these models (relative to LR-I-419 and LR-I-429, respectively) are:

1. Parcel Post volume distributions.
2. First-Class single-piece mail weight distributions.

In both instances, the changes in mail mix (relative to the July 7th update) have no effect on total volume, but shift volume from higher cost to lower cost categories. The ultimate result is therefore to reduce the Order No.

RESPONSE OF POSTAL SERVICE WITNESS DANIEL TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 21

1294 test year cost estimates after application of final adjustments, consistent with the lower test year revenue estimates associated with application (in these instances) of the hybrid billing determinants. The bottom line effect on the Postal Service's Order No. 1294 rollforward would be to reduce estimated test year final adjustments by $35.4 million, and it is my understanding that this would reduce the revised POIR No. 14 revenue requirement (i.e., with contingency) by 1.025 times that amount, or $36.3 million.

United States Postal Service

Scott J. Davis
(USPS-T-30)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DAVIS TO INTERROGATORY OF DAVID B. POPKIN REDIRECTED FROM THE POSTAL SERVICE

DBP/USPS-221 Please refer to your response to DBP/USPS-173. Please furnish a copy of the standard manifest form that is utilized which indicates the section for the code for return receipt being requested as noted in your specific response to DBP/USPS-173[e].

RESPONSE:

This form consists of three sheets, the one shown below, and two copies, which are identical except for being marked "2 - Office" and "3 - Customer" in the lower right corner. Writing on the top sheet will be entered on the two copies. On the back of the third sheet are instructions shown on the next page.

United States Postal Service

Firm Delivery Receipt for Accountable and Bulk Delivery Mail

5199 9999 9999 9999 8701

☐ Certified ☐ COD ☐ Delivery Confirmation Service ☐ Express Mail ☐ Insured ☐ Recorded Delivery ☐ Registered ☐ Return Receipt for Merchandise ☐ Signature Confirmation Service

Mail for/Bill No.

Article Number	* Code	Office of Origin (International)	Article Number	* Code	Office of Origin (International)
1.			11.		
2.			12.		
3.			13.		
4.			14.		
5.			15.		
6.			16.		
7.			17.		
8.			18.		
9.			19.		
10.			20.		

* CODE: DC = Received in Damaged Condition. OS = Officially Sealed. R = Return Receipt Requested. RE = Re-enveloped. RW = Returned to Writer.

Date of Delivery	Received the ____ pieces described above	Received By: (Print Name)	Postmark & Delivery Office
Delivered By: (Clerk/Carrier)		Signature of Addressee/ Agent X	
Form 3849 Barcode Number (If delivered using scanning option)		If using handheld scanner option, have recipient sign Form 3849.	

PS Form 3883, November 1999 102595-00-B-0737

1- Delivery

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DAVIS TO INTERROGATORY OF DAVID B. POPKIN REDIRECTED FROM THE POSTAL SERVICE

Firm Delivery Receipt for Accountable and Bulk Delivery Mail

Instructions

General Instructions

General. Enter certified, COD, Delivery Confirmation service, Express Mail, numbered insured, recorded delivery, registered, return receipt for merchandise, and Signature Confirmation service on either the same or separate sheets. Enter the article numbers legibly. Enter codes for any special services requested, such as return receipt. Do not use this form if the number of articles delivered at one time is consistently five or less. Draw a diagonal line through the unused lines.

Clearing the Carrier. The carrier must turn in the original Form 3883, any return receipts, and signed Form 3849s (if applicable). Destroy the chargeout record when the carrier returns these receipts. Check the return receipts for accuracy and completeness before returning them to the senders.

Returned Items. Use this form for large numbers of returned articles. Leave COD tags on articles when returned.

Manual Instructions (Do not use this method after electronic signature capture activation - except APO/FPO)

Delivery at Post Office. The office clerk completes the firm receipt. Obtain recipient's signature on Form 3883 and leave the Customer copy with the articles.

Delivery by Carrier. The office clerk or carrier completes the firm receipt. The carrier keeps the Delivery and Customer Copies and the office clerk keeps the Office copy as a charge-out record. The carrier obtains the recipient's signature on Form 3883, keeps the Delivery copy and leave the Customer copy with the articles.

Handheld Scanner Instructions

Delivery at Post Office. The office clerk completes the firm receipt. Select the "Create Firm Record" option on the handheld scanner and scan all mailpiece barcodes and link them to the firm sheet's barcode. At delivery, obtain recipient's signature on Form 3849 and leave the Customer copy with the articles. Scan both the firm sheet and Form 3849 barcodes.

Delivery by Carrier. The office clerk or carrier completes the firm receipt. Select the "Create Firm Record" option on the handheld scanner and scan all mailpiece barcodes and link them to the firm sheet's barcode. The carrier keeps the Delivery and Customer copies and the office clerk keeps the Office copy as a charge-out record (if applicable). At delivery, obtain the recipient's signature on Form 3849, keep the Delivery copy, and leave the Customer copy with the articles. Scan both the firm sheet and Form 3849 barcodes.

NOTE: When using the handheld scanner, record Form 3849 number in lower lefthand corner. Record Form 3883 number on Form 3849 in "Article Number" area.

PS Form 3883, November 1999

United States Postal Service

Carl G. Degen
(USPS-T-16)

5/8/00

SUPPLEMENTAL RESPONSE OF POSTAL SERVICE WITNESS DEGEN TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-T16-1.

(c) Please provide coefficients of variation around the class percentages for the FY95 Platform Study Distribution column of Table 8 [on page 66 of your testimony].

SUPPLEMENTAL RESPONSE:

(c) Please see the attached table.

1995 Platform Study Bootstrap Results *
Subclass Profile of Items in Containers - All Items (Percent)

Class	(1) Table 8 Value	(2) Standard Deviation	(3) CV **
First	45.70	6.3846	14.0%
Priority + Express	11.38	3.1917	28.0%
Periodicals	13.27	4.4312	33.4%
Standard (A)	25.27	5.2848	20.9%
Standard (B)	2.77	1.5671	56.5%
All Other	1.61	0.5425	33.8%
Total	100.0		

* 10,000 iterations

** CV = column (2) divided by column (1)

Response of United States Postal Service Witness Degen
to
Presiding Officer's Information Request #21

POIR/USPS-2. Refer to the response of the United States Postal Service to questions raised at the hearing on August 3, 2000 regarding Standard B special mail. The Service explains that the increase in Standard B Special mail unit cost between 1998 and 1999 may be in part due to "a change in endorsement requirements for Special Standard." Please explain in detail what these changes were and how they contributed to an increase in IOCS Special Standard observations.

Response:

The endorsement change was that the Special Standard rate marking had to be in the postage area rather than just anywhere on the piece. This endorsement change was part of the R97-1 implementation on January 10, 1999. (There was a grace period until January 10, 2000 before it was mandatory.) The way it could have contributed to the increase in IOCS Special Standard observations was that it may have resulted in improved identification and, therefore, may have contributed to an increase in IOCS Special Standard observations. There may be other factors that have contributed to the increase. These will be discussed in my response to Order No. 1300.

United States Postal Service

Jennifer L. Eggleston
(USPS-T-26)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS EGGLESTON
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 5, QUESTION 9

9. Please refer to USPS-T-26, Attachments K and L, and Attachment 1 of this Presiding Officer's Information Request. The footnotes at the bottom of USPS-T-26, Attachment L state that the cubic feet by zone were calculated by multiplying the regression results in Attachment K by the volumes in USPS-T-36. For convenience, copies of the USPS-T-36 test year before rates volumes are attached. POIR No. 5, Attachment 1 divides the cubic feet by zone from Attachment L by the regression results in Attachment K. The resulting volumes by rate cell to not match the volumes from USPS-T-36. Please explain.

RESPONSE:

The volume distributions shown POIR No. 5, Attachment 1 are the same volume distributions used in my Parcel Post transportation model. I received these data from witness Plunkett, and made the incorrect assumption that the data were shown in the same format in witness Plunkett's testimony. There are two reasons why the test-year-before-rates (TYBR) volume distributions used in my testimony do not exactly match the TYBR volume distributions shown in Attachment E of USPS-T-36 (witness Plunkett). The first is that the TYBR volume distributions in USPS-T-36 Attachment E exclude both OMAS and Alaska By-Pass volume. The second difference is that the TYBR volume distribution in my testimony shows the sum of all dropship volume as DBMC volume. This was necessary to be consistent with the cost data. Witness Plunkett shows these volume distributions by rate category (DBMC, DSCF, and DDU).

It should be noted that the total TYBR volumes for inter-BMC, intra-BMC and dropship (parcel select) used in my testimony <u>do</u> match the total volumes in USPS-T-36, Attachment D, lines 15, 16 and 17. Distributing these volumes to weight and zone using witness Plunkett's methodology created the volume distribution used in my testimony.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS EGGLESTON
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 5, QUESTION 10

10. Please refer to USPS-T-26, Attachment M, page 1. Footnote 6 states that Christmas air terminal handling and hub and spoke costs are non-distance related and cites attachment Z as the source of the distance/non-distance related percentages.

a. Please explain what the Christmas Network Line Haul costs are, why they are considered 'hub and spoke' costs, and why they are considered non-distance related.

b. Please explain why LR I-60, pg. 4 treats these cost as distance related.

RESPONSE

a. It is my understanding that Christmas Network costs are the costs of contract air transportation provided to meet the pre-Christmas onslaught of mail. In FY 1998, the Postal Service established daytime hub operations at three sites: Blytheville, Arkansas; Indianapolis, Indiana; and Ontario, California. These are known within postal operations as the CNB, CNI and CNO hubs. In is my understanding that the Christmas Network Line Haul cost are those costs that accrue to the CNET linehaul account, 53542. It is my understanding that these expenses are associated with aviation operations that are not classified as terminal handling costs. To the best of my knowledge Christmas Network Line Haul costs are, conceptually, similar to Eagle costs and are treated as such in my analysis.

b. As witness Pickett explains on page 4 of his testimony, LR-I-60 is an update of the calculation of distance-related costs from PRC LR-6 in Docket No. R97-1. As in R97-1, that methodology is not the basis for my

calculation of zone-related parcel post transportation costs. The basis for my calculation is whether or not costs are directly related to zone.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS EGGLESTON TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 11

4. Refer to USPS-T-26, attachment Z. Please explain why the Christmas Network Line Haul and Christmas Network Excise Tax costs are treated differently than the Christmas Air Taxi Line Haul and Christmas Air Taxi Excise Tax costs. In particular, please explain why the network costs are not distance related while the air taxi costs are.

RESPONSE:

Please see my response to POIR No. 9, question 10 a. It is my understanding that Christmas Network Line Haul and Christmas Network Excise Tax costs are associated with a hub and spoke network. Since all parcels travelling on a hub and spoke network must pass through the hub regardless of their origin and destination, distance traveled, and therefore cost incurred, is not related to the origin and destination of the parcel. Therefore, these costs are treated as non-distance related in my testimony. It is also my understanding that Christmas Air Taxi Line Haul and Christmas Air Taxi Excise Tax costs are not associated with a hub and spoke network. Instead the distance traveled, and therefore the cost incurred, by the parcel is related to the distance between the origin and destination. Therefore these costs are treated as distance related in my testimony.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS EGGLESTON TO PRESIDING OFFICERS INFORMATION REQUEST NO. 12, QUESTION 5

5. In the calculation of the CRA cost adjustment for letters, witness Miller treats the platform cost pool as nonworksharing fixed. USPS-T-24. For the CRA adjustment factor for flats witness Yacobucci also treats the platform costs as nonworksharing fixed. USPS-T-25. For parcel post, however, witness Eggleston treats the platform costs as proportional in calculating the CRA adjustment factor. USPS-T-26, attachment A, pg. 2. Please explain why the platform costs are considered proportional in parcel post and fixed, non-worksharing for flats and letters.

RESPONSE:

It is my understanding that witness Miller and witness Yacobucci assume that the platform cost pool is fixed and not related to worksharing because platform costs do not vary with the worksharing rate categories found in their testimonies. For example, an automation 3-digit and an automation 5-digit piece could both be entered at the destination PD&C. Both of these pieces would incur the same platform costs. Therefore, there is no platform cost savings associated with more finely presorted mail.

On the contrary, the Parcel Post cost models presented in my testimony estimate the cost savings between rate categories that do incur different platform costs. For example, an inter-BMC parcel will pass through two BMCs and will incur more platform costs than an intra-BMC parcel that will pass through only one BMC. In addition, platform costs will vary between machinable and non-machinable parcels due to different container profiles and conversion factors. Since platform costs do vary between Parcel Post rate categories, the platform costs pool is assumed to be variable.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 20, ITEM 1

POIR 20-1. USPS LR-I-437,440,441 AND 458 contain SAS programs used to calculate mail processing costs for FY 1999. Some of these SAS programs contain modifications from the programs used to calculate mail processing costs for FY 1998. These modifications are designated with the comment in the SAS code "fy99". For example, the SAS program in USPS LR-I_437, "MOD1POOL", which is used to establish MODS cost pools, has new commands that incorporate additional MODS activity codes into the definition of the OCR, BCS and FSM MODS pools. Please provide the reasons for each modification in the SAS programs that have been made as part of the FY 1999 update in USPS LR-I-437, 440, 441 and 458.

RESPONSE:

Between Base Year 1998 and Fiscal Year 1999, the SAS program codes are modified, not to reflect methodological changes, but to update the BY 1998 methodology with FY 1999 data.

The updates are done on a routine basis from year to year to incorporate the following types of changes relating to:

1. The accrued facility, function or pool costs for the current year.

   The derivation of accrued costs for the BMC, MODS, Non-MODS cost pools is described in Part I of USPS-LR-I 106. The accrued costs are either entered directly into each of the SAS programs which use them, or they are entered into one single SAS program which is then invoked in many other SAS programs through the "% INCLUDE" macro.

   Examples of the first type of occurrence are found in programs BMC1, BMC4, NONMOD1, NONMOD4, for the mail processing cost pools in BMC and Non-MODS facilities. An example of the second type of occurrence is found in program DOLWGT which contains accrued costs, IOCS dollar weights, and volume-variable fractions for the MODS mail processing pool costs; DOLWGT is invoked in programs such as

MOD4DIST, PREMITOT, PIGGYF99, NONMODEL. Additionally, the DOLWGT information for the MODS Support Cost Pools are used in Program MODSHAPE.

2. The MODS operation codes the sampled employees are reported by IOCS to be clocked into for the current year.

Program MOD1POOL is updated to reflect the current year MODS operation codes. (In other words, to the extent that changes in operations cause MODS codes to be added or deleted, or otherwise reported differently, the programs must be modified to take account of these *operational* changes.) The mapping of the MODS codes into cost pools in IOCS in the program MOD1POOL parallels the mapping of the MODS codes into cost pools in the MODS file, and is used for the derivation of the cost pool distribution key, as described in Part II of USPS LR-I-106.

Program MOD4DIST includes additional MODS codes for the derivation of the distribution key for the LD15 cost pool.

3. The IOCS activity codes in use for the current year.

The IOCS activity codes for the current year are updated in program MAPCLASS which maps the activity codes into subclasses and special service codes. This program is invoked through the "% INCLUDE" macro into programs which produce subclass output tables, such as for example, programs BMC4, NONMOD4, MOD4DIST, BMCSHAPE, NMODSHAPE, MODSHAPE, ADMWIN, .

4. Factors resulting from the use of the current year IOCS data. These involve, for example:

   a) the cost pool volume-variability fractions derived in programs MODSVARB, BMCVARB and NMODVARB which are entered into programs such as for example DOLWGT, BMC4, NONMOD4, PREMITOT and PIGGYF99,

   b) the mail processing cost pool break time costs derived in BMC1, NONMOD1 which are entered in BMC4 and NONMOD4,

   c) the inflation factor for extrapolating the direct tallies to total volume-variable costs for the BMC and Non-MODS Operation code 14 in program CMUCFS.

   d) the inflation factor for distributing the cost for activity code 5340 to the subclasses in program PREMITOT

   e) minor adjustments arising from an item or cost pool with no distribution key, such as is identified for con-con in program BMC2 or the MAILGRAM cost pool in MOD4DIST.

   f) the PRC version cost pool adjustment factors for allied cost pools derived at the beginning of programs B5ALLIED and M5ALLIED and entered at the end of these programs.

There are other modifications to the SAS programs which are either stylistic or structural but have no impact on the results, such as:

- combining 3 programs such as MODMODEL, BMCMODEL, NMDMODEL into one program NONMODEL, and
- standardizing programs ADMWIN or the PRC version of program NONMOD4 to substitute the invoking of DIST5354 for previously used codes.

RESPONSE OF WITNESS EGGLESTON TO POIR-20, QUESTION 2, PARTS A-C.

2. At the hearings on August 3, 2000, the Postal Service was asked to "please provide a ... list of all instances where cost avoidance models are not structured to use FY '99 data and in each of these instances would you explain how the models would need to be altered to allow them to use FY '99 data." The Service responded on August 10 by listing the models that needed to be modified. To allow participants and the Commission to understand the impact of actual FY 99 data, please adjust those models to allow for incorporation of FY 99 data, as follows; providing all underlying calculations.

a) Please revise the Parcel Post Mail Processing Model to include DSCF and DDU mail processing models and the appropriate weights for each model.

b) Provide the revised Parcel Post Transportation Model allocating costs to Inter-BMC, Intra-BMC, DBMC, DSCF and DDU.

c) Provide either a new proxy for the Parcel Return Service cost study or the appropriate wage-rate ratio.

Response:

All models have been restructured and updated with the new test year data (1999 base year). These models, and material supporting these models, are located in LR-I-469.

United States Postal Service

David R. Fronk
(USPS-T-33)

RESPONSE OF U.S. POSTAL SERVICE WITNESS FRONK TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 11

POIR NO. 11/QUESTION 3. In the attachment to OCA/USPS-T33-13(f), the Postal Service provided FY 1998 and FY 1999 First-Class single-piece letter volumes by weight step.

(a) Please provide the same data for the first and second quarters of FY 2000.
(b) Please also provide the coefficients of variation for the volumes in each weight step for the FY 1998, FY 1999 and FY 2000 estimates.

RESPONSE:

(a) Please see Attachment 1a to POIR NO. 11/QUESTION 3, which presents the requested data for the two quarters individually and on a combined basis. It is important to note that this distribution is an approximation based on preliminary RPW data for 2000.

As the Commission is aware, Docket No. R97-1 resulted in two changes that can affect the weight distribution of First-Class pieces: (1) the change in the maximum weight from 11 ounces to 13 ounces, and (2) the elimination of Standard (A) single piece (Standard (A) single-piece is typically heavier than existing First-Class). To gain insight into what may have happened to the number of additional ounces per piece since the Docket No. R97-1 rates were implemented, it is also useful to combine the PQ1 and PQ2 2000 data with the last two quarters of 1999 to get a combined 1999/2000 PFY which consists of the first four postal quarters that are entirely post R97-1 rates. The results are presented in Attachment 1b to this response. Since the equivalent of an entire PFY is involved in this combination, seasonality is not an issue. (Single pieces typically demonstrate seasonality in weight, for example, holiday greeting cards decrease average weight and tax season returns increase average weight).

For the combined 1999/2000 PFY, there were 0.3656 additional ounces per piece (19,412,381 thousand additional ounces / 53,098,013 thousand pieces). For the historical 0-11 ounce weight range, there were 0.3396 additional ounces per piece (19,412,381 – 778,480 – 641,883 additional ounces / 53,098,013 – 70,771 – 53,490 pieces, where the subtractions are associated with the 11-12 and 12-13 ounce weight increments). The 0.3396

RESPONSE OF U.S. POSTAL SERVICE WITNESS FRONK TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 11

RESPONSE to POIR NO. 11/QUESTION 3 (continued)

additional ounces per piece in the historical 0-11 ounce weight range is quite similar to the 0.3378 ounces per piece per the 1998 billing determinants and the 0.3387 ounces per piece in 1999 calculated in the Postal Service response to OCA/USPS-106(d). Note that these 1999 and combined 1999/2000 PFY additional ounce per piece figures for the 0-11 ounce range are likely to be somewhat overstated when compared to 1998 because they do not attempt to adjust for heavier Standard (A) mail pieces migrating into First-Class single piece.

The stability in the additional ounce per piece figure for combined PFY 1999/2000 lends additional support to the April 17 revision that I made in calculating Test Year single-piece additional ounces. That revision involved returning to the approach used by the Postal Service and the Commission in past dockets (please see my workpaper, USPS-LR-I-169, as revised April 17, 2000, and the response to OCA/USPS-106(d)).

It should also be noted that the number of single-piece additional ounces calculated in my workpaper for the Test Year After Rates is 19,779,450 thousand, or 0.3741 additional ounces per piece. This compares generally with 0.3656 additional ounce per piece in combined PFY 1999/2000, indicating that the number of additional ounces I estimate for the Test Year should not be increased.

(b) Please see Attachment 2 to POIR NO. 11/QUESTION 3. I consulted with Postal personnel familiar with the statistics of the RPW data to obtain these figures.

FIRST-CLASS SINGLE-PIECE MAIL IN LETTERS SUBCLASS: VOLUME BY WEIGHT STEP
PQ1 and PQ2 2000

	Weight Not Over (ounces)													
	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
PQ1 2000:														
Volume (000s)	10,338,805	819,423	313,409	176,307	115,776	77,608	59,264	43,518	36,701	27,255	21,727	16,774	12,685	12,059,251
%	85.7334%	6.7950%	2.5989%	1.4620%	0.9601%	0.6436%	0.4914%	0.3609%	0.3043%	0.2260%	0.1802%	0.1391%	0.1052%	100.0000%
PQ2 2000:														
Volume (000s)	11,534,002	784,650	310,365	173,988	112,177	74,676	55,222	42,007	33,334	24,240	19,441	15,177	11,287	13,190,565
%	87.4413%	5.9486%	2.3529%	1.3190%	0.8504%	0.5661%	0.4187%	0.3185%	0.2527%	0.1838%	0.1474%	0.1151%	0.0856%	100.0000%
PQ1 + PQ2 2000:														
Volume (000s)	21,872,807	1,604,074	623,774	350,295	227,953	152,284	114,486	85,525	70,035	51,495	41,168	31,951	23,971	25,249,816
%	86.6256%	6.3528%	2.4704%	1.3873%	0.9028%	0.6031%	0.4534%	0.3387%	0.2774%	0.2039%	0.1630%	0.1265%	0.0949%	100.0000%

FIRST-CLASS SINGLE-PIECE MAIL IN LETTERS SUBCLASS: VOLUME BY WEIGHT STEP
Combined PFY: PQ 3 & PQ 4 1999 and PQ1 & PQ2 2000

	Weight Not Over (ounces)													
	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Combined PFY:														
Volume (000s)	45,743,327	3,506,764	1,372,546	751,844	485,914	328,111	246,913	184,143	148,972	114,020	91,199	70,771	53,490	53,096,013
%	86.1488%	6.6043%	2.5849%	1.4160%	0.9151%	0.6179%	0.4650%	0.3468%	0.2806%	0.2147%	0.1718%	0.1333%	0.1007%	100.0000%
Add'l. Ounces (000s)		3,506,764	2,745,091	2,255,531	1,943,658	1,640,555	1,481,475	1,288,999	1,191,779	1,026,179	911,988	778,480	641,883	19,412,381
Add'l Oz. Per Piece, Total														0.3656
Add'l. Oz Per Piece, 0-11 ounce Pieces Only														0.3396

FIRST-CLASS SINGLE-PIECE MAIL IN LETTERS SUBCLASS: CVs BY WEIGHT STEP
GFY 1998, GFY 1999, and Combined PQ1 + PQ2 2000

	Weight Not Over (ounces)												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Time Period:													
GFY 1998	0.64%	0.97%	1.08%	1.20%	1.31%	1.35%	1.47%	1.42%	1.57%	1.80%	1.90%		
GFY 1999	0.72%	1.02%	1.18%	1.28%	1.53%	1.51%	1.65%	1.63%	1.71%	1.79%	2.30%	2.61%	2.80%
PQ1 + PQ 2 2000	1.05%	1.54%	1.66%	1.86%	1.99%	2.03%	2.42%	2.57%	2.54%	2.61%	2.90%	2.86%	3.35%

RESPONSE OF U.S. POSTAL SERVICE WITNESS FRONK TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 13

POIR NO. 13/QUESTION 6. In POIR No. 11, question 3, attachment 1a, the Postal Service provides volumes by weight step for First-Class Single-Piece letters for the first and second quarters of FY 2000. Please provide the same data for First-Class Nonautomation Presort, Automation Presort, and Automation Carrier Route Letters.

RESPONSE: Please see the Attachment to POIR NO. 13/QUESTION 6, which presents the requested data for the two quarters individually and on a combined basis. It is important to note that this distribution is an approximation based on preliminary data for 2000.

FIRST-CLASS WORKSHARED MAIL IN LETTERS SUBCLASS: VOLUME BY WEIGHT STEP
PQ1 and PQ2 2000

	Weight Not Over (ounces)													
	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
PQ1 2000:														
Volumes (000s):														
Nonauto Presort	899,865	44,801	28,758	9,095	4,650	1,446	707	823	1,090	310	339	478	88	992,250
Auto Presort	8,814,475	232,586	36,870	7,733	4,631	2,939	2,047	1,400	1,309	786	503	519	568	9,106,379
Carrier Route	267,169	8,694	1,202	5	0	0	0	0	0	0	0	0	0	277,069
% Distribution:														
Nonauto Presort	90.6893%	4.4949%	2.8983%	0.9166%	0.4686%	0.1458%	0.0713%	0.0829%	0.1098%	0.0313%	0.0342%	0.0481%	0.0089%	100.0000%
Auto Presort	96.7945%	2.5541%	0.4050%	0.0849%	0.0509%	0.0323%	0.0225%	0.0154%	0.0144%	0.0086%	0.0055%	0.0057%	0.0062%	100.0000%
Carrier Route	96.4266%	3.1378%	0.4338%	0.0017%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
PQ2 2000:														
Volumes (000s):														
Nonauto Presort	973,579	49,440	32,339	13,607	5,606	1,151	824	904	639	282	131	154	399	1,079,052
Auto Presort	9,064,520	238,347	27,194	6,085	4,177	1,749	1,460	1,978	1,239	1,038	718	436	373	9,349,310
Carrier Route	265,830	9,592	661	131	0	0	0	0	0	0	0	0	0	276,215
% Distribution:														
Nonauto Presort	90.2254%	4.5818%	2.9970%	1.2610%	0.5195%	0.1067%	0.0763%	0.0838%	0.0592%	0.0261%	0.0121%	0.0143%	0.0369%	100.0000%
Auto Presort	96.9539%	2.5493%	0.2909%	0.0651%	0.0447%	0.0187%	0.0156%	0.0212%	0.0132%	0.0111%	0.0077%	0.0047%	0.0040%	100.0000%
Carrier Route	96.2403%	3.4728%	0.2394%	0.0475%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
PQ1 + PQ2 2000:														
Volumes (000s):														
Nonauto Presort	1,873,443	94,041	61,096	22,702	10,255	2,597	1,531	1,727	1,728	592	470	632	487	2,071,303
Auto Presort	17,878,994	470,933	64,070	13,817	8,808	4,688	3,507	3,384	2,548	1,824	1,221	956	940	18,455,689
Carrier Route	532,998	18,286	1,863	136	0	0	0	0	0	0	0	0	0	553,284
% Distribution:														
Nonauto Presort	90.4476%	4.5402%	2.9497%	1.0960%	0.4951%	0.1254%	0.0739%	0.0834%	0.0834%	0.0286%	0.0227%	0.0305%	0.0235%	100.0000%
Auto Presort	96.8752%	2.5517%	0.3472%	0.0749%	0.0477%	0.0254%	0.0190%	0.0183%	0.0138%	0.0099%	0.0066%	0.0052%	0.0051%	100.0000%
Carrier Route	96.3336%	3.3051%	0.3368%	0.0246%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%

RESPONSE OF U.S. POSTAL SERVICE WITNESS FRONK TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 13

POIR NO. 13/QUESTION 7. In POIR No. 11, question 3, attachment 1b, the Postal Service provides volumes by weight step for First-Class Single-Piece letters for the Combined PFY: PQ 3 & PQ 4 1999 and PQ 1 & PQ 2 2000. Please provide the same data for First-Class Nonautomation Presort, Automation Presort, and Automation Carrier Route letters.

RESPONSE: Please see the Attachment to POIR NO. 13/QUESTION 7, which presents the requested data. It is important to note that this distribution is an approximation based in part on preliminary data for 2000.

FIRST-CLASS WORKSHARED MAIL IN LETTERS SUBCLASS: VOLUME BY WEIGHT STEP
Combined PFY: PQ 3 & PQ 4 1999 and PQ1 & PQ2 2000

	Weight Not Over (ounces)													
	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Combined PFY:														
Nonauto Presort:														
Volume (000s)	3,706,222	192,639	129,518	44,795	17,495	5,062	3,106	3,112	3,541	1,612	1,047	1,218	1,142	4,112,506
%	90.1893%	4.6842%	3.1494%	1.0892%	0.4254%	0.1231%	0.0755%	0.0757%	0.0861%	0.0392%	0.0255%	0.0296%	0.0278%	100.0000%
Additional Ounces		192,639	259,036	134,384	69,979	25,312	16,634	21,785	28,327	14,507	10,469	13,394	13,708	802,173
Add'l Oz. Per Piece														0.195057
Auto Presort:														
Volume (000s)	37,203,890	991,023	132,751	29,911	17,402	10,472	7,820	7,639	6,427	6,076	4,001	3,642	2,403	38,423,456
%	96.8260%	2.5792%	0.3455%	0.0778%	0.0453%	0.0273%	0.0204%	0.0199%	0.0167%	0.0158%	0.0104%	0.0095%	0.0063%	100.0000%
Additional Ounces		991,023	265,503	89,733	69,609	52,360	46,921	53,476	51,415	54,686	40,013	40,060	26,834	1,783,631
Add'l Oz. Per Piece														0.046420
Carrier Route:														
Volume (000s)	1,141,903	42,431	4,576	326	0	0	0	0	0	0	0	0	0	1,189,237
%	96.0198%	3.5679%	0.3848%	0.0274%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
Additional Ounces		42,431	9,152	978	0	0	0	0	0	0	0	0	0	52,561
Add'l Oz. Per Piece														0.044197

RESPONSE OF U.S. POSTAL SERVICE WITNESS FRONK TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 13

POIR NO. 13/QUESTION 8. In the attachment to OCA/USPS-T33-13(f), the Postal Service provides FY 1998 and FY 1999 First-Class Single-Piece letter volumes by weight step. Please provide the same data for First-Class Nonautomation Presort, Automation Presort, and Automation Carrier Route Presort Letters.

RESPONSE: Please see the Attachment to POIR NO. 13/QUESTION 8 for the requested data.

FIRST-CLASS WORKSHARED MAIL IN LETTERS SUBCLASS: VOLUME BY WEIGHT STEP
GFY 1998 and GFY 1999

	Weight Not Over (ounces)													
	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
GFY 1998:														
Nonauto Presort:														
Volume (000s)	4,258,562	188,887	144,110	31,410	8,668	12,340	4,121	2,837	4,743	1,644	915			4,658,236
%	91.4201%	4.0549%	3.0937%	0.6743%	0.1861%	0.2649%	0.0885%	0.0609%	0.1018%	0.0353%	0.0196%			100.0000%
Auto Presort:														
Volume (000s)	33,880,139	821,673	118,530	25,436	12,014	10,595	7,741	6,663	5,492	5,427	3,215			34,896,924
%	97.0695%	2.3681%	0.3416%	0.0733%	0.0346%	0.0305%	0.0223%	0.0192%	0.0158%	0.0156%	0.0093%			100.0000%
Carrier Route:														
Volume (000s)	1,231,950	43,273	3,085	785	0	0	0	0	0	0	0			1,279,092
%	96.3144%	3.3831%	0.2412%	0.0613%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%			100.0000%
GFY 1999:														
Nonauto Presort:														
Volume (000s)	3,771,927	199,996	134,686	40,314	13,796	4,663	2,919	4,742	3,329	1,638	883	682	699	4,180,253
%	90.2320%	4.7843%	3.2215%	0.9644%	0.3300%	0.1115%	0.0698%	0.1134%	0.0796%	0.0392%	0.0211%	0.0163%	0.0167%	100.0000%
Auto Presort:														
Volume (000s)	36,267,164	927,458	135,617	32,820	14,511	10,773	6,597	6,881	6,265	5,745	4,433	2,946	1,663	37,422,893
%	96.9117%	2.4783%	0.3624%	0.0877%	0.0388%	0.0288%	0.0176%	0.0184%	0.0168%	0.0154%	0.0118%	0.0079%	0.0044%	100.0000%
Carrier Route:														
Volume (000s)	1,204,697	42,468	8,378	429	0	0	0	0	0	0	0	0	0	1,255,973
%	95.9175%	3.3813%	0.6671%	0.0342%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%

United States Postal Service

Thomas W. Harahush
(USPS-ST-49)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HARAHUSH TO QUESTION POSED BY UPS DURING HEARINGS

Question of UPS at Tr. 16/6675 – 6676:

> Q Now, Table 5 is called "Letters, Rural Carrier Street Costs, FY 1998, Proportions of Mail Volume Used for Cost Distributions." And Table 6 is entitled "Flats, Rural Carrier Street Costs, FY 1998, Proportions of Mail Volume Used for Cost Distributions." Unlike in the case of your tables for the city carrier costs, you do not include a table for parcels similar to Tables 5 and 6. . . .
>
> Can you produce that table and would you do so?

RESPONSE:

The requested table is attached.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HARAHUSH TO QUESTION POSED BY UPS DURING HEARINGS

PARCELS - RURAL CARRIER COST - FY 1998
PROPORTIONS OF MAIL VOLUME

Mail Class	Proportion of Mail	C.V. of[1] Proportion (Percent)	Lower 95% Confidence Limit[2]	Upper 95% Confidence Limit[2]
First-Class Mail:				
Letters & Parcels	0.1262	2.25	0.1206	0.1318
Presort Letters & pcl	0.0045	43.55	0.0006	0.0084
Private mailing cards				
Presort private cards				
Total First-Class	0.1308	2.51	0.1243	0.1372
Priority Mail	0.2047	1.37	0.1991	0.2102
Mailgrams				
Periodicals	0.0190	4.86	0.0172	0.0208
Standard A Mail:				
Single-Piece rate	0.0047	8.81	0.0039	0.0055
Regular Standard A				
Enhanced Carrier Rt				
Other	0.3164	1.42	0.3076	0.3252
Total Regular	0.3164	1.42	0.3076	0.3252
Nonprofit Standard A				
Enhanced Carrier Rt				
Other	0.0178	18.73	0.0112	0.0244
Total Nonprofit	0.0178	18.73	0.0112	0.0244
Total Standard A	0.3389	1.46	0.3292	0.3486
Standard B Mail:				
Parcel Post	0.1304	1.55	0.1264	0.1344
Special Standard	0.0420	3.18	0.0394	0.0446
Library Rate	0.0049	7.54	0.0042	0.0057
Bound Printed Matter	0.1189	3.54	0.1106	0.1272
Total Standard B	0.2962	1.69	0.2864	0.3061
U.S. Postal Service	0.0004	27.48	0.0002	0.0007
Free for Blind & hndcp	0.0054	8.97	0.0045	0.0064
International Mail	0.0046	15.54	0.0032	0.0060
Total Mail	1			

[1] Coefficient of variation = 100%X(Est. Std. Dev./Est. Proportion)
[2] Lower Limit = Est. Proportion - (1.97 X Est. Std. Deviation)
Upper Limit = Est. Proportion + (1.97 X Est. Std. Deviation)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HARAHUSH TO QUESTION RAISED BY COMMISSIONER COVINGTON DURING HEARINGS

Question of Commissioner Covington at Tr. 16/6681:

Q And I also notice that in R97-1, you sponsored a Library Reference H-89, which was statistical systems documentation, and I believe it contains summary tables giving universe and sample sizes for the city carrier and rural carrier data systems? . . .

Okay. My first question would be, could you provide a similar table in hard copy form as a follow-up to your appearance here at the Commission today, or would you be able to identify for me, where it appears in what you may have already submitted as it relates to R2000-1?

Response:

The requested table is attached.

Fiscal Year 1998 Sample and Universe Sizes by Stratum for the Carrier Cost Systems

Quarter	System	Stratum	Stratum Description	Sample Size	Universe Size	Delivery Days	Route Deliv Days	Sampling Rate	Effective Sample	Effective Samp Rate
1	City	1A	Business routes CAG A - E	124	4,547	69	313,743	0.000395	97	0.000309
		1B	Residential routes CAG A - E	1,674	146,354	69	10,098,426	0.000166	1,636	0.000162
		2A	Business routes CAG F - L	1	49	69	3,381	0.000296	1	0.000296
		2B	Residential routes CAG F - L	145	14,045	69	969,105	0.000150	143	0.000148
	Rural	1C	In district with more than 20 rural routes	1,355	59,327	69	4,093,563	0.000331	1,332	0.000325
		2C	In district with 20 or less rural routes	2	37	69	2,553	0.000783	2	0.000783
2	City	1A	Business routes CAG A - E	127	4,724	68	321,232	0.000395	101	0.000314
		1B	Residential routes CAG A - E	1,674	146,209	68	9,942,212	0.000168	1,635	0.000164
		2A	Business routes CAG F - L	1	49	68	3,332	0.000300	1	0.000300
		2B	Residential routes CAG F - L	143	13,986	68	951,048	0.000150	140	0.000147
	Rural	1C	In district with more than 20 rural routes	1,340	59,540	68	4,048,720	0.000331	1,326	0.000328
		2C	In district with 20 or less rural routes	2	36	68	2,448	0.000817	2	0.000817
3	City	1A	Business routes CAG A - E	133	4,686	72	337,392	0.000394	111	0.000329
		1B	Residential routes CAG A - E	1,658	146,283	72	10,532,376	0.000157	1,651	0.000157
		2A	Business routes CAG F - L	1	50	72	3,600	0.000278	1	0.000278
		2B	Residential routes CAG F - L	151	13,987	72	1,007,064	0.000150	149	0.000148
	Rural	1C	In district with more than 20 rural routes	1,427	59,885	72	4,311,720	0.000331	1,419	0.000329
		2C	In district with 20 or less rural routes	2	36	72	2,592	0.000772	2	0.000772
4	City	1A	Business routes CAG A - E	172	4,689	93	436,077	0.000394	157	0.000360
		1B	Residential routes CAG A - E	2,223	146,459	93	13,620,687	0.000163	2,199	0.000161
		2A	Business routes CAG F - L	1	47	93	4,371	0.000229	1	0.000229
		2B	Residential routes CAG F - L	196	14,005	93	1,302,465	0.000150	195	0.000150
	Rural	1C	In district with more than 20 rural routes	1,876	60,931	93	5,666,583	0.000331	1,867	0.000329
		2C	In district with 20 or less rural routes	3	36	93	3,348	0.000896	3	0.000896

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HARAHUSH TO QUESTION RAISED BY COMMISSIONER GOLDWAY DURING HEARINGS

Question of Commissioner Goldway at Tr. 16/6679:

Q And I'm just wondering what the relative proportions are for your study versus RPW, so that when costs are apportioned, the proportions are correct.

Response:

The attached sheet shows, for classes and subclasses of mail, volumes and proportions of total mail counted by the City Carrier Cost System (CCCS) and the Rural Carrier Cost System (RCCS), and the Revenues, Pieces, and Weights System (RPW). Additionally, the mail volume of the two carrier systems have been combined so they can be compared to RPW both by proportion and volume. Volumes by shape are not shown since RPW does not report shape.

The RPW system estimates volume of mail for all forms of delivery. The RCCS estimates volume for rural carrier routes, while the CCCS estimates volume for city letter routes. As a result, the RPW system includes mail delivered to customers via other delivery methods – firm holdouts, box sections, and caller service recipients, for example. Volumes of mail not delivered on rural and city letter routes but reported in RPW will contribute to volume differences shown in the attached table.

FISCAL YEAR 1998

COMPARISION OF VOLUMES FROM CARRIER COST SYSTEM AND RPW

	City Carrier Volume	City Volume Proportion	Rural Carrier Volume	Rural Volume Proportion	City+Rural Carrier Volume	City+Rural Volume Proportion	RPW Volume	RPW Volume Proportion	City+Rural Proportion of RPW
First-Class Mail:									
Sngl Pc Ltrs, Flts, Prcl	24,144,715	0.209	7,460,168	0.194	31,604,883	0.206	54,273,024	0.353	0.582
Presort Ltrs, Flts, Prcl	26,590,322	0.231	8,933,753	0.233	35,524,075	0.231	40,634,252	0.264	0.874
Sngl Pc Cards	1,837,208	0.016	626,878	0.016	2,464,086	0.016	2,971,751	0.019	0.829
Presort Cards	1,411,091	0.012	512,517	0.013	1,923,608	0.013	2,555,124	0.017	0.753
Total First-Class	53,983,336	0.468	17,533,311	0.456	71,516,647	0.465	100,434,151	0.510	0.712
Priority Mail	690,480	0.006	219,850	0.006	910,330	0.006	1,174,425	0.006	0.775
Express Mail	28,296	0.000	2,598	0.000	30,894	0.000	66,244	0.000	0.466
Mailgrams	10,813	0.000	5,113	0.000	15,926	0.000	4,302	0.000	3.702
Periodicals	6,537,562	0.057	2,796,928	0.073	9,334,490	0.061	10,316,751	0.052	0.905
Standard Mail (A):									
Single Piece	27,656	0.000	12,575	0.000	40,231	0.000	150,276	0.001	0.268
Regular - ECR	24,116,625	0.209	7,124,337	0.185	31,240,962	0.203	34,059,127	0.173	0.917
Regular - Other	21,413,152	0.186	8,031,888	0.209	29,445,040	0.191	35,087,014	0.178	0.839
Nonprofit ECR	1,276,859	0.011	329,070	0.009	1,605,929	0.010	2,647,088	0.013	0.607
Nonprofit - Other	6,280,522	0.054	2,005,231	0.052	8,285,753	0.054	10,564,636	0.054	0.784
Total Standard Mail (A)	53,114,812	0.460	17,503,102	0.456	70,617,914	0.459	82,508,141	0.419	0.856
Standard Mail (B):									
Parcel Post	172,764	0.001	79,479	0.002	252,243	0.002	316,148	0.002	0.798
Bound Printed Matter	233,561	0.002	106,223	0.003	339,784	0.002	488,413	0.002	0.696
Special Standard Mail	80,083	0.001	31,148	0.000	111,231	0.001	191,093	0.001	0.582
Library Mail	16,529	0.000	4,694	0.003	21,223	0.000	27,728	0.000	0.765
Total Standard Mail (B)	502,936	0.004	221,546	0.006	724,482	0.005	1,023,382	0.005	0.708
USPS	129,706	0.001	34,417	0.001	164,123	0.001	380,103	0.002	0.432
Free for Blind, Handicapped	27,396	0.000	9,648	0.000	37,044	0.000	53,169	0.000	0.697
International Mail	326,416	0.003	60,514	0.002	386,930	0.003	944,022	0.005	0.410
Total All Mail	115,351,751	1.000	38,414,599	1.000	153,766,350	1.000	196,904,691	1.000	0.781

21177

United States Postal Service

Herbert B. Hunter
(USPS-T-5)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
TO INTERROGATORIES OF NATIONAL NEWSPAPER ASSOCIATION

NNA/USPS-T5-2. Please provide a breakdown of [I]n-[C]ounty volumes in the base year used in this docket by Cost Ascertainment Group[ing] according to the source of the data: PERMIT based, non-automated office sample or other sources. Please explain any other source used.

RESPONSE. This information is not available. The Cost Ascertainment Grouping (CAG) code is a total revenue indicator used for accounting purposes unrelated to the BRPW statistical estimation system which reports estimates of volume and revenue for specific classes and subclasses of mail.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
TO INTERROGATORIES OF NATIONAL NEWSPAPER ASSOCIATION

NNA/USPS-T5-20. Please refer to LR I-44, the Periodicals System User Guide[,] Section 1.1, pg[s]. 6-7.
a. Please explain why no rate code appears for In-[C]ounty mail.
b. Please explain the function of the rate code.
c. Please explain how the absence of a rate code for [I]n-[C]ounty mail affects calculation of revenues, pieces or weights of [I]n-[C]ounty mail, if it does.

RESPONSE.

a-c. It is my understanding that no separate authorization is required to mail at In-County rates, hence no separate authorization is stored. The separate rate code functions as a stored authorization type that calls the appropriate postage statement, rates and rules for a given publication. Its absence has no effect on the calculation of revenue, pieces and weight for In-County mail.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
TO INTERROGATORIES OF NATIONAL NEWSPAPER ASSOCIATION

NNA/USPS-T5-21. Please confirm that a newspaper eligible for [I]n[-C]ounty rates is also eligible for [I]n[-C]ounty rates at an exceptional dispatch office if it is also within the county. If you cannot respond to this question, please refer it to a witness capable of making this admission.

RESPONSE. It is my understanding that this statement is true. See the response to NNA/USPS-T5-20.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
TO INTERROGATORIES OF NATIONAL NEWSPAPER ASSOCIATION

NNA/USPS-T5-24. Please examine p. 4 of LR I-44, the Periodical System User Guide, referring to entry of form 3510 reentry/additional entry data. Please confirm that it is possible for a periodical entered at an additional entry point to pay postage at an office of original entry, through a centralized postage payment or another means. If your answer is no, please explain the notation on the screen: "Is it paid in other offices?" If your answer is yes, please list the options or refer this question to a witness who is able to answer it.

RESPONSE. Not confirmed. It is my understanding that the postage is paid at the additional entry office. The notation referenced in the interrogatory applies to the fees paid by a mailer and not to postage. See the responses to NNA/USPS-T5-14 and -20.

SUPPLEMENTAL RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HUNTER TO INTERROGATORIES
OF NATIONAL NEWSPAPER ASSOCIATION

NNA/USPS-T5-34. Please refer to USPS-LR-I-230, Appendix A, at page 3, which provides a table with the subtitle of "PQI-FY95 2C CENSUS REVENUES BY STRATUM." Please further refer to tables 1, 2, and 3 of your testimony, which provide estimates of revenue, pieces, and weight, respectively.

a. Please provide separate estimates of revenue, pieces, and weight for each of the 6 non-automated strata listed in NNA/USPS-T5-32(e) for Periodicals subclasses In County, Regular, Nonprofit, and Classroom for both FY98 and FY99. Please further provide the associated coefficients of variation for each of these estimates.

b. For each of the separate stratum estimates of revenue, pieces, and weight in a), please provide four separate quarterly estimates for each of the two years requested. Please further provide the associated coefficients of variation for each of these estimates.

RESPONSE.

a-b. The estimates of Periodicals RPW totals and their estimated CV's for the sampling strata used in the BRPW are provided in USPS-LR-I-318/R2000-1 by PQ for the two years requested. The fiscal year estimate of a total for a variate of interest is obtained by summing the related PQ estimates. The fiscal year estimate of the CV for an estimate of a total can be calculated by multiplying the square root of the summed squares of the products of the estimated CV and estimate for the PQ's by the reciprocal of the estimate of the total.

SUPPLEMENTAL RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HUNTER TO INTERROGATORIES
OF NATIONAL NEWSPAPER ASSOCIATION

NNA/USPS-T5-35. Please refer to your response to UPS/USPS-T5-11. Please provide for the base year in Docket R97-1 and separately for Base Year FY 98 in this case the proportion of usable records from PERMIT and non-automated offices for within-county mail.

RESPONSE. The proportion of In-County records for the non-automated office strata is 0.017 and 0.013 for the FY 1996 and FY 1998 periods, respectively. The proportions for the automated office stratum are 0.983 and 0.987, respectively.

SUPPLEMENTAL RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HUNTER TO INTERROGATORIES
OF NATIONAL NEWSPAPER ASSOCIATION

NNA/USPS-T5-36. Please refer to USPS-LR-I-26 at page 2, which describes the sampling procedure used to define the strata for the BRPW panel. In particular, please refer to the sentence that states: "For each mail category, the panel is selected by first grouping non-zero targeted or auxiliary revenue variable reporting offices among four to six strata using the CUM [square-root] f rule (cumulative frequency distribution) and revenue level (size) information obtained from a revenue account or survey." In the following subparts of this interrogatory, please interpret the terms "offices" and "revenue" as they are used in this sentence.

a. For each year from FY86 to FY99, please provide the total number of offices.
b. For each year from FY86 to FY99, please provide total Periodicals revenue.
c. For each year from FY86 to FY99, please provide the total number of offices that have zero Periodicals revenue for that year.
d. For each year from FY87 to FY99, please provide the total number of offices that have zero Periodicals revenue for both that year and the previous year.
e. For each year from FY87 to FY99, please provide the total number of offices that have both zero Periodicals revenue for that year and non-zero Periodicals revenue for the previous year.
f. For each year from FY87 to FY99, for the offices identified in (e) with zero Periodicals revenue for that year and non-zero Periodicals revenue for the previous year, please provide total Periodicals revenue for the previous year.
g. For each year from FY87 to FY99, please provide the total number of offices from (a) that have both non-zero Periodicals revenue for that year and zero Periodicals revenue for the previous year.
h. For each year from FY87 to FY99, for the offices identified in (g) with non-zero Periodicals revenue for that year and zero Periodicals revenue for the previous year, please provide total Periodicals revenue for that year.
i. For each year from FY87 to FY99, please provide the total number of offices from (a) that have positive Periodicals revenue for both that year and the previous year.
j. For each year from FY87 to FY99, for the offices identified in (i) with positive Periodicals revenue for both that year and the previous year, please provide total Periodicals revenue for both that year and the previous year.
k. Please explain how the sampling procedure described on page 2 of USPS-LR-I-26 accounts for Periodicals mail from the offices identified in (g) with non-zero Periodicals revenue for that year and zero Periodicals revenue for the previous year.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
TO INTERROGATORIES OF NATIONAL NEWSPAPER ASSOCIATION

RESPONSE. Under the BRPW design, the In-County revenue measure is the targeted revenue used to stratify the population of non-automated non-zero Periodicals revenue reporting offices. The non-zero In-County revenue and related office count information required for panel selection is not normally known. As a result, the Postal Service periodically conducts a census of non-automated offices reporting non-zero total Periodicals revenue (In-County and outside county) as determined from the revenue account AIC 135. The survey used for the Periodicals non-automated office panel for FY 1998 was begun in PQ1 of FY 1995 and was updated for year end FY 1996 implementation. The population counts from this survey are provided in USPS-LR-I-230/R2000-1. Outside of the survey period, total Periodicals revenue (In-County and outside county) from the trial balance accounts is known, but subclass revenues including for the In-County category are not known. The known totals are provided in the annual Cost and Revenue Analysis reports made available to the public. Table A below provides the zero and non-zero Periodical revenue office counts for the years available and for CAG A-G offices. Office counts for prior years and disaggregated CAG H-L office revenues, the latter comprising approximately one half of one percent for the FY 1998 period, cannot be determined as this information is no longer available. The total Periodicals revenues in Table A include the foreign Publishers Periodicals component that accounts for approximately three percent of total Periodicals revenue. GFY

SUPPLEMENTAL RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HUNTER TO INTERROGATORIES
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based revenues are not reported in the accounts, and as a result, the table measures are postal fiscal year (PFY) based.

Table A
Non-Automated Office Zero and Non-Zero Periodicals Combined Subclass
Revenue (000) for CAG A-G Offices

Year (j) (1)	Zero Revenue Office Count for Year (j) (2)	Non-Zero Revenue Office Count for Year (j) (3)	Zero Revenue Office Count for Years (j), (j-1) (4)	Zero Revenue for Year (j) and Non-Zero Revenue for Year (j-1) Office Counts, and Revenue for Year (j-1) (5)	Non-Zero Revenue for Year (j) and Zero Revenue for Year (j-1) Office Counts and Revenue for Year (j) (6)	Non-Zero Revenue for Years (j) and (j-1) Office Count, and Revenue for Years (j) and (j-1) (respectively) (7)
1999	3099	3616	2756	116 / $279	72 / $350	3472 / $77367 / $78182
1998	2946	3704	2680	132 / $351	98 / $193	3570 / $82982 / $81939
1997	2944	3866	2606	177 / $1429	100 / $255	3709 / $89376 / $86381
1996	2809	4038	2432	189 / $796	162 / $1658	3812 / $93360 / $92534
1995	2727	4387	2450	151 / $1325	149 / $256	4165 / $146905 / $138161

a. The total number of offices reporting Periodicals revenue (all subclasses) is obtained from the sum of the entries in Columns (2) and (3) of Table A.

b. See the body of this response.

c. The total number of offices reporting zero Periodicals revenue is provided in Column (2) of Table A.

d. The count of offices reporting zero Periodicals revenue in years (j) and (j-1) is provided in Column (4) of Table A.

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e. The count of offices reporting zero Periodicals revenue in year (j) and non-zero total Periodicals revenue in year (j-1) is provided in Column (5) of Table A.

f. The total Periodicals revenue for years (j-1) for the counts in part (e) is provided in Column (5) of Table A.

g. The count of offices reporting non-zero total Periodicals revenue in year (j) and zero Periodicals revenue in year (j-1) is provided in Column (6) of Table A.

h. The total Periodicals revenue for year (j) for the counts in part (g) is provided in Column (6) of Table A.

i. The count of offices reporting non-zero total Periodicals revenue for years (j) and (j-1) is provided in Column (7) of Table A.

j. The total Periodicals revenue for the counts in part (i) is provided in Column (7) of Table A.

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NNA/USPS-T5-39. Please refer to USPS-LR-I-230, Appendix A, at page 3, which provides a table with the subtitle of "PQI-FY95 2C CENSUS REVENUES - BY STRATUM." Please further refer to the 3 strata for PERMIT offices and the 6 strata for non-automated offices listed in NNA/USPS-T-32(e). Please further refer to your response to NNA/USPS-T5-4, where you provide In-County volume estimates from FY86 through FY98. Finally, please refer to your response to NNA/USPS-T5-5, where you state: "My understanding is that the underlying methodology used to construct the estimates of In-County volume, wherein postage statement data are obtained from a probability based sample of post offices to supplement the data obtained from a certainty segment, is essentially unchanged over the twelve-year period . . ."

a. For each year from FY86 to FY97, please provide the blowup factors used for each of the 9 strata included in the referenced table from USPS-LR-I-230.
b. For each year from FY86 to FY97, please provide the sample size for each of the 9 strata included in the referenced table from USPS-LR-I-230.
c. For each year from FY86 to FY97, please provide the sample mean for the number of pieces of In-County mail for each of the 9 strata included in the referenced table from USPS-LR-I-230.

RESPONSE.

a-b. The nine strata provided in the table on page 3 of Appendix A in USPS-LR-I-230/R2000-1 apply also to the panel used in the BRPW for the FY 1997 and year end FY 1996 periods, and as a result, the blowup factors and sample sizes provided in the table apply also to these years except as explained in part (c) for the automated office stratum size. The requested information for years prior to FY 1996 is no longer available except where it may have been provided in a previous rate case. Moreover, though the RPW Periodicals panels used for time periods prior to FY 1996 were developed under the same general methodology used to select the FY 1996 panel, they certainly would have had a different

number of strata and would have utilized different revenue-based strata definitions; thus, comparison to the current seven strata would not be possible.

c. The table below provides the sample means for the In-County volume variable for the seven strata used for the FY 1997 and year end FY 1996 periods. For the FY 1997 period, the sample means are provided also for the PQ4 period for meaningful comparison to the same period in FY 1996. Strata 1.1 through 1.3 which have the same blowup factor were collapsed into the single stratum 1.0 at the time the panel was deployed in FY 1996, and as a result, the disaggregated sample means for these automated office strata are no longer available. However, the combined stratum 1.0 sample means and the sample sizes for the two years are provided. See the response to parts (a-b) for years prior to FY 1996.

Stratum	Sample Mean FY96-PQ4 Volume	Sample Mean FY97-PQ4 Volume	Sample Mean FY97 Volume
1.0	92626 (NH=1655)	88719 (NH=1817)	288095
2.1	182224	130525	459646
2.2	55246	53665	170777
2.3	44417	52760	186417
2.4	13162	13023	43272
2.5	5084	5058	15655
3.0	21687	26559	82538

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REDIRECTED FROM WITNESS MEEHAN

NNA/USPS-T11-2. Please refer to Table 2 of witness Hunter's testimony (USPS-T-5), which provides the 1998 volume estimate for Periodicals In-County mail on page 8. Please confirm that the 95 percent confidence interval for the Periodicals In-County volume estimate has a lower limit of 884,028,000 pieces and an upper limit of 963,702,000 pieces.

RESPONSE. Confirmed.

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NNA/USPS-T11-3. Please confirm that there is a 95 percent chance that the true 1998 volume for Periodicals In-County mail lies in the range from 884,028,000 to 963,702,000 pieces.

RESPONSE. Not confirmed. The probability that this interval includes the 'true' In-County volume total is either 1 or 0. A 95% confidence interval means that one would expect to find from many intervals estimated using the same sample design and estimator methodology, that about 95 out of 100 intervals would include the actual population measure as obtained by means of a census. However, for any single estimated confidence interval, because the endpoints are fixed, it cannot be known whether the attained interval includes the actual measure for the population under study, i.e., the actual measure is either in the interval or it is not.

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NNA/USPS-T11-4. Please confirm that there is a 5 percent chance that the true 1998 volume for Periodicals In-County mail lies outside the range from 884,028,000 to 963,702,000 pieces, meaning a 5 percent change [sic] that the true volume is either less than 884,028,000 pieces or greater than 963,702,000 pieces.

RESPONSE. Not confirmed. See my response to NNA/USPS-T11-3.

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REDIRECTED FROM WITNESS MEEHAN

NNA/USPS-T11-5. Please confirm that if the true 1998 volume for Periodicals In-County mail is in the 95 percent confidence interval that it could have any value in the range from 884,028,000 to 963,702,000 Pieces.

RESPONSE. If the true value is indeed in the estimated confidence interval {884,028,000, 963,702,000} for total pieces as stated in this hypothetical case, then the true value cannot also be outside of this interval. See also my response to NNA/USPS-T11-3.

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NNA/USPS -T11-6. If the true 1998 volume for Periodicals In-County mail is 884,028,000 pieces, at the lower limit of its 95 percent confidence interval, and the true 1998 volume variable cost is $76.9 million, please state the resulting marginal cost per piece.

RESPONSE. It is my understanding that marginal cost is customarily calculated at the point estimate or midpoint of the attained interval for volume. Using the point estimate of 923,865(000) pieces for In-County volume provided in Table 2 of my testimony, the cost estimate is $0.083. Under the hypothetical case where the cost is inappropriately calculated at the extremes or endpoints of the attained confidence interval for the volume estimate, the hypothetical values are $0.080 and $0.087.

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NNA/USPS-T11-7. If the true 1998 volume for Periodicals In-County mail is 963,702,000 pieces, at the upper limit of its 95 percent confidence interval, and the true 1998 volume variable cost is $76.9 million, please state the resulting marginal cost per piece.

RESPONSE. See the response to NNA/USPS-T11-6.

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NNA/USPS-T11-13. Please confirm that the USPS could reduce the size of the 95 percent confidence interval for Periodicals In-County volume by increasing the size of the samples used to estimate volumes.

RESPONSE. Provided that there are no changes in the population parameter and dispersion measures for the characteristic of interest, and ignoring any effect on the fpc (finite population correction), an increase in the sample size from n to n' generally results in a reduced coefficient of variation of the estimate and a narrower confidence interval estimate by an amount approximately equal to the reciprocal of the square root of the ratio n'/n. For example, assuming that the limiting factors listed above and the administrative considerations pertaining to an increase in sample size can be overcome, in order to achieve a fifty percent reduction in the already low estimated c.v. of the In-County volume estimate to the one percent level, the current sample would have to be quadrupled in size.

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REDIRECTED FROM WITNESS MEEHAN

NNA/USPS-T11-15. Please estimate the increase in sampling costs if the size of the samples used to estimate volumes were doubled. Please estimate the increase in sampling costs if the size of the samples used to estimate volumes were quadrupled.

RESPONSE. The cost of doubling or quadrupling the current number of participants in the BRPW panel, including the PERMIT System offices, is unknown.

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UPS/USPS-T5-14. Refer to your testimony, at page 2, lines 2-3, which states, "[t]he Postal Service's postage revenue accounting system contains several accounts that are associated with specific classes or subclasses of mail." Provide a list of the specific classes and subclasses of mail to which you are referring.

(a) Indicate whether the revenue accounts associated with specific classes or subclasses of mail are used in arriving at the final estimates of revenue, pieces, and weights. If they are not used, explain why; if they are used, explain in detail how they are used.

(b) Provide revenue, piece, and weight totals for each class and sub-class from this source.

RESPONSE. The specific classes or subclasses are the five indicia based AIC revenue accounts listed on page 2, lines 19-22, and on page 3, line 1, of USPS-T5-7.

a. Confirmed that the revenue accounts associated with specific classes or subclasses of mail are used to construct the final estimates for these specific categories of mail. See the response to UPS/USPS-T5-7.

b. The total revenue for the indicia based mail class or subclass is available from the trial balance revenue accounting system source. Other information is not obtained from this source. The revenue totals for the permit imprint BPM and domestic Periodicals mail categories are provided in response to UPS/USPS-T5-2. The international surface mail component of $67,604 (000) is added to the domestic Periodicals total to reconstruct the trial balance total for the Periodicals mail class. The revenue totals for the remaining indicia based AIC revenue accounts are provided below.

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Revenue Account	Revenue (000,000)
AIC 121	4,260.6
AIC 125	1,144.4
AIC 130	10,925.6

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UPS/USPS-T5-25. Library reference USPS-LR-25, file LR-I-25.DOC at 3.Jobstream Description, the first paragraph, states, "[t]he third job inflates the second job's output data using office and stratum based blowup and national trial balance factors."

(a) Provide all files and documents used to develop the national trial balance factors.

(b) Provide all analyses and supporting spreadsheets available in electronic format and in their fully developed form (formulas intact).

RESPONSE. I do not have this information since it is not needed in the BRPW to construct estimates of revenue and volume totals. The trial balance revenues used in the BRPW are included in the known AIC account totals used in the statement of revenues and expenses found in USPS-LR-I-9/R2000-1. This financial information, which is also input to the CRA and Cost, Segments and Components, is central to the Postal Service's operation. Given the fundamental importance of the accounting system information, the longstanding practice of tying this information to sample estimates using a ratio estimator of a total such as that employed in the BRPW is a reliable and accepted technique.

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(iv). The requested proportions are unknown. An approximate measure for this group might be obtained by subtracting the results obtained in part (a) pertaining to the PERMIT System from the corresponding mail category counterparts provided in the response to UPS/USPS-T4-6.

UPS/USPS-T5-67. Refer to USPS-LR-I-194 and USPS-LR-I-25. For Parcel Post, it appears that in the final estimates of R, P, and W (Output from Job 3), the program excludes records that do not have RPW Codes. Is that correct? If so, why are those records excluded? If not, why do these records not appear in Job 3, and what happens to them? Explain in detail.

(a) Explain in detail why a record would not have an RPW code.
(b) Provide a list of the RPW Codes that should be included in the Parcel Post category.
(c) Explain in detail how these codes were developed.
(d) What do the records with no RPW Code represent?
(e) Explain in detail under what circumstances an RPW code would or would not be assigned to a record.
(f) Provide copies of all analyses and supporting documents in electronic and hard copy format used to develop RPW Codes and the requirements for assigning them to a particular record.
(g) If the decision to assign a record an RPW Code is made subjectively, explain the process by which the decision is made.

RESPONSE. The Job 3 output file excludes office empty value placeholder and grand total VIP Code records which are no longer used at this point in the jobstream. It is not possible to map a placeholder or grand total VIP Code to an RPWCODE. The unused records are eliminated from the Job 3 file to conserve space, but are kept in the Job 2 output file.

a. See my response to the body of this interrogatory.

b. The Parcel Post RPWCODES are provided in USPS-LR-I-194 in the files labeled BRPW63-64.TXT for VIP Code second and third position values 44-46.

c. Redirected to witness Pafford.

d. See my response to the body of this interrogatory and witness Pafford's response to part (c).

e. The BRPW VIP Codes are assigned to RPWCODEs in the master rate files labeled BRPW57-64.TXT which are provided in USPS-LR-I-194. See also my response to the body of this interrogatory.

f. Redirected to witness Pafford.

g. The RPWCODE assignment is not a subjective process

UPS/USPS-T5-68. Refer to USPS-LR-I-25, Job 2. Reference is made to inserting a year end fix. Explain in detail how this fix works.
(a) How does this fix affect Parcel Post records?
(b) Does this section of code treat Parcel Post records differently than other mail classes? If so, explain in detail how.
(c) How were the factors developed that are listed on page 12 of Job 2?

RESPONSE. The referenced code is obsolete and was not used to develop the RPW estimates for the base year. The factors are believed to have been constructed prior to FY 1995 to obtain weight measures related only to foreign Periodicals records with a January 1995 rate date value.

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UPS/USPS-T5-71. Refer to files BRPW1-13.TXT (known as a group as the CBCIS files).
(a) Describe the process for creating these files (*e.g.*, where did the data come from and describe the methodology for creating them); and

RESPONSE.

a. The BRPW input data are obtained from a special CBCIS-RPW extract process run by the San Mateo MSSC. The CBCIS-RPW extract provides the raw, unadjusted PERMIT System data in useable summary level form as required for input to the BRPW. This is accomplished through a two step process, wherein each of the over 2,000 PERMIT System offices is first polled by its respective district VAX based computer (of which there are 85), and these district sites are then in turn polled by a mainframe computer at the San Mateo MSSC to obtain the necessary VIP Code summary level information required for input to the BRPW. The CBCIS-RPW extract process serves as the intermediary between the PERMIT System and the BRPW. As such, it provides the communications link between the numerous local VAX based PERMIT Systems and the IBM mainframe operating system under which the BRPW is run at the San Mateo MSSC. By managing and summarizing the voluminous daily transactions recorded in the PERMIT System, the CBCIS-RPW extract process provides the summary level data required for input to the BRPW.

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UPS/USPS-T5-72. Refer to files BRPW14-26.TXT (known as a group as the CBCISFRM files).
(a) Describe the process for creating these files[.]

RESPONSE.

a. The CBCISFRM file provides an updated listing of PERMIT System offices each AP. It is used in the BRPW to identify a finance number by office name. All PERMIT System sites (identified by finance numbers) with net revenue processed the prior accounting period are listed on the frame file. The file is created every accounting period at the San Mateo MSSC as one of the two PERMIT System interface files input to the BRPW.

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UPS/USPS-T5-81. Refer to your response to UPS/USPS-T5-19(a-b), where you state that the "data entry operator" is subject to "on-the-job-evaluations" and "regular Employee Skills Assessments."

(a) For PERMIT system data entry operators, explain in detail the nature, extent, and frequency of the on-the-job-evaluations.

(b) For PERMIT system data entry operators, explain in detail the nature, extent, and frequency of the preparation of Employee Skills Assessments.

RESPONSE. This response is based on my understanding of discussions with other postal officials.

a-b. Beginning data entry operators (BMEU clerks) must qualify for their position by successfully completing three components of the Employee Skills Assessment involving: (1) a self-study prerequisite course that includes a math skills and mail classification test, (2) classroom training administered at the Center for Employee Development, and (3) an on-the-job evaluation administered at the local Business Mail Entry unit by a certified OJT instructor. For existing employees, a yearly 24-hour skills enhancement program called BMEU Proficiency is required. This program is designed to enhance their knowledge of Mail Classification.

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UPS/USPS-T5-83. Confirm that raw Parcel Post records downloaded from the Permit System and used in the BRPW System are not changed in any way besides changes caused by the programming code in Jobs 1, 2, or 3.

(a) If you cannot confirm, explain in detail why you cannot confirm and provide a detailed list of all changes that are made to each record.

(b) If you cannot confirm, explain why each change is necessary.

(c) If you cannot confirm, provide the following in electronic format:

(i) A list of all records that were changed with the value(s) of each variable for each record in their unchanged states.

(ii) A list of all records that were changed with the value(s) of each variable for each record in their changed states.

(iii) A description next to each record identifying what change was made and why it was necessary to make it.

RESPONSE. It is my understanding that the PERMIT System Parcel Post revenue, piece and weight data are provided unchanged in summary form for input to the BRPW.

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UPS/USPS-T5-88. Refer to the Postal Service's answer to interrogatory PSA/USPS-T32-8 (redirected to the Postal Service from witness Mayes), which (1) refers to "the change made in FY99 to use mailing statement data for RPW Parcel Post revenues and volumes, instead of the previously used sampling data," and (2) states that " This revision in data sources was applied to official FYI998 data."

(a) Did the "revision" that was "applied to official FY 1998 data" consist of developing factors or otherwise using data derived from FY 1999 mailing statements and then applying those factors or results to FY 1998 RPW data?

(b) Was the "revision in data sources [that] was applied to official FY 1998 data" based on FY 1998 mailing statement data, or on FY 1999 mailing statement data?

RESPONSE.

a-b. The Base Year 1998 estimates of RPW totals provided in Tables 1-3 of my testimony are based on FY 1998 postage statement data. No postage statement data for the FY 1999 period were used to construct or develop these estimates.

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UPS/USPS-T5-91. Refer to UPS/USPS-T5-30, which requests the SAS logs for each of three jobs and four quarters for the RPW program, LR-I-194. The Postal Service has objected to this request on the grounds of burden and redundancy. To reduce the burden to the Postal Service, UPS is narrowing its request to the following: Provide the correct master rate table input data for Job 2 to allow replication for all mail categories.

RESPONSE. No changes are made to the master rate table input data files labeled BRPW57-60.TXT and BRPW62-64.TXT provided in USPS-LR-I-194/R2000-1. A minor update was made after the FY 1998 period to the Standard Mail (A) master rate file affecting the single VIP Code 08689 for the October 5, 1997 rate schedule. This update was reflected in the file labeled BRPW61.TXT. The original unchanged file is provided in USPS-LR-I-303/R2000-1.

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UPS/USPS-2. Refer to the Postal Service's answer to interrogatory PSA/USPS-T32-8 (redirected to the Postal Service from witness Mayes), which (1) refers to "the change made in FY99 to use mailing statement data for RPW Parcel Post revenues and volumes, instead of the previously used sampling data," and (2) states that " This revision in data sources was applied to official FYI998 data."

(a) Did the "revision" that was "applied to official FY 1998 data" consist of developing factors or otherwise using data derived from FY 1999 mailing statements and then applying those factors or results to FY 1998 RPW data?

(b) Was the "revision in data sources [that] was applied to official FY 1998 data" based on FY 1998 mailing statement data, or on FY 1999 mailing statement data?

RESPONSE.

a-b. See the response to UPS/USPS-T5-88.

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UPS/USPS-49. Confirm that, in the PERMIT System for FY 1998, pieces weighing less than one pound that would have qualified for Standard Mail (A) were counted as Standard Mail (B) mailpieces. If you do not confirm, explain how such pieces were counted in the PERMIT System in FY1998.

RESPONSE. Confirmed that a mailpiece weighing less than one pound and considered part of a Standard Mail (B) mailing was counted as Standard Mail (B) in the PERMIT System.

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UPS/USPS-50. Confirm that, in the PERMIT System for FY 1999, pieces weighing less than one pound that would qualify for Standard Mail (A) were counted as Standard Mail (B) mailpieces. If you do not confirm, explain how such pieces were counted in the PERMIT System in FY1999.

RESPONSE. See the response to UPS/USPS-49 which also applies to this interrogatory.

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UPS/USPS-57. Refer to the response to interrogatory UPS/USPS-38(a). That interrogatory requested, "For each quarter in FY 1999, provide (a) the quarterly BRPW estimates of revenue, pieces, and weight for each of the mail classes or subclasses for which BRPW was used to derive estimates of revenue, pieces and weight (unadjusted for true-up to trial balance)." The Postal Service's response to this part was, "The BRPW estimates of RPW totals for the four postal quarters of FY 1999 are provided by subclass in USPS-LR-I-333/R2000-1."

(a) Are the Parcel Post estimates provided in Library Reference USPS- LR-I-333 final GFY estimates (adjusted for true-up to the trial balance, non-automated offices, and PFY/GFY)? If not, explain in detail what they represent.

(b) Provide the quarterly BRPW estimates of revenue, pieces, and weight for each rate category of Parcel Post for FY1999, both adjusted and unadjusted for true-up to the trial balance, non-automated offices, and PFY/GFY.

RESPONSE.

a. The BRPW estimates of permit imprint Parcel Post revenue, volume and weight totals provided in USPS-LR-I-333/R2000-1 are final postal quarter based estimates and are not GFY based. These PQ estimates reflect the trial balance revenue adjustment and account for the non-automated office segment of the population.

b. The BRPW unadjusted and GFY-based estimates of permit imprint Parcel Post by rate category for FY 1999 are attached to this response.

Attachment to Response to UPS/USPS-57(b)

BRPW FY 1999 PERMIT IMPRINT PARCEL POST

PQ	RATE CATEGORY	WEIGHT	REVENUE GFY-EST	VOLUME GFY-EST	WEIGHT GFY-EST	REVENUE	VOLUME
1	STD B INTER-BMC MACH PARCEL POST	21652566	14699474	3579807	16784818	18962454	4617983
1	STD B INTRA-BMC PARCEL POST	19023966	6431346	2314651	14747158	8296495	2985921
1	STD B DESTINATION BMC PARCEL POST	380912860	130632763	52027672	295279230	168517438	67116165
2	STD B INTER-BMC MACH PARCEL POST	12925132	9984285	2428662	13044141	9893193	2406504
2	STD B INTRA-BMC PARCEL POST	15166194	5333718	1775258	15305841	5285047	1759060
2	STD B BCODE INTER-BMC MACH PARCEL POST	652403	553304	141391	658410	548256	140101
2	STD B BCODE INTRA-BMC PARCEL POST	2361949	1447045	467758	2384539	1432677	463269
2	STD B ORIGIN BMC PRES INTER-BMC MACH PARCEL	5497397	2445311	764788	5548416	2422588	757724
2	STD B ORIGIN BMC PRES BCODE INTER-BMC MACH F	713825	697470	255893	720397	691106	253558
2	STD B ORIGIN BMC PRES INTER-BMC NONMACH PAR	2091185	669367	181960	2112287	661474	180042
2	STD B BMC PRES INTER-BMC MACH PARCEL POST	8448962	5401260	1398656	8526756	5351982	1385895
2	STD B BMC PRES BCODE INTER-BMC MACH PARCEL	2517661	2298749	568915	2540843	2277776	563724
2	STD B INTER-BMC NONMACH PARCEL POST	306918	311382	47594	309744	308541	47160
2	STD B DESTINATION BMC PARCEL POST	240590577	100374915	37511262	242805824	99459141	37169027
2	STD B BCODE DESTINATION BMC PARCEL POST	80689820	41628315	14335590	81432775	41248518	14204799
2	STD B DESTINATION SCF PARCEL POST	352294	178300	82134	355538	176674	81385
2	STD B DESTINATION DELIV UNIT PARCEL POST	2089219	598109	344915	2108456	592652	341768
2	STD B BMC PRES INTER-BMC NONMACH PARCEL PO!	7372967	4331172	1474118	7440854	4291656	1460669
3	STD B INTER-BMC MACH PARCEL POST	3784701	4394867	1050034	4022460	4135135	987968
3	STD B INTRA-BMC PARCEL POST	5786067	2181897	562275	6166130	2045676	527098
3	STD B BCODE INTER-BMC MACH PARCEL POST	939685	979006	240990	998975	920901	226687
3	STD B BCODE INTRA-BMC PARCEL POST	3381386	1958775	578430	3610235	1833721	542238
3	STD B ORIGIN BMC PRES INTER-BMC MACH PARCEL	5412587	2674057	833693	5756702	2512850	783435
3	STD B ORIGIN BMC PRES BCODE INTER-BMC MACH F	1524861	1856478	699112	1621073	1746295	657619
3	STD B ORIGIN BMC PRES INTER-BMC NONMACH PAR	200548	228577	35102	213202	215011	33019
3	STD B BMC PRES INTER-BMC MACH PARCEL POST	12238845	7696726	1876260	13015002	7234745	1763791
3	STD B BMC PRES BCODE INTER-BMC MACH PARCEL	4980925	5161348	1293285	5295200	4855017	1216527
3	STD B INTER-BMC NONMACH PARCEL POST	332782	401207	41866	353780	377395	39381
3	STD B DESTINATION BMC PARCEL POST	60442123	36957943	12249217	64253711	34765364	11522543
3	STD B BCODE DESTINATION BMC PARCEL POST	176523644	93328952	33234153	187661535	87789789	31261674

3	STD B	DESTINATION SCF PARCEL POST	1155366	688976	344032	1228265	648085	323613
3	STD B	DESTINATION DELIV UNIT PARCEL POST	17585470	5465349	3398761	18695038	5140975	3197041
3	STD B	BMC PRES INTER-BMC NONMACH PARCEL PO!	1328201	1179735	122515	1412005	1109717	115244
4	STD B	INTER-BMC MACH PARCEL POST	5048430	6483511	1478103	6179586	5296724	1207542
4	STD B	INTRA-BMC PARCEL POST	5774352	3246555	884483	7066174	2652504	722634
4	STD B	BCODE INTER-BMC MACH PARCEL POST	909873	897788	180017	1113741	733450	147066
4	STD B	BCODE INTRA-BMC PARCEL POST	3058274	2030391	602645	3743517	1658732	492333
4	STD B	ORIGIN BMC PRES INTER-BMC MACH PARCEL	11782606	5766594	1720916	14422641	4711031	1405906
4	STD B	ORIGIN BMC PRES BCODE INTER-BMC MACH F	3142459	2930693	1047039	3846564	2394236	855381
4	STD B	ORIGIN BMC PRES INTER-BMC NONMACH PAR	158194	213849	32153	193640	174705	26268
4	STD B	BMC PRES INTER-BMC MACH PARCEL POST	8701639	8203383	1956566	10651347	6701770	1598423
4	STD B	BMC PRES BCODE INTER-BMC MACH PARCEL	5988135	7302397	1869077	7329849	5965708	1526947
4	STD B	INTER-BMC NONMACH PARCEL POST	514276	575647	50852	629506	470276	41545
4	STD B	DESTINATION BMC PARCEL POST	66050156	45083772	15183325	80849489	36831280	12404049
4	STD B	BCODE DESTINATION BMC PARCEL POST	203812107	118253766	41711948	249478662	96607658	34076662
4	STD B	DESTINATION SCF PARCEL POST	3816681	2086054	1056086	4671855	1704206	862772
4	STD B	DESTINATION DELIV UNIT PARCEL POST	40616101	12498077	8910601	49716627	10210330	7279534
4	STD B	BMC PRES INTER-BMC NONMACH PARCEL PO!	954261	1265588	116265	1168075	1033925	94984

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
TO INTERROGATORIES OF UNITED PARCEL SERVICE

UPS/USPS-59. Confirm that in the first two postal quarters of FY1999, no unique trial balance account was available to adjust BRPW Parcel Post estimates. If you cannot confirm, explain in detail why not.

RESPONSE. Confirmed that the interim period factor of 1.00920754 constructed from the PQ2 FY 1997 census survey was used to adjust the estimates for non-automated office activity until the new account AIC 223 was fully established effective PQ3 of FY 1999.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
TO INTERROGATORIES OF UNITED PARCEL SERVICE

UPS/USPS-60. Confirm that for PQ1 and PQ2 of FY1999, BRPW Parcel Post estimates were not adjusted to a unique trial balance account. If you cannot confirm, explain in detail why not.

RESPONSE. See the response to UPS/USPS-59.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
TO INTERROGATORIES OF UNITED PARCEL SERVICE

UPS/USPS-61. Confirm that for PQ1 and PQ2 of FY1999, the only factors used to adjust BRPW Parcel Post estimates were the 1.00920754219 factor, which was used to adjust for non-automated offices, and the PFY/GFY adjustment factors. If you cannot confirm, explain in detail why not.

RESPONSE. See the response to POIR-17, Question No. 4.

RESPONSE OF POSTAL SERVICE WITNESS HUNTER TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1

2. Please provide the source of the following GFY 1999 volumes for Periodical nonprofit, classroom, and regular rate subclasses used by witness Kashani in USPS-T-14, Exhibit -14A.

	GFY 1999 (Thousands)
Nonprofit	1,975,997
Classroom	59,259
Regular Rate	7,345,117

RESPONSE:

The cited figures come from a preliminary version of RPW. Midway through Postal Quarter 4 of FY 1999, the Commission recommended and the Postal Service implemented a DMCS change that allowed Periodical preferred rate mailers to enter their mail at Regular rates if the Regular rates were lower. Unfortunately, from a data reporting perspective, this created the opportunity for some confusion regarding the appropriate subclass to which such mail pieces belonged. The preliminary PQ4 figures (those cited in subpart b of item 1 of this POIR) reflected this confusion, as did the above preliminary GFY 1999 figures (which incorporated the preliminary PQ4 figures). Ultimately, a corresponding adjustment was made, and the final RWP Periodicals data for PQ4 and GFY 1999 reflect the correct subclass volume and revenue breakouts.

RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS HUNTER TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 15, QUESTION 1

1. *Table 2 in the Attachment to the response to Interrogatory UPS/USPS-T5-2* presents a coefficient of variation (C.V.) of 0.96 percent for the FY 1998 BRPW-estimated Parcel Post volume of 234,892 thousand pieces. Please show how the value of C.V. was calculated.

RESPONSE. Because the PERMIT System is a near but not complete census of permit imprint Parcel Post volume, a measure of sampling error was reported for this mail category. To obtain a measure of sampling error for the permit imprint component of Parcel Post for the base year 1998 period, the count of 43 non-automated offices obtained from the findings of the then recently conducted PQ2-97 survey is required in addition to the PERMIT System data. The PERMIT System offices are considered a sample from the population of all permit-imprint Parcel Post reporting offices nationwide, and for estimator precision purposes, a simple random sample proxy assumption is made in order to obtain an estimate of the sampling error for the permit imprint component of Parcel Post volume. The proxy assumption is necessary and made only for the interim period between the start up for this category under the BRPW occurring in FY 1998 and the establishment of a newly developed trial balance control account specifically for permit imprint Parcel Post. To construct an estimate of the sampling variance for the estimate of total permit imprint Parcel Post volume, the PFY 1998 quarterly data are first converted to the GFY 1998 (Base Year) period and a simple random sample design based estimate (with finite population correction = 1-n/N) of the variance of the estimated total volume is computed for each quarter. The square root of the summed quarterly estimates of sampling variance is then divided by the BY 1998 permit imprint Parcel Post volume

estimate to obtain the estimated C.V. for the estimated volume. The reported C.V. estimate of 0.0096 was constructed using the program code provided in USPS-LR-I-26/R2000-1 which was designed to estimate the sampling error for estimates derived from actual supplemental non-automated office panels used in the BRPW for other than permit imprint Standard Mail B. In general, these other estimates are based on actual stratified random sample based panels and the estimators reflect this design type or a combined (strata) ratio estimator (where a trial balance control is available) to compute the sampling errors for the estimates of RPW totals. For the FY 1998 period, however, the PERMIT System data were expanded outside the BRPW model (in the RPW adjustment model) using the attained survey ratio of 1.00920754 constructed from the revenue for all offices divided by the revenue for the automated office segment. The reported estimated C.V. of 0.0096 is therefore based on a sample from a population of size 1.00920754 times greater than the PERMIT System size. Upon review of the applicability of the code to the special case required for permit imprint Parcel Post for the FY 1998 period, it was found that because there was no explicit supplemental panel of nonautomated offices for the period, the variance computation code is not able to utilize the standard reciprocal sampling fraction expansion of the PERMIT System data technique as required to incorporate the non-automated office component comprised of 43 offices. As a result, the sampling error is alternatively recalculated to take into consideration the non-automated office count obtained from the FY 1997 survey, and an

estimated C.V. of 0.0158 is obtained. This recalculated value is 0.0062 larger than the 0.0096 reported and is shown in column (C) of the table below.

PQ-98	(n)	(N)	var(P') (E12) (A)	P' =VOL (000) (B)	C.V.' = SQRT(A) /(B) (C)
1	1,896	1,938	3.192	52,206	
2	1,919	1,962	2.716	55,728	
3	1,965	2,008	2.865	53,293	
4	2,011	2,052	4.953	73,665	
All	-	-	13.727	234,892	0.015773

In the table above, var(P') is the estimated sampling variance for the postal quarter estimate P' of total volume. The population and sample sizes (N) and (n), respectively, are shown for each quarter. The quarterly population and sample sizes change slightly due to movement between the automated and non-automated office sub-populations.

RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS HUNTER
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 17

3. Please provide Tables 1, 2, and 3 that are attached to the response to Interrogatory UPS/USPS-T5-2 updated for FY 1999.

RESPONSE. This information is provided in the attached Tables 1-3.

TABLE 1
FISCAL YEAR 1999 BRPW REVENUE ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	REVENUE ($1,000s)	C.V. 1/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 3/	UPPER 95% CONFIDENCE LIMIT 3/
FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS, FLATS, AND IPPS				
NONAUTO PRESORT LETTERS, FLATS, AND IPPS	1,380,565	1.98	1,326,988	1,434,142
AUTO PRESORT LETTERS AND FLATS	9,675,768	0.16	9,645,425	9,706,111
AUTO CARRIER ROUTE PRESORT LETTERS	297,030	0.74	292,722	301,338
SINGLE-PIECE CARDS				
NONAUTO PRESORT MAILING CARDS	91,357	9.83	73,755	108,959
AUTO PRESORT CARDS	283,212	1.14	276,884	289,540
AUTO CARRIER ROUTE PRESORT CARDS	15,292	1.41	14,869	15,715
DOMESTIC MAIL FEES				
TOTAL FIRST-CLASS	11,743,224	0.23	11,690,286	11,796,162
PRIORITY MAIL	2,555	0.97	2,506	2,604
DOMESTIC MAIL FEES				
TOTAL PRIORITY	2,555	0.97	2,506	2,604
EXPRESS MAIL				
MAILGRAMS				
PERIODICALS MAIL:				
IN-COUNTY	77,085	5.7	68,473	85,697
OUTSIDE COUNTY:				
REGULAR	1,671,166	0.27	1,662,322	1,680,010
SPECIAL NONPROFIT	331,308	1.55	321,243	341,373
CLASSROOM	13,278	0.92	13,039	13,517
DOMESTIC MAIL FEES				
TOTAL PERIODICALS	2,092,837	0.02	2,092,017	2,093,657
STANDARD MAIL (A):				
SINGLE-PIECE				
REGULAR - NONAUTO PRESORT	1,810,616	1.23	1,766,966	1,854,266
REGULAR - AUTO PRESORT	6,096,472	0.5	6,036,727	6,156,217
ENHANCED CARRIER ROUTE	4,791,746	0.81	4,715,672	4,867,820
NONPROFIT - NONAUTO PRESORT	519,593	0.9	510,427	528,759
NONPROFIT - AUTO PRESORT	806,860	0.56	798,004	815,716
NONPROFIT ENHANCED CARRIER ROUTE	227,878	1.74	220,108	235,650
DOMESTIC MAILING FEES				
TOTAL STANDARD MAIL (A)	14,253,166	0.03	14,244,785	14,261,547
STANDARD MAIL (B):				
PARCEL POST	710,008	0.84	698,318	721,698
BOUND PRINTED MATTER	399,760	0	399,760	399,760
SPECIAL STANDARD				
LIBRARY MAIL				
DOMESTIC MAIL FEES				
TOTAL STANDARD MAIL (B)	1,109,768	0.53	1,098,240	1,121,296

TABLE 1
(CONTINUED)
FISCAL YEAR 1999 BRPW REVENUE ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	REVENUE ($1,000s)	C.V. 1/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 3/	UPPER 95% CONFIDENCE LIMIT 3/
U.S. POSTAL SERVICE MAIL				
FREE MAIL FOR THE BLIND AND HANDICAPPED				
TOTAL DOMESTIC MAIL	29,201,550	N/C 2/		
TOTAL INTERNATIONAL MAIL				
TOTAL ALL MAIL	29,201,550	N/C		
SPECIAL AND OTHER SERVICES:				
REGISTERED				
INSURANCE				
COLLECT ON DELIVERY				
CERTIFIED				
RETURN RECEIPTS				
SPECIAL DELIVERY				
MONEY ORDERS				
SUBTOTAL				
OUT. MONEY ORDERS TAKEN INTO REVENUE				
STAMPED ENVELOPES				
BOX RENTS				
TOTAL MAIL & SPECIAL SERVICES	29,201,550	N/C		
OTHER INCOME				
TOTAL INCOME	29,201,550	N/C		

1/ COEFFICIENT OF VARIATION = 100 x (EST. STD. ERROR / EST. REVENUE)
2/ NOT COMPUTED
3/ LOWER LIMIT = EST. REVENUE - (1.97 x EST. STD. ERROR)
UPPER LIMIT = EST. REVENUE + (1.97 x EST. STD. ERROR)

TABLE 2
FISCAL YEAR 1999 BRPW PIECES ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	PIECES (1,000s)	C.V. 1/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 3/	UPPER 95% CONFIDENCE LIMIT 3/
FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS, FLATS, AND IPPS				
NONAUTO PRESORT LETTERS, FLATS, AND IPPS	4,042,470	2.23	3,865,782	4,219,158
AUTO PRESORT LETTERS AND FLATS	36,513,123	0.17	36,391,461	36,634,785
AUTO CARRIER ROUTE PRESORT LETTERS	1,205,357	0.75	1,187,638	1,223,076
SINGLE-PIECE CARDS				
NONAUTO PRESORT MAILING CARDS	507,538	9.83	409,752	605,324
AUTO PRESORT CARDS	1,813,448	1.13	1,773,284	1,853,612
AUTO CARRIER ROUTE PRESORT CARDS	108,722	1.41	105,717	111,727
DOMESTIC MAIL FEES				
TOTAL FIRST-CLASS	44,190,658	0.21	44,008,769	44,372,547
PRIORITY MAIL	857	0.98	841	873
DOMESTIC MAIL FEES				
TOTAL PRIORITY	857	0.98	841	873
EXPRESS MAIL				
MAILGRAMS				
PERIODICALS MAIL:				
IN-COUNTY	893,454	5.66	794,338	992,570
OUTSIDE COUNTY:				
REGULAR	7,193,869	0.19	7,167,079	7,220,659
SPECIAL NONPROFIT	2,120,463	2.11	2,032,769	2,208,157
CLASSROOM	59,555	0.96	58,434	60,676
DOMESTIC MAIL FEES				
TOTAL PERIODICALS	10,267,341	0.43	10,180,808	10,353,874
STANDARD MAIL (A):				
SINGLE-PIECE				
REGULAR - NONAUTO PRESORT	6,288,836	0.91	6,176,668	6,401,004
REGULAR - AUTO PRESORT	32,576,641	0.5	32,257,390	32,895,892
ENHANCED CARRIER ROUTE	32,511,591	0.96	31,899,853	33,123,329
NONPROFIT - NONAUTO PRESORT	3,496,158	1.01	3,428,948	3,565,368
NONPROFIT - AUTO PRESORT	7,453,438	0.54	7,374,551	7,532,325
NONPROFIT ENHANCED CARRIER ROUTE	2,917,830	1.99	2,804,023	3,031,637
DOMESTIC MAILING FEES				
TOTAL STANDARD MAIL (A)	85,244,494	0.19	84,927,044	85,561,944
STANDARD MAIL (B):				
PARCEL POST	253,061	0.89	248,647	257,475
BOUND PRINTED MATTER	468,368	0	468,368	468,368
SPECIAL STANDARD				
LIBRARY MAIL				
DOMESTIC MAIL FEES				
TOTAL STANDARD MAIL (B)	721,429	0.31	717,046	725,812

TABLE 2
(CONTINUED)
FISCAL YEAR 1999 BRPW PIECES ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	PIECES (1,000s)	C.V. 1/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 3/	UPPER 95% CONFIDENCE LIMIT 3/
U.S. POSTAL SERVICE MAIL				
FREE MAIL FOR THE BLIND AND HANDICAPPED				
TOTAL DOMESTIC MAIL	140,424,779	N/C 2/		
TOTAL INTERNATIONAL MAIL				
TOTAL ALL MAIL	140,424,779	N/C		
SPECIAL AND OTHER SERVICES:				
REGISTERED				
INSURANCE				
COLLECT ON DELIVERY				
CERTIFIED				
RETURN RECEIPTS				
SPECIAL DELIVERY				
MONEY ORDERS				
SUBTOTAL				
USPS SPECIAL SERVICE TRANSACTIONS				
REGISTERED TRANSACTIONS:				
CERTIFIED TRANSACTIONS				
RETURN RECEIPTS				
SPECIAL DELIVERY TRANSACTIONS				
SPECIAL HANDLING TRANSACTIONS				
TOTAL				

1/ COEFFICIENT OF VARIATION = 100 x (EST. STD. ERROR / EST. PIECES)
2/ NOT COMPUTED
3/ LOWER LIMIT = EST. PIECES - (1.97 x EST. STD. ERROR)
UPPER LIMIT = EST. PIECES + (1.97 x EST. STD. ERROR)

TABLE 3
FISCAL YEAR 1999 BRPW WEIGHT ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	WEIGHT (1,000s)	C.V. 1/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 3/	UPPER 95% CONFIDENCE LIMIT 3/
FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS, FLATS, AND IPPS				
NONAUTO PRESORT LETTERS, FLATS, AND IPPS	169,390	1.57	164,178	174,602
AUTO PRESORT LETTERS AND FLATS	1,370,726	0.19	1,365,621	1,375,831
AUTO CARRIER ROUTE PRESORT LETTERS	43,890	0.93	43,090	44,690
SINGLE-PIECE CARDS				
NONAUTO PRESORT MAILING CARDS	3,548	7.91	2,998	4,098
AUTO PRESORT CARDS	15,229	1.11	14,898	15,560
AUTO CARRIER ROUTE PRESORT CARDS	828	1.31	807	849
DOMESTIC MAIL FEES				
TOTAL FIRST-CLASS	1,603,612	0.19	1,597,640	1,609,584
PRIORITY MAIL	934	1	916	952
DOMESTIC MAIL FEES				
TOTAL PRIORITY	934	1	916	952
EXPRESS MAIL				
MAILGRAMS				
PERIODICALS MAIL:				
IN-COUNTY	247,255	6.53	215,609	278,901
OUTSIDE COUNTY:				
REGULAR	3,598,484	0.63	3,554,050	3,642,918
SPECIAL NONPROFIT	595,513	1.16	581,973	609,053
CLASSROOM	33,223	0.88	32,650	33,796
DOMESTIC MAIL FEES				
TOTAL PERIODICALS	4,474,475	0.44	4,435,887	4,513,063
STANDARD MAIL (A):				
SINGLE-PIECE				
REGULAR - NONAUTO PRESORT	1,090,036	1.67	1,054,357	1,125,715
REGULAR - AUTO PRESORT	3,738,048	0.51	3,700,682	3,775,414
ENHANCED CARRIER ROUTE	4,841,815	1.08	4,739,323	4,944,307
NONPROFIT - NONAUTO PRESORT	212,980	0.55	210,684	215,276
NONPROFIT - AUTO PRESORT	511,310	0.58	505,497	517,123
NONPROFIT ENHANCED CARRIER ROUTE	216,764	1.8	209,117	224,411
DOMESTIC MAILING FEES				
TOTAL STANDARD MAIL (A)	10,610,953	0.29	10,550,640	10,671,266
STANDARD MAIL (B):				
PARCEL POST	1,467,471	0.93	1,440,722	1,494,220
BOUND PRINTED MATTER	1,162,388	0	1,162,388	1,162,388
SPECIAL STANDARD				
LIBRARY MAIL				
DOMESTIC MAIL FEES				
TOTAL STANDARD MAIL (B)	2,629,859	0.52	2,603,055	2,656,663

TABLE 3
(CONTINUED)
FISCAL YEAR 1999 BRPW WEIGHT ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	WEIGHT (1,000s)	C.V. 1/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 3/	UPPER 95% CONFIDENCE LIMIT 3/
U.S. POSTAL SERVICE MAIL				
FREE MAIL FOR THE BLIND AND HANDICAPPED				
TOTAL DOMESTIC MAIL	19,319,832	N/C 2/		
TOTAL INTERNATIONAL MAIL				
TOTAL ALL MAIL	19,319,832	N/C		

1/ COEFFICIENT OF VARIATION = 100 x (EST. STD. ERROR / EST. WEIGHT)
2/ NOT COMPUTED
3/ LOWER LIMIT = EST. WEIGHT - (1.97 x EST. STD. ERROR)
UPPER LIMIT = EST. WEIGHT + (1.97 x EST. STD. ERROR)

4. Please provide all revenue adjustment factors employed to adjust BRPW estimates for Parcel Post in FY 1999. Also specify the period for which each adjustment factor was applied.

RESPONSE. The revenue adjustment factors for permit imprint Parcel Post for FY 1999 are provided below.

PQ	Non-automated office blow-up	PFY-GFY Factor
1	1.00920754	0.76811594
2	1.00920754	-
3	1.06310	-
4	1.03489	1.18279570

Effective PQ3, FY 1999, a new trial balance account AIC 223 for permit imprint Parcel Post was established for use in the BRPW to adjust the PERMIT System distribution of revenue and volume to the known national revenue total. This account replaces the interim period trial balance adjustment factor of 1.00920754 constructed from the PQ2, FY 1997, census of permit imprint Parcel Post reporting offices. An office level factor F1 is also used in the BRPW as required to adjust any incomplete office data resulting from one or more missed AP's during a postal quarter. For the PQ2 period, the factor 1.5 was applied to the data from one office not reporting one of the three AP's, and the factor 3.0 was applied to one office not reporting two of the three 3 AP's. For the PQ3 period, the F1 factor 1.5 was applied to two offices and the 3.0 factor was applied to three offices. No F1 factors were required for the PQ 1 and PQ 4 periods and no other revenue adjustments are made to the FY 1999 data.

5. Please explain why a trial balance revenue adjustment is necessary for BRPW estimates.

RESPONSE. A trial balance can be a useful tool for improving the quality of BRPW results by controlling to known amounts of revenue. A BRPW estimate for a mail category is derived from a targeted panel comprised of automated revenue reporting offices supplemented if necessary with non-automated revenue reporting offices. However, a BRPW panel despite a normally high automated office coverage does not provide a census (i.e., 100 percent count) by itself. If a trial balance revenue account is available, it can serve as a control total for known revenue to which BRPW results can be tied. Revenue accounts by design do not provide, however, volume and weight information, nor do they provide the distribution of revenue among rate categories. As a result, the actual volume, weight and revenue (by rate category), unlike for the total revenue measure, cannot be known. For the trial balance controlled mail categories in the BRPW, the combined ratio estimator (of a total) takes advantage of the known revenue totals to correct the revenue estimate as well as to improve the volume estimates by exploiting the correlation between the revenue and volume, thereby reducing the sampling variance.

8. For the adjusted RPW volume and revenue estimates for Parcel Post in FY 1998 and the reported estimates in FY 1999, please provide the volume and revenue portions that were generated by each of the RPW subsystems. In your analysis include BRPW, DRPW, OMAS and any other subsystem or adjustment. Further, for the BRPW volume and revenue estimates, please provide the volume and revenue portions that were generated by the PERMIT or automated offices, non-automated offices and any other source or adjustment.

RESPONSE. For FY 1998, the estimates broken out by BRPW, DRPW, and other sources have been provided in the responses to UPS/USPS-T5-2, UPS/USPS-T4-6, and UPS/USPS-T4-3, respectively. For FY 1999, please see the responses to POIR No. 17, questions No. 2 (DRPW) and No. 3 (BRPW). In addition, the following table provides the source of other data for FY 1999:

Standard (B) Parcel Post
(data in thousands)

	Revenue	Pieces	Weight
Alaska Bypass	13,125	1,966	96,728
Official Mail	8,279	1,327	13,199

Due to the high coverage level of the automated office component for permit imprint Parcel Post, no supplemental non-automated office panel is required under the BRPW. For the small non-automated office component for this mail category for FY 1999, the automated office data are multiplied by the blow-up factors provided in the response to question No. 4. For FY 1998, the factor of 1.00920754 is used. The automated office and non-automated office components for the FY 1998 and 1999 BRPW estimates are provided below.

(000)

GFY	Rev. Auto	Rev. - Nonauto	Vol. - Auto	Vol. - Nonauto	LBS - Auto	LBS - Nonauto
1998	$614,275	$5,656	232,749	2,143	1,318,083	12,136
1999	$689,902	$20,106	246,022	7,038	1,427,449	40,022

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER TO QUESTION POSED DURING HEARING BY NATIONAL NEWSPAPER ASSOCIATION

Question from NNA at Tr. 2/915:

Would you provide us that number [percentage of volume from PERMIT System offices] for within county?

RESPONSE. The estimated percentage of In-County volume obtained from the PERMIT System certainty segment of the BRPW is 57.4 percent for the FY 1998 period.

5. Please explain why a trial balance revenue adjustment is necessary for BRPW estimates.

RESPONSE. A trial balance can be a useful tool for improving the quality of BRPW results by controlling to known amounts of revenue. A BRPW estimate for a mail category is derived from a targeted panel comprised of automated revenue reporting offices supplemented if necessary with non-automated revenue reporting offices. However, a BRPW panel despite a normally high automated office coverage does not provide a census (i.e., 100 percent count) by itself. If a trial balance revenue account is available, it can serve as a control total for known revenue to which BRPW results can be tied. Revenue accounts by design do not provide, however, volume and weight information, nor do they provide the distribution of revenue among rate categories. As a result, the actual volume, weight and revenue (by rate category), unlike for the total revenue measure, cannot be known. For the trial balance controlled mail categories in the BRPW, the combined ratio estimator (of a total) takes advantage of the known revenue totals to correct the revenue estimate as well as to improve the volume estimates by exploiting the correlation between the revenue and volume, thereby reducing the sampling variance.

8. For the adjusted RPW volume and revenue estimates for Parcel Post in FY 1998 and the reported estimates in FY 1999, please provide the volume and revenue portions that were generated by each of the RPW subsystems. In your analysis include BRPW, DRPW, OMAS and any other subsystem or adjustment. Further, for the BRPW volume and revenue estimates, please provide the volume and revenue portions that were generated by the PERMIT or automated offices, non-automated offices and any other source or adjustment.

RESPONSE. For FY 1998, the estimates broken out by BRPW, DRPW, and other sources have been provided in the responses to UPS/USPS-T5-2, UPS/USPS-T4-6, and UPS/USPS-T4-3, respectively. For FY 1999, please see the responses to POIR No. 17, questions No. 2 (DRPW) and No. 3 (BRPW). In addition, the following table provides the source of other data for FY 1999:

Standard (B) Parcel Post
(data in thousands)

	Revenue	Pieces	Weight
Alaska Bypass	13,125	1,966	96,728
Official Mail	8,279	1,327	13,199

Due to the high coverage level of the automated office component for permit imprint Parcel Post, no supplemental non-automated office panel is required under the BRPW. For the small non-automated office component for this mail category for FY 1999, the automated office data are multiplied by the blow-up factors provided in the response to question No. 4. For FY 1998, the factor of 1.00920754 is used. The automated office and non-automated office components for the FY 1998 and 1999 BRPW estimates are provided below.

(000)

GFY	Rev. Auto	Rev. - Nonauto	Vol. - Auto	Vol. - Nonauto	LBS - Auto	LBS - Nonauto
1998	$614,275	$5,656	232,749	2,143	1,318,083	12,136
1999	$689,902	$20,106	246,022	7,038	1,427,449	40,022

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
TO QUESTION POSED DURING HEARING
BY NATIONAL NEWSPAPER ASSOCIATION

Question from NNA at Tr. 2/915:

Would you provide us that number [percentage of volume from PERMIT System offices] for within county?

RESPONSE. The estimated percentage of In-County volume obtained from the PERMIT System certainty segment of the BRPW is 57.4 percent for the FY 1998 period.

United States Postal Service

Cameron Kashani
(USPS-T-14)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KASHANI
TO INTERROGATORIES OF
ASSOCIATION OF AMERICAN PUBLISHERS

AAP/USPS-T14-4 On pages 10-13 of your testimony, you describe the five types of volume variable costs that receive different treatment relative to the determination of the effect of mail-volume changes. With respect to these five types of volume variable costs:

(a) Please indicate, by individual cost segment and cost components, the respective volume variable costs that fall into each of the five types of volume variable costs.

(b) Please provide mathematical examples of "costs that vary directly with volume" and of a "cost distribution that varies directly by volume." Please explain the extent to which "costs that vary directly with volume" differs from a "cost distribution that varies directly by volume" and whether the two types of costs are independent of each other or related.

RESPONSE

a) The following chart displays individual cost components and their respective types of volume variable cost:

AAP/USPS-T14-4 (CONTINUED)

Cost Segments	Cost Components		Cost Categories 1	2	3	4	5
1.	1	Postmasters EAS 23 & Below	x				
2.		Supervisors and Technicians					
	4	Direct labor & Overhead			x		
	7	Window Service			x		
	9	Time Attendance Supervision				x	
	13	City Delivery Carrier - Office			x		
	14	City Delivery Carrier - Street Elemental			x		
	16	City Delivery Carrier - Street Access			x		
	17	City Delivery Carrier - Street Other				x	
	18	City Delivery Carrier - Street Route			x		
	25	Special Delivery Messengers - Office			x		
	26	Special Delivery Messengers - Street			x		
	30	Higher Level Superv.				x	
	31	Gen Sup - Mail Proc.			x		
	601	Sup Training - Other			x		
	674	Supv. Rural Delivery				x	
	675	Supv. Veh. Service			x		
	676	Supv. QC/Rev. Protec.			x		
	677	Supv. CMU			x		
	678	Joint Supv Clks/Cars.				x	
3.		Clerks and Mailhandlers CAG A - J Offices:					
	35	Mail Process. -Direct	x				
	40	Window Service	x				
		Administrative Clerks:					
	66	Claims & Inquiry	x				
	421	Data Coll. & Proc	x				
	422	Gen'l Office & Cler.	x				
	423	Quality Control	x				
	467	Training Schemes	x				
	468	Training Mail Proc Non Parcel	x				
	469	Training Mail Proc Parcel	x				
	470	Training Other	x				
	228	Time & Attendance				x	
		Special Delivery Messengers:					
	58	Salaries - Office	x				
	59	Salaries - Street	x				
	62	Equip. Maintenance	x				
	63	Fees	x				
4.	42	Clerks, CAG K Offices:	x				
6&7.		City Delivery Carrier- Office					
	43	Office Direct Labor	x		x		
	44	In-Office Support			x		

Cost Segments	Cost Components		Cost Categories 1	2	3	4	5
	45	CAG K			x		
		City Delivery Carriers - Street					
	46	Street Elemental Load	x		x		
	48	Street Access		x	x		
	49	Other Office			x		
	50	Other Elemental Load			x		
	52	Other Access			x		
	53	Other Route			x		
	54	Route	x		x		
8.	57	Vehicle Service Drivers	x				
9.		Not Used					
10.		Rural Carriers					
	69	Evaluated Routes	x				
	70	Other Routes	x				
11.		Custodial & Manintenance:					
	75	Mail Processing Equipment	x				
12.		Motor Vehicle Service					
		Personnel:					
	82	City Delivery Office			x		
	83	City Delivery Street Elemental Load			x		
	85	City Delivery Street Access			x		
	86	City Delivery Street Route			x		
	88	Cleks Special Delivery Messengers				x	
		Supplies & Materials:					
	91	City Delivery Office			x		
	92	City Delivery Street Elemental Load			x		
	94	City Delivery Street Access			x		
	95	City Delivery Street Route			x		
	97	Special Delivery				x	
		Vehicle Hire:					
	100	City Delivery Office			x		
	101	City Delivery Street Elemental Load			x		
	103	City Delivery Street Access			x		
	104	City Delivery Street Route			x		
	106	Special Delivery				x	
13.		Miscellaneous Operating Expenses:					
		Salaries					
		Carfare					
	127	City Delivery Office			x		
	128	City Delivery Street Elemental Load			x		

AAP/USPS-T14-4 (CONTINUED)

Cost Segments	Cost Components		Cost Categories 1	2	3	4	5
	130	City Delivery Street Access			x		
	131	City Delivery Street Route			x		
	133	Special Delivery				x	
		Driveout - City Delivery					
	136	City Delivery Office			x		
	137	City Delivery Street Elemental Load			x		
	139	City Delivery Street Access			x		
	140	City Delivery Street Route			x		
14.		Purchased Transportation:					
	142	Domestic Air Service	x				
	681	Domestic Alaska Air	x				
	144	Railroad Service	x				
	145	Domestic Water	x				
	143	Highway Contract	x				
	146	International	x				
15.		Building Occupancy:					
16.		Supplies & Services					
	180	Stampes & Acct Paper	x				
	181	Money Orders	x				
	248	Stamped Envelopes	x				
	184	Operating Equipment			x		
17.	190	Research & Development					
18.		Admin and Regional Operations					
	199	Repriced Annual Leave					x
	200	Holiday Leave					x
	201	CS Ret Fund Deficit Curret					x
	204	Workers Comp Current					x
19.		Gen. Management Systems					
20.		Other Accrued Expenses:					
		City Delivery Vehicle Depreciation					
	239	Domestic Indemnities	x				
	240	International Indemnitites	x				

Category 1: costs that vary directly with volume
Category 2: cost distributions that vary directly with volume
Category 3: costs that vary indirectly with volume
Category 4: costs that vary with both direct and indirect volume
Category 5: cost distributions that vary indirectly with volume

AAP/USPS-T14-4 (CONTINUED)

b) As I have explained in my testimony, costs that vary directly with volume are developed by applying a ratio of the volume change to price-level adjusted costs. For example, FY 1999 Volume Adjusted Costs = Base Year 1998 Costs * (1+ FY 1999 Cost Level Change)*(1+FY 1999 Mail Volume Change). The effect of the volume adjustment is such that the unit variable costs remain unchanged relative to the volume increase. In contrast, cost distributions that vary directly with volume reflect a redistribution of the costs among classes, and subclasses, in that, the price-level adjusted costs (FY 1999 Price Level Adjusted Costs = BY 1998 Costs * (1+ FY 1999 Cost Level Change) are redistributed in proportion to the mail volume change. That means the total volume variable cost does not change. A hypothetical example of cost distribution for mail processing component is listed below:

LINE #	MAIL CATEGORY	BY 98 COSTS (A)	FY 99 COST FACTOR FOR MAIL PROCESSING (B)	FY 99 COST LEVEL CHANGE (C) = (A)X(B)	TOTAL FY 99 COST LEVEL ADJUSTED (D) = (A)+(C)	FY 99 MAIL VOLUME CHANGE FACTOR (E)	FY 99 MAIL VOLUME LEVEL CHANGE (F) = (D)X(E)	TOTAL FY 99 MAIL VOLUME ADJUSTED (G) = (D)+(F)	REDISTRIBUTION FACTOR (H) = (C5)/(G(5)	TOTAL FY 99 VOLUME ADJUSTED (I) = ((H)X(G)
1	CLASS A	100	0.05	5.00	105.00	0.10	10.50	115.50	0.96	110.15
2	CLASS B	50	0.05	2.50	52.50	0.02	1.05	53.55	0.95	51.07
3	CLASS C	200	0.05	10.00	210.00	0.03	6.30	216.30	0.96	206.28
4										
5	TOTAL VOLUME VARIABLE COST	350		17.50	367.50		17.85	385.35		367.50
6										
7	TOTAL COST	50	0.05	2.50	52.50			52.50		52.50
8										
9		400			420.00			437.85		420.00

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MPA/USPS-T14-2 Please refer to Exhibit E of LR-I-126. This exhibit provides other programs changes in costs for FY1999, FY2000, and the Test Year.

(a) For each dollar value in the matrix, please disaggregate these amounts into class and subclass. Please provide these results in an electronic spreadsheet.

(b) Please explain the basis for each distribution key.

RESPONSE

a) Please see my response to DMA/USPS-T9-21 for FY 2000 and the Test Year. The following chart provides references to pages in my Workpapers where the distribution of other programs by class and subclass for FY 1999 is displayed. Electronic version of my Workpapers WP-B , WP-E and WP-I are available on CD-ROM in USPS-LR-I-6.

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MPA/USPS-T14-2, RESPONSE – CONTINUED

Page References to FY 1999 Other Programs by Class and Subclass

SEG	DESCRIPTION	FY 1999 OTHER PRGRAMS 1\	SOURCE	TOTAL COST REDUCTION DISTRIBUTION BY CLASS AND SUBCLASS	COST REDUCTION DISTRIBUTION BY COMPONENT BY CLASS AND SUBCLASS
2	Supervisors & Technical Personnel	13,917	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 75-76	PP. 105-106,137-138,147-148,159-160
3	Clerks & Mailhandlers, CAG A-J , SD Mess Personnel	209,083	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 173-174	PP. 185-186,203-204,213-214,225-226
6&7	City Delivery Carriers Personnel	153,922	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 245-246 AND 257-258, 269-270	PP. 245-246 AND 257-258, 269-270
10	Rural Carriers Personnel	20,625	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 289-290	PP. 289-290
	Equip. Maint. Allowance	6	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 289-291	PP. 289-290
11	Operating Equip. Maintenance Personnel	22,861	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 303-304	PP. 325-326
	Contract Cleaners	8	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 303-304	PP. 335-336
12	Vehicle Supplies & Materials	(54)	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 347-348	PP. 379-380, 391-392
	Rental of Motor Vehicles	(82)	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 347-348	PP. 403-404,415-416
13	Mail Equip. Shop Personnel	(229)	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 427-428	PP. 437-438
	Facilities & Pur. Field Unit Personnel	(350)	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 427-428	PP. 437-438
	Contract Station Service	(92)	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 427-428	PP. 437-438
	Tolls & Ferriage	1	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 427-428	PP. 447-448
	Freight - Supplies & Materials	(2,993)	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 427-428	PP. 455-456
	Banking Fees	220	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 427-428	PP. 463-464
	Carfare	49	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 427-428	PP. 485-486
14	Domestic Air	18,500	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 505-506	PP. 505-506
	Domestic Highway	35,371	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 505-506	PP. 505-506
	Domestic Rail	11,218	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 505-506	PP. 505-506
	International	(18,697)	WORKPAPER WP-B, VOLUME 1 OF 2	PP. 517-518	PP. 517-518

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Page References to FY 1999 Other Programs by Class and Subclass

SEG	DESCRIPTION	FY 1999 OTHER PRGRAMS 1\	SOURCE	TOTAL COST REDUCTION DISTRIBUTION BY CLASS AND SUBCLASS	COST REDUCTION DISTRIBUTION BY COMPONENT BY CLASS AND SUBCLASS
15	Rent	23,803	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 527-528	PP. 537-538
	Product Specific Imputed Rent	2,426	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 527-528	PP. 537-538
	Heating Fuel	174	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 527-528	PP. 547-548
	Utilities	2,766	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 527-528	PP. 547-548
	Communications	13,765	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 527-528	PP. 547-548
	Building Projects Expensed	(11,527)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 527-528	PP. 547-548
	Moving Expense	(25)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 527-528	PP. 557-558
16	Mat. Dist. & Label Printing Personnel	(3,778)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 575-576
	ADP Supplies & Services	85,550	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 575-576
	Equipment Repair & Maintenance Excluding ADP	98,995	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 575-576
	Custodial Supplies & Services	133	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 575-576
	Miscellaneous Supplies & Services	23,874	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 595-596
	Printing & Reproduction	2,847	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 585-586
	Stamps & Accountable Paper	(1,100)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 585-586
	Money Orders	(28)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 585-586
	Operating Equipment & Supplies	20,021	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 595-596
	Inventory Adjustments	(48,884)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 585-586
	Expedited Mail Supplies	216,612	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 595-596
	Other Postal Supplies and Services	73,633	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 595-596
	Remote Encoding S&S	1	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 595-596
	Tracking & Tracing/Delivery Confirmation	1,633	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 595-596
	Advertising & Sales Promotion	(30,600)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 605-606

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MPA/USPS-T14-2, RESPONSE – CONTINUED

Page References to FY 1999 Other Programs by Class and Subclass

SEG	DESCRIPTION	FY 1999 OTHER PRGRAMS 1\	SOURCE	TOTAL COST REDUCTION DISTRIBUTION BY CLASS AND SUBCLASS	COST REDUCTION DISTRIBUTION BY COMPONENT BY CLASS AND SUBCLASS
	Reimbursements	333	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 605-606
	Stamped Envelopes	(69)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 567-568	PP. 585-586
17	Research & Development Contracts	(13,692)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 611-612	PP. 611-612
18	HQ & Field Service Unit Personnel Cost	87,626	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 631-632
	Area Admin Personnel Cost	12,708	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 631-632
	Security Force Personnel Cost	(935)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 631-632
	Inspection Service Personnel Cost	(3,670)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 631-632
	Unemployment Compensation	(17,561)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 661-662
	Holiday Leave	(1,571)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 641-642
	Workers' Compensation Health Benefits	(1,000)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 661-662
	Annuitant Life Insurance	100	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 651-652
	Repricing of Annual Leave	(13,508)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 641-642
	CSRS Annuitant Cola	31,122	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 651-652
	CSRS Retirement Liabilities Current	(8,150)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 641-642
	CSRS Retirement Liabilities Prior	79,436	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 641-642
	Workers' Compensation Current	(66,333)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 651-652
	Workers' Compensation Prior	(60,178)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 661-662
	Annuity Protection Program	(5,707)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 669-670
	Annuitant Health Benefits	22,631	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 651-652
	Supplies & Services	116,030	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 669-670
	Miscellaneous Support Cost	234,357	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 669-670

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MPA/USPS-T14-2, RESPONSE – CONTINUED

Page References to FY 1999 Other Programs by Class and Subclass

SEG	DESCRIPTION	FY 1999 OTHER PRGRAMS 1\	SOURCE	TOTAL COST REDUCTION DISTRIBUTION BY CLASS AND SUBCLASS	COST REDUCTION DISTRIBUTION BY COMPONENT BY CLASS AND SUBCLASS
	Inspection Service Expenses	(47)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 669-670
	POD Workers' Comp	4,035	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 623-624	PP. 661-662
19	Misc. Tech Suuport Personnel	792	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 687-686	PP. 687-686
	Contract Training Support	9,096	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 687-686	PP. 687-686
20	Vehicle Depreciation	7,774	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 695-696	PP. 715-716
	Equipment Depreciation	142,652	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 695-696	PP. 721-722
	Building Depreciation & Amortization	39,820	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 695-696	PP. 727-728
	Disposition of Property	22,870	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 705-706	PP. 753-754
	Interest on Debt	(11,633)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 695-696	PP. 733-734
	Implied Interest on Retro Annuity Cost	(16,164)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 695-696	PP. 733-734
	Interest on Retirement Liabilities	(4,242)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 695-696	PP. 733-734
	Other Interest	(146)	WORKPAPER WP-B, VOLUME 2 OF 2	PP. 695-696	PP. 739-740
	Totals	1,520,351			

1\ Exhibit USPS 14A, pp. 1-2

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b) Several types of distribution keys are used to distribute other programs. For some programs, Base Year components within the range from 1300 to 1399 are used as the basis for the distribution keys. These components include "other costs" because total costs, not only "volume variable" costs, are affected. These keys reflect the distribution of labor cost by class and subclass for various operations. The Base Year components from 1300 to 1399 are copied to the rollforward components ranging from 1400 to 1499. A list of Base Year components (1300 –1399) and their rollforward equivalent components (1400-1499) is shown on page 5 of Appendix A of my testimony. Also, some of the rollforward components 1400 through 1499 are given a "Mail Volume Effect" to reflect the changes in the mix of mail from year-to-year. Some costs, as shown in LR-I-126, Exhibits A, B, and C, are combined before being distributed to class and subclass of mail because some programs use the same distribution key. These results are shown in my workpapers WP-B, WP-E, and WP-I. For a detailed description of each program, please refer to LR-I-126.

The following provides an explanation of other programs costs, as shown in LR-I-126, Exhibit A, Exhibit B, and Exhibit C, and the rollforward distribution

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keys used to distribute these costs to their respective classes and subclasses of mail.

RBCS: Improve RCR & Handwriting Recg (HIP); AND LMLM Linerless Label

Other Programs Impact: Maintenance

Rollforward Distribution Key: Component 1446

The costs for the above program are combined because they share a common distribution key. These costs are for RBCS and related improvements for letter mail that requires the application of a barcode. Therefore, the mail volume adjusted, base year IOCS-based distribution key (component 1324) is appropriate, because it reflects mail classes and subclasses for RBCS processing.

ID Code Sort

Other Programs Impact: Maintenance

Rollforward Distribution Key: Component 1508 (1440+1441+1452)

The Identification Code Sort program enhances the capabilities of the Postal Service's letter automation system. I have created a distribution key by combining the base year IOCS-based keys for components 1314, Mail processing Barcode Sorters; 1315, Delivery Barcode Sorters; and 1371, Carrier

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Sequence Barcode Sorters for this program because these barcode sorters are impacted by the ID Code Sort.

DBCSs – Stacker, Phase 4 & 5, & OSS

Other Programs Impact: Clerks (component 35), Maintenance (component 75)

Rollforward Distribution Key: Component 1441

The costs associated with Delivery Barcode Sorters are from improved operations. This program affects letter mail operations and maintenance; therefore, the other programs costs are distributed to components 35 and 75 using a mail volume adjusted base year IOCS-based distribution key (component 1315) for Delivery Barcode Sorters operation.

Rehabilitation

Other Programs Impact: Clerks (component 35)

Rollforward Distribution Key: Component 904

The costs associated with Rehabilitation program will affect Clerks in Cost Segment 3. Upon further examination of the distribution key used to distribute costs for Rehabilitation program, I discovered that these costs were erroneously distributed to Priority Mail in mail processing in FY 2000. This miscalculation overstates Priority Mail costs by approximately $46 million in that year and

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understates costs across all other mail categories in FY 2000 as reflected in Attachment 1.

Attachment I to this response shows the dollar impact of proper distribution of the Rehabilitation program on FY 2000, and the Test Year costs. Column 1 of the attachment I is comprised of total FY 1999 mail processing costs adjusted for FY 2000 Cost Level Effect, FY 2000 Mail Volume Effect, FY 2000 Additional Workday Effect, and FY 2000 Cost Reductions. Column 2 shows the existing distribution of Other Programs for mail processing component by classes and subclasses of mail. Column 3 displays the removal of dollars erroneously allocated to Priority Mail. Column 4 shows the proper distribution of Rehabilitation program using column 1 as a distribution key. Column 5 is the summation of columns 1 through 4. Column 6 shows corrected mail processing costs for FY 2000. Column 7 presents FY 2000 costs, with the Mix Adjustment but without final adjustments, for all components. Column 8 shows the dollar impact of properly distributing rehabilitation program on Other Programs. Column 9 presents the percentage impact of the corrected dollars to total FY 2000 costs. The Test Year costs are approximated by applying the percent impact on total FY 2000 costs (column 9) to total Test Year Before and After Rates costs in columns 10 and 11, respectively. The results are shown in columns 12 and 13.

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An electronic version of attachment I is supplied in LR-I-198. Assuming the percentage impact of correcting distribution of Rehabilitation dollars in FY 2000 would provide the best proxy for its impact on the Test Year, Priority Mail is overstated by approximately $48 million in Test Year After Rates. However, as illustrated in column 9 of Attachment I, the impact on other subclasses and on total costs is minimal.

Flat Mail OCR (EC – 06): Flat Sorting Machine 1000 Phase 1 & 2

Other Programs Impact: Mailhandlers (component 35), Maintenance (component 75)

Rollforward Distribution Key: Component 1448

The above programs are combined because they use the same distribution key. These programs increase efficiency of flat sorting machines and increase the number of FSMs; thereby, reducing manual sorting activities. Therefore, the additional maintenance costs are distributed to components 35 and 75 using a mail volume adjusted base year IOCS-based distribution key (component 1331) for Sorting to Flat Cases, which captures the manual sorting activity by class and subclass of mail.

Mat. Handling BMC Asystems

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Other Programs Impact: Maintenance (component 75)

Rollforward Distribution Key: Component 1450

This program provides a one-to-one replacement of the number four sack sorter at the New Jersey International and Bulk Mail Center. The reduced capacity constraints and improved efficiency of operation for Bulk Mail Centers will reduce Mailhandlers manual sorting hours. Therefore, I have distributed the costs *associated with maintaining this system to component 75 using a mail volume* adjusted base year IOCS-based distribution key (component 1366) for General and Logistic, BMC which is total BMC mail processing labor.

AFCS Additional 42 Buy: AFCS (OCR)

Other Programs Impact: Maintenance (component 75)

Rollforward Distribution Key: Component 1443

Additional purchases of Advanced Facer Canceler will increase efficiency of letter facing and canceling. The Advanced Facer Canceler OCR reduces labor costs associated with additional mail handling by integrating technology from the AFCS/ISS with technology from the MLOCR. Therefore, the maintenance costs of additional AFCS are distributed using a mail volume adjusted base year IOCS-based distribution key (component (1319) for Letter Facer/Canceler Operation.

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Small Parcel and Bundle Sorter – 46 & 54 AND SPBS Feed System

Other Programs Impact: Mailhandlers (component 35), Maintenance (component 75)

Rollforward Distribution Key: Component 1445

The additional units of Small Parcel and Bundle Sorters and SPSBS Feed System would improve plant efficiency and increase labor productivity associated with the subclasses being processed on SPBS. Consequently, these costs are distributed to components 35 and 75 using a mail volume adjusted based year IOCS-based distribution key (component 1323) for Small Parcel and Bundle Sorters.

Point of Service

Other Programs Impact: Building (component 169), Supplies (components 174,177), and Administration (component 211)

Rollforward Distribution Key: Components 169, 174, 177, 211

According to LR-I-126, the costs from this program will impact Building (component 169), Supplies (components 174, 177), and Administration (component 211); therefore, I have distributed these costs to their respective components 169, 174, 177,and 211.

Corporate Call management

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Other Programs Impact: Building (components 165, 167, 168), Supplies (components 174, 177), Administration (component 211)

Rollforward Distribution Key: Components 165, 167, 168, 174, 177, 211

According to LR-I-126, the costs from this program will impact Building (components 165, 167, 168), Supplies (components 174, 177), and Administration (component 211); therefore, I have distributed these costs to their respective components 165, 167, 168, 174, 177, and 211.

Associate Office Infrastructure

Other Programs Impact: Building (component 167), Supplies (components 174, 177), and Administration (component 210)

Rollforward Distribution Key: Components 167, 174, 177, 210

According to LR-I-126, the costs from this program will impact Building (component 167), Supplies (components 174, 177), and Administration (component 210); therefore, I have distributed these costs to their respective components 167, 174, 177, and 210.

Delivery Confirmation Scanning

Other Programs Impact: Clerks (component 35), City Carriers (component 46)

Rollforward Distribution Key: Component 690

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The additional scanners for Delivery Confirmation are used to scan delivery confirmation barcodes at the time of delivery. To distribute the costs associated with maintenance and the carriers scanning activity, I developed a distribution key to calculate the ratio between Priority Mail and other Special Services. This distribution key (component 690) is shown in Appendix A, page 7. Therefore, the costs associated with scanning are distributed to components 35 and 46 using component 690 as a distribution key.

Customer Address Awareness

Other Program Impact: City Carriers (all components)

Rollforward Distribution Key: City Carriers (components 43, 44, 45, 46, 48, 49, 50, 52, 53, 54)

This program is designed to increase customer awareness with respect to the use of apartment/suite number with multi-unit addresses to increase the speed of delivery. Therefore, these costs are distributed to all components of Cost Segments 6 and 7, City Carriers.

Core Process Management: BMEU Curriculum

Other Programs Impact: Supplies (component 174)

Rollforward Distribution Key: Component 174

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According to LR-I-126, the costs from the above programs will impact Supplies (component 174); therefore I have distributed them to component 174.

Absorb Inflation

Other Programs Impact: Motor Vehicle (component 99), Supplies (components 174, 177, 184), Administration (210)

Rollforward Distribution Key: Components 99, 174, 177, 184, 210

According to LR-I-126, the costs from this program will impact Motor Vehicle (component 99), Supplies (components 174, 177, 184), and Administration (component 210); therefore, I have distributed these costs to their respective components 99, 174, 177, 184, and 210.

Upgrade Class Printing Equipment; Nurses Coordinator Program; MEI Postal One

Other Programs Impact: Supplies (component 177)

Rollforward Distribution Key: Component 177

According to LR-I-126, the costs from the above programs will impact Supplies (component 177); therefore, I have distributed them to component 177.

Stamp Manufacturing

Other Programs Impact: Supplies (component 180)

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Rollforward Distribution Key: Component 180

According to LR-I-126, the costs from the above program will impact Supplies (component 180); therefore, I have distributed them to component 180.

Periodical Focus Groups

Other Programs Impact: Administration (component 210)

Rollforward Distribution Key: Component 210

According to LR-I-126, the costs from this program will impact Administration (component 210); therefore, I have distributed them to component 210.

International Service Centers

Other Programs Impact: Supervisors (component 4), Maintenance (component 75)

Rollforward Distribution Key: Component 1419

According to LR-I-126, the costs from this program will impact Supervisors (component 4) and Maintenance (component 75); therefore, I have distributed 100% of these costs to components 4 and 75 using the rollforward distribution key 1419 which allocates 100% of the costs to International Mail.

Base Adjustment

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Other Programs Impact: Clerks/Mailhandlers, City Carriers, Rural Carriers, Building, Supplies, and Administration

Rollforward Distribution Key: All components of Cost Segments 2, 6, and 7, and components 72, 169, 175, 177, 184, and 210

According to LR-I-126, these adjustments affect Clerks (components 35, 40, 66, 421, 422, 423, 467, 468, 469, 470, 471, 41, 227, 228), City Carriers (components 43, 44, 45, 46, 48, 49, 50, 52, 53, 54), Rural Carriers (component 72), Building (component 169), Supplies (components 175, 177, 184), and Administration (component 210). Therefore, I have distributed these additional costs to their corresponding components.

Misc. HQ Programs and CWA's

Other Programs Impact: Rural Carriers (component 73), Maintenance (component 81), Motor Vehicle (components 99, 108), Misc. (components 111,113,117,125,135), Building (components 165, 166, 167, 168, 169, 170), Supplies (components 174, 175, 176, 177, 179, 180, 181, 182, 184, 189, 248, 1426), Administration (components 210, 211, 212, 213), Training (component 220), and Depreciation/Interest (components 242, 245, 1437)

Rollforward Distribution Key: Components 73, 81, 99, 108, 111, 113, 117, 125, 135, 165, 166, 167, 168, 169, 170, 174, 175, 176, 177, 179, 180, 181, 182, 184, 189, 248, 1426, 210, 211, 212, 213, 220, 242, 245, 1437

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According to LR-I-126, the costs from this program will impact Rural Carriers (component 73), Maintenance (component 81), Motor Vehicle (components 99,108), Misc. (components 111, 113, 117, 125, 135), Building (components 165, 166, 167, 168, 169, 170), Supplies (components 174, 175, 176, 177, 179, 180, 181, 182, 184, 189, 248, 1426), Administration (components 210, 211, 212, 213), Training (component 220), and Depreciation/Interest (components 242, 245, 1437); therefore I have distributed these costs to their respective components.

HQ and Field Service Units

Other Programs Impact: Misc. (components 110, 114), Supplies (component 173), Administration (components 191, 194, 195), Training (component 219)

Rollforward Distribution Key: Components 110, 114, 173, 191, 194, 195, 219

According to LR-I-126, the costs from this program will impact Misc. (components 110, 114), Supplies (component 173), Administration (components 191, 194, 195), Training (component 219); therefore I have distributed them to their respective components.

Contingent Liabilites

Other Programs Impact: Administration (component 211)

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Rollforward Distribution Key: Component 211

According to LR-I-126, the costs from this program will impact Supplies, component 211; therefore I have distributed them to component 211.

Inventory Adjustments

Other Programs Impact: Supplies (component 182)

Rollforward Distribution Key: Component 182

According to LR-I-126, the costs from this program will impact Supplies, component 182; therefore I have distributed them to component 182.

Route Inspections

Other Programs Impact: Supervisors (components 13, 14, 16, 17, 18)

Rollforward Distribution Key: Components 13, 14, 16, 17, 18

According to LR-I-126, Route Inspections program affects Supervisors workload in connection with city carrier routes; therefore, I have distributed the costs from this program to Supervisors, Supervision of City Carriers, components 13, 14, 16, 17, and 18.

OWCP Cost Reductions

Other Programs Impact: Supplies (component 174)

Rollforward Distribution Key: Component 174

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According to LR-I-126, this program impacts Supplies (component 174); therefore, I have distributed the additional costs from this program to component 174.

Cost Study Support

Other Programs Impact: Supervisors, Other Supervisors and Technicians (components 29, 30, 31, 32, 600, 601, 674, 675, 676, 677, 678, 33)

Rollforward Distribution Key: Components 29, 30, 31, 32, 600, 601, 674, 675, 676, 677, 678, 33

According to LR-I-126, Cost Study Support program is designed to provide data collection support and requires a supervisor or designee to record information. Therefore, I have distributed the costs from this program to Supervisors, Other Supervisors and Technicians, components 29, 30, 31, 32, 600, 601, 674, 675, 676, 677, 678, and 33.

Environmental Program

Other Programs Impact: Supervisors, Other Supervisors and Technicians (components 29, 30, 31, 32, 600, 601, 674, 675, 676, 677, 678, 33), Building (component 169)

Rollforward Distribution Key: Components 29, 30, 31, 32, 600, 601, 674, 675, 676, 677, 678, 33, 169

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According to LR-I-126, the above program impacts Supervisors, Other Supervisors and Technicians (components 29, 30, 31, 32, 600, 601, 674, 675, 676, 677, 678, 33) and Building (component 169). Therefore, I have distributed their costs to respective components in Supervisors and Building Cost Segments.

International Data Collection

Other Programs Impact: Clerks (component 35)

Rollforward Distribution Key: Component 1419

According to LR-I-126, this program impacts Clerks workhours for processing International Mail; therefore, I have distributed 100% of these costs to mail processing (component 35) using the rollforward distribution key 1419 which allocates 100% of the costs to International Mail.

OSHA Reform

Other Programs Impact: Building (component 169)

Rollforward Distribution Key: Component 169

According to LR-I-126, the above program impact Building Occupancy, component 169; therefore, I have distributed its costs to component 169.

Expedited Mail S&S

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Other Programs Impact: Supplies (component 187)

Rollforward Distribution Key: Component 187

According to LR-I-126, this program impacts Expedited Mail, component 187; therefore, I have distributed its costs to component 187.

Product Specific Rent

Other Programs Impact: Building (component 234)

Rollforward Distribution Key: Component 234

According to LR-I-126, this program impacts Building, Product Specific Rent, component 234; therefore, I have distributed its costs to component 234.

Ease of Use Measures: BMEU Profeciency Training: TACS

Other Programs Impact: Clerks (components 35, 40, 66, 421, 422, 423, 467, 468, 469, 470, 41, 227, 228) , Supplies (component 174)

Rollforward Distribution Key: Components 35, 40, 66, 421, 422, 423, 467, 468, 469, 470, 41, 227, 228, 174

According to LR-I-126, all of the above programs impact Clerks (components 35, 40, 66, 421, 422, 423, 467, 468, 469, 470, 41, 227, 228, 174) and Supplies (component 174); therefore, I have distributed their costs to Clerks (components 35, 40, 66, 421, 422, 423, 467, 468, 469, 470, 41, 227, 228) and Supplies (component 174).

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Data Collection Diagnostic: Driver Training

Other Programs Impact: Clerks (components 35, 40, 66, 421, 422, 423, 467, 468, 469, 470, 41, 227, 228)

Rollforward Distribution Key: Components 35, 40, 66, 421, 422, 423, 467, 468, 469, 470, 41, 227, 228

According to LR-I-126, all of the above programs impact Clerks (components 35, 40, 66, 421, 422, 423, 467, 468, 469, 470, 41, 227, 228); therefore, I have distributed their costs to all components within Cost Segment 3.

Other Postal S&S

Other Programs Impact: Supplies (component 197)

Rollforward Distribution Key: Component 197

According to LR-I-126, this program impacts Supplies (component 197); therefore, I have distributed its costs to component 197.

Delivery Confirmation

Other Programs Impact: Supplies (component 196)

Rollforward Distribution Key: Component 196

According to LR-I-126, this program impacts Supplies (component 196); therefore, I have distributed its costs to component 196.

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Area Administration

Other Programs Impact: Administration (component 193)

Rollforward Distribution Key: Component 196

According to LR-I-126, this program impacts Administration (component 193); therefore, I have distributed its costs to component 193.

Service Improvement – Christmas; Air Taxi; Eagle; W Net; Air Contracts; Air Contracts- Term Handling; EDI

Other Programs Impact: Transportation (component 142)

Rollforward Distribution Key: Component 142

According to LR-I-126, the above programs impact Transportation (component 142); therefore, I have distributed its costs to component 142.

Depreciation

Other Programs Impact: Depreciation (components 231, 232, 238)

Rollforward Distribution Key: Components 231, 232, 238

According to LR-I-126, this program impacts Depreciation (components 231, 232, 238); therefore, I have distributed its costs to components 231,232, and 238.

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Disposition of Property

Other Programs Impact: Depreciation (component 245)

Rollforward Distribution Key: Component 245

According to LR-I-126, this program impacts Depreciation (component 245); therefore, I have distributed its costs to component 245.

Advertising

Other Programs Impact: Supplies (component 246)

Rollforward Distribution Key: Component 246

According to LR-I-126, this program impacts Supplies (component 246); therefore, I have distributed its costs to component 246.

Research

Other Programs Impact: Research (component 267)

Rollforward Distribution Key: Component 267

According to LR-I-26, this program impacts Research (component 267); therefore, I have distributed its costs to component 267.

Special Drawing Rights

Other Programs Impact: Transportation (component 1438)

Rollforward Distribution Key: Component 1438

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According to LR-I-126, this program impacts Transportation, Foreign Settlement Transactions (component 1438); therefore, I have distributed its costs to component 1438.

Unemployment Compensation

Other Programs Impact: Administration (component 241)

Rollforward Distribution Key: Component 241

According to LR-I-126, this program impacts Administration (component 241); therefore, I have distributed its costs to component 241.

Holiday Leave

Other Programs Impact: Administration (component 200)

Rollforward Distribution Key: Component 200

According to LR-I-126, this program impacts Administration (component 200); therefore, I have distributed its costs to component 200.

Worker's Comp. Health Benefits

Other Programs Impact: Administration (component 895)

Rollforward Distribution Key: Component 895

According to LR-I-126, this program impacts Administration (component 895); therefore, I have distributed its costs to component 895.

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Annuitant Life Insurance

Other Programs Impact: Administration (component 71)

Rollforward Distribution Key: Component 71

According to LR-I-126, this program impacts Administration (component 71); therefore, I have distributed its costs to component 71.

Repricing of Annual Leave

Other Programs Impact: Administration (component 199)

Rollforward Distribution Key: Component 199

According to LR-I-126, this program impacts Administration (component 199); therefore, I have distributed its costs to component 199.

CSRS Annuitant COLA - Principal

Other Programs Impact: Administration (component 1435)

Rollforward Distribution Key: Component 1435

According to LR-I-126, this program impacts Administration (component 1435); therefore, I have distributed its costs to component 1435.

CSRS Unfunded Liability Principle

Other Programs Impact: Administration (components 201,202)

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Rollforward Distribution Key: Components 201, 202

According to LR-I-126, this program impacts Administration (components 201, 202); therefore, I have distributed its costs to components 201 and 202.

Worker's Compensation

Other Programs Impact: Administration (components 204,205)

Rollforward Distribution Key: Components 204,205

According to LR-I-126, this program impacts Administration (components 204,205); therefore, I have distributed its costs to components 204 and 205.

Annuity Protection

Other Programs Impact: Administration (component 207)

Rollforward Distribution Key: Component 207

According to LR-I-126, this program impacts Administration (component 207); therefore, I have distributed its costs to component 207.

Interest on Retirement Liabilities

Other Programs Impact: Depreciation (components 1436, 899)

Rollforward Distribution Key: Components 1436, 899

According to LR-I-126, this program impacts Depreciation (components 1436, 899); therefore, I have distributed its costs to components 1436 and 899.

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POD Workers' Compensation

Other Programs Impact: Administration (component 541)

Rollforward Distribution Key: Component 541

According to LR-I-126, this program impacts Administration (component 541); therefore, I have distributed its costs to component 541.

Interest on Debt

Other Programs Impact: Depreciation (component 587)

Rollforward Distribution Key: Component 587

According to LR-I-126, this program impacts Depreciation (component 587); therefore, I have distributed its costs to component 587.

Annuitant Health Benefits

Other Programs Impact: Administration (component 208)

Rollforward Distribution Key: Component 208

According to LR-I-126, this program impacts Administration (component 208); therefore, I have distributed its costs to component 208.

Terminal Dues

Other Programs Impact: Transportation (component 146)

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Rollforward Distribution Key: Component 146

According to LR-I-126, this program impacts Transportation (component 146); therefore, I have distributed its costs to component 146.

Automatic Airline Assignment SWYB AND Mail Transport Equipment Service Centers

Other Programs Impact: Maintenance (component 75) and Supplies (components 175,177)

Rollforward Distribution Key: Components 75,175,177

The Automatic Airline Assignment SWYB program enhances the abilities to apply D&R labels more efficiently; whereas, the Mail Transport Equipment Service Centers increase efficiency by implementing a network approach to the logistical management of the preparation, repair, distribution, and warehousing of Mail Transport Equipment. The costs associated with maintenance and supplies are distributed to their respective components 75, 175, and 177.

Low Cost OCR and MLOCR Co-Processor

Other Programs Impact: Maintenance (component 75)

Rollforward Distribution Key: Component 1449

The Low Cost Optical Character Reader and Multiline Optical Character Reader Co-Processor are designed to improve the efficiency of the existing machines

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and add to the number of OCRs. Therefore, their maintenance costs are distributed to component 75 using a mail volume adjusted base year IOCS-based distribution key (component 1363) for Optical Character Readers, because this distribution key captures the operation of OCR by class and subclass of mail.

Robotics Phase 1 and Tray Management System – Phase 3

Other Programs Impact: Maintenance (component 75)

Rollforward Distribution Key: Component 1451

The above programs are targeting dispatch areas in the Processing and Distribution Centers and the in-bound distribution operation at Air Mail Centers, in order to increase mailhandler workhours productivity by replacing manual operation with robotic tray handling. To distribute the costs for maintenance, I have used a mail volume adjusted base year IOCS-based distribution key (component 1367) for All Non-BMC Mail Processing Labor.

Dual Pass Rough Cull 56 Buy

Other Programs Impact: Maintenance (component 75)

Rollforward Distribution Key: Component 1444

The Dual Pass Rough Cull System is at the front end of the collection mail processing operation which automates processing of non-machinable mail

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pieces from large quantities of raw collection mail. The additional costs result from automation, which reduces the need for manual culling. Therefore, I have distributed maintenance costs by using a mail volume adjusted base year IOCS-based distribution key (component 1321) for Culling operation.

CFCS Flats Forwarding Terminal and Control System

Cost Reductions Impact: Maintenance (component 75)

Rollforward Distribution Key: Component 1439

The CFCS is a replacement system for the Computerized Forwarding System, where its enhancements result in labor savings in CFS operations. The costs for maintenance are distributed a mail volume adjusted base year IOCS-based distribution key (component 1307) for CFS.

MTESC DAR – Rail

Other Programs Impact: Transportation, component 144

Rollforward Distribution Key: Component 144

According to LR-I-126, this program impacts Transportation (component 144); therefore, I have distributed its costs to component 144.

MTESC DAR – Highway, Vehicle Enhancement, AND VOC Catchball Process

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Cost Reductions Impact: Transportation, component 143

Rollforward Distribution Key: Component 143

According to LR-I-126, the above programs impact Transportation (component 143); therefore, I have distributed their costs to component 143.

Attachment I
Mail Processing Adjustment for Redistribution of Rehabilitation Program

	FY 2000 1/ Mail Processing Distribution Key	FY 2000 2/ Mail Processing Other Programs	Priority Mail Correction /3	FY 2000 4/ Corrected Rehabilitation Distribution	FY 2000 Corrected Mail Processing Other Programs	FY 2000 Corrected Mail Processing Costs	FY 2000 5/ Total Volume Variable and Other Costs (with Mix & without Final Adjustments)	FY 2000 Dollar Impact of Correcting Distribution for Rehabilitation Program	FY 2000 Percent Impact on Total FY 2000 Costs	FY 2001BR 6/ Total Volume Variable and Other Costs (with Mix & without Final Adjustments)	FY 2001AR 7/ Total Volume Variable and Other Costs (with Mix & without Final Adjustments)	FY 2001BR Dollar Impact of Correcting Distribution for Rehabilitation Program	FY 2001AR Dollar Impact of Correcting Distribution for Rehabilitation Program
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)=(1)+(5)	(7)	(8)=(5)-(2)	(9)=(8)/(7)	(10)	(11)	(12)=(10)*(9)	(13)=(11)*(9)
First-Class Mail:													
Single-Piece Letters	5,166,163	522		18,421	16,943	5,185,126	12,743,257	16,421	0.13%	13,003,251	12,925,891	16,756	16,656
Presort Letters	1,442,727	10		4,584	4,594	1,447,321	4,770,058	4,584	0.10%	5,104,399	5,098,247	4,905	4,899
Single Piece Cards	188,212	-8		598	590	188,802	522,489	598	0.11%	541,282	526,750	620	603
Presort Prvt P Cs	41,511	-2		132	130	41,641	158,409	132	0.08%	172,503	168,719	144	140
Total First	6,840,633	522	0	21,735	22,257	6,862,890	18,194,213	21,735	0.12%	18,821,415	18,719,407	22,425	22,299
Priority Mail	672,491	52,709	-48,350	2,137	6,496	678,977	2,784,964	-46,213	-1.68%	3,074,588	2,887,653	-51,575	-48,439
Express Mail	105,619	-5		336	331	106,150	438,213	336	0.08%	465,008	469,253	357	360
Mailgrams	163			1	1	164	1,074	1	0.05%	967	976	0	0
Periodicals:													
In-County	13,179	-1		42	41	13,220	79,426	42	0.05%	80,221	79,412	42	42
Outside County:													
Regular	620,802	329		1,973	2,302	623,104	1,916,190	1,973	0.10%	1,981,872	1,933,256	2,040	1,990
Nonprofit	93,245	34		298	330	93,575	357,701	298	0.08%	361,249	379,093	299	314
Classroom	5,180	4		16	20	5,180	14,164	16	0.12%	13,936	13,692	16	16
Total Second	732,388	366	0	2,327	2,693	735,079	2,367,481	2,327	0.10%	2,437,078	2,405,453	2,398	2,362
Standard Mail (A):													
Single Piece Rate	0	0		0	0	0	0	0		0	0	0	0
Commercial Standard													
Enhanced Carr Rte	291,036	270		925	1,195	292,231	2,288,357	925	0.04%	2,452,607	2,398,828	991	969
Regular	2,517,854	1,598		8,000	9,598	2,527,452	6,885,290	8,000	0.12%	7,264,610	6,971,212	8,441	8,100
Total Commercial	2,808,890	1,868	0	8,925	10,793	2,819,683	9,173,647	8,925	0.10%	9,717,217	9,369,836	9,432	9,069
Aggregate Nonprofit:													
Nonprofit Enh Carr Rte	51,306	19		163	182	51,488	197,605	163	0.08%	200,522	198,843	165	162
Nonprofit	456,329	195		1,450	1,645	457,974	1,257,931	1,450	0.12%	1,322,005	1,312,948	1,524	1,513
Total Aggreg Nonprofit	507,635	214	0	1,613	1,827	509,462	1,455,536	1,613	0.11%	1,522,527	1,509,891	1,689	1,676
Total Standard (A)	3,316,525	2,082	0	10,538	12,620	3,329,145	10,629,183	10,538	0.10%	11,239,744	10,879,729	11,121	10,745
Standard Mail (B)													
Parcels Zone Rate	284,557	89		904	973	285,530	1,009,839	904	0.09%	1,076,588	1,067,100	988	955
Bound Prnt Matter	139,160	75		442	517	139,677	438,510	442	0.10%	481,369	467,516	485	471
Special Standard	93,558	31		297	328	93,886	285,212	297	0.10%	297,411	293,649	310	306
Library Rate	12,604	7		40	47	12,651	44,979	40	0.09%	47,117	46,287	42	41

Attachment I
Mail Processing Adjustment for Redistribution of Rehabilitation Program

	FY 2000 1/ Mail Processing Distribution Key	FY 2000 2/ Mail Processing Other Programs	Priority Mail Correction /3	FY 2000 4/ Corrected Rehabilitation Distribution	FY 2000 Corrected Mail Processing Other Programs	FY 2000 Corrected Mail Processing Costs	FY 2000 5/ Total Volume Variable and Other Costs (with Mix & without Final Adjustments)	FY 2000 Dollar Impact of Correcting Distribution for Rehabilitation Program	FY 2000 Percent Impact on Total FY 2000 Costs	FY 2001BR 6/ Total Volume Variable and Other Costs (with Mix & without Final Adjustments)	FY 2001AR 7/ Total Volume Variable and Other Costs (with Mix & without Final Adjustments)	FY 2001BR Dollar Impact of Correcting Distribution for Rehabilitation Program	FY 2001AR Dollar Impact of Correcting Distribution for Rehabilitation Program
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)=(1)+(5)	(7)	(8)=(5)-(2)	(9)=(8)/(7)	(10)	(11)	(12)=(10)*(9)	(13)=(11)*(9)
Total Standard (B)	529,679	182	0	1,684	1,866	531,745	1,778,540	1,684	0.09%	1,904,503	1,874,752	1,803	1,774
U S Postal Service	131,535	26		418	444	131,979	265,151	418	0.16%	266,332	266,649	420	420
Free Mail--Blind & Hndc & Servicemen	16,170	25		51	76	16,246	36,743	51	0.14%	39,319	39,364	55	55
International Mail	279,162	-347		887	540	279,702	1,353,526	887	0.07%	1,436,047	1,395,040	942	914
Special Services:													
Registry	32,940			105	105	33,045	91,160	105	0.11%	87,252	83,275	100	96
Certified	34,826	-2		111	109	34,935	435,975	111	0.03%	479,219	447,087	122	113
Insurance	2,174			7	7	2,181	75,477	7	0.01%	76,613	75,121	7	7
COD	588			2	2	590	15,042	2	0.01%	14,785	14,674	2	2
Special Delivery	0			0	0	0	1	0	0.00%	1	1	0	0
Money Orders	4,173			13	13	4,186	145,992	13	0.01%	155,712	150,239	14	14
Stamped Cards	0			0	0	0	3,146	0	0.00%	3,360	3,360	0	0
Stamped Envelopes	110			0	0	110	11,548	0	0.00%	12,238	12,238	0	0
Special Handling	482			2	2	484	2,373	2	0.08%	2,423	2,421	2	2
Post Office Box	3,119			10	10	3,129	542,798	10	0.00%	582,879	574,855	11	10
Other	46,887	2,816		145	2,961	49,848	125,306	145	0.12%	135,877	135,987	157	158
Total Spc Svcs	124,099	2,814	0	394	3,208	127,307	1,448,816	394	0.03%	1,550,357	1,499,238	415	401
Volume Variable	12,748,852	58,374	-48,350	40,508	50,532	12,799,384	39,267,904	-7,842	-0.02%	41,237,366	40,437,514	-11,639	-9,107
Other	2,468,147	1,621		7,842	9,463	2,477,610	25,662,021	7,842	0.03%	27,043,883	27,029,645	8,265	8,260
Total Costs	15,216,999	59,995	-48,350	48,350	59,995	15,276,994	64,929,925	0	0.00%	68,281,239	67,467,159	-3,375	-847

1/ USPS-T-14, Workpaper E, Part I, pp. 225-234
2/ USPS-T-14, Workpaper E, Part I, pp. 235-236
3/ USPS-LR-I-4, Section 6, Page 652, Line 256
4/ The amount of $48,350 for Rehabilitation Program is distributed using Mail Processing Distribution key in column (1).
5/ USPS-Exhibit 14F, pp. 1-2.
6/ USPS-Exhibit 14I, pp. 1-2.
7/ USPS-Exhibit 14L, pp. 1-2.

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Response of United States Postal Service Witness Kashani
To
Presiding Officer's Information Request No. 6

POIR 6-1

1. In Appendix B of witness Kashani's testimony, he identifies two adjustments to FY 1999 costs, the migration of Standard A Single Piece to First-Class and Priority Mail and a reporting change in International mail volume. Appendix B describes how the adjustments are made within the roll-forward process and Library Reference I-6 contains the roll-forward files that are used to implement the adjustment. However, no mention is made in the narrative of Appendix B as to whether any adjustment is made to the Space and Space-Related distribution keys, or any other of the distribution keys used in the development of the PESSA costs or the roll-forward process. Additionally, there is nothing in the Library Reference I-6, (VBL1.DAT file in the directory */cntlfile/fy99rcc/stat)* which indicates any adjustments made to the Space and Space-Related distribution keys, Equipment related distribution keys, or the Capital distribution keys for the migration of Standard A Single Piece to First-Class and Priority Mail. An examination of the electronic spreadsheets supporting witness Kashani's Appendix A do show an adjustment of the cost reduction and other programs distribution keys for the Standard A migration adjustment. This adjustment, shown in file ***apa99.xls,*** page ***adjustedfy99dks***, appears to mirror the adjustment for the cost components detailed in Appendix B.

Should adjustments be made to the Space and Space-Related distribution key or any of the other distribution keys used in the roll-forward process to reflect the two FY 1999 adjustments described in Appendix B of witness Kashani's testimony? If yes, please include a detailed list of the distribution key components affected and a detailed description of how the adjustments would be made in the Postal Service's CRA/Roll-Forward model and provide any and all corrections and/or additions to Workpapers and Library Reference I-6, if any.

POIR 6-1

Response

The mechanics of Standard A Single Piece adjustment are shown in VBL's 1 and 2 – see USPS-LR-I-4, Section 4, Part B, pages 607 through 622. VBL1 implements what is shown in figure 1 of Appendix B and the rollforward BEN2FACT file by reallocating Standard A Single Piece costs (component 1512) to First-Class (component 1511) and Priority Mail (component 1513). VBL2 applies a Mail Volume Effect to both Standard A Single Piece and International Mail using adjustments shown in RAT2FACT file.

The Space and Space related distribution keys (Base Year 1998 keys shown on pages 107-124 of witness Meehan's Workpaper WP-A) and the Rollforward related distribution keys (Base Year 1998 keys shown on pages 135-144 of witness Meehan's Workpaper WP-A) receive a mail volume effect in VBL2; see pages 616-622 of USPS-LR-I-4. As such, these keys are properly adjusted for use in developing the Space, Equipment, and Capital distribution keys in the "B Report." .

Response of United States Postal Service Witness Kashani
To
Presiding Officer's Information Request No. 6

POIR 6-2

2. The file VBL2.dat of USPS Library Reference I-6, at lines 00028613 through 00034700, lists the direct and indirect cost components used to develop the mail volume cost effect for components 9 (Supervision of Time & Attendance), 30 (Higher Level Supervisors), and 228 (Time and Attendance Clerks).

Cost component 30, Higher Level Supervisors, is listed as receiving a mail volume effect (Line 34501) and is also part of the list of direct and indirect cost components used to develop the mail volume cost effect for Higher Level Supervisors (Line 00030200).

An examination of the other VBL data files; VBL3.dat (Non-Volume Workload) and VBL4.dat (Additional Workday) show that component 29 (Supervision of E&LR) receives the indirect cost effect, not component 30.

Please explain the apparent discrepancy in the indirect cost treatment of component 30, Higher Level Supervisors, between the mail volume effect, the Non-Volume Workload effect, and the Additional Workday effect.

If there is no discrepancy, please explain why component 30 is included in the sum of direct and indirect costs used to determine the mail volume cost effect for component 30.

Response

With respect to treatment of component 30, Higher Level Supervisors, the proper treatment is to remove component 30 from the independent components, or in other words, component 30 should not be included in those components used to develop the mail volume cost effect for components 9, 30, and 228. Additionaly,

POIR 6-2 (continued)

component 29 should be added to the list of dependent components; thus, the dependent components would be 9, 29, 30, and 228. The same treatment also applies to VBLs 3 and 4.

Response of United States Postal Service Witness Kashani
To
Presiding Officer's Information Request No. 6

POIR 6-3

3. In the Additional Workday cost effect for FY 2000 and the Test Year (both before rates and after rates) it appears that component 192, Money Order Division Personnel, receives two different additional workday cost effects. First, in file VBL4.dat at Line 00050000, it receives a cost effect with the control string '01' and then at Line 005400006 it receives a cost effect with the control string '16'.

Please explain whether this treatment is correct. If not correct, which control string, '01' or '16' is the correct method to apply the Additional Workday cost effect to component 192.

Response

The correct method of applying the Additional Workday cost effect to component 192, Money Order Division Personnel, is to use control string 16; therefore, control string 1 should be deleted.

Response of United States Postal Service Witness Kashani
To
Presiding Officer's Information Request No. 10

POIR 10.

1. In the VBL2.dat of USPS Library Reference I-6, at line 00000800 the component 907, the Computer Forwarding System distribution key, receives a direct mail volume effect. In the same VBL2.dat file component 907 receives a redistribution volume effect at lines 00034816 through 00036516, using the roll-forward distribution key components 1439 through 1453 as independent components.
   Please explain why component 907 receives two different mail volume effects in FY 1999, FY 2000, and the test year. If this is an error, then please specify which volume effect component 907 is to receive and what effect this correction would have on the distribution of space and space-related costs in FY 1999, FY 2000, test year before rates, and the test year after rates. Provide all Workpapers showing the computation of the correction, if needed.

Response

Component 907 should receive only a direct mail volume effect (control string 06). Therefore, the redistribution volume effect for component 907 (control string 18 using the rollforward distribution key components 1439 through 1453 as independent components), is an error and should be removed from the VBL2 files in FY 1999, FY 2000, the test year before rates, and the test year after rates. Component 907 is used to create distribution keys for Space (component 1099) and Rental (component 1199), which are used to distribute the Space and Rental related costs from the "B Report." Components 74, 79, 81, 166, 167, 176 and 194 are distributed to classes and subclasses of mail using component 1099 as a distribution key. Components 165, 236 and 237are distributed to classes and subclasses of mail using component 1199 as a distribution key.

Response of United States Postal Service Witness Kashani
To
Presiding Officer's Information Request No. 10

POIR 10.

The attached spreadsheets (an electronic version is provided in the Question1 directory of USPS-LR-I-330, Materials Provided in Response to POIR No. 10, Items 1 and 2) show the effect of correcting this error on cost distributions as reported in the 'B Report' for FY 1999, FY 2000, the test year before rates, and the test year after rates. Pages 1 - 8 show the development of the difference for component 1099, pages 9 - 16 show the development of the difference for component 1199 and page 17 shows the combined impact of both components 1099 and 1199.

BY 1998 CFS Key (1007)	MVE FY 1999 1/	MVE FY 2000	MVE TY 2001 BR	MVE TY 2001 AR 2/	1999 MV Adjusted CFS Key (1007)	2000 MV Adjusted CFS Key (1007)	2001BR MV Adjusted CFS Key (1007)	2001AR MV Adjusted CFS Key (1007)
214,564	-0.009017	-0.001833	-0.008777	-0.015039	224,833 3/	224,421	222,451	219,106
137,968	0.054753	0.052193	0.043282	0.041770	145,522	153,117	159,745	166,417
352,532					370,355	377,538	382,196	385,523
12,632	-0.040710	0.001563	-0.001533	-0.029575	12,118	12,137	12,118	11,760
4,370	-0.043903	0.064331	0.051528	0.026947	4,178	4,447	4,676	4,802
369,534					386,651	394,122	398,990	402,085
3,866	0.012810	0.023685	0.093183	0.006996	4,558 3/	4,866	5,101	5,136
372	0.036667	0.017518	0.025259	0.034704	386	392	402	416
0	-0.049977	-0.056031	-0.134266	-0.134266	0	0	0	0
935	-0.032917	-0.000708	-0.023103	-0.034453	904	904	883	852
44,973	0.020841	0.015294	0.011866	-0.014166	45,910	46,612	47,166	46,497
13,218	-0.075309	0.006448	-0.017240	0.031914	12,223	12,301	12,089	12,475
161	-0.025233	-0.018174	-0.034873	-0.053161	157	154	149	141
59,287					59,194	59,971	60,286	59,966
12,846	-0.720268	-1.000000	0.000000	0.000000	0 3/	0	0	0
3,776	-0.038261	-0.001977	0.028732	0.004190	3,632	3,624	3,728	3,744
35,878	0.111416	0.068656	0.026640	-0.016196	39,875	42,613	43,748	43,040
39,654					43,507	46,237	47,477	46,784
721	0.102279	0.013531	-0.016943	-0.035653	795	805	792	764
8,687	0.036439	0.027932	0.022688	0.015117	9,004	9,255	9,465	9,608
9,408					9,798	10,061	10,257	10,372
61,908					53,305	56,298	57,734	57,156
321	0.008964	0.088908	0.089552	0.077025	324	353	384	414
3,404	0.014842	0.028513	0.063125	0.029322	3,455	3,553	3,777	3,888
1,414	0.048725	0.031292	0.009735	-0.004287	1,483	1,529	1,544	1,538
0	0.012587	0.016704	0.016219	-0.003994	1,085	1,103	1,121	1,117
5,139					6,346	6,538	6,827	6,956
25,914	0.005735	-0.059783	-0.030287	-0.030287	26,063	24,505	23,762	23,043
0	0.001091	0.032408	0.031355	0.031355	0	0	0	0
2,212	0.020554	0.088578	0.017331	-0.016339	5,388 4/	5,865	5,967	5,869
166	-0.101940	-0.074750	-0.087732	-0.134632	149	138	126	109
0	-0.036809	0.049658	0.051097	-0.022856	0	0	0	0
0	0.191743	-0.039539	-0.023089	-0.043009	0	0	0	0
0	0.050468	-0.057702	-0.060184	-0.068594	0	0	0	0
0	0.000000	0.000000	0.000000	0.000000	0	0	0	0
0	0.058874	0.039796	0.023186	-0.014077	0	0	0	0
0	0.000000	0.000000	0.000000	0.000000	0	0	0	0
0	-0.130754	0.000000	0.000000	0.000000	0	0	0	0
0	0.000000	0.000000	0.000000	0.000000	0	0	0	0
0	0.030000	0.018700	0.022000	0.003700	0	0	0	0
23,660	0.000000	0.000000	0.000000	0.000000	23,660	23,660	23,660	23,660
23,826					23,809	23,798	23,786	23,769
552,058					565,700	576,155	582,854	584,395
138,013	1.000000	1.000000	1.000000	1.000000	138,013	138,013	138,013	138,013
690,071					703,713	714,168	720,867	722,408

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Rollforward 1999 MV Adjusted CFS Key (1007) 5/	Rollforward 2000 MV Adjusted CFS Key (1007) 6/	Rollforward 2001BR MV Adjusted CFS Key (1007) 7/	Rollforward 2001AR MV Adjusted CFS Key (1007) 8/
239,269	233,332	227,434	230,224
66,536	68,400	70,172	71,379
305,807	301,732	297,606	301,603
9,618	9,413	9,241	9,151
2,210	2,298	2,378	2,365
317,635	313,443	309,225	313,119
21,428	21,430	23,035	21,615
3,181	3,165	3,190	3,281
32	28	25	25
787	766	738	742
26,406	26,193	26,064	25,866
4,091	4,022	3,887	4,159
226	217	205	205
31,510	31,198	30,894	30,972
0	0	0	0
13,923	13,577	13,732	13,658
104,996	109,620	110,668	108,032
118,919	123,197	124,400	121,690
2,236	2,216	2,142	2,141
20,689	20,777	20,893	21,126
22,925	22,993	23,035	23,267
141,844	146,190	147,435	144,957
6,608	7,033	7,533	7,585
4,075	4,095	4,281	4,222
2,501	2,519	2,502	2,514
445	441	440	439
13,629	14,088	14,756	14,760
5,337	4,902	4,675	4,762
526	530	539	549
7,105	7,556	7,561	7,446
2,772	2,506	2,247	2,173
2,594	2,661	2,749	2,605
132	123	118	117
84	76	71	73
0	0	0	0
155	158	158	155
0	0	0	0
3	3	3	3
71	69	68	69
116	117	118	117
3,904	3,814	3,751	3,821
9,831	9,527	9,283	9,133
552,058	552,057	550,618	550,619
138,013	138,014	137,653	137,652
690,071	690,071	688,271	688,271

Difference 1999 MV Adjusted CFS Key (1007) RF - Adjusted	Difference 2000 MV Adjusted CFS Key (1007) RF - Adjusted	Difference 2001BR MV Adjusted CFS Key (1007) RF - Adjusted	Difference 2001AR MV Adjusted CFS Key (1007) RF - Adjusted
14,436	8,911	4,983	11,118
-78,984	-84,717	-89,573	-95,038
-84,548	-75,806	-84,590	-83,920
-2,500	-2,724	-2,877	-2,609
-1,968	-2,149	-2,298	-2,437
-89,016	-80,679	-89,785	-88,966
16,870	16,764	17,934	16,479
2,795	2,773	2,788	2,865
32	28	25	25
-117	-138	-145	-110
-19,504	-20,419	-21,102	-20,631
-8,132	-8,279	-8,202	-8,316
69	63	56	64
-27,684	-28,773	-29,392	-28,994
0	0	0	0
10,291	9,953	10,004	9,914
65,121	67,007	66,920	64,992
75,412	76,960	76,923	74,906
1,441	1,411	1,350	1,377
11,685	11,522	11,428	11,518
13,127	12,932	12,778	12,895
88,539	89,892	89,701	87,801
6,284	6,680	7,149	7,171
620	542	504	334
1,018	990	958	976
-640	-662	-681	-678
7,283	7,550	7,929	7,804
-20,726	-19,603	-19,067	-18,281
526	530	539	549
1,717	1,691	1,594	1,577
2,623	2,368	2,121	2,064
2,594	2,661	2,749	2,605
132	123	118	117
84	76	71	73
0	0	0	0
155	158	158	155
0	0	0	0
3	3	3	3
71	69	68	69
116	117	118	117
-19,756	-19,846	-19,909	-19,839
-13,878	-14,271	-14,503	-14,636
-13,842	-24,098	-32,236	-33,776
0	1	-360	-361
-13,842	-24,097	-32,596	-34,137

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FY 1999 Total Key 1099 9/	FY 1999 B Report Costs $1,236,800 10/	FY 1999 Adjusted Key 1099	FY 1999 Adjusted B Report Costs $1,236,800	Difference
19,764,175	392,804	19,749,739	392,431	-373
5,947,779	118,209	6,026,763	119,753	1,544
25,711,954	511,014	25,776,502	512,184	1,171
724,332	14,396	726,832	14,442	47
178,396	3,546	180,364	3,584	38
26,614,682	528,955	26,683,698	530,211	1,255
3,092,183	61,456	3,075,313	61,107	-349
705,343	14,018	702,548	13,960	-59
3,685	73	3,653	73	-1
91,452	1,818	91,569	1,819	2
2,518,776	50,060	2,538,280	50,436	377
424,721	8,441	432,853	8,601	160
22,789	453	22,720	451	-1
3,057,738	60,771	3,085,422	61,308	537
0	0	0	0	0
2,655,058	52,768	2,644,767	52,552	-216
9,730,687	193,393	9,665,566	192,057	-1,336
12,385,745	246,161	12,310,333	244,609	-1,552
271,136	5,389	269,695	5,359	-30
1,823,130	36,234	1,811,445	35,994	-240
2,094,266	41,623	2,081,139	41,353	-270
14,480,011	287,784	14,391,472	285,961	-1,822
1,170,077	23,255	1,163,793	23,125	-130
617,792	12,278	617,172	12,263	-15
391,851	7,788	390,833	7,766	-22
59,726	1,187	60,366	1,199	12
2,239,446	44,508	2,232,163	44,354	-154
537,347	10,680	558,073	11,089	409
61,856	1,229	61,330	1,219	-11
955,884	18,994	953,967	18,956	-38
345,666	6,870	343,043	6,816	-54
674,882	13,413	672,288	13,359	-54
109,746	2,181	109,614	2,178	-3
24,364	484	24,280	482	-2
0	0	0	0	0
289,520	5,754	289,365	5,750	-4
0	0	0	0	0
8,062	160	8,059	160	0
9,409	187	9,338	186	-1
8,782,316	174,545	8,782,200	174,504	-41
238,367	4,737	258,123	5,129	392
10,482,332	208,332	10,496,310	208,564	232
62,230,307	1,236,800	62,243,949	1,236,800	0
37,769,693	750,653	37,769,693	750,653	0
100,000,000	1,987,453	100,013,642	1,987,453	0

FY 2000 Total Key 1099 11/	FY 2000 B Report Costs $1,324,820 12/	FY 2000 Adjusted Key 1099	FY 2000 Adjusted B Report Costs $1,324,820	Difference
19,242,555	409,251	19,233,644	408,903	-348
6,082,539	129,363	6,167,256	131,114	1,751
25,325,094	538,614	25,400,900	540,017	1,403
710,807	15,117	713,531	15,170	52
186,032	3,957	188,181	4,001	44
26,221,933	557,688	26,302,612	559,188	1,500
3,113,767	66,224	3,097,003	65,842	-382
707,366	15,044	704,593	14,979	-65
3,413	73	3,385	72	-1
90,021	1,915	90,159	1,917	2
2,500,711	53,185	2,521,130	53,599	414
419,213	8,916	427,492	9,088	173
21,920	466	21,857	465	-2
3,031,865	64,482	3,060,638	65,068	587
0	0	0	0	0
2,607,972	55,466	2,598,019	55,233	-233
10,132,733	215,503	10,065,726	213,995	-1,508
12,740,705	270,969	12,663,745	269,228	-1,741
268,334	5,707	266,923	5,675	-32
1,824,713	38,808	1,813,191	38,548	-260
2,093,047	44,515	2,080,115	44,223	-292
14,833,752	315,484	14,743,860	313,451	-2,033
1,238,718	26,345	1,232,038	26,193	-152
618,703	13,159	618,161	13,142	-17
393,229	8,363	392,239	8,339	-24
58,916	1,253	59,578	1,267	14
2,309,566	49,120	2,302,016	48,940	-180
498,523	10,603	518,126	11,015	413
62,589	1,333	62,159	1,321	-12
1,014,992	21,587	1,013,301	21,543	-44
327,892	6,974	325,524	6,921	-53
695,757	14,797	693,096	14,735	-62
104,478	2,222	104,355	2,219	-3
22,695	483	22,619	481	-2
0	0	0	0	0
299,159	6,363	299,001	6,357	-6
0	0	0	0	0
8,014	170	8,011	170	0
9,240	197	9,171	195	-2
8,785,090	186,841	8,784,973	186,767	-75
241,514	5,137	261,360	5,556	420
10,493,839	223,183	10,508,110	223,400	217
62,291,705	1,324,820	62,315,803	1,324,820	0
37,708,295	801,981	37,708,294	801,981	0
100,000,000	2,126,801	100,024,097	2,126,801	0

TYBR 2001 Total Key 1099 13/	TYBR 2001 B Report Costs $1,393,294 14/	TYBR 2001 Adjusted Key 1099	TYBR 2001 Adjusted B Report Costs $1,393,294	Difference
18,709,887	417,614	18,704,904	417,287	-327
6,147,062	137,205	6,236,635	139,133	1,927
24,856,949	554,819	24,941,539	556,420	1,601
689,316	15,386	692,193	15,442	56
191,160	4,267	193,458	4,316	49
25,737,425	574,472	25,827,190	576,178	1,706
3,328,929	74,303	3,310,995	73,865	-438
712,764	15,909	709,976	15,839	-70
2,895	65	2,870	64	-1
87,150	1,945	87,295	1,947	2
2,526,255	56,387	2,547,357	56,829	442
410,557	9,164	418,759	9,342	178
21,389	477	21,333	476	-2
3,045,351	67,974	3,074,743	68,594	621
0	0	0	0	0
2,661,335	59,402	2,651,331	59,148	-254
10,367,175	231,400	10,300,255	229,788	-1,612
13,028,510	290,803	12,951,587	288,936	-1,866
259,452	5,791	258,102	5,758	-33
1,840,697	41,085	1,829,269	40,809	-276
2,100,149	46,876	2,087,371	46,567	-309
15,128,659	337,679	15,038,958	335,504	-2,175
1,321,302	29,492	1,314,153	29,317	-175
648,047	14,465	647,543	14,446	-19
390,928	8,726	389,970	8,700	-26
58,992	1,317	59,673	1,331	15
2,419,269	53,999	2,411,340	53,794	-205
481,013	10,736	500,100	11,157	420
65,641	1,465	65,102	1,452	-13
1,013,915	22,631	1,012,321	22,584	-47
307,390	6,861	305,269	6,810	-51
720,938	16,092	718,189	16,022	-70
101,403	2,263	101,265	2,260	-4
21,147	472	21,076	470	-2
0	0	0	0	0
304,713	6,801	304,555	6,794	-7
0	0	0	0	0
7,979	178	7,976	178	0
8,921	199	8,853	198	-2
8,766,832	195,680	8,766,714	195,576	-104
247,036	5,514	266,945	5,955	441
10,488,359	234,061	10,500,862	234,263	203
62,422,220	1,393,294	62,454,456	1,393,294	0
37,577,780	838,754	37,578,140	838,754	0
100,000,000	2,232,048	100,032,596	2,232,048	0

TYAR 2001 Total Key 1099 15/	TYAR 2001 B Report Costs $1,389,044 16/	TYAR 2001 Adjusted Key 1099	TYAR 2001 Adjusted B Report Costs $1,389,044	Difference
18,883,939	421,498	18,872,821	421,022	-477
6,227,236	138,995	6,322,274	141,040	2,045
25,111,175	560,493	25,195,095	562,061	1,568
678,649	15,148	681,258	15,198	50
189,138	4,222	191,575	4,274	52
25,978,962	579,863	26,067,928	581,533	1,670
3,167,985	70,711	3,151,506	70,305	-406
724,242	16,165	721,377	16,093	-73
2,969	66	2,944	66	-1
87,646	1,956	87,756	1,958	1
2,510,130	56,027	2,530,761	56,457	430
438,270	9,782	446,586	9,963	180
21,541	481	21,477	479	-2
3,057,587	68,247	3,086,581	68,857	610
0	0	0	0	0
2,636,261	58,843	2,626,347	58,590	-253
10,120,669	225,898	10,055,677	224,326	-1,572
12,756,930	284,741	12,682,024	282,915	-1,825
258,619	5,772	257,242	5,739	-34
1,859,241	41,499	1,847,723	41,220	-279
2,117,860	47,272	2,104,965	46,958	-313
14,874,790	332,012	14,786,989	329,874	-2,139
1,334,437	29,785	1,327,266	29,609	-176
642,112	14,332	641,778	14,317	-15
394,418	8,804	393,442	8,777	-27
59,392	1,326	60,070	1,340	14
2,430,359	54,247	2,422,555	54,043	-204
490,820	10,955	509,101	11,357	402
67,147	1,499	66,598	1,486	-13
1,000,922	22,341	999,345	22,294	-47
300,605	6,710	298,541	6,660	-50
684,101	15,269	681,496	15,203	-66
100,524	2,244	100,407	2,240	-4
21,353	477	21,280	475	-2
0	0	0	0	0
296,427	6,616	296,272	6,609	-7
0	0	0	0	0
8,053	180	8,050	180	0
9,077	203	9,008	201	-2
8,764,786	195,634	8,764,669	195,525	-109
251,121	5,605	270,960	6,045	440
10,436,047	232,938	10,450,683	233,138	200
62,231,830	1,389,044	62,265,606	1,389,044	0
37,768,170	843,004	37,768,531	843,004	0
100,000,000	2,232,048	100,034,137	2,232,048	0

Footnotes:

1/ Kashani WP-A Table A-3 pages 29 - 30
2/ Kashani Exhibit 14-A, pages 9 - 10
3/ Includes FY99 adjustment for Single Piece Third migration
4/ Includes FY99 adjustment for International
5/ Kashani WP-C Part II Table B pages 29 - 30
6/ Kashani WP-E Part II Table B pages 29 - 31
7/ Kashani WP-G Part II Table B pages 29 - 32
8/ Kashani WP-I Part II Table B pages 29 - 32
9/ Kashani WP-C Part II Table B pages 49 - 50
10/ Kashani WP-C Part II Table B pages 10, 12, 14 and 16 (see components 74, 79, 81, 166, 167, 176 and 194)
11/ Kashani WP-E Part II Table B pages 45 - 50
12/ Kashani WP-E Part II Table B pages 10, 12, 14 and 16 (see components 74, 79, 81, 166, 167, 176 and 194)
13/ Kashani WP-G Part II Table B pages 45 - 50
14/ Kashani WP-G Part II Table B pages 10, 12, 14 and 16 (see components 74, 79, 81, 166, 167, 176 and 194)
15/ Kashani WP-I Part II Table B pages 45 - 50
16/ Kashani WP-I Part II Table B pages 10, 12, 14 and 16 (see components 74, 79, 81, 166, 167, 176 and 194)

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BY 1998 CFS Key (1107) 1/	MVE FY 1999	MVE FY 2000	MVE TY 2001 BR	MVE TY 2001 AR 2/	1999 MV Adjusted CFS Key (1107)	2000 MV Adjusted CFS Key (1107)	001BR MV Adjuste CFS Key (1107)	2001AR MV Adjusted CFS Key (1107)
193,254	-0.009017	-0.001833	-0.008777	-0.015039	202,503 3/	202,132	200,357	197,344
124,266	0.054753	0.052193	0.043282	0.041770	131,070	137,911	143,880	149,890
317,520					333,573	340,042	344,237	347,234
11,377	-0.040710	0.001563	-0.001533	-0.029575	10,914	10,931	10,914	10,591
3,936	-0.043903	0.064331	0.051528	0.026947	3,763	4,005	4,212	4,325
332,833					348,250	354,979	359,363	362,151
3,482	0.012810	0.023685	0.093183	0.006996	4,105 3/	4,202	4,594	4,626
335	0.036667	0.017518	0.025259	0.034704	347	353	362	375
0	-0.049977	-0.056031	-0.134266	-0.134266	0	0	0	0
843	-0.032917	-0.000708	-0.023103	-0.034453	815	815	796	768
40,506	0.020841	0.015294	0.011866	-0.014166	41,350	41,983	42,481	41,879
11,905	-0.075309	0.006448	-0.017240	0.031914	11,008	11,079	10,888	11,236
145	-0.025233	-0.018174	-0.034873	-0.053161	141	139	134	127
53,399					53,315	54,015	54,299	54,010
11,570	-0.720268	-1.000000	0.000000	0.000000	0 3/	0	0	0
3,401	-0.038261	-0.001977	0.028732	0.004190	3,271	3,264	3,358	3,372
32,314	0.111416	0.068656	0.026640	-0.016196	35,914	38,380	39,402	38,764
35,715					39,185	41,644	42,761	42,137
650	0.102279	0.013531	-0.016943	-0.035653	716	726	714	688
7,824	0.036439	0.027932	0.022688	0.015117	8,109	8,336	8,525	8,654
8,474					8,826	9,062	9,239	9,342
55,759					48,011	50,706	51,999	51,479
269	0.008964	0.088908	0.089552	0.077025	292	318	346	373
3,066	0.014842	0.028513	0.063125	0.029322	3,112	3,200	3,402	3,502
1,274	0.048725	0.031292	0.009735	-0.004287	1,336	1,378	1,391	1,385
0	0.012587	0.016704	0.016219	-0.003994	1,085 3/	1,103	1,121	1,117
4,629					5,824	5,999	6,261	6,376
23,341	0.005735	-0.059783	-0.030287	-0.030287	23,475	22,071	21,403	20,755
0	0.001091	0.032408	0.031355	0.031355	0	0	0	0
1,992	0.020554	0.088578	0.017331	-0.016339	5,388 2/	5,865	5,967	5,869
150	-0.101940	-0.074750	-0.087732	-0.134832	135	125	114	98
0	-0.038809	0.049658	0.051097	-0.022856	0	0	0	0
0	0.191743	-0.039539	-0.023089	-0.043009	0	0	0	0
0	0.050468	-0.057702	-0.060184	-0.068594	0	0	0	0
0	0.000000	0.000000	0.000000	0.000000	0	0	0	0
0	0.058874	0.039796	0.023188	-0.014077	0	0	0	0
0	0.000000	0.000000	0.000000	0.000000	0	0	0	0
0	-0.130754	0.000000	0.000000	0.000000	0	0	0	0
0	0.000000	0.000000	0.000000	0.000000	0	0	0	0
0	0.030000	0.018700	0.022000	0.003700	0	0	0	0
21,310	0.000000	0.000000	0.000000	0.000000	21,310	21,310	21,310	21,310
21,460					21,445	21,435	21,424	21,408
497,230					510,180	519,628	525,672	527,049
124,306	1.000000	1.000000	1.000000	1.000000	124,306	124,306	124,306	124,306
621,536					634,486	643,932	649,978	651,355

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Rollforward 1999 MV Adjusted CFS Key (1107) 5/	Rollforward 2000 MV Adjusted CFS Key (1107) 6/	Rollforward 2001BR MV Adjusted CFS Key (1107) 7/	Rollforward 2001AR MV Adjusted CFS Key (1107) 8/
215,506	210,158	204,958	207,471
59,930	61,607	63,237	64,325
275,436	271,765	268,195	271,796
8,663	8,478	8,328	8,247
1,991	2,070	2,143	2,132
286,090	282,313	278,666	282,175
19,299	19,301	20,759	19,479
2,865	2,851	2,875	2,957
29	26	22	23
709	690	665	669
23,784	23,592	23,488	23,309
3,685	3,623	3,503	3,748
203	196	184	165
28,381	28,101	27,840	27,911
0	0	0	0
12,540	12,229	12,375	12,308
94,568	98,733	99,731	97,355
107,108	110,962	112,106	109,663
2,014	1,996	1,930	1,929
18,634	18,714	18,828	19,038
20,648	20,710	20,758	20,967
127,756	131,672	132,864	130,630
5,952	6,334	6,788	6,835
3,670	3,688	3,858	3,805
2,252	2,269	2,254	2,265
401	397	397	396
12,275	12,688	13,297	13,301
4,807	4,415	4,213	4,291
474	477	486	495
6,399	6,806	6,613	6,710
2,496	2,257	2,025	1,958
2,337	2,396	2,478	2,348
119	111	106	105
76	68	64	66
0	0	0	0
139	142	143	139
0	0	0	0
3	3	3	3
64	62	61	63
105	105	106	105
3,518	3,435	3,380	3,443
8,855	8,579	8,386	8,230
497,230	497,229	496,201	496,202
124,306	124,307	124,049	124,048
621,536	621,536	620,250	620,250

Difference 1999 MV Adjusted CFS Key (1107) RF - Adjusted	Difference 2000 MV Adjusted CFS Key (1107) RF - Adjusted	Difference 001BR MV Adjuste CFS Key (1107) RF - Adjusted	Difference 2001AR MV Adjusted CFS Key (1107) RF - Adjusted
13,003	8,026	4,801	10,127
-71,140	-76,304	-80,643	-85,565
-68,137	-68,277	-76,042	-75,438
-2,251	-2,453	-2,586	-2,344
-1,772	-1,935	-2,069	-2,193
-62,160	-72,666	-80,697	-79,976
15,194	15,099	16,165	14,853
2,518	2,498	2,513	2,562
29	26	22	23
-106	-125	-131	-99
-17,566	-18,391	-18,993	-18,570
-7,323	-7,456	-7,385	-7,488
62	57	50	58
-24,934	-25,914	-26,459	-26,099
0	0	0	0
9,269	8,965	9,017	8,936
58,654	60,353	60,329	58,591
67,923	69,318	69,345	67,526
1,298	1,270	1,216	1,241
10,525	10,378	10,303	10,384
11,822	11,648	11,519	11,625
79,745	80,966	80,865	79,151
5,660	6,016	6,442	6,462
558	488	456	303
916	891	863	880
-684	-706	-724	-721
6,451	6,689	7,036	6,925
-18,668	-17,656	-17,190	-16,464
474	477	486	495
1,011	941	846	841
2,361	2,132	1,911	1,860
2,337	2,396	2,478	2,348
119	111	106	105
76	68	64	66
0	0	0	0
139	142	143	139
0	0	0	0
3	3	3	3
64	62	61	63
105	105	106	105
-17,794	-17,875	-17,930	-17,867
-12,590	-12,856	-13,058	-13,178
-12,930	-22,397	-29,471	-30,647
0	1	-257	-258
-12,930	-22,396	-29,728	-31,105

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FY 1999 Total Key 1199 9/	FY 1999 B Report Costs $1,354,607 10/	FY 1999 Adjusted Key 1199	FY 1999 justed B Report Costs $1,354,607	Difference
18,870,354	421,962	18,857,351	421,581	-381
5,756,685	128,726	5,827,825	130,289	1,563
24,627,039	550,687	24,685,176	551,870	1,182
707,449	15,819	709,700	15,866	47
173,266	3,874	175,038	3,913	39
25,507,754	570,381	25,569,914	571,649	1,268
2,938,607	65,710	2,923,413	65,357	-354
735,514	16,447	732,996	16,387	-60
3,755	84	3,726	83	-1
90,447	2,022	90,553	2,024	2
2,336,153	52,239	2,353,719	52,620	382
402,055	8,990	409,378	9,152	162
20,509	459	20,447	457	-1
2,849,164	63,710	2,874,098	64,254	544
0	0	0	0	0
2,663,871	59,567	2,654,602	59,347	-220
9,099,330	203,471	9,040,676	202,116	-1,355
11,763,201	263,038	11,695,278	261,463	-1,575
263,443	5,891	262,145	5,861	-30
1,722,053	38,507	1,711,528	38,263	-244
1,985,496	44,398	1,973,674	44,124	-274
13,748,697	307,436	13,668,952	305,587	-1,848
1,058,250	23,664	1,052,590	23,532	-132
574,028	12,836	573,470	12,821	-15
362,044	8,096	361,128	8,073	-22
55,672	1,245	56,356	1,260	15
2,049,994	45,840	2,043,543	45,686	-154
510,799	11,422	529,467	11,837	415
55,693	1,245	55,219	1,234	-11
900,926	20,146	899,915	20,119	-27
347,998	7,782	345,637	7,727	-54
706,921	15,808	704,584	15,752	-56
115,637	2,586	115,518	2,583	-3
25,647	573	25,571	572	-2
0	0	0	0	0
305,680	6,835	305,541	6,831	-5
0	0	0	0	0
8,501	190	8,498	190	0
8,764	196	8,700	194	-1
9,524,407	212,976	9,524,302	212,928	-48
234,295	5,239	252,089	5,636	397
11,277,850	252,185	11,290,440	252,413	228
60,578,753	1,354,607	60,591,683	1,354,607	0
39,421,247	660,831	39,421,247	660,831	0
100,000,000	693,776	100,012,930	693,776	0

FY 2000 Total Key 1199 11/	FY 2000 B Report Costs $1,473,475 12/	FY 2000 Adjusted Key 1199	FY 2000 Adjusted B Report Costs $1,473,475	Difference
18,367,187	446,339	18,359,161	445,979	-360
5,883,734	142,980	5,960,038	144,781	1,801
24,250,921	589,319	24,319,198	590,760	1,441
694,415	16,875	696,868	16,928	53
180,791	4,393	182,726	4,439	45
25,126,127	610,587	25,198,793	612,127	1,540
2,963,238	72,009	2,948,139	71,616	-393
737,749	17,928	735,251	17,861	-67
3,477	84	3,451	84	-1
89,146	2,166	89,271	2,169	2
2,321,766	56,421	2,340,157	56,847	426
397,188	9,652	404,644	9,830	178
19,723	479	19,666	478	-2
2,827,823	68,719	2,853,737	69,323	604
0	0	0	0	0
2,619,754	63,662	2,610,789	63,421	-241
9,478,333	230,332	9,417,980	228,781	-1,551
12,098,087	293,994	12,028,769	292,202	-1,792
260,698	6,335	259,428	6,302	-33
1,723,515	41,883	1,713,137	41,615	-268
1,984,213	48,218	1,972,565	47,917	-301
14,082,300	342,212	14,001,334	340,119	-2,093
1,120,794	27,236	1,114,778	27,080	-156
575,282	13,980	574,794	13,963	-17
363,438	8,832	362,547	8,807	-25
55,000	1,337	55,706	1,353	17
2,114,514	51,385	2,107,825	51,203	-181
474,518	11,531	492,174	11,956	425
56,381	1,370	55,904	1,358	-12
957,001	23,256	956,060	23,225	-31
329,989	8,019	327,857	7,964	-55
728,976	17,715	726,580	17,650	-65
110,080	2,675	109,969	2,671	-4
23,885	580	23,817	579	-2
0	0	0	0	0
315,861	7,676	315,719	7,669	-6
0	0	0	0	0
8,450	205	8,447	205	0
8,609	209	8,547	208	-2
9,527,334	231,523	9,527,229	231,435	-88
238,303	5,791	256,178	6,223	432
11,291,487	274,393	11,304,343	274,604	211
60,634,615	1,473,475	60,857,012	1,473,475	0
39,365,385	738,107	39,365,384	738,107	0
100,000,000	735,368	100,022,396	735,368	0

TYBR 2001 Total Key 1199 13/	TYBR 2001 B Report Costs $1,573,126 14/	TYBR 2001 Adjusted Key 1199	TYBR 2001 Adjusted B Report Costs $1,573,126	Difference
17,871,122	482,615	17,886,521	482,272	-343
5,950,384	154,033	6,031,027	156,044	2,012
23,821,506	618,647	23,897,548	618,316	1,669
674,941	17,472	677,527	17,530	58
185,980	4,814	188,049	4,865	51
24,682,427	638,933	24,763,124	640,712	1,778
3,163,344	81,887	3,147,179	81,429	-458
743,777	19,254	741,264	19,179	-74
2,950	76	2,928	76	-1
86,312	2,234	86,443	2,237	2
2,345,786	60,723	2,364,779	61,185	462
389,008	10,070	396,393	10,256	186
19,215	497	19,165	496	-2
2,840,321	73,525	2,866,780	74,174	649
0	0	0	0	0
2,673,500	69,207	2,664,483	68,940	-267
9,693,719	250,933	9,633,390	249,251	-1,683
12,367,219	320,140	12,297,874	318,190	-1,949
252,201	6,529	250,985	6,494	-35
1,738,536	45,004	1,728,233	44,716	-288
1,990,737	51,533	1,979,218	51,210	-323
14,357,956	371,672	14,277,091	369,400	-2,272
1,195,856	30,956	1,189,414	30,774	-182
602,722	15,602	602,266	15,583	-19
361,409	9,355	360,546	9,329	-27
55,116	1,427	55,840	1,445	18
2,215,103	57,341	2,208,067	57,131	-210
458,430	11,867	475,620	12,306	439
58,941	1,526	58,455	1,512	-13
956,957	24,772	956,111	24,738	-34
309,669	8,016	307,758	7,963	-53
756,073	19,572	753,595	19,498	-74
106,898	2,767	106,792	2,763	-4
22,263	576	22,199	574	-2
0	0	0	0	0
321,891	8,333	321,746	8,325	-8
0	0	0	0	0
8,417	218	8,414	218	0
8,326	216	8,265	214	-2
9,512,160	246,233	9,512,054	246,111	-122
245,020	6,343	262,950	6,803	461
11,290,717	292,273	11,303,775	292,470	196
60,770,923	1,573,126	60,800,394	1,573,126	0
39,229,077	794,386	39,229,334	794,386	0
100,000,000	778,740	100,029,728	778,740	0

TYAR 2001 Total Key 1199 15/	TYAR 2001 B Report Costs $1,573,126 16/	TYAR 2001 Adjusted Key 1199	TYAR 2001 Adjusted B Report Costs $1,573,126	Difference
18,027,163	468,200	18,017,036	467,699	-501
6,024,598	156,471	6,110,163	158,612	2,142
24,051,761	624,671	24,127,199	626,311	1,640
664,323	17,254	666,667	17,306	52
183,965	4,778	186,158	4,832	54
24,900,049	646,703	24,980,025	648,450	1,747
3,015,868	78,323	3,000,815	77,897	-425
754,635	19,605	752,253	19,528	-77
3,029	79	3,006	78	-1
86,717	2,252	86,816	2,254	1
2,329,791	60,509	2,348,361	60,960	451
415,051	10,780	422,539	10,969	189
19,325	502	19,267	500	-2
2,850,884	74,043	2,876,983	74,683	640
0	0	0	0	0
2,647,186	68,753	2,638,250	68,486	-267
9,458,324	245,651	9,399,733	244,005	-1,646
12,105,510	314,404	12,037,984	312,491	-1,913
251,279	6,526	250,038	6,491	-36
1,754,884	45,578	1,744,500	45,285	-293
2,006,163	52,104	1,994,538	51,776	-328
14,111,673	366,508	14,032,522	364,266	-2,241
1,207,549	31,362	1,201,087	31,179	-184
596,969	15,504	596,666	15,489	-16
364,521	9,467	363,641	9,440	-28
55,428	1,440	56,149	1,458	18
2,224,467	57,774	2,217,542	57,565	-209
467,596	12,144	484,060	12,566	421
60,277	1,566	59,782	1,552	-14
944,042	24,519	943,201	24,484	-34
302,740	7,863	300,880	7,810	-52
717,333	18,631	714,985	18,560	-70
105,958	2,752	105,853	2,748	-4
22,478	584	22,412	582	-2
0	0	0	0	0
313,138	8,133	312,999	8,125	-8
0	0	0	0	0
8,497	221	8,494	220	0
8,467	220	8,404	218	-2
9,510,009	246,993	9,509,904	246,865	-128
249,068	6,469	266,935	6,929	461
11,237,688	291,865	11,250,866	292,058	194
60,570,208	1,573,126	60,601,055	1,573,126	0
39,429,792	794,386	39,430,050	794,386	0
100,000,000	778,740	100,031,105	778,740	0

Footnotes:

1/ Kashani WP-A Table A-3 pages 29 - 30
2/ Kashani Exhibit 14-A, pages 9 - 10
3/ Includes FY99 adjustment for Single Piece Third migration
4/ Includes FY99 adjustment for International
5/ Kashani WP-C Part II Table B pages 49 - 50
6/ Kashani WP-E Part II Table B pages 49 - 50
7/ Kashani WP-G Part II Table B pages 49 - 50
8/ Kashani WP-I Part II Table B pages 49 - 50
9/ Kashani WP-C Part II Table B pages 65 - 66
10/ Kashani WP-C Part II Table B pages 12 and 30
(see components 165, 236 and 237
11/ Kashani WP-E Part II Table B pages 65 - 66
12/ Kashani WP-E Part II Table B pages 12 and 30
(see components 165, 236 and 237
13/ Kashani WP-G Part II Table B pages 65 - 66
14/ Kashani WP-G Part II Table B pages 12 and 30
(see components 165, 236 and 237
15/ Kashani WP-I Part II Table B pages 65 - 66
16/ Kashani WP-I Part II Table B pages 12 and 30
(see components 165, 236 and 237

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	FY 1999 1099+1199 $ Impact	FY 2000 1099+1199 $ Impact	TYBR 2001 1099+1199 $ Impact	TYAR 2001 1099+1199 $ Impact
First-Class Mail:				
Single-Piece Letters	-754	-707	-670	-978
Presort Letters	3,106	3,552	3,939	4,186
Total Letters	2,353	2,844	3,269	3,208
Single-Piece Cards	93	105	115	102
Presort Cards	77	90	100	107
Total First	2,523	3,039	3,484	3,417
Priority Mail	-702	-775	-896	-831
Express Mail	-118	-132	-145	-150
Mailgrams	-1	-1	-1	-1
Periodicals:				
In County	4	4	5	3
Outside County:				
Reg Rate Pub	758	839	904	881
Nonprofit Pub	322	350	364	369
Classroom Pub	-3	-3	-3	-3
Total Periodicals	1,081	1,191	1,270	1,250
Standard Mail (A):				
Single Piece Rate	0	0	0	0
Commercial Standard:				
Enhanced Carr Rte	-436	-474	-521	-520
Regular	-2,691	-3,059	-3,295	-3,218
Total Commercial	-3,127	-3,533	-3,816	-3,738
Aggregate Nonprofit:				
Enhanced Carr Rte	-60	-65	-68	-69
Nonprofit	-484	-528	-565	-572
Total Aggregate Nonprof	-544	-593	-632	-642
Total Standard (A)	-3,671	-4,126	-4,448	-4,380
Standard Mail (B):				
Parcels Zone Rate	-262	-308	-356	-360
Bound Prnt Matter	-30	-34	-38	-31
Special Standard	-44	-49	-53	-54
Library Mail	27	30	33	32
Total Standard (B)	-308	-361	-415	-413
U S Postal Service	824	837	859	823
Free Mail--Blind & Hndc & Servicemen	-22	-24	-26	-27
Internationl Mail	-65	-76	-81	-82
Special Services:				
Registry	-108	-108	-104	-102
Certified	-110	-127	-143	-137
Insurance	-6	-7	-8	-8
COD	-4	-4	-4	-4
Special Delivery	0	0	0	0
Money Orders	-9	-12	-15	-15
Stamped Cards	0	0	0	0
Stamped Envelopes	0	0	0	0
Special Handling	-3	-3	-3	-3
Post Office Box	-88	-163	-226	-237
Other	788	852	902	900
Total Spc Svcs	460	428	399	394
Total Volume Variable	0	0	0	0
Other	0	0	0	0
Total Costs	0	0	0	0

Response of United States Postal Service Witness Kashani
To
Presiding Officer's Information Request No. 10

POIR 10-2

2. The electronic files of Witness Kashani's Appendix A, specifically ***apa99.xls***, show the adjustment of the cost reduction and other programs distribution keys for the Standard A migration adjustment at page ***adjustedfy99dks.*** That worksheet also shows that in components 1442, 1445, 1447, 1448, 1450, 1451, and 1453 there are adjustments to Standard B Library Rate. What is the reason for the adjustments to Standard B Library Rate in those aforementioned components? If this is an error please provide a corrected spreadsheet file ***apa99.xls*** and any other spreadsheet files that rely or depend on the output of a corrected ***apa99.xls***.

Comparison of Component 35 Cost Reductions
Differences - USPS T-14 App. A and Roll-Forward Calculations
(000)

	FY 99	FY 2000	TYAR
First-Class Mail:			
Single-Piece Letters	2	-76	32
Presort Letters	0	22	-217
Priority Mail	0	7	-249
Periodicals Regular Rate	0	44	104
Standard A Commer. ECR	1	24	33
Standard A Commer. Regular	1	123	229
Standard B Library Rate	0	-105	-223
Total Volume Variable	0	-396	-173
Total Other	0	199	175
Total Costs	0	-197	1

POIR 10-2

Please explain how the differences in the cost reductions for component 35 could be so large in FY 2000 and the test year, specifically within the above noted classes and subclasses of mail. Provide any Workpapers, either electronic or hard copy to support your explanation.

Response

Upon further examination of Appendix A, I discovered several errors which have caused discrepancies in Priority Mail, Periodicals Regular Rate, Standard A Commercial, and Standard B Library Rate. The first source of the discrepancies is Appendix A, apa99.xls, spreadsheet adjustedfy99dks, which has been corrected by removing the adjustments for First-Class, Priority Mail, and Standard B, Library rates. This correction properly reflects the adjustments that were made in the rollforward. While the rollforward was intended to account for the migration of Standard A Single Piece to First-Class and Priority Mail for all components, the distribution key components 1439 through 1453 were adjusted only to remove Standard A Single Piece. Therefore, First-Class and Priority Mail distribution keys are slightly understated; however, the effect of these understatements is insignificant. The proper method of reflecting this migration in the aforementioned rollforward distribution keys is to include the migrated amounts for First-Class and Priority Mail in the VBL1 file in FY99rcc so that all of the cost components capture the Standard A Single Piece migration.

The second source of discrepancy comes from a data entry error in developing a distribution key for domestic air, component 142, while developing the volume effect in column AK of aa01ar.xls, FY01Ardks spreadsheet.

The discrepancies were further minimized by incorporating the following changes into the spreadsheets. In FY 2000, TYBR 2001 and TYAR 2001,

column (24) was previously a calculated amount, but the spreadsheets now use component 1508 as it appears in the COBOL model. In the development of the distribution key for component 253, Total Segment 3 costs, the spreadsheet FY00dks now includes the amounts for Nonvolume Workload and Additional Workday effects. Also, the development of component 253, Total Segment 3 costs, in the abridged EXCEL format results in an understatement of the distributed cost reduction amounts. To better approximate the results of the COBOL model, the total cost reduction amount distributed on component 253 (-102,342 thousand) is multiplied by 1.003 and this recovers roughly 300 thousand dollars of cost reductions lost in the abridged EXCEL version.

Attached are the Appendix A-type spreadsheets for FY 1999, FY 2000, and the test year after rates that reflect the corrections. An electronic version of the spreadsheets is provided in the Question 2 directory of USPS-LR-I-330, Materials Provided in Response to POIR No. 10, Items 1 and 2. It should be noted that Appendix A is a more detailed representation of rollforward calculations than is available in the hardcopy provided in my workpapers; no other spreadsheet files rely or depend on the output of a corrected ***apa99.xls***.

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Fiscal Year 1999	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1/ Amount distrib=>	-37,732	-41,844	-1,034	0	-7,784	0	0	-103	-41,068	-173,996	0	-75,567	-18,724	0
2/ Distrib Key=>	35	904	1439	1440	1441	1442	1443	1444	1445	1446	1447	1448	1449	1450
First-Class Mail														
Single-Piece Letters	-13,172	0	-389	0	-3,237	0	0	-48	-5,235	-121,078	0	-21,165	-8,482	0
Presort Letters	-3,476	0	-266	0	-1,947	0	0	-1	-455	-24,631	0	-2,069	-2,281	0
Single Piece Cards	-474	0	-22	0	-91	0	0	-1	0	-3,837	0	-16	-373	0
Presort Prvt P Cs	-98	0	-8	0	-30	0	0	0	0	-154	0	0	-37	0
Total First	-17,218	0	-685	0	-5,305	0	0	-50	-5,689	-149,700	0	-23,269	-11,174	0
Priority Mail	-1,722	-41,844	-7	0	0	0	0	0	-2,145	-178	0	-2,226	0	0
Express Mail	-254	0	-1	0	0	0	0	0	0	0	0	-73	0	0
Mailgrams	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Periodicals														
In-County	-33	0	-2	0	0	0	0	0	0	0	0	-344	0	0
Outside County														
Regular	-1,542	0	-84	0	-6	0	0	-1	-2,491	0	0	-10,560	-7	0
Nonprofit	-233	0	-22	0	-4	0	0	-1	-269	-126	0	-1,437	0	0
Classroom	-13	0	0	0	0	0	0	0	-29	0	0	-91	0	0
Total Second	-1,821	0	-108	0	-10	0	0	-1	-2,789	-126	0	-12,433	-7	0
Standard Mail (A)														
Single Piece Rate	-67	0	-7	0	-8	0	0	0	-119	-143	0	-160	-21	0
Commercial Standard														
Enha Car Presort	-737	0	-7	0	-136	0	0	0	-2,008	-1,362	0	-2,442	-295	0
Regu Other	-5,940	0	-73	0	-1,086	0	0	-3	-11,335	-11,892	0	-22,300	-1,601	0
Total Commercial	-6,678	0	-80	0	-1,222	0	0	-3	-13,342	-13,255	0	-24,742	-1,896	0
Aggregate Nonprofit														
Nonp Car Presort	-130	0	-1	0	-47	0	0	0	-151	-1,031	0	-351	-47	0
Nonp Other	-1,120	0	-16	0	-323	0	0	-1	-1,471	-4,178	0	-2,769	-557	0
Total Aggreg Nonprofit	-1,250	0	-18	0	-370	0	0	-1	-1,622	-5,209	0	-3,120	-604	0
Total Standard (A)	-7,994	0	-104	0	-1,600	0	0	-4	-15,083	-18,606	0	-28,023	-2,521	0
Standard Mail (B)														
Parcels Zone Rate	-638	0	-1	0	0	0	0	-1	-530	0	0	-78	0	0
Bound Prnt Matter	-333	0	-6	0	0	0	0	0	-559	0	0	-422	-5	0
Special Standard	-222	0	-3	0	-1	0	0	0	-242	0	0	-141	0	0
Library Rate	-31	0	0	0	0	0	0	0	-64	0	0	-47	0	0
Total Standard (B)	-1,224	0	-10	0	-1	0	0	-1	-1,384	0	0	-688	-5	0
U S Postal Service	-344	0	-48	0	-10	0	0	0	-239	-291	0	-265	-25	0
Free Mail--Blind & Hndc & Servicemen	-39	0	0	0	0	0	0	0	-178	0	0	-16	-5	0
International Mail	-699	0	-4	0	-54	0	0	-1	-1,288	-5,959	0	-501	-295	0
Special Services														
Registry	-87	0	0	0	0	0	0	0	-4	0	0	-9	0	0
Certified	-81	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	-6	0	0	0	0	0	0	0	0	0	0	0	0	0
COD	-2	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money Orders	-10	0	0	0	0	0	0	0	0	0	0	0	0	0
Stamped Envelopes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Handling	-1	0	0	0	0	0	0	0	0	0	0	0	-36	0
Post Office Box	-7	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	-108	0	-43	0	-4	0	0	0	0	0	0	-117	-29	0
Total Spc Svcs	-302	0	-44	0	-4	0	0	0	-4	0	0	-127	-64	0
Volume Variable	-31,618	-41,844	-1,010	0	-6,984	0	0	-57	-28,800	-174,860	0	-67,818	-14,096	0
Other	-6,114	0	-25	0	-800	0	0	-47	-12,268	864	0	-7,949	-4,625	0
Total Costs	-37,732	-41,844	-1,034	0	-7,784	0	0	-103	-41,068	-173,996	0	-75,567	-18,724	0

1/ App. A, pp 8-9, col (12) by Dist. Key
2/ Appendix A, pp.8-9, col (2)
3/ Sum of cols (1) - (25)
4/ USPS-T-14, WP-B, Table A, Table 6
5/ Col (26)-Col (25)

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Fiscal Year 1999	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25) 3/ Comp 35 Red	(26) 4/	(27) 5/
1/ Amount distrib=>	-9,918	0	0	0	0	0	0	0	0	0	-407,770		
2/ Distrib Key=>	1451	1452	1453	1454	1418	1419	1420	142	253	1506			
First-Class Mail													
Single-Piece Letters	-3,585	0	0	0	0	0	0	0	0	0	-176,409	-176,411	2
Presort Letters	-921	0	0	0	0	0	0	0	0	0	-36,047	-36,047	0
Single Piece Cards	-139	0	0	0	0	0	0	0	0	0	-4,954	-4,955	1
Presort Prvt P Cs	-29	0	0	0	0	0	0	0	0	0	-354	-353	-1
Total First	-4,673	0	0	0	0	0	0	0	0	0	-217,763	-217,766	3
Priority Mail	-407	0	0	0	0	0	0	0	0	0	-48,529	-48,529	0
Express Mail	-68	0	0	0	0	0	0	0	0	0	-396	-396	0
Mailgrams	-1	0	0	0	0	0	0	0	0	0	-1	-2	1
Periodicals													
In-County	-9	0	0	0	0	0	0	0	0	0	-389	-388	-1
Outside County													
Regular	-397	0	0	0	0	0	0	0	0	0	-15,086	-15,086	0
Nonprofit	-59	0	0	0	0	0	0	0	0	0	-2,151	-2,150	-1
Classroom	-3	0	0	0	0	0	0	0	0	0	-137	-136	-1
Total Second	-469	0	0	0	0	0	0	0	0	0	-17,764	-17,760	-4
Standard Mail (A)													
Single Piece Rate	-16	0	0	0	0	0	0	0	0	0	-541	-538	-3
Commercial Standard													
Enhd Car Presort	-196	0	0	0	0	0	0	0	0	0	-7,184	-7,185	1
Regu Other	-1,506	0	0	0	0	0	0	0	0	0	-55,736	-55,737	1
Total Commercial	-1,702	0	0	0	0	0	0	0	0	0	-62,920	-62,922	2
Aggregate Nonprofit													
Nonp Car Presort	-31	0	0	0	0	0	0	0	0	0	-1,789	-1,789	0
Nonp Other	-299	0	0	0	0	0	0	0	0	0	-10,734	-10,735	1
Total Aggreg Nonprofit	-330	0	0	0	0	0	0	0	0	0	-12,523	-12,524	1
Total Standard (A)	-2,048	0	0	0	0	0	0	0	0	0	-75,984	-75,984	0
Standard Mail (B)													
Parcels Zone Rate	-69	0	0	0	0	0	0	0	0	0	-1,313	-1,314	1
Bound Prnt Matter	-40	0	0	0	0	0	0	0	0	0	-1,364	-1,365	1
Special Standard	-23	0	0	0	0	0	0	0	0	0	-632	-632	0
Library Rate	-5	0	0	0	0	0	0	0	0	0	-137	-137	0
Total Standard (B)	-136	0	0	0	0	0	0	0	0	0	-3,446	-3,448	2
U S Postal Service	-73	0	0	0	0	0	0	0	0	0	-1,294	-1,296	2
Free Mail–Blind & Hndc & Servicemen	-8	0	0	0	0	0	0	0	0	0	-247	-247	0
International Mail	-138	0	0	0	0	0	0	0	0	0	-8,940	-8,938	-2
Special Services													
Registry	-82	0	0	0	0	0	0	0	0	0	-183	-182	-1
Certified	-46	0	0	0	0	0	0	0	0	0	-127	-127	0
Insurance	-2	0	0	0	0	0	0	0	0	0	-7	-8	1
COD	-2	0	0	0	0	0	0	0	0	0	-4	-4	0
Special Delivery	0	0	0	0	0	0	0	0	0	0	0		0
Money Orders	0	0	0	0	0	0	0	0	0	0	-10	-10	0
Stamped Envelopes	0	0	0	0	0	0	0	0	0	0	0		0
Special Handling	-2	0	0	0	0	0	0	0	0	0	-39	-38	-1
Post Office Box	0	0	0	0	0	0	0	0	0	0	-7	-7	0
Other	-79	0	0	0	0	0	0	0	0	0	-380	-380	0
Total Spc Svcs	-213	0	0	0	0	0	0	0	0	0	-757	-756	-1
Volume Variable	-8,233	0	0	0	0	0	0	0	0	0	-375,122	-375,122	0
Other	-1,685	0	0	0	0	0	0	0	0	0	-32,648	-32,648	0
Total Costs	-9,918	0	0	0	0	0	0	0	0	0	-407,770	-407,770	0

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Fiscal Year 2000	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1/ Amount distrib=>	-66,936	0	-862	0	-42,057	0	-3,473	-1,454	-52,477	-67,189	0	-41,788	0	0
2/ Distrib Key=>	35	904	1439	1440	1441	1442	1443	1444	1445	1446	1447	1448	1449	1450
First-Class Mail														
Single-Piece Letters	-22,819	0	-320	0	-17,074	0	-1,726	-865	-6,536	-59,893	0	-11,428	0	0
Presort Letters	-6,373	0	-231	0	-10,828	0	-39	-8	-599	-12,844	0	-1,176	0	0
Single Piece Cards	-826	0	-18	0	-483	0	-50	-19	0	-1,905	0	-8	0	0
Presort Prvt P Cs	-181	0	-7	0	-168	0	0	0	0	-81	0	0	0	0
Total First	-30,200	0	-576	0	-28,552	0	-1,814	-893	-7,135	-74,722	0	-12,613	0	0
Priority Mail	-2,942	0	-6	0	0	0	-2	-6	-2,748	-90	0	-1,232	0	0
Express Mail	-459	0	-1	0	0	0	0	0	0	0	0	-40	0	0
Mailgrams	-1	0	0	0	0	0	0	0	0	0	0	0	0	0
Periodicals														
In-County	-58	0	-1	0	0	0	0	0	0	0	0	-186	0	0
Outside County														
Regular	-2,727	0	-70	0	-34	0	-2	-11	-3,163	0	0	-5,794	0	0
Nonprofit	-409	0	-19	0	-22	0	0	-8	-339	-63	0	-782	0	0
Classroom	-23	0	0	0	0	0	0	0	-35	0	0	-48	0	0
Total Second	-3,217	0	-90	0	-56	0	-2	-19	-3,538	-63	0	-6,811	0	0
Standard Mail (A)														
Single Piece Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Standard														
Enhanced Carr Rte	-1,283	0	-5	0	-715	0	0	0	-2,507	-674	0	-1,317	0	0
Regular	-11,079	0	-64	0	-6,134	0	-20	-51	-15,153	-6,298	0	-12,879	0	0
Total Commercial	-12,362	0	-70	0	-6,850	0	-20	-51	-17,660	-6,972	0	-14,197	0	0
Aggregate Nonprofit														
Nonprofit Enh Carr Rte	-227	0	-1	0	-249	0	-2	0	-191	-518	0	-192	0	0
Nonprofit	-2,009	0	-14	0	-1,757	0	0	-7	-1,892	-2,128	0	-1,538	0	0
Total Aggreg Nonprofit	-2,236	0	-15	0	-2,006	0	-2	-7	-2,083	-2,646	0	-1,731	0	0
Total Standard (A)	-14,598	0	-85	0	-8,856	0	-21	-58	-19,743	-9,618	0	-15,927	0	0
Standard Mail (B)														
Parcels Zone Rate	-1,234	0	-1	0	0	0	0	-10	-721	0	0	-45	0	0
Bound Prnt Matter	-606	0	-5	0	0	0	0	0	-719	0	0	-234	0	0
Special Standard	-406	0	-2	0	-7	0	0	0	-312	0	0	-79	0	0
Library Rate	-55	0	0	0	0	0	0	0	-69	0	0	-26	0	0
Total Standard (B)	-2,302	0	-8	0	-7	0	0	-10	-1,821	0	0	-383	0	0
U S Postal Service	-572	0	-37	0	-47	0	-8	0	-281	-135	0	-135	0	0
Free Mail--Blind & Hndc & Servicemen	-71	0	0	0	0	0	-2	0	-230	0	0	-9	0	0
International Mail	-1,232	0	-3	0	-291	0	-15	-13	-1,630	-2,988	0	-274	0	0
Special Services														
Registry	-143	0	0	0	0	0	0	0	-5	0	0	-5	0	0
Certified	-151	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	-9	0	0	0	0	0	0	0	0	0	0	0	0	0
COD	-3	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money Orders	-18	0	0	0	0	0	0	0	0	0	0	0	0	0
Stamped Envelopes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Handling	-2	0	0	0	0	0	0	0	0	0	0	0	0	0
Post Office Box	-13	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	-199	0	-36	0	-19	0	-34	0	0	0	0	-63	0	0
Total Spc Svcs	-539	0	-36	0	-19	0	-34	0	-5	0	0	-68	0	0
Volume Variable	-66,131	0	-841	0	-37,829	0	-1,899	-799	-37,130	-67,617	0	-37,492	0	0
Other	-10,805	0	-20	0	-4,228	0	-1,575	-655	-15,347	428	0	-4,296	0	0
Total Costs	-66,936	0	-862	0	-42,057	0	-3,473	-1,454	-52,477	-67,189	0	-41,788	0	0

1/ App. A, pp.16-17, col (12) by Dist. Key
2/ Appendix A, pp.16-17, col (2)
3/ Sum of cols (2) - (25)
4/ USPS-T-14, WP-E, Table A, Table 6, pp 233-234
5/ Col (26)-Col (25)

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Fiscal Year 2000	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25) 3/ Comp 35 Red	(26) 4/	(27) 5/
1/ Amount distrib=>	-21,648	0	0	0	0	0	0	-9,478	-102,342	-9,235	-336,596		
2/ Distrib Key=>	1451	1452	1453	1454	1418	1419	1420	142	253	1508			
First-Class Mail													
Single-Piece Letters	-7,667	0	0	0	0	0	0	-2,000	-27,994	-4,020	-162,162	-162,208	46
Presort Letters	-2,082	0	0	0	0	0	0	-1,949	-7,819	-2,123	-46,070	-46,069	-1
Single Piece Cards	-299	0	0	0	0	0	0	-34	-1,013	-101	-4,756	-4,757	1
Presort Prvt P Cs	-67	0	0	0	0	0	0	-33	-222	-40	-799	-798	-1
Total First	-10,134	0	0	0	0	0	0	-4,016	-37,048	-6,284	-213,787	-213,832	45
Priority Mail	-894	0	0	0	0	0	0	-3,111	-3,609	-2	-14,641	-14,644	3
Express Mail	-149	0	0	0	0	0	0	-223	-663	0	-1,436	-1,436	0
Mailgrams	-2	0	0	0	0	0	0	0	-1	0	-3	-4	1
Periodicals													
In-County	-20	0	0	0	0	0	0	0	-71	0	-337	-336	-1
Outside County													
Regular	-865	0	0	0	0	0	0	-152	-3,345	-21	-16,185	-16,189	4
Nonprofit	-128	0	0	0	0	0	0	-29	-602	-4	-2,304	-2,304	0
Classroom	-7	0	0	0	0	0	0	-1	-28	-1	-143	-144	1
Total Second	-1,020	0	0	0	0	0	0	-182	-3,946	-26	-18,969	-18,973	4
Standard Mail (A)													
Single Piece Rate	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Standard													
Enhanced Carr Rte	-421	0	0	0	0	0	0	-2	-1,574	-165	-8,665	-8,667	2
Regular	-3,457	0	0	0	0	0	0	-152	-13,592	-1,309	-70,189	-70,193	4
Total Commercial	-3,878	0	0	0	0	0	0	-154	-15,166	-1,475	-78,853	-78,860	7
Aggregate Nonprofit													
Nonprofit Enh Carr Rte	-68	0	0	0	0	0	0	0	-279	-48	-1,776	-1,777	1
Nonprofit	-660	0	0	0	0	0	0	-43	-2,464	-353	-12,865	-12,869	4
Total Aggreg Nonprofit	-728	0	0	0	0	0	0	-43	-2,743	-401	-14,641	-14,646	5
Total Standard (A)	-4,607	0	0	0	0	0	0	-197	-17,908	-1,876	-93,495	-93,506	11
Standard Mail (B)													
Parcels Zone Rate	-160	0	0	0	0	0	0	-86	-1,514	-1	-3,773	-3,774	1
Bound Prnt Matter	-68	0	0	0	0	0	0	-15	-743	0	-2,411	-2,411	0
Special Standard	-60	0	0	0	0	0	0	-7	-499	-2	-1,364	-1,364	0
Library Rate	-11	0	0	0	0	0	0	-2	-67	0	-230	-230	0
Total Standard (B)	-309	0	0	0	0	0	0	-110	-2,824	-3	-7,778	-7,779	1
U S Postal Service	-147	0	0	0	0	0	0	-11	-702	-15	-2,090	-2,093	3
Free Mail--Blind & Hndc & Servicemen	-17	0	0	0	0	0	0	-1	-87	0	-417	-417	0
International Mail	-301	0	0	0	0	0	0	-188	-1,511	-79	-8,525	-8,525	0
Special Services													
Registry	-164	0	0	0	0	0	0	0	-176	0	-492	-493	1
Certified	-105	0	0	0	0	0	0	0	-185	0	-441	-441	0
Insurance	-3	0	0	0	0	0	0	0	-12	0	-24	-24	0
COD	-4	0	0	0	0	0	0	0	-3	0	-10	-10	0
Special Delivery	0	0	0	0	0	0	0	0	0	0	0		0
Money Orders	0	0	0	0	0	0	0	0	-22	0	-40	-40	0
Stamped Envelopes	0	0	0	0	0	0	0	0	-1	0	-1	-1	0
Special Handling	-3	0	0	0	0	0	0	0	-3	0	-8	-8	0
Post Office Box	0	0	0	0	0	0	0	0	-17	0	-30	-31	1
Other	-169	0	0	0	0	0	0	0	-244	-7	-771	-772	1
Total Spc Svcs	-448	0	0	0	0	0	0	0	-661	-7	-1,818	-1,820	2
Volume Variable	-18,029	0	0	0	0	0	0	-8,038	-68,860	-8,293	-362,959	-363,029	70
Other	-3,619	0	0	0	0	0	0	-1,439	-13,255	-942	-55,752	-55,769	17
Total Costs	-21,648	0	0	0	0	0	0	-9,478	-82,114	-9,235	-418,711	-418,798	87

Test Year 2001 Before Rates	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1/ Amount distrib=>	-8,485	0	0	0	-34,445	-37,974	-17,167	-224	-6,181	-40,186	0	-218,993	0	-364
2/ Distrib Key=>	35	904	1439	1440	1441	1442	1443	1444	1445	1446	1447	1448	1449	1450
First-Class Mail														
Single-Piece Letters	-2,806	0	0	0	-13,882	-14,370	-8,487	-102	-829	-27,265	0	-58,595	0	-2
Presort Letters	-824	0	0	0	-9,132	-5,052	-200	-1	-61	-6,154	0	-6,349	0	0
Single Piece Cards	-103	0	0	0	-390	-600	-246	-3	0	-873	0	-44	0	0
Presort Prvt P Cs	-24	0	0	0	-143	-169	0	0	0	-39	0	0	0	0
Total First	-3,757	0	0	0	-23,347	-20,090	-8,834	-106	-889	-34,331	0	-64,988	0	-2
Priority Mail	-434	0	0	0	0	-2,160	-9	-1	-291	-45	0	-6,964	0	-2
Express Mail	-59	0	0	0	0	-297	0	0	0	0	0	-214	0	0
Mailgrams	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Periodicals														
In-County	-7	0	0	0	0	-76	0	0	0	0	0	-939	0	0
Outside County														
Regular	-344	0	0	0	-28	-2,051	-10	-2	-311	0	0	-30,328	0	-12
Nonprofit	-60	0	0	0	-18	-320	0	-1	-32	-28	0	-3,974	0	-3
Classroom	-3	0	0	0	0	-18	0	0	-3	0	0	-242	0	0
Total Second	-404	0	0	0	-45	-2,464	-10	-3	-346	-28	0	-35,483	0	-15
Standard Mail (A)														
Single Piece Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Standard														
Enhanced Carr Rte	-164	0	0	0	-595	-1,196	0	0	-250	-318	0	-7,010	0	-8
Regular	-1,417	0	0	0	-5,091	-7,655	-100	-8	-1,510	-2,970	0	-68,395	0	-155
Total Commercial	-1,581	0	0	0	-5,686	-8,851	-100	-8	-1,760	-3,288	0	-75,405	0	-162
Aggregate Nonprofit														
Nonprofit Enh Carr Rt	-28	0	0	0	-198	-146	-8	0	-18	-234	0	-978	0	-3
Nonprofit	-256	0	0	0	-1,452	-1,303	0	-1	-188	-1,000	0	-8,138	0	-17
Total Aggreg Nonprofit	-283	0	0	0	-1,651	-1,448	-8	-1	-206	-1,233	0	-9,116	0	-20
Total Standard (A)	-1,864	0	0	0	-7,337	-10,299	-108	-9	-1,966	-4,521	0	-84,521	0	-182
Standard Mail (B)														
Parcels Zone Rate	-170	0	0	0	0	-691	0	-2	-76	0	0	-252	0	-67
Bound Prnt Matter	-81	0	0	0	0	-346	0	0	-74	0	0	-1,289	0	-32
Special Standard	-52	0	0	0	-6	-170	0	0	-31	0	0	-411	0	-25
Library Rate	-7	0	0	0	0	-38	0	0	-7	0	0	-136	0	-2
Total Standard (B)	-310	0	0	0	-6	-1,245	0	-2	-188	0	0	-2,087	0	-127
U S Postal Service	-70	0	0	0	-37	-438	-37	0	-26	-60	0	-675	0	-8
Free Mail--Blind & Hndc & Servicemen	-9	0	0	0	0	-41	-10	0	-23	0	0	-46	0	-1
International Mail	-155	0	0	0	-239	-234	-77	-2	-161	-1,396	0	-1,443	0	-18
Special Services														
Registry	-16	0	0	0	0	-51	0	0	0	0	0	-22	0	0
Certified	-20	0	0	0	0	-340	0	0	0	0	0	0	0	0
Insurance	-1	0	0	0	0	-20	0	0	0	0	0	0	0	0
COD	0	0	0	0	0	-5	0	0	0	0	0	0	0	0
Special Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money Orders	-2	0	0	0	0	-41	0	0	0	0	0	0	0	0
Stamped Envelopes	0	0	0	0	0	-1	0	0	0	0	0	0	0	0
Special Handling	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Post Office Box	-2	0	0	0	0	-31	0	0	0	0	0	0	0	0
Other	-27	0	0	0	-16	-214	-169	0	0	0	0	-328	0	0
Total Spc Svcs	-69	0	0	0	-16	-704	-169	0	0	0	0	-351	0	-1
Volume Variable	-7,133	0	0	0	-31,027	-37,974	-8,355	-123	-3,892	-40,383	0	-196,772	0	-357
Other	-1,353	0	0	0	-3,418	0	-7,812	-101	-1,489	197	0	-22,221	0	-7
Total Costs	-8,485	0	0	0	-34,445	-37,974	-17,167	-224	-6,181	-40,186	0	-218,993	0	-364

1/ App. A, pp.24-25, col (12) by Dist Key
2/ Appendix A, pp.24-25, col (2)
3/ Sum of cols (2) - (25)
4/ USPS-T-14, WP-G, Table A, Table 6, pp 233-234
5/ Col (16)-Col (15)

Test Year 2001 Before Rates	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25) 3/ Comp 35 Red	(26) 4/	(27) 5/
1/ Amount distrib=>	-49,876	0	-1,372	0	-7,815	0	0	-14,282	0	-37,162	-473,525		
2/ Distrib Key=>	1451	1452	1453	1454	1418	1419	1420	142	253	1508			
First-Class Mail													
Single-Piece Letters	-17,354	0	-54	0	0	0	0	-2,871	0	-16,000	-162,217	-162,293	76
Presort Letters	-4,947	0	-15	0	0	0	0	-2,944	0	-8,675	-44,356	-44,308	-48
Single Piece Cards	-679	0	0	0	0	0	0	-49	0	-403	-3,290	-3,292	2
Presort Prvt P Cs	-159	0	0	0	0	0	0	-50	0	-165	-750	-748	-2
Total First	-23,140	0	-70	0	0	0	0	-5,914	0	-25,244	-210,612	-210,641	29
Priority Mail	-2,226	0	-60	0	0	0	0	-4,925	0	-8	-17,127	-17,132	5
Express Mail	-349	0	-1	0	0	0	0	-331	0	0	-1,251	-1,251	0
Mailgrams	-3	0	0	0	0	0	0	0	0	0	-4	-4	0
Periodicals													
In-County	-45	0	0	0	0	0	0	0	0	0	-1,067	-1,067	0
Outside County													
Regular	-1,994	0	-18	0	0	0	0	-222	0	-86	-35,406	-35,407	1
Nonprofit	-287	0	-8	0	0	0	0	-41	0	-16	-4,779	-4,778	-1
Classroom	-15	0	0	0	0	0	0	-2	0	-3	-285	-286	1
Total Second	-2,341	0	-26	0	0	0	0	-265	0	-105	-41,537	-41,538	1
Standard Mail (A)													
Single Piece Rate	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Standard													
Enhanced Carr Rte	-987	0	-19	0	0	0	0	-4	0	-866	-11,218	-11,217	-1
Regular	-8,083	0	-485	0	0	0	0	-226	0	-6,334	-101,427	-101,405	-22
Total Commercial	-9,070	0	-504	0	0	0	0	-229	0	-8,001	-112,646	-112,622	-24
Aggregate Nonprofit													
Nonprofit Enh Carr Rt	-152	0	-9	0	0	0	0	0	0	-193	-1,967	-1,969	2
Nonprofit	-1,538	0	-26	0	0	0	0	-63	0	-1,425	-15,408	-15,404	-4
Total Aggreg Nonprofit	-1,691	0	-35	0	0	0	0	-63	0	-1,618	-17,375	-17,373	-2
Total Standard (A)	-10,761	0	-539	0	0	0	0	-293	0	-7,619	-130,020	-129,995	-25
Standard Mail (B)													
Parcels Zone Rate	-398	0	-246	0	-7,815	0	0	-136	0	-6	-9,859	-9,860	1
Bound Prnt Matter	-212	0	-186	0	0	0	0	-24	0	-1	-2,244	-2,244	0
Special Standard	-115	0	-140	0	0	0	0	-10	0	-8	-966	-968	2
Library Rate	-26	0	-16	0	0	0	0	-3	0	0	-235	-236	1
Total Standard (B)	-751	0	-588	0	-7,815	0	0	-173	0	-14	-13,305	-13,308	3
U S Postal Service	-325	0	-24	0	0	0	0	-15	0	-60	-1,777	-1,778	1
Free Mail--Blind & Hndc & Servicemen	-40	0	-7	0	0	0	0	-1	0	0	-180	-178	-2
Internationl Mail	-697	0	-56	0	0	0	0	-276	0	-323	-5,077	-5,077	0
Special Services													
Registry	-340	0	0	0	0	0	0	0	0	0	-430	-429	-1
Certified	-251	0	0	0	0	0	0	0	0	0	-811	-811	0
Insurance	-8	0	0	0	0	0	0	0	0	0	-29	-29	0
COD	-9	0	0	0	0	0	0	0	0	0	-14	-14	0
Special Delivery	0	0	0	0	0	0	0	0	0	0	0		0
Money Orders	0	0	0	0	0	0	0	0	0	0	-44	-43	-1
Stamped Envelopes	0	0	0	0	0	0	0	0	0	0	-1	-1	0
Special Handling	-7	0	0	0	0	0	0	0	0	0	-8	-7	-1
Post Office Box	0	0	0	0	0	0	0	0	0	0	-33	-33	0
Other	-384	0	-2	0	0	0	0	0	0	-28	-1,168	-1,168	0
Total Spc Svcs	-999	0	-2	0	0	0	0	0	0	-28	-2,338	-2,335	-3
Volume Variable	-41,633	0	-1,372	0	-7,815	0	0	-12,193	0	-33,401	-423,228	-423,237	9
Other	-8,243	0	0	0	0	0	0	-2,089	0	-3,761	-50,297	-50,289	-8
Total Costs	-49,876	0	-1,372	0	-7,815	0	0	-14,282	0	-37,162	-473,525	-473,526	1

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Test Year 2001 After Rates	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1/ Amount distrib=>	-8,485	0	0	0	-34,445	-37,974	-17,167	-224	-5,181	-40,186	0	-218,993	0	-364
2/ Distrib Key=>	35	904	1439	1440	1441	1442	1443	1444	1445	1446	1447	1448	1449	1450
First-Class Mail														
Single-Piece Letters	-2,835	0	0	0	-13,740	-14,564	-8,467	-102	-839	-27,364	0	-59,509	0	-2
Presort Letters	-837	0	0	0	-9,216	-5,145	-201	-1	-62	-6,206	0	-6,479	0	0
Single Piece Cards	-102	0	0	0	-383	-495	-240	-3	0	-857	0	-44	0	0
Presort Prvt P Cs	-24	0	0	0	-141	-168	0	0	0	-39	0	0	0	0
Total First	-3,798	0	0	0	-23,480	-20,372	-8,908	-106	-701	-34,466	0	-66,032	0	-2
Priority Mail	-407	0	0	0	0	-2,029	-8	-1	-274	-42	0	-6,557	0	-2
Express Mail	-61	0	0	0	0	-306	0	0	0	0	0	-220	0	0
Mailgrams	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Periodicals														
In-County	-7	0	0	0	0	-76	0	0	0	0	0	-949	0	0
Outside County														
Regular	-341	0	0	0	-27	-2,038	-10	-2	-309	0	0	-30,200	0	-12
Nonprofit	-54	0	0	0	-19	-343	0	-1	-35	-30	0	-4,265	0	-3
Classroom	-3	0	0	0	0	-18	0	0	-3	0	0	-243	0	0
Total Second	-404	0	0	0	-46	-2,475	-10	-3	-347	-30	0	-35,656	0	-15
Standard Mail (A)														
Single Piece Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Standard														
Enhanced Carr Rte	-163	0	0	0	-587	-1,191	0	0	-250	-314	0	-6,994	0	-8
Regular	-1,381	0	0	0	-4,931	-7,482	-96	-8	-1,479	-2,874	0	-66,987	0	-152
Total Commercial	-1,543	0	0	0	-5,518	-8,673	-96	-8	-1,729	-3,188	0	-73,980	0	-160
Aggregate Nonprofit														
Nonprofit Enh Carr Rt	-28	0	0	0	-196	-146	-8	0	-18	-232	0	-981	0	-3
Nonprofit	-258	0	0	0	-1,457	-1,319	0	-1	-190	-1,002	0	-8,256	0	-17
Total Aggreg Nonprofit	-286	0	0	0	-1,654	-1,464	-8	-1	-209	-1,234	0	-9,236	0	-20
Total Standard (A)	-1,829	0	0	0	-7,171	-10,137	-104	-9	-1,938	-4,422	0	-83,217	0	-180
Standard Mail (B)														
Parcels Zone Rate	-171	0	0	0	0	-697	0	-2	-77	0	0	-254	0	-69
Bound Prnt Matter	-80	0	0	0	0	-342	0	0	-73	0	0	-1,275	0	-32
Special Standard	-52	0	0	0	-6	-171	0	0	-31	0	0	-414	0	-26
Library Rate	-7	0	0	0	0	-38	0	0	-7	0	0	-136	0	-3
Total Standard (B)	-309	0	0	0	-6	-1,247	0	-2	-188	0	0	-2,079	0	-129
U S Postal Service	-71	0	0	0	-37	-447	-37	0	-27	-61	0	-690	0	-8
Free Mail--Blind & Hndc & Servicemen	-9	0	0	0	0	-42	-10	0	-24	0	0	-47	0	-1
International Mail	-153	0	0	0	-234	-231	-75	-2	-159	-1,364	0	-1,426	0	-18
Special Services														
Registry	-16	0	0	0	0	-49	0	0	0	0	0	-21	0	0
Certified	-19	0	0	0	0	-323	0	0	0	0	0	0	0	0
Insurance	-1	0	0	0	0	-20	0	0	0	0	0	0	0	0
COD	0	0	0	0	0	-5	0	0	0	0	0	0	0	0
Special Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money Orders	-2	0	0	0	0	-41	0	0	0	0	0	0	0	0
Stamped Envelopes	0	0	0	0	0	-1	0	0	0	0	0	0	0	0
Special Handling	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Post Office Box	-2	0	0	0	0	-31	0	0	0	0	0	0	0	0
Other	-27	0	0	0	-16	-218	-170	0	0	0	0	-336	0	0
Total Spc Svcs	-66	0	0	0	-16	-688	-170	0	0	0	0	-357	0	-1
Volume Variable	-7,110	0	0	0	-30,991	-37,974	-8,323	-122	-3,858	-40,365	0	-196,281	0	-357
Other	-1,376	0	0	0	-3,454	0	-7,843	-102	-1,323	199	0	-22,712	0	-7
Total Costs	-8,485	0	0	0	-34,445	-37,974	-17,167	-224	-5,181	-40,186	0	-218,993	0	-364

1/ App. A, pp.24-25, col (12) by Dist. Key
2/ Appendix A, pp.24-25, col (2)
3/ Sum of cols (1) - (24)
4/ USPS-T-14, WP-I, Table A, Table 6, pp. 233-234
5/ Col (26)-Col (25)

Test Year 2001 After Rates	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25) 3/ Comp 35 Red	(26) 4/	(27) 5/
1/ Amount distrib=>	-49,876	0	-1,372	0	-7,815	0	0	-14,282	0	-37,162	-473,525		
2/ Distrib Key=>	1451	1452	1453	1454	1418	1419	1420	142	253	1508			
First-Class Mail													
Single-Piece Letters	-17,525	0	-65	0	0	0	0	-2,942	0	-18,025	-163,769	-163,837	68
Presort Letters	-8,020	0	-16	0	0	0	0	-3,032	0	-8,703	-44,919	-44,860	-59
Single Piece Cards	-671	0	0	0	0	0	0	-49	0	-400	-3,244	-3,247	3
Presort Prvt P Cs	-158	0	0	0	0	0	0	-51	0	-165	-745	-744	-1
Total First	-23,373	0	-71	0	0	0	0	-6,075	0	-26,292	-212,678	-212,688	10
Priority Mail	-2,084	0	-57	0	0	0	0	-4,679	0	-8	-16,149	-16,154	5
Express Mail	-358	0	-1	0	0	0	0	-344	0	0	-1,290	-1,291	1
Mailgrams	-4	0	0	0	0	0	0	0	0	0	-4	-3	-1
Periodicals													
In-County	-45	0	0	0	0	0	0	0	0	0	-1,077	-1,077	0
Outside County													
Regular	-1,974	0	-18	0	0	0	0	-223	0	-86	-35,240	-35,240	0
Nonprofit	-306	0	-9	0	0	0	0	-45	0	-16	-5,125	-5,125	0
Classroom	-15	0	0	0	0	0	0	-2	0	-3	-286	-287	1
Total Second	-2,340	0	-27	0	0	0	0	-270	0	-105	-41,728	-41,729	1
Standard Mail (A)													
Single Piece Rate	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Standard													
Enhanced Carr Rte	-979	0	-19	0	0	0	0	-4	0	-863	-11,172	-11,173	1
Regular	-7,872	0	-478	0	0	0	0	-223	0	-5,276	-99,238	-99,237	-1
Total Commercial	-8,851	0	-497	0	0	0	0	-227	0	-5,940	-110,410	-110,410	0
Aggregate Nonprofit													
Nonprofit Enh Carr Rt	-152	0	-9	0	0	0	0	0	0	-192	-1,965	-1,966	1
Nonprofit	-1,552	0	-27	0	0	0	0	-65	0	-1,427	-15,571	-15,569	-2
Total Aggreg Nonprofit	-1,704	0	-36	0	0	0	0	-65	0	-1,619	-17,536	-17,535	-1
Total Standard (A)	-10,555	0	-533	0	0	0	0	-292	0	-7,559	-127,946	-127,945	-1
Standard Mail (B)													
Parcels Zone Rate	-400	0	-251	0	-7,815	0	0	-139	0	-6	-9,879	-9,880	1
Bound Prnt Matter	-209	0	-185	0	0	0	0	-23	0	-1	-2,220	-2,220	0
Special Standard	-115	0	-142	0	0	0	0	-10	0	-8	-974	-974	0
Library Rate	-26	0	-16	0	0	0	0	-3	0	0	-235	-236	1
Total Standard (B)	-750	0	-594	0	-7,815	0	0	-175	0	-14	-13,308	-13,310	2
U S Postal Service	-331	0	-25	0	0	0	0	-15	0	-61	-1,810	-1,811	1
Free Mail–Blind & Hndc & Servicemen	-41	0	-7	0	0	0	0	-1	0	0	-183	-183	0
International Mail	-685	0	-56	0	0	0	0	-276	0	-320	-4,996	-4,997	1
Special Services													
Registry	-327	0	0	0	0	0	0	0	0	0	-415	-413	-2
Certified	-237	0	0	0	0	0	0	0	0	0	-679	-679	0
Insurance	-8	0	0	0	0	0	0	0	0	0	-28	-29	1
COD	-9	0	0	0	0	0	0	0	0	0	-14	-14	0
Special Delivery	0	0	0	0	0	0	0	0	0	0	0		0
Money Orders	0	0	0	0	0	0	0	0	0	0	-43	-43	0
Stamped Envelopes	0	0	0	0	0	0	0	0	0	0	-1	-1	0
Special Handling	-7	0	0	0	0	0	0	0	0	0	-8	-7	-1
Post Office Box	0	0	0	0	0	0	0	0	0	0	-33	-33	0
Other	-391	0	-2	0	0	0	0	0	0	-29	-1,188	-1,189	1
Total Spc Svcs	-979	0	-2	0	0	0	0	0	0	-29	-2,309	-2,308	-1
Volume Variable	-41,499	0	-1,372	0	-7,815	0	0	-12,127	0	-33,367	-422,402	-422,419	17
Other	-8,376	0	0	0	0	0	0	-2,155	0	-3,774	-51,123	-51,107	-16
Total Costs	-49,876	0	-1,372	0	-7,815	0	0	-14,282	0	-37,162	-473,525	-473,526	1

Response of United States Postal Service Witness Kashani
To
Presiding Officer's Information Request No. 10

POIR 10-3

3. Witness Kashani's Appendix A at page 23, column 27 and page 31, column 27 shows the difference between the calculated cost reductions for component 35 in the Excel spreadsheets and what is shown in the cost roll-forward Workpapers. At page 3 of Appendix A he notes that the differences are minor and are the result of differences in the rounding process between Excel and the roll-forward model. However, for FY 2000 and the test year the differences are too large to be attributed just to rounding differences. These differences are most pronounced in First-Class Single Piece and Presort, Priority Mail, Periodicals Regular Rate, Standard A Commercial, and Standard B Library Rate. The differences for these categories of mail are substantially different in FY 2000 and the test year than they are in FY 1999. The table below shows the differences between the Excel spreadsheet calculated cost reductions and the roll-forward model calculated reductions for the aforementioned categories of mail.

Response

See my response to Presiding Officer's Information Request No. 10,

question 2.

Response of United States Postal Service Witness Kashani
To
Presiding Officer's Information Request No. 10

POIR 10-4

4. Please confirm that in the FY 1999 roll-forward VBL2.dat file for the roll-forward for the Standard A Single Piece and International Mail volume adjustment, fy99rcc, at line 00017700 the component receiving a mail volume effect should be component 131 instead of component 331.

Response

Confirmed.

Response of United States Postal Service Witness Kashani
To
Presiding Officer's Information Request No. 10

POIR 10-5

5. In the roll-forward for the Standard A Single Piece and International Mail volume adjustment, fy99rcc, the VBL2.DAT file does not include component 41 in the list of independent components for the mail volume effect of component 678. In the roll-forward for FY 1999 (fy99rcr), FY 2000 (fy00rcr), and the Test Year (fy01rca & fy01rcb) component 41 is included in the list of independent components for the mail volume effect of component 678. Please explain why component 41 was excluded from the list of independent components affecting component 678 in VBL2.DAT of fy99rcc.

Response

Component 41 was erroneously left out of the list of independent components for the mail volume effect of component 678 in VBL2 of fy99rcc.

Response of United States Postal Service Witness Kashani
To
Presiding Officer's Information Request No. 10

POIR 10-6

6. In the roll-forward for the Standard A Single Piece and International Mail volume adjustment, fy99rcc, the VBL2.DAT file shows component 1453 receiving a mail volume adjustment twice at lines 00070024 and 00079125. Please confirm that this component should only be included once in the VBL2.DAT file.

Response

Confirmed.

Response of United States Postal Service Witness Kashani
To
Presiding Officer's Information Request No. 12

POIR 12-2

2. Please refer to the response to question 1 of Presiding Officer's Information Request No. 10. The response says that there is an error in the mail volume effect of component 907, the computer forwarding system distribution key. The response also says that this key is used to develop the distribution keys for space (component 1099) and rental value (component 1199) costs in the "B" report. The response also includes spreadsheets showing the effect of correcting the error on cost distributions as reported in the "B" report. A review of the PESSA cost distributions shows that component 907 is also used in the development of other cost distribution keys. First, component 907 is used to create component 1258 that is the distribution key for mail processing equipment maintenance. Component 1258 is part of the development of the space and rental related distribution key components 1099 and 1199. Second, Component 907 is also used in the development of the capital factors distribution key, component 1229. The Capital Factors distribution key is used to distribute the costs of Component 232, Equipment Depreciation.
Please provide updated worksheets showing the effect on cost distributions from using a corrected component 907 in the development of components 1258 and 1229.

Response

The attached spreadsheets (an electronic version is provided in the Question 2 directory of USPS-LR-I-384, Materials Provided in Response to POIR No. 12, Items 2 and 3) show the effect of correcting this error on cost distributions as reported in the 'B Report' for FY 1999, FY 2000, the test year before rates, and the test year after rates. Component 1258 impacts components 1045 and 1145, which are used to create components 1099 and 1199, respectively. Pages 1 - 7 show the development of the differences for component 1099, pages 8 - 15 show the development of the differences for

POIR 12-2

component 1199, pages 16 - 23 show the development of the differences for component 1229, and page 24 shows the combined impact of components 1099, 1199, and 1229.

	BY 1998 Mail Proc Equip Maint 1045 1/	MVE FY 1999	MVE FY 2000	MVE TY 2001 BR	MVE TY 2001 AR 2/	1999 MV Adjusted Mail Proc Equip (1045)	2000 MV Adjusted Mail Proc Equip (1045)	2001BR MV Adjusted Mail Proc Equip (1045)	2001AR MV Adjusted Mail Proc Equip (1045)	Rollforward 1999 MV Adjusted Mail Proc Equip (1045)
First-Class Mail										
Single-Piece Letters	461,604	-0.009017	-0.001833	-0.008777	-0.015039	463,740 3/	462,889	458,827	451,927	453,480
Presort Letters	142,827	0.054753	0.062193	0.043282	0.041770	150,436	158,288	165,139	172,037	144,756
Total Letters	604,431					614,176	621,177	623,966	623,963	598,236
Single-Piece Cards	13,636	-0.040710	0.001563	-0.001533	-0.029575	13,083	13,103	13,083	12,896	12,866
Presort Cards	2,764	-0.043903	0.064331	0.051528	0.028947	2,643	2,813	2,958	3,037	2,522
Total First	620,833					629,901	637,093	640,006	639,897	613,624
Priority Mail	11,531	0.012810	0.023685	0.003183	0.006996	12,000 3/	12,284	13,429	13,523	12,106
Express Mail	942	0.036667	0.017518	0.025259	0.034704	977	994	1,019	1,064	1,080
Mailgrams	8	-0.049977	-0.056031	-0.134266	-0.134266	8	7	6	5	9
Periodicals										
In County	235	-0.032917	-0.000708	-0.023103	-0.034453	227	227	222	214	220
Outside County										
Reg Rate Pub	24,496	0.020841	0.015294	0.011666	-0.014166	25,005	25,368	25,689	25,325	23,734
Nonprofit Pub	5,062	-0.075309	0.006448	-0.017240	0.031914	4,681	4,711	4,630	4,778	4,267
Classroom Pub	363	-0.025233	-0.018174	-0.034873	-0.063161	354	347	335	317	349
Total Periodicals	30,155					30,267	30,673	30,876	30,634	28,570
Standard Mail (A)										
Single Piece Rate	8,421	-0.720268	-1.000000	0.000000	0.000000	0 3/	0	0	0	0
Commercial Standard:										
Enhanced Carr Rte	22,800	-0.038251	-0.001977	0.028732	0.004190	21,928	21,884	22,513	22,607	21,906
Regular	150,303	0.111416	0.068856	0.026640	-0.016198	167,049	178,518	183,274	180,305	166,361
Total Commercial	173,103					188,977	200,402	205,787	202,913	188,268
Aggregate Nonprofit:										
Enhanced Carr Rte	4,758	0.102279	0.013531	-0.016943	-0.035653	5,245	5,318	5,226	5,039	5,203
Nonprofit	32,888	0.036439	0.027932	0.022666	0.015117	34,086	35,036	35,833	36,375	33,927
Total Aggregate Nonprf	37,646					39,331	40,354	41,059	41,414	39,130
Total Standard (A)	217,170					228,308	240,756	246,846	244,327	227,398
Standard Mail (B)										
Parcels Zone Rate	13,307	0.008664	0.068906	0.089652	0.077025	13,426	14,820	15,929	17,156	13,387
Bound Prnt Matter	7,721	0.014842	0.026513	0.063125	0.029322	7,836	8,069	8,568	8,819	7,689
Special Standard	5,462	0.048726	0.031292	0.009735	-0.004267	5,718	5,867	5,954	5,926	5,630
Library Mail	575	0.012587	0.016704	0.016219	-0.003964	1,086	1,103	1,121	1,117	568
Total Standard (B)	27,065					28,066	29,879	31,572	33,020	27,294
U S Postal Service	5,299	0.005735	-0.059783	-0.030287	-0.030287	5,329	5,011	4,859	4,712	4,436
Free Mail–Blind & Hndc & Servicemen	788	0.001091	0.032408	0.031366	0.031356	789	814	840	866	786
International Mail	16,704	0.020664	0.068578	0.017331	-0.016339	15,848 4/	17,252	17,561	17,264	15,821
Special Services										
Registry	686	-0.101940	-0.074750	-0.087732	-0.134832	616	570	520	460	713
Certified	272	-0.036609	0.049668	0.061067	-0.022866	262	275	289	282	364
Insurance	10	0.191743	-0.039639	-0.023089	-0.043009	12	11	11	11	17
COD	9	0.060468	-0.067702	-0.060184	-0.088664	9	9	8	8	13
Special Delivery	0	0.000000	0.000000	0.000000	0.000000	0	0	0	0	0
Money Orders	9	0.058874	0.039798	0.023198	-0.014077	10	10	10	10	16
Stamped Cards	0	0.000000	0.000000	0.000000	0.000000	0	0	0	0	0
Stamped Envelopes	0	-0.130754	0.000000	0.000000	0.000000	0	0	0	0	0
Special Handling	328	0.000000	0.000000	0.000000	0.000000	328	328	328	328	328
Post Office Box	7	0.030000	0.018700	0.022000	0.003700	7	7	8	8	12
Other	3,697	0.000000	0.000000	0.000000	0.000000	3,697	3,697	3,697	3,697	2,906
Total Spc Svcs	5,018					4,939	4,906	4,869	4,791	4,359
Total Volume Variable	935,501					958,430	979,488	991,873	989,894	935,501
Other	199,326	1.000000	1.000000	1.000000	1.000000	199,326	199,326	199,326	199,326	199,326
Total Costs	1,134,827					1,156,756	1,178,786	1,191,199	1,189,220	1,134,827

	Rollforward 2000 MV Adjusted Mail Proc Equip 5/ (1045)	Rollforward 2001BR MV Adjusted Mail Proc Equip 6/ (1045)	Rollforward 2001AR MV Adjusted Mail Proc Equip 7/ (1045)	Difference 1999 MV Adjusted Mail Proc Equip 8/ (1045) RF - Adjusted	Difference 2000 MV Adjusted Mail Proc Equip (1045) RF - Adjusted	Difference 2001BR MV Adjusted Mail Proc Equip (1045) RF - Adjusted	Difference 2001AR MV Adjusted Mail Proc Equip (1045) RF - Adjusted
First-Class Mail:							
Single-Piece Letters	443,887	435,145	437,923	-10,280	-19,002	-23,882	-14,004
Presort Letters	148,690	152,795	154,536	-5,660	-9,595	-12,344	-17,502
Total Letters	592,577	587,940	592,468	-15,940	-28,600	-36,026	-31,605
Single-Piece Cards	12,655	12,516	12,307	-217	-448	-567	-389
Presort Cards	2,820	2,714	2,887	-121	-193	-244	-350
Total First	607,552	603,170	607,462	-16,277	-29,241	-36,636	-32,245
Priority Mail	12,167	13,019	12,261	106	-117	-410	-1,242
Express Mail	1,077	1,083	1,117	103	83	64	83
Mailgrams	6	7	7	1	1	1	2
Periodicals:							
In County	213	202	203	-7	-14	-20	-11
Outside County:							
Reg Rate Pub	23,326	23,060	22,965	-1,271	-2,080	-2,639	-2,340
Nonprofit Pub	4,154	3,866	4,260	-414	-567	-845	-498
Classroom Pub	331	311	312	-5	-16	-24	-5
Total Periodicals	28,026	27,548	27,780	-1,697	-2,647	-3,328	-2,864
Standard Mail (A):							
Single Piece Rate	0	0	0	0	0	0	0
Commercial Standard:							
Enhanced Carr Rte	21,223	21,390	21,261	-23	-661	-1,123	-1,326
Regular	172,620	173,766	169,619	-666	-5,866	-9,606	-10,666
Total Commercial	193,843	195,156	190,900	-711	-6,569	-10,829	-12,013
Aggregate Nonprofit:							
Enhanced Carr Rte	5,125	4,944	4,930	-42	-191	-282	-109
Nonprofit	33,950	34,125	34,412	-159	-1,086	-1,708	-1,963
Total Aggregate Nonprc	39,075	39,069	39,342	-201	-1,279	-1,990	-2,072
Total Standard (A)	232,918	234,227	230,242	-912	-7,838	-12,619	-14,085
Standard Mail (B):							
Parcels Zone Rate	13,967	14,729	14,951	-38	-653	-1,200	-2,205
Bound Prnt Matter	7,575	7,787	7,754	-147	-484	-771	-1,066
Special Standard	5,556	5,429	5,499	-88	-341	-525	-429
Library Mail	572	563	567	-497	-531	-658	-550
Total Standard (B)	27,670	28,518	28,771	-771	-2,009	-3,054	-4,249
U S Postal Service	4,051	3,852	3,929	-893	-960	-1,007	-783
Free Mail--Blind & Hndc & Servicemen	796	802	821	7	-19	-38	-45
International Mail	16,767	16,779	16,506	-27	-466	-772	-758
Special Services:							
Registry	643	577	567	97	73	57	107
Certified	375	389	388	102	100	100	86
Insurance	16	16	16	5	5	5	5
COD	12	11	11	4	3	3	3
Special Delivery	0	0	0	0	0	0	0
Money Orders	16	17	16	6	6	7	6
Stamped Cards	0	0	0	0	0	0	0
Stamped Envelopes	0	0	0	0	0	0	0
Special Handling	320	316	320	0	-8	-10	-6
Post Office Box	12	13	13	5	5	6	5
Other	2,880	2,873	2,908	-789	-817	-824	-788
Total Spc Svce	4,274	4,212	4,209	-570	-632	-657	-582
Total Volume Variable	936,806	933,217	933,115	-20,929	-43,884	-56,866	-56,779
Other	199,222	198,660	198,752	0	-104	-876	-574
Total Costs	1,134,827	1,131,867	1,131,867	-20,929	-43,988	-58,332	-57,353

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	FY 1999 Total Key 1099 9/	FY 1999 B Report Costs $1,236,800 10/	FY 1999 Adjusted Key 1099	FY 1999 Adjusted B Report Costs $1,236,800	Difference
First-Class Mail					
Single-Piece Letters	19,764,175	392,804	19,774,436	392,876	72
Presort Letters	5,947,779	118,209	5,953,459	118,283	73
Total Letters	25,711,954	511,014	25,727,894	511,159	145
Single-Piece Cards	724,332	14,396	724,549	14,395	-1
Presort Cards	178,396	3,546	178,517	3,547	1
Total First	26,614,682	528,955	26,630,960	529,101	146
Priority Mail	3,092,183	61,456	3,092,077	61,433	-23
Express Mail	705,343	14,018	705,240	14,012	-7
Mailgrams	3,685	73	3,684	73	0
Periodicals					
In County	91,452	1,818	91,459	1,817	0
Outside County					
Reg Rate Pub	2,518,778	50,060	2,520,047	50,088	8
Nonprofit Pub	424,721	8,441	425,136	8,447	6
Classroom Pub	22,789	453	22,794	453	0
Total Periodicals	3,057,738	60,771	3,059,435	60,784	13
Standard Mail (A)					
Single Piece Rate	0	0	0	0	0
Commercial Standard:					
Enhanced Carr Rte	2,655,058	52,768	2,655,081	52,751	-17
Regular	9,730,687	193,393	9,731,375	193,342	-51
Total Commercial	12,385,745	246,161	12,386,456	246,093	-68
Aggregate Nonprofit:					
Enhanced Carr Rte	271,136	5,389	271,178	5,388	-1
Nonprofit	1,823,130	36,234	1,823,289	36,225	-9
Total Aggregate Nonprof	2,094,266	41,623	2,094,467	41,613	-10
Total Standard (A)	14,480,011	287,784	14,480,923	287,706	-79
Standard Mail (B):					
Parcels Zone Rate	1,170,077	23,255	1,170,116	23,248	-7
Bound Prnt Matter	617,792	12,278	617,838	12,277	-1
Special Standard	391,881	7,788	391,939	7,787	-1
Library Mail	59,726	1,187	60,223	1,197	9
Total Standard (B)	2,239,446	44,508	2,240,217	44,508	0
U S Postal Service	537,347	10,680	538,240	10,694	14
Free Mail–Blind & Hndc & Servicemen	61,868	1,229	61,849	1,229	-1
International Mail	958,684	18,994	958,711	18,986	-8
Special Services:					
Registry	348,888	6,870	348,889	6,866	-4
Certified	674,882	13,413	674,780	13,406	-7
Insurance	109,748	2,181	109,741	2,180	-1
COD	24,384	484	24,380	484	0
Special Delivery	0	0	0	0	0
Money Orders	289,520	5,754	289,514	5,752	-2
Stamped Cards	0	0	0	0	0
Stamped Envelopes	8,062	160	8,062	160	0
Special Handling	9,409	187	9,409	187	0
Post Office Box	8,782,316	174,545	8,782,311	174,486	-59
Other	239,367	4,737	239,188	4,752	14
Total Spc Svcs	10,482,332	208,332	10,482,902	208,273	-59
Total Volume Variable	62,230,307	1,236,800	62,251,236	1,236,800	0
Other	37,769,693	750,653	37,769,693	750,653	0
Total Costs	100,000,000	1,987,453	100,020,929	1,987,453	0

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	FY 2000 Total Key 1099 11/	FY 2000 B Report Costs $1,324,820 12/	FY 2000 Adjusted Key 1099	FY 2000 Adjusted B Report Costs $1,324,820	Difference
First-Class Mail					
Single-Piece Letters	19,242,555	409,251	19,261,557	409,367	116
Presort Letters	6,082,539	129,363	6,092,137	129,476	113
Total Letters	25,325,094	538,614	25,353,694	538,843	229
Single-Piece Cards	710,807	15,117	711,256	15,116	-1
Presort Cards	186,032	3,957	186,225	3,958	1
Total First	26,221,933	557,688	26,251,174	557,917	229
Priority Mail	3,113,787	66,224	3,113,894	66,179	-44
Express Mail	707,366	15,044	707,283	15,032	-12
Mailgrams	3,413	73	3,412	73	0
Periodicals:					
In County	90,021	1,915	90,036	1,914	-1
Outside County:					
Reg Rate Pub	2,500,711	53,186	2,502,771	53,191	6
Nonprofit Pub	419,213	8,918	419,770	8,921	6
Classroom Pub	21,920	466	21,936	466	0
Total Periodicals	3,031,866	64,482	3,034,512	64,493	11
Standard Mail (A):					
Single Piece Rate	0	0	0	0	0
Commercial Standard:					
Enhanced Carr Rte	2,807,972	56,466	2,808,633	56,441	-25
Regular	10,132,733	215,503	10,138,631	215,477	-26
Total Commercial	12,740,705	270,969	12,747,264	270,918	-51
Aggregate Nonprofit:					
Enhanced Carr Rte	268,334	5,707	268,525	5,707	0
Nonprofit	1,824,713	38,808	1,825,801	38,804	-4
Total Aggregate Nonprof	2,093,047	44,515	2,094,326	44,511	-4
Total Standard (A)	14,833,752	315,484	14,841,590	315,429	-55
Standard Mail (B):					
Parcels Zone Rate	1,238,718	26,345	1,239,371	26,340	-5
Bound Prnt Matter	616,703	13,159	619,187	13,160	1
Special Standard	393,229	8,363	393,670	8,366	1
Library Mail	58,916	1,253	59,447	1,263	10
Total Standard (B)	2,309,566	49,120	2,311,576	49,129	9
U S Postal Service	499,523	10,603	499,483	10,616	13
Free Mail--Blind & Hndc & Servicemen	62,689	1,333	62,708	1,333	-1
International Mail	1,014,992	21,587	1,015,477	21,582	-5
Special Services:					
Registry	327,992	6,974	327,819	6,967	-6
Certified	695,757	14,797	695,857	14,784	-13
Insurance	104,478	2,222	104,473	2,220	-2
COD	22,696	483	22,692	482	0
Special Delivery	0	0	0	0	0
Money Orders	299,199	6,363	299,153	6,358	-5
Stamped Cards	0	0	0	0	0
Stamped Envelopes	8,014	170	8,014	170	0
Special Handling	9,240	197	9,246	197	0
Post Office Box	8,786,090	186,841	8,786,066	186,710	-132
Other	241,514	5,137	242,331	5,150	14
Total Spc Svcs	10,493,939	223,183	10,494,471	223,039	-144
Total Volume Variable	62,291,706	1,324,820	62,335,689	1,324,820	0
Other	37,708,294	801,981	37,708,399	801,981	0
Total Costs	100,000,000	2,126,801	100,043,988	2,126,801	0

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	TYBR 2001 Total Key 1099 13/	TYBR 2001 B Report Costs $1,393,294 14/	TYBR 2001 Adjusted Key 1099	TYBR 2001 Adjusted B Report Costs $1,393,294	Difference
First-Class Mail:					
Single-Piece Letters	18,709,887	417,614	18,733,589	417,750	136
Presort Letters	6,147,062	137,205	6,159,406	137,352	146
Total Letters	24,856,949	554,819	24,892,975	555,102	283
Single-Piece Cards	689,316	15,386	689,863	15,384	-2
Presort Cards	191,160	4,267	191,404	4,268	1
Total First	25,737,425	574,472	25,774,261	574,754	282
Priority Mail	3,328,929	74,303	3,329,339	74,243	-61
Express Mail	712,784	15,909	712,700	15,893	-16
Mailgrams	2,896	65	2,894	65	0
Periodicals:					
In County	87,150	1,945	87,170	1,944	-1
Outside County					
Reg Rate Pub	2,528,255	56,387	2,528,894	56,393	6
Nonprofit Pub	410,557	9,164	411,202	9,170	6
Classroom Pub	21,369	477	21,413	478	0
Total Periodicals	3,045,351	67,974	3,048,679	67,984	10
Standard Mail (A):					
Single Piece Rate	0	0	0	0	0
Commercial Standard:					
Enhanced Carr Rte	2,661,336	59,402	2,662,458	59,372	-31
Regular	10,367,175	231,400	10,378,681	231,395	-5
Total Commercial	13,028,510	290,803	13,039,139	290,767	-36
Aggregate Nonprofit:					
Enhanced Carr Rte	259,452	5,791	259,734	5,792	1
Nonprofit	1,840,697	41,085	1,842,406	41,085	0
Total Aggregate Nonprof	2,100,149	46,876	2,102,139	46,877	0
Total Standard (A)	15,128,669	337,679	15,141,278	337,643	-36
Standard Mail (B):					
Parcels Zone Rate	1,321,302	29,482	1,322,502	29,481	-1
Bound Prnt Matter	648,047	14,465	648,816	14,469	4
Special Standard	390,928	8,726	391,483	8,729	4
Library Mail	58,992	1,317	59,560	1,328	11
Total Standard (B)	2,419,269	53,999	2,422,323	54,017	17
U S Postal Service	481,013	10,736	482,020	10,749	12
Free Mail--Blind & Hndc & Servicemen	66,641	1,486	66,679	1,485	-1
International Mail	1,013,915	22,631	1,014,687	22,627	-4
Special Services:					
Registry	307,360	6,861	307,333	6,853	-8
Certified	720,936	16,092	720,938	16,074	-17
Insurance	101,403	2,263	101,398	2,261	-2
COD	21,147	472	21,144	472	-1
Special Delivery	0	0	0	0	0
Money Orders	304,713	6,801	304,706	6,796	-7
Stamped Cards	0	0	0	0	0
Stamped Envelopes	7,979	178	7,979	178	0
Special Handling	8,921	199	8,931	199	0
Post Office Box	8,766,632	195,680	8,766,827	195,496	-184
Other	247,036	5,514	247,860	5,527	13
Total Spc Svce	10,488,389	234,061	10,487,016	233,856	-206
Total Volume Variable	62,422,220	1,393,294	62,480,876	1,393,294	0
Other	37,577,780	838,754	37,578,456	838,754	0
Total Costs	100,000,000	2,232,048	100,059,332	2,232,048	0

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	TYAR 2001 Total Key 1099 15/	TYAR 2001 B Report Costs $1,389,044 16/	TYAR 2001 Adjusted Key 1099	TYAR 2001 Adjusted B Report Costs $1,389,044	Difference
First-Class Mail					
Single-Piece Letters	18,883,939	421,498	18,807,943	421,427	-72
Presort Letters	6,227,236	138,995	6,244,738	139,258	264
Total Letters	25,111,175	560,493	25,142,680	560,686	192
Single-Piece Cards	678,649	15,148	679,038	15,143	-5
Presort Cards	189,138	4,222	189,488	4,226	4
Total First	25,978,962	579,863	26,011,207	580,053	190
Priority Mail	3,167,985	70,711	3,169,227	70,674	-37
Express Mail	724,242	16,166	724,179	16,149	-16
Mailgrams	2,969	66	2,967	66	0
Periodicals:					
In County	87,648	1,956	87,657	1,955	-2
Outside County:					
Reg Rate Pub	2,510,130	56,027	2,512,470	56,028	1
Nonprofit Pub	438,270	9,782	438,768	9,785	2
Classroom Pub	21,641	481	21,546	480	0
Total Periodicals	3,057,587	68,247	3,060,441	68,248	1
Standard Mail (A):					
Single Piece Rate	0	0	0	0	0
Commercial Standard					
Enhanced Carr Rte	2,636,261	58,843	2,637,587	58,819	-24
Regular	10,120,669	225,898	10,131,356	225,931	32
Total Commercial	12,756,930	284,741	12,768,943	284,749	8
Aggregate Nonprofit:					
Enhanced Carr Rte	258,619	5,772	258,728	5,770	-3
Nonprofit	1,859,241	41,499	1,861,204	41,506	6
Total Aggregate Nonprf	2,117,860	47,272	2,119,932	47,275	3
Total Standard (A)	14,874,790	332,012	14,888,875	332,024	11
Standard Mail (B):					
Parcels Zone Rate	1,334,437	29,786	1,336,642	29,807	22
Bound Prnt Matter	642,112	14,332	643,177	14,343	11
Special Standard	394,418	8,804	394,847	8,806	2
Library Mail	59,392	1,326	59,942	1,337	11
Total Standard (B)	2,430,359	54,247	2,434,608	54,292	45
U S Postal Service	490,820	10,955	491,803	10,963	7
Free Mail--Blind & Hndc & Serviceman	67,147	1,499	67,192	1,498	0
International Mail	1,000,922	22,341	1,001,680	22,338	-3
Special Services:					
Registry	300,606	6,710	300,498	6,701	-9
Certified	684,101	15,269	684,016	15,254	-16
Insurance	100,524	2,244	100,519	2,242	-2
COD	21,363	477	21,360	476	-1
Special Delivery	0	0	0	0	0
Money Orders	299,427	6,616	299,421	6,610	-6
Stamped Cards	0	0	0	0	0
Stamped Envelopes	8,063	180	8,063	180	0
Special Handling	9,077	203	9,063	203	0
Post Office Box	8,784,786	195,634	8,784,781	195,456	-178
Other	251,121	5,606	251,910	5,618	12
Total Spc Svcs	10,438,047	232,938	10,438,829	232,738	-199
Total Volume Variable	62,231,930	1,389,044	62,269,609	1,389,044	0
Other	37,768,170	843,004	37,768,744	843,004	0
Total Costs	100,000,000	2,232,048	100,067,353	2,232,048	0

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Footnotes:

1/ Kashani WP-A Table A-3 pages 41 - 42
2/ Kashani Exhibit 14-A, pages 9 - 10
3/ Includes FY99 adjustment for Single Piece Third migratec
4/ Includes FY99 adjustment for International
5/ Kashani WP-C Part II Table B pages 41 - 42
6/ Kashani WP-E Part II Table B pages 41 - 42
7/ Kashani WP-G Part II Table B pages 41 - 42
8/ Kashani WP-I Part II Table B pages 41 - 42
9/ Kashani WP-C Part II Table B pages 49 - 50
10/ Kashani WP-C Part II Table B pages 10, 12, 14 and 16 (see components 74, 79, 81, 166, 167, 176 and 194)
11/ Kashani WP-E Part II Table B pages 45 - 50
12/ Kashani WP-E Part II Table B pages 10, 12, 14 and 16 (see components 74, 79, 81, 166, 167, 176 and 194)
13/ Kashani WP-G Part II Table B pages 45 - 50
14/ Kashani WP-G Part II Table B pages 10, 12, 14 and 16 (see components 74, 79, 81, 166, 167, 176 and 194)
15/ Kashani WP-I Part II Table B pages 45 - 50
16/ Kashani WP-I Part II Table B pages 10, 12, 14 and 16 (see components 74, 79, 81, 166, 167, 176 and 194)

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	BY 1998 Mail Proc Equip Maint (1145)	MVE FY 1999 1/	MVE FY 2000	MVE TY 2001 BR	MVE TY 2001 AR 2/	1999 MV Adjusted Mail Proc Equip (1145)	2000 MV Adjusted Mail Proc Equip (1145)	2001BR MV Adjustec Mail Proc Equip (1145)
First-Class Mail:								
Single-Piece Letters	429,326	-0.009017	-0.001833	-0.008777	-0.015039	437,208 3/	436,406	432,578
Presort Letters	137,046	0.054753	0.052193	0.043282	0.041770	135,030	142,078	148,227
Total Letters	566,372					572,238	578,484	580,803
Single-Piece Cards	12,912	-0.040710	0.001563	-0.001533	-0.029575	12,912	12,932	12,912
Presort Cards	2,616	-0.043903	0.064331	0.051528	0.028947	2,616	2,784	2,928
Total First	581,900					587,766	594,201	596,643
Priority Mail	10,918	0.012910	0.023665	0.093183	0.006696	11,360 3/	11,829	12,712
Express Mail	892	0.036667	0.017518	0.025259	0.034704	925	941	965
Mailgrams	8	-0.049977	-0.056031	-0.134266	-0.134266	6	7	6
Periodicals								
In County	223	-0.032917	-0.000706	-0.023103	-0.034453	216	218	211
Outside County:								
Reg Rate Pub	23,190	0.020841	0.015294	0.011866	-0.014186	23,673	24,035	24,321
Nonprofit Pub	4,793	-0.075309	0.006449	-0.017240	0.031914	4,432	4,461	4,384
Classroom Pub	343	-0.025233	-0.018174	-0.034573	-0.053181	334	328	317
Total Periodicals	28,549					28,655	29,040	29,232
Standard Mail (A):								
Single Piece Rate	6,079	-0.720268	-1.000000	0.000000	0.000000	0 3/	0	0
Commercial Standard:								
Enhanced Carr Rte	21,586	-0.038261	-0.001977	0.028732	0.004190	20,780	20,719	21,314
Regular	142,297	0.111416	0.088658	0.026640	-0.018198	158,131	169,009	173,512
Total Commercial	163,883					178,911	189,728	194,826
Aggregate Nonprofit:								
Enhanced Carr Rte	4,505	0.102279	0.013531	-0.016843	-0.035653	4,966	5,033	4,948
Nonprofit	31,136	0.036438	0.027932	0.022686	0.015117	32,271	33,172	33,925
Total Aggregate Nonprof	35,641					37,236	38,205	38,872
Total Standard (A)	205,603					216,148	227,933	233,698
Standard Mail (B):								
Parcels Zone Rate	12,598	0.008964	0.088908	0.089552	0.077025	12,711	13,841	15,081
Bound Prnt Matter	7,310	0.014842	0.028613	0.063125	0.029322	7,418	7,630	8,112
Special Standard	5,182	0.048725	0.031292	0.009735	-0.004287	5,414	5,583	5,637
Library Mail	544	0.012587	0.016704	0.016219	-0.003994	1,086	1,103	1,121
Total Standard (B)	25,614					26,629	28,157	29,950
U S Postal Service	5,017	0.005735	-0.069783	-0.030287	-0.030287	5,046	4,744	4,600
Free Mail--Blind & Hndc & Servicemen	746	0.001091	0.032408	0.031355	0.031355	747	771	795
International Mail	15,814	0.020564	0.088578	0.017331	-0.016339	15,003 2/	16,332	16,615
Special Services:								
Registry	649	-0.101940	-0.074750	-0.087732	-0.134832	583	539	492
Certified	258	-0.038809	0.049858	0.061097	-0.022858	249	261	274
Insurance	9	0.191743	-0.038639	-0.023088	-0.043009	11	10	10
COD	6	0.060488	-0.067702	-0.080184	-0.088584	6	6	7
Special Delivery	0	0.000000	0.000000	0.000000	0.000000	0	0	0
Money Orders	8	0.058874	0.039798	0.023186	-0.014077	10	10	10
Stamped Cards	0	0.000000	0.000000	0.000000	0.000000	0	0	0
Stamped Envelopes	0	-0.130764	0.000000	0.000000	0.000000	0	0	0
Special Handling	309	0.000000	0.000000	0.000000	0.000000	309	309	309
Post Office Box	7	0.030000	0.018700	0.022000	0.003700	7	7	8
Other	3,500	0.000000	0.000000	0.000000	0.000000	3,500	3,500	3,500
Total Spc Svcs	4,749					4,876	4,845	4,810
Total Volume Variable	879,808					896,961	918,389	929,828
Other	188,709	1.000000	1.000000	1.000000	1.000000	188,709	188,709	188,709
Total Costs	1,068,517					1,085,670	1,107,108	1,118,537

Attachment to
Response of Witness Kashani to
Presiding Officer's Information Request 12
Question 2

	2001AR MV Adjusted Mail Proc Equip (1145)	Rollforward 1999 MV Adjusted Mail Proc Equip (1145) 5/	Rollforward 2000 MV Adjusted Mail Proc Equip (1145) 6/	Rollforward 2001BR MV Adjusted Mail Proc Equip (1145) 7/	Rollforward 2001AR MV Adjusted Mail Proc Equip (1145) 8/	Difference 1999 MV Adjusted Mail Proc Equip (1145) RF - Adjusted
First-Class Mail:						
Single-Piece Letters	426,071	429,326	420,244	412,171	414,802	-7,882
Presort Letters	154,418	137,046	140,770	144,729	146,376	2,016
Total Letters	580,489	566,372	561,014	556,899	561,178	-5,866
Single-Piece Cards	12,530	12,181	11,961	11,856	11,658	-731
Presort Cards	3,007	2,388	2,480	2,570	2,545	-228
Total First	596,026	580,941	575,475	571,325	575,381	-6,825
Priority Mail	12,801	11,461	11,519	12,332	11,832	101
Express Mail	998	1,023	1,019	1,026	1,058	98
Mailgrams	5	9	8	6	7	1
Periodicals:						
In County	203	208	201	192	193	-8
Outside County:						
Reg Rate Pub	23,976	22,489	22,086	21,833	21,771	-1,204
Nonprofit Pub	4,524	4,040	3,933	3,775	4,054	-392
Classroom Pub	300	330	313	294	296	-4
Total Periodicals	29,003	27,047	26,532	26,094	26,314	-1,608
Standard Mail (A):						
Single Piece Rate	0	0	0	0	0	0
Commercial Standard:						
Enhanced Carr Rte	21,404	20,738	20,093	20,261	20,168	-22
Regular	170,701	157,500	163,426	164,594	160,864	-651
Total Commercial	192,105	178,238	183,519	184,856	180,832	-673
Aggregate Nonprofit:						
Enhanced Carr Rte	4,771	4,926	4,862	4,683	4,670	-40
Nonprofit	34,437	32,120	32,142	32,324	32,595	-151
Total Aggregate Nonprof	39,209	37,046	36,994	37,007	37,265	-190
Total Standard (A)	231,314	215,284	220,513	221,862	218,097	-864
Standard Mail (B):						
Parcels Zone Rate	18,242	12,874	13,223	13,952	14,161	-37
Bound Prnt Matter	8,350	7,280	7,171	7,386	7,345	-136
Special Standard	5,613	5,331	5,260	5,142	5,208	-83
Library Mail	1,117	556	542	533	537	-529
Total Standard (B)	31,321	25,841	26,196	27,012	27,251	-787
U S Postal Service	4,481	4,199	3,835	3,849	3,721	-847
Free Mail--Blind & Hndc & Servicemen	620	753	752	780	778	6
International Mail	16,344	14,978	15,874	15,883	15,834	-25
Special Services:						
Registry	426	675	609	548	528	92
Certified	268	345	356	368	349	96
Insurance	10	16	15	15	15	5
COD	7	12	11	10	10	4
Special Delivery	0	0	0	0	0	0
Money Orders	10	15	16	16	16	5
Stamped Cards	0	0	0	0	0	0
Stamped Envelopes	0	0	0	0	0	0
Special Handling	309	308	303	299	303	0
Post Office Box	8	12	12	12	12	5
Other	3,500	2,753	2,727	2,722	2,755	-747
Total Spc Svcs	4,537	4,137	4,046	3,988	3,988	-539
Total Volume Variable	927,630	885,673	885,771	883,947	883,851	-11,288
Other	188,709	188,709	188,611	188,162	188,258	0
Total Costs	1,116,339	1,074,382	1,074,382	1,072,109	1,072,109	-11,288

Attachment to
Response of Witness Kashani to
Presiding Officer's Information Request 12
Question 2

	Difference 2000 MV Adjusted Mail Proc Equip (1145) RF - Adjusted	Difference 2001BR MV Adjusted Mail Proc Equip (1145) RF - Adjusted	Difference 2001AR MV Adjusted Mail Proc Equip (1145) RF - Adjusted
First-Class Mail:			
Single-Piece Letters	-16,162	-20,405	-11,269
Presort Letters	-1,308	-3,499	-8,042
Total Letters	-17,470	-23,904	-19,311
Single-Piece Cards	-951	-1,056	-872
Presort Cards	-304	-358	-462
Total First	-18,726	-25,318	-20,645
Priority Mail	-110	-380	-1,169
Express Mail	78	61	60
Mailgrams	1	0	2
Periodicals:			
In County	-15	-19	-10
Outside County:			
Reg Rate Pub	-1,950	-2,486	-2,205
Nonprofit Pub	-528	-609	-470
Classroom Pub	-15	-23	-4
Total Periodicals	-2,508	-3,138	-2,689
Standard Mail (A):			
Single Piece Rate	0	0	0
Commercial Standard:			
Enhanced Carr Rte	-626	-1,053	-1,246
Regular	-5,583	-8,918	-10,037
Total Commercial	-6,209	-9,971	-11,283
Aggregate Nonprofit:			
Enhanced Carr Rte	-181	-265	-101
Nonprofit	-1,030	-1,601	-1,842
Total Aggregate Nonprof	-1,211	-1,866	-1,944
Total Standard (A)	-7,420	-11,836	-13,227
Standard Mail (B):			
Parcels Zone Rate	-618	-1,129	-2,081
Bound Prnt Matter	-458	-727	-1,005
Special Standard	-323	-496	-405
Library Mail	-581	-586	-580
Total Standard (B)	-1,981	-2,938	-4,070
U S Postal Service	-909	-951	-740
Free Mail--Blind & Hndc & Servicemen	-19	-35	-42
International Mail	-456	-722	-710
Special Services:			
Registry	70	54	102
Certified	94	94	81
Insurance	5	5	5
COD	3	3	3
Special Delivery	0	0	0
Money Orders	6	6	6
Stamped Cards	0	0	0
Stamped Envelopes	0	0	0
Special Handling	-8	-10	-6
Post Office Box	5	4	4
Other	-773	-778	-745
Total Spc Svcs	-587	-622	-549
Total Volume Variable	-32,628	-48,881	-43,779
Other	-98	-547	-451
Total Costs	-32,726	-48,428	-44,230

Attachment to
Response of Witness Kashani to
Presiding Officer's Information Request 12
Question 2

	FY 1999 Total Key 1199 9/	FY 1999 B Report Costs $1,354,607 10/	FY 1999 Adjusted Key 1199	FY 1999 Ijusted B Report Costs $1,354,607	Difference
First-Class Mail:					
Single-Piece Letters	18,870,354	421,962	18,878,236	422,059	98
Presort Letters	5,756,685	128,726	5,754,669	128,657	-69
Total Letters	24,627,039	550,687	24,632,905	550,716	29
Single-Piece Cards	707,449	15,819	706,180	15,833	13
Presort Cards	173,266	3,874	173,494	3,879	4
Total First	25,507,754	570,381	25,514,579	570,428	48
Priority Mail	2,938,607	65,710	2,938,506	65,696	-15
Express Mail	735,514	16,447	735,416	16,442	-5
Mailgrams	3,755	84	3,754	84	0
Periodicals:					
In County	90,447	2,022	90,455	2,022	0
Outside County:					
Reg Rate Pub	2,336,153	52,239	2,337,367	52,256	17
Nonprofit Pub	402,055	8,990	402,447	8,997	7
Classroom Pub	20,509	459	20,513	459	0
Total Periodicals	2,849,184	63,710	2,850,772	63,735	24
Standard Mail (A):					
Single Piece Rate	0	0	0	0	0
Commercial Standard:					
Enhanced Carr Rte	2,663,871	59,567	2,663,893	59,566	-11
Regular	9,099,330	203,471	9,099,981	203,448	-23
Total Commercial	11,763,201	263,038	11,763,874	263,004	-34
Aggregate Nonprofit:					
Enhanced Carr Rte	263,443	5,891	263,483	5,891	0
Nonprofit	1,722,053	38,507	1,722,204	38,503	-4
Total Aggregate Nonprof	1,985,496	44,398	1,985,686	44,394	-4
Total Standard (A)	13,748,697	307,436	13,749,561	307,398	-38
Standard Mail (B):					
Parcels Zone Rate	1,058,250	23,664	1,058,287	23,660	-4
Bound Prnt Matter	574,028	12,836	574,166	12,837	1
Special Standard	362,044	8,096	362,127	8,096	0
Library Mail	55,672	1,245	56,201	1,256	12
Total Standard (B)	2,049,994	45,840	2,050,781	45,849	9
U S Postal Service	510,799	11,422	511,846	11,439	17
Free Mail--Blind & Hndc & Servicemen	55,593	1,245	55,687	1,245	0
International Mail	900,928	20,146	900,951	20,142	-3
Special Services:					
Registry	347,996	7,782	347,906	7,778	-4
Certified	706,921	15,806	706,825	15,802	-5
Insurance	115,837	2,586	115,832	2,585	-1
COD	25,647	573	25,643	573	0
Special Delivery	0	0	0	0	0
Money Orders	305,680	6,835	305,675	6,834	-1
Stamped Cards	0	0	0	0	0
Stamped Envelopes	8,501	190	8,501	190	0
Special Handling	8,764	196	8,764	196	0
Post Office Box	9,524,407	212,976	9,524,402	212,936	-40
Other	234,295	5,238	235,042	5,256	18
Total Spc Svcs	11,277,850	252,185	11,278,399	252,150	-35
Total Volume Variable	60,578,753	1,354,607	60,580,041	1,354,607	0
Other	39,421,247	880,831	39,421,247	880,831	0
Total Costs	100,000,000	683,778	100,011,288	683,778	0

Attachment to
Response of Witness Kashani to
Presiding Officer's Information Request 12
Question 2

	FY 2000 Total Key 1199 11/	FY 2000 B Report Costs $1,473,475 12/	FY 2000 Adjusted Key 1199	FY 2000 Adjusted B Report Costs $1,473,475	Difference
First-Class Mail					
Single-Piece Letters	18,367,187	446,338	18,383,349	446,491	153
Presort Letters	5,883,734	142,980	5,885,042	142,935	-45
Total Letters	24,250,921	589,318	24,268,391	589,426	107
Single-Piece Cards	694,415	16,875	695,366	16,889	14
Presort Cards	180,791	4,393	181,095	4,398	5
Total First	25,126,127	610,587	25,144,853	610,714	126
Priority Mail	2,963,238	72,009	2,963,346	71,973	-36
Express Mail	737,749	17,926	737,671	17,916	-12
Mailgrams	3,477	84	3,476	84	0
Periodicals:					
In County	89,146	2,166	89,161	2,166	-1
Outside County:					
Reg Rate Pub	2,321,766	56,421	2,323,716	56,438	17
Nonprofit Pub	397,166	9,652	397,716	9,660	8
Classroom Pub	19,723	479	19,738	479	0
Total Periodicals	2,827,823	68,719	2,830,331	68,743	24
Standard Mail (A):					
Single Piece Rate	0	0	0	0	0
Commercial Standard:					
Enhanced Carr Rte	2,619,754	63,662	2,620,380	63,643	-19
Regular	9,478,333	230,332	9,483,916	230,344	12
Total Commercial	12,098,087	293,994	12,104,296	293,987	-7
Aggregate Nonprofit:					
Enhanced Carr Rte	260,696	6,335	260,679	6,336	1
Nonprofit	1,723,515	41,883	1,724,545	41,885	2
Total Aggregate Nonprof	1,984,213	48,218	1,985,424	48,222	3
Total Standard (A)	14,082,300	342,212	14,089,720	342,209	-4
Standard Mail (B):					
Parcels Zone Rate	1,120,794	27,236	1,121,412	27,237	0
Bound Prnt Matter	575,262	13,980	575,741	13,983	4
Special Standard	363,438	8,832	363,791	8,835	3
Library Mail	55,000	1,337	55,561	1,349	13
Total Standard (B)	2,114,514	51,385	2,116,475	51,405	20
U S Postal Service	474,518	11,531	475,427	11,547	16
Free Mail–Blind & Hndc & Servicemen	56,381	1,370	56,400	1,370	0
International Mail	957,001	23,256	957,488	23,255	-1
Special Services:					
Registry	329,966	8,018	329,819	8,013	-5
Certified	728,976	17,715	728,882	17,703	-12
Insurance	110,080	2,675	110,075	2,673	-2
COD	23,885	580	23,882	580	0
Special Delivery	0	0	0	0	0
Money Orders	315,891	7,675	315,856	7,671	-4
Stamped Cards	0	0	0	0	0
Stamped Envelopes	8,450	205	8,450	205	0
Special Handling	8,609	209	8,615	209	0
Post Office Box	9,527,334	231,523	9,527,329	231,398	-125
Other	238,303	5,791	239,078	5,807	16
Total Spc Svcs	11,291,487	274,393	11,292,084	274,260	-133
Total Volume Variable	60,634,615	1,473,475	60,667,243	1,473,475	0
Other	39,365,385	738,107	39,365,483	738,107	0
Total Costs	100,000,000	735,368	100,032,726	735,368	0

Attachment to
Response of Witness Kashani to
Presiding Officer's Information Request 12
Question 2

	TYBR 2001 Total Key 1199 13/	TYBR 2001 B Report Costs $1,573,126 14/	TYBR 2001 Adjusted Key 1199	TYBR 2001 Adjusted B Report Costs $1,573,126	Difference
First-Class Mail					
Single-Piece Letters	17,871,122	462,615	17,891,527	462,794	179
Presort Letters	5,950,384	154,033	5,953,883	154,007	-26
Total Letters	23,821,506	616,647	23,845,410	616,800	153
Single-Piece Cards	674,941	17,472	675,997	17,486	14
Presort Cards	185,980	4,814	186,338	4,820	6
Total First	24,682,427	638,933	24,707,745	639,106	173
Priority Mail	3,163,344	81,887	3,163,724	81,835	-52
Express Mail	743,777	19,254	743,718	19,237	-16
Mailgrams	2,950	76	2,950	76	0
Periodicals:					
In County	86,312	2,234	86,331	2,233	-1
Outside County:					
Reg Rate Pub	2,345,786	60,723	2,348,274	60,742	19
Nonprofit Pub	389,008	10,070	389,617	10,078	8
Classroom Pub	19,215	497	19,238	498	0
Total Periodicals	2,840,321	73,525	2,843,459	73,551	26
Standard Mail (A):					
Single Piece Rate	0	0	0	0	0
Commercial Standard:					
Enhanced Carr Rte	2,673,500	69,207	2,674,553	69,182	-25
Regular	9,693,719	250,933	9,702,637	250,975	41
Total Commercial	12,367,219	320,140	12,377,190	320,156	16
Aggregate Nonprofit:					
Enhanced Carr Rte	252,201	6,529	252,466	6,530	2
Nonprofit	1,738,536	45,004	1,740,137	45,011	7
Total Aggregate Nonprof	1,990,737	51,533	1,992,602	51,542	9
Total Standard (A)	14,357,956	371,672	14,369,792	371,698	26
Standard Mail (B):					
Parcels Zone Rate	1,195,856	30,956	1,196,965	30,962	6
Bound Prnt Matter	602,722	15,602	603,449	15,609	7
Special Standard	361,408	9,355	361,904	9,361	6
Library Mail	55,116	1,427	55,704	1,441	14
Total Standard (B)	2,215,103	57,341	2,218,041	57,373	33
U S Postal Service	458,430	11,867	459,361	11,883	16
Free Mail--Blind & Hndc & Servicemen	58,941	1,526	58,976	1,526	0
International Mail	956,957	24,772	957,679	24,772	0
Special Services:					
Registry	309,666	8,016	309,815	8,009	-7
Certified	756,073	19,572	756,979	19,555	-17
Insurance	106,896	2,767	106,893	2,765	-2
COD	22,263	576	22,260	576	-1
Special Delivery	0	0	0	0	0
Money Orders	321,891	8,333	321,885	8,325	-8
Stamped Cards	0	0	0	0	0
Stamped Envelopes	8,417	218	8,417	218	0
Special Handling	8,328	216	8,338	216	0
Post Office Box	9,512,160	246,233	9,512,156	246,047	-186
Other	245,020	6,343	245,798	6,358	15
Total Spc Svcs	11,290,717	292,273	11,291,339	292,069	-204
Total Volume Variable	60,770,923	1,573,126	60,816,804	1,573,126	0
Other	39,229,077	794,386	39,229,624	794,386	0
Total Costs	100,000,000	778,740	100,046,428	778,740	0

Attachment to
Response of Witness Kashani to
Presiding Officer's Interrogatory Request 12
Question 2

	TYAR 2001 Total Key 1198 15/	TYAR 2001 B Report Costs $1,573,126 16/	TYAR 2001 Adjusted Key 1199	TYAR 2001 Adjusted B Report Costs $1,573,126	Difference
First-Class Mail:					
Single-Piece Letters	18,027,153	468,200	18,036,432	468,155	-46
Presort Letters	6,024,598	156,471	6,032,640	156,566	96
Total Letters	24,051,751	624,671	24,071,072	624,721	50
Single-Piece Cards	664,323	17,254	665,195	17,264	10
Presort Cards	183,965	4,778	184,427	4,786	9
Total First	24,900,049	646,703	24,920,694	646,771	69
Priority Mail	3,015,866	78,323	3,016,837	78,297	-26
Express Mail	14,835	19,605	754,775	19,589	-16
Mailgrams	3,029	79	3,027	79	0
Periodicals:					
In County	86,717	2,252	86,727	2,251	-1
Outside County:					
Reg Rate Pub	2,329,791	60,509	2,331,996	60,523	14
Nonprofit Pub	415,051	10,780	415,521	10,784	4
Classroom Pub	19,325	502	19,329	502	0
Total Periodicals	2,850,884	74,043	2,853,573	74,059	16
Standard Mail (A):					
Single Piece Rate	0	0	0	0	0
Commercial Standard:					
Enhanced Carr Rte	2,647,186	68,753	2,648,432	68,736	-17
Regular	9,458,324	245,651	9,468,361	245,734	83
Total Commercial	12,105,510	314,404	12,116,793	314,469	65
Aggregate Nonprofit:					
Enhanced Carr Rte	251,279	6,526	251,380	6,524	-2
Nonprofit	1,754,884	45,578	1,756,726	45,593	15
Total Aggregate Nonprof	2,006,163	52,104	2,008,107	52,117	13
Total Standard (A)	14,111,673	366,508	14,124,900	366,586	78
Standard Mail (B):					
Parcels Zone Rate	1,207,548	31,362	1,208,630	31,394	31
Bound Prnt Matter	586,989	15,504	587,974	15,519	15
Special Standard	364,521	9,467	364,926	9,471	4
Library Mail	55,428	1,440	56,008	1,454	14
Total Standard (B)	2,224,487	57,774	2,226,537	57,838	64
U S Postal Service	467,566	12,144	468,336	12,155	10
Free Mail--Blind & Hndc & Servicemen	60,277	1,566	60,319	1,566	0
International Mail	944,042	24,519	944,752	24,519	1
Special Services:					
Registry	302,740	7,863	302,638	7,854	-9
Certified	717,333	18,631	717,252	18,615	-16
Insurance	105,958	2,752	105,953	2,750	-2
COD	22,478	584	22,475	583	-1
Special Delivery	0	0	0	0	0
Money Orders	313,138	8,133	313,132	8,127	-6
Stamped Cards	0	0	0	0	0
Stamped Envelopes	8,487	221	8,487	221	0
Special Handling	8,467	220	8,473	220	0
Post Office Box	9,510,009	246,983	9,510,005	246,815	-179
Other	249,086	6,469	249,813	6,483	15
Total Spc Svcs	11,237,888	291,866	11,238,237	291,668	-197
Total Volume Variable	60,570,206	1,573,126	60,613,967	1,573,126	0
Other	39,429,792	794,386	39,430,243	794,386	0
Total Costs	100,000,000	778,740	100,044,230	778,740	0

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Footnotes:

1/ Kashani WP-A Table A-3 pages 61 - 62
2/ Kashani Exhibit 14-A, pages 9 - 10
3/ Includes FY99 adjustment for Single Piece Third migration
4/ Includes FY99 adjustment for International
5/ Kashani WP-C Part II Table B pages 61 - 62
6/ Kashani WP-E Part II Table B pages 61 - 62
7/ Kashani WP-G Part II Table B pages 61 - 62
8/ Kashani WP-I Part II Table B pages 61 - 62
9/ Kashani WP-C Part II Table B pages 65 - 66
10/ Kashani WP-C Part II Table B pages 12 and 30
(see components 185, 236 and 237
11/ Kashani WP-E Part II Table B pages 65 - 66
12/ Kashani WP-E Part II Table B pages 12 and 30
(see components 185, 236 and 237
13/ Kashani WP-G Part II Table B pages 65 - 66
14/ Kashani WP-G Part II Table B pages 12 and 30
(see components 185, 236 and 237
15/ Kashani WP-I Part II Table B pages 65 - 66
16/ Kashani WP-I Part II Table B pages 12 and 30
(see components 185, 236 and 237

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	BY 1998 CFS Key (1201) 1/	MVE FY 1999	MVE FY 2000	MVE TY 2001 BR	MVE TY 2001 AR 2/	1999 MV Adjusted CFS Key (1201)	2000 MV Adjusted CFS Key (1201)	2001BR MV Adjustec CFS Key (1201)
First-Class Mail:								
Single-Piece Letters	95,446	-0.009017	-0.001833	-0.008777	-0.015039	100,014 3/	99,830	98,954
Presort Letters	61,373	0.054763	0.052193	0.043282	0.041770	64,733	68,112	71,060
Total Letters	156,819					164,747	167,942	170,014
Single-Piece Cards	5,619	-0.040710	0.001563	-0.001533	-0.029675	5,390	5,399	5,390
Presort Cards	1,944	-0.043903	0.064331	0.051628	0.026947	1,859	1,978	2,080
Total First	164,382					171,996	175,319	177,485
Priority Mail	1,720	0.012810	0.023685	0.093183	0.006996	2,026 3/	2,076	2,269
Express Mail	165	0.036667	0.017518	0.025258	0.034704	171	174	178
Mailgrams	0	-0.049977	-0.056031	-0.134266	-0.134266	0	0	0
Periodicals:								
In County	418	-0.032917	-0.000706	-0.023103	-0.034453	402	402	393
Outside County:								
Reg Rate Pub	20,006	0.020641	0.015294	0.011866	-0.014166	20,423	20,735	20,981
Nonprofit Pub	5,860	-0.075309	0.006448	-0.017240	0.031914	5,437	5,472	5,378
Classroom Pub	71	-0.025233	-0.018174	-0.034873	-0.053181	69	68	66
Total Periodicals	26,373					26,332	26,677	26,818
Standard Mail (A):								
Single Piece Rate	5,714	-0.720268	-1.000000	0.000000	0.000000	0 3/	0	0
Commercial Standard:								
Enhanced Carr Rte	1,680	-0.038261	-0.001977	0.028732	0.004190	1,618	1,613	1,659
Regular	15,960	0.111416	0.068656	0.026840	-0.018196	17,738	18,958	19,461
Total Commercial	17,640					19,354	20,569	21,120
Aggregate Nonprofit:								
Enhanced Carr Rte	321	0.102279	0.013531	-0.016943	-0.035653	354	359	353
Nonprofit	3,864	0.036439	0.027932	0.022688	0.015117	4,005	4,117	4,210
Total Aggregate Nonprof	4,185					4,359	4,476	4,563
Total Standard (A)	27,539					23,713	25,044	25,682
Standard Mail (B):								
Parcels Zone Rate	143	0.008964	0.088906	0.089552	0.077025	144	157	171
Bound Prnt Matter	1,514	0.014842	0.028513	0.063125	0.029322	1,538	1,580	1,660
Special Standard	829	0.048725	0.031292	0.009735	-0.004287	860	880	867
Library Mail	0	0.012567	0.016704	0.016219	-0.003994	1,085	1,103	1,121
Total Standard (B)	2,286					3,426	3,521	3,659
U S Postal Service	11,528	0.005736	-0.059783	-0.030287	-0.030287	11,594	10,901	10,571
Free Mail--Blind & Hndc & Servicemen	0	0.001081	0.032408	0.031355	0.031355	0	0	0
International Mail	984	0.020664	0.088678	0.017331	-0.016339	934 2/	1,017	1,034
Special Services:								
Registry	74	-0.101940	-0.074760	-0.087732	-0.134832	66	61	56
Certified	0	-0.036809	0.049858	0.051097	-0.022856	0	0	0
Insurance	0	0.191743	-0.039539	-0.023089	-0.043009	0	0	0
COD	0	0.060468	-0.057702	-0.060184	-0.088594	0	0	0
Special Delivery	0	0.000000	0.000000	0.000000	0.000000	0	0	0
Money Orders	0	0.058874	0.039796	0.023186	-0.014077	0	0	0
Stamped Cards	0	0.000000	0.000000	0.000000	0.000000	0	0	0
Stamped Envelopes	0	-0.130754	0.000000	0.000000	0.000000	0	0	0
Special Handling	0	0.000000	0.000000	0.000000	0.000000	0	0	0
Post Office Box	0	0.030000	0.018700	0.022000	0.003700	0	0	0
Other	10,525	0.000000	0.000000	0.000000	0.000000	10,525	10,525	10,525
Total Spc Svcs	10,599					10,591	10,586	10,581
Total Volume Variable	248,576					250,784	255,315	258,278
Other	6,038	1.000000	1.000000	1.000000	1.000000	6,038	6,038	6,038
Total Costs	251,614					256,822	261,353	264,316

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	2001AR MV Adjusted CFS Key (1201)	Rollforward 1999 MV Adjusted CFS Key (1201) 5/	Rollforward 2000 MV Adjusted CFS Key (1201) 6/	Rollforward 2001BR MV Adjusted CFS Key (1201) 7/	Rollforward 2001AR MV Adjusted CFS Key (1201) 8/	Difference 1999 MV Adjusted CFS Key (1201) RF - Adjusted
First-Class Mail:						
Single-Piece Letters	97,466	106,436	103,796	222,142	224,866	6,422
Presort Letters	74,028	29,599	30,427	68,539	59,718	-35,134
Total Letters	171,494	136,035	134,222	290,681	284,584	-28,712
Single-Piece Cards	5,231	4,279	4,187	9,026	8,938	-1,111
Presort Cards	2,136	983	1,022	2,322	2,310	-676
Total First	178,861	141,297	139,431	302,029	305,832	-30,699
Priority Mail	2,285	9,532	9,533	22,499	21,112	7,504
Express Mail	186	1,415	1,408	3,155	3,205	1,244
Mailgrams	0	14	13	24	25	14
Periodicals:						
In County	379	360	341	721	725	-52
Outside County						
Reg Rate Pub	20,684	11,746	11,662	25,457	25,284	-8,677
Nonprofit Pub	5,560	1,820	1,786	3,797	4,062	-3,617
Classroom Pub	62	100	97	200	200	31
Total Periodicals	26,675	14,016	13,879	30,175	30,251	-12,316
Standard Mail (A):						
Single Piece Rate	0	0	0	0	0	0
Commercial Standard:						
Enhanced Carr Rte	1,686	6,193	6,040	13,413	13,340	4,577
Regular	19,146	46,706	48,763	108,093	105,518	28,968
Total Commercial	20,812	52,899	54,803	121,506	118,858	33,545
Aggregate Nonprofit:						
Enhanced Carr Rte	340	995	966	2,092	2,091	641
Nonprofit	4,274	9,203	9,242	20,407	20,634	5,198
Total Aggregate Nonprof	4,614	10,198	10,228	22,499	22,725	5,839
Total Standard (A)	25,425	63,097	65,031	144,005	141,583	39,384
Standard Mail (B):						
Parcels Zone Rate	184	2,939	3,128	7,357	7,406	2,795
Bound Prnt Matter	1,729	1,813	1,822	4,181	4,124	277
Special Standard	864	1,112	1,120	2,443	2,455	452
Library Mail	1,117	198	198	430	429	-887
Total Standard (B)	3,714	6,062	6,268	14,411	14,416	2,637
U S Postal Service	10,251	2,374	2,180	4,566	4,861	-9,220
Free Mail--Blind & Hndc & Servicemen	0	234	236	527	537	234
International Mail	1,017	3,161	3,361	7,385	7,273	2,227
Special Services:						
Registry	49	1,233	1,115	2,195	2,122	1,167
Certified	0	1,154	1,183	2,686	2,545	1,154
Insurance	0	59	55	115	114	59
COD	0	37	34	70	71	37
Special Delivery	0	0	0	0	0	0
Money Orders	0	69	70	154	151	69
Stamped Cards	0	0	0	0	0	0
Stamped Envelopes	0	1	1	3	3	1
Special Handling	0	32	31	67	68	32
Post Office Box	0	52	52	115	114	52
Other	10,525	1,737	1,697	3,864	3,732	-8,788
Total Spc Svcs	10,574	4,374	4,238	9,069	8,920	-6,217
Total Volume Variable	258,987	245,578	245,576	537,845	537,806	-5,208
Other	6,038	6,038	6,038	13,222	13,222	0
Total Costs	265,025	251,614	251,614	551,067	551,027	-5,208

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	Difference 2000 MV Adjusted CFS Key (1201) RF - Adjusted	Difference 2001BR MV Adjusted CFS Key (1201) RF - Adjusted	Difference 2001AR MV Adjusted CFS Key (1201) RF - Adjusted
First-Class Mail:			
Single-Piece Letters	3,965	123,188	127,400
Presort Letters	-37,685	-2,521	-4,310
Total Letters	-33,720	120,667	123,090
Single-Piece Cards	-1,212	3,636	3,707
Presort Cards	-956	242	174
Total First	-35,888	124,544	126,971
Priority Mail	7,457	20,230	18,827
Express Mail	1,234	2,977	3,020
Mailgrams	13	24	25
Periodicals:			
In County	-61	328	346
Outside County:			
Reg Rate Pub	-9,063	4,478	4,580
Nonprofit Pub	-3,683	-1,581	-1,488
Classroom Pub	29	134	138
Total Periodicals	-12,798	3,357	3,576
Standard Mail (A):			
Single Piece Rate	0	0	0
Commercial Standard:			
Enhanced Carr Rte	4,427	11,754	11,674
Regular	29,807	88,632	86,372
Total Commercial	34,234	100,386	98,046
Aggregate Nonprofit:			
Enhanced Carr Rte	627	1,739	1,751
Nonprofit	5,125	16,197	16,360
Total Aggregate Nonprof	5,753	17,936	18,111
Total Standard (A)	39,987	118,323	116,158
Standard Mail (B):			
Parcels Zone Rate	2,971	7,186	7,224
Bound Prnt Matter	242	2,501	2,395
Special Standard	440	1,756	1,771
Library Mail	-907	-691	-688
Total Standard (B)	2,746	10,752	10,702
U S Postal Service	-8,721	-6,005	-5,800
Free Mail--Blind & Hndc & Servicemen	236	527	537
International Mail	2,344	6,351	6,256
Special Services:			
Registry	1,054	2,136	2,073
Certified	1,183	2,686	2,545
Insurance	56	115	114
COD	34	70	71
Special Delivery	0	0	0
Money Orders	70	154	151
Stamped Cards	0	0	0
Stamped Envelopes	1	3	3
Special Handling	31	67	68
Post Office Box	52	115	114
Other	-8,828	-6,861	-6,793
Total Spc Svcs	-6,348	-1,512	-1,664
Total Volume Variable	-9,738	279,567	278,818
Other	0	7,184	7,184
Total Costs	-9,738	286,751	286,002

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	FY 1999 Total Key 1229 9/	FY 1999 B Report Costs $547,279 10/	FY 1999 Adjusted Key 1229	FY 1999 Ijusted B Report Costs $547,279	Difference
First-Class Mail:					
Single-Piece Letters	28,148,116	256,875	28,141,994	256,794	-81
Presort Letters	9,430,593	86,062	9,465,727	86,375	313
Total Letters	37,578,709	342,937	37,607,421	343,169	232
Single-Piece Cards	838,900	7,837	838,011	7,847	9
Presort Cards	143,416	1,309	144,292	1,317	8
Total First	38,559,025	351,883	38,589,724	352,133	250
Priority Mail	649,116	5,924	641,812	5,855	-69
Express Mail	50,130	457	48,886	446	-11
Mailgrams	1,583	14	1,569	14	0
Periodicals:					
In County	11,107	101	11,159	102	0
Outside County:					
Reg Rate Pub	1,222,569	11,157	1,231,246	11,235	78
Nonprofit Pub	217,583	1,986	221,200	2,018	33
Classroom Pub	16,939	155	16,908	154	0
Total Periodicals	1,468,198	13,399	1,480,514	13,510	111
Standard Mail (A):					
Single Piece Rate	0	0	0	0	0
Commercial Standard:					
Enhanced Carr Rte	1,354,373	12,360	1,349,796	12,317	-43
Regular	10,975,306	100,159	10,946,338	99,886	-273
Total Commercial	12,329,679	112,519	12,296,134	112,203	-316
Aggregate Nonprofit:					
Enhanced Carr Rte	332,442	3,034	331,801	3,028	-6
Nonprofit	2,252,282	20,554	2,247,084	20,505	-49
Total Aggregate Nonprof	2,584,724	23,588	2,578,885	23,532	-55
Total Standard (A)	14,914,403	136,106	14,875,019	135,735	-371
Standard Mail (B):					
Parcels Zone Rate	1,232,053	11,244	1,229,256	11,217	-26
Bound Prnt Matter	707,734	6,459	707,457	6,456	-3
Special Standard	548,094	5,002	547,842	4,997	-5
Library Mail	59,344	542	60,231	550	8
Total Standard (B)	2,547,225	23,246	2,544,586	23,219	-26
U S Postal Service	325,840	2,974	335,060	3,057	84
Free Mail--Blind & Hndc & Servicemen	58,850	535	58,418	533	-2
International Mail	1,109,179	10,122	1,106,952	10,101	-21
Special Services:					
Registry	63,358	578	62,191	567	-11
Certified	31,242	285	30,086	275	-11
Insurance	1,127	10	1,068	10	-1
COD	1,364	12	1,317	12	0
Special Delivery	0	0	0	0	0
Money Orders	99	1	0	0	-1
Stamped Cards	0	0	0	0	0
Stamped Envelopes	1	0	0	0	0
Special Handling	21,791	199	21,759	199	0
Post Office Box	52	0	0	0	0
Other	167,966	1,533	178,754	1,613	80
Total Spc Svcs	286,960	2,619	293,177	2,676	57
Total Volume Variable	59,970,309	547,279	59,975,517	547,279	0
Other	40,029,691	365,305	40,029,691	365,305	0
Total Costs	100,000,000	912,584	100,005,208	912,584	0

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	FY 2000 Total Key 1229 11/	FY 2000 B Report Costs $550,531 12/	FY 2000 Adjusted Key 1229	FY 2000 Adjusted B Report Costs $550,531	Difference
First-Class Mail:					
Single-Piece Letters	27,555,190	252,958	27,561,225	252,881	-77
Presort Letters	9,691,404	88,968	9,729,089	89,299	331
Total Letters	37,246,594	341,926	37,290,314	342,180	254
Single-Piece Cards	822,884	7,554	824,096	7,564	10
Presort Cards	148,973	1,368	149,929	1,376	9
Total First	38,218,451	350,848	38,264,339	351,120	272
Priority Mail	644,044	5,912	638,587	5,843	-69
Express Mail	49,831	457	48,597	446	-11
Mailgrams	1,424	13	1,411	13	0
Periodicals:					
In County	10,789	99	10,850	100	1
Outside County:					
Reg Rate Pub	1,199,824	11,014	1,208,907	11,096	82
Nonprofit Pub	211,390	1,941	215,073	1,974	33
Classroom Pub	16,009	147	15,980	147	0
Total Periodicals	1,438,012	13,201	1,450,810	13,316	115
Standard Mail (A):					
Single Piece Rate	0	0	0	0	0
Commercial Standard:					
Enhanced Carr Rte	1,312,242	12,048	1,307,815	12,004	-43
Regular	11,357,993	104,267	11,328,186	103,977	-291
Total Commercial	12,670,235	116,314	12,636,001	115,980	-333
Aggregate Nonprofit:					
Enhanced Carr Rte	327,411	3,006	326,784	2,999	-6
Nonprofit	2,251,268	20,667	2,246,143	20,616	-50
Total Aggregate Nonprof	2,578,679	23,672	2,572,926	23,616	-57
Total Standard (A)	15,248,914	139,986	15,208,927	139,596	-390
Standard Mail (B):					
Parcels Zone Rate	1,278,847	11,722	1,273,876	11,682	-29
Bound Prnt Matter	683,281	6,364	683,019	6,361	-3
Special Standard	537,841	4,937	537,401	4,933	-5
Library Mail	57,466	528	56,363	536	8
Total Standard (B)	2,565,435	23,551	2,552,660	23,522	-29
U S Postal Service	295,298	2,711	303,986	2,790	80
Free Mail–Blind & Hndc & Servicemen	58,289	535	58,053	533	-2
International Mail	1,171,996	10,759	1,168,651	10,736	-23
Special Services:					
Registry	57,138	525	56,084	515	-10
Certified	32,074	294	30,891	284	-11
Insurance	1,059	10	1,003	9	-1
COD	1,247	11	1,213	11	0
Special Delivery	0	0	0	0	0
Money Orders	70	1	0	0	-1
Stamped Cards	0	0	0	0	0
Stamped Envelopes	1	0	0	0	0
Special Handling	21,391	196	21,380	196	0
Post Office Box	52	0	0	0	0
Other	166,663	1,520	174,411	1,601	81
Total Spc Svcs	278,614	2,558	284,982	2,616	58
Total Volume Variable	59,970,274	550,531	59,980,013	550,531	0
Other	40,029,726	367,476	40,029,726	367,476	0
Total Costs	100,000,000	918,007	100,009,738	918,007	0

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	TYBR 2001 Total Key 1229 13/	TYBR 2001 B Report Costs $590,622 14/	TYBR 2001 Adjusted Key 1229	TYBR 2001 Adjusted B Report Costs $590,622	Difference
First-Class Mail:					
Single-Piece Letters	23,304,380	268,019	23,181,172	268,062	43
Presort Letters	8,215,302	94,483	8,217,823	95,029	546
Total Letters	31,519,682	362,502	31,398,995	363,091	589
Single-Piece Cards	656,609	7,552	652,973	7,551	-1
Presort Cards	115,542	1,329	115,300	1,333	4
Total First	32,291,813	371,382	32,167,269	371,975	593
Priority Mail	851,865	9,797	831,655	9,617	-180
Express Mail	86,091	990	83,114	961	-29
Mailgrams	804	9	780	9	0
Periodicals:					
In County	8,820	101	8,492	98	-3
Outside County:					
Reg Rate Pub	1,091,921	12,557	1,087,345	12,574	17
Nonprofit Pub	181,196	2,084	182,779	2,114	30
Classroom Pub	12,339	142	12,205	141	-1
Total Periodicals	1,294,178	14,884	1,290,821	14,927	43
Standard Mail (A):					
Single Piece Rate	0	0	0	0	0
Commercial Standard:					
Enhanced Carr Rte	1,072,550	12,335	1,060,796	12,267	-68
Regular	9,939,883	114,317	9,851,251	113,918	-399
Total Commercial	11,012,433	126,652	10,912,047	126,184	-468
Aggregate Nonprofit:					
Enhanced Carr Rte	261,242	3,004	258,503	3,001	-4
Nonprofit	1,878,381	21,603	1,862,184	21,534	-69
Total Aggregate Nonprof	2,139,623	24,607	2,121,687	24,535	-73
Total Standard (A)	13,152,056	151,259	13,033,735	150,719	-540
Standard Mail (B):					
Parcels Zone Rate	1,053,433	12,115	1,048,247	12,099	-17
Bound Prnt Matter	604,178	6,948	601,677	6,958	9
Special Standard	444,170	5,108	442,414	5,118	8
Library Mail	50,387	579	51,078	591	11
Total Standard (B)	2,152,168	24,752	2,141,416	24,763	11
U S Postal Service	233,283	2,683	239,288	2,767	84
Free Mail--Blind & Hndc & Servicemen	49,723	572	49,196	569	-3
International Mail	1,043,848	12,003	1,037,297	11,996	-8
Special Services:					
Registry	37,775	434	35,636	412	-22
Certified	22,621	259	19,835	229	-30
Insurance	714	8	599	7	-1
COD	767	9	687	8	-1
Special Delivery	0	0	0	0	0
Money Orders	154	2	0	0	-2
Stamped Cards	0	0	0	0	0
Stamped Envelopes	3	0	0	0	0
Special Handling	14,209	163	14,142	164	0
Post Office Box	115	1	0	0	-1
Other	122,863	1,413	129,744	1,500	87
Total Spc Svcs	199,141	2,290	200,653	2,320	30
Total Volume Variable	51,354,790	590,622	51,075,223	590,622	0
Other	48,645,210	559,459	48,638,026	559,459	0
Total Costs	100,000,000	1,150,081	99,713,249	1,150,081	0

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Presiding Officer's Information Request 12
Question 2

	TYAR 2001 Total Key 1229 15/	TYAR 2001 B Report Costs $590,822 16/	TYAR 2001 Adjusted Key 1229	TYAR 2001 Adjusted B Report Costs $590,822	Difference
First-Class Mail:					
Single-Piece Letters	23,459,535	269,804	23,332,135	269,803	0
Presort Letters	8,307,881	95,547	8,312,191	96,119	571
Total Letters	31,767,416	365,351	31,644,326	365,922	571
Single-Piece Cards	645,621	7,425	641,914	7,423	-2
Presort Cards	114,386	1,316	114,212	1,321	5
Total First	32,527,423	374,092	32,400,452	374,666	574
Priority Mail	805,492	9,264	786,665	9,097	-167
Express Mail	89,124	1,025	86,104	996	-29
Mailgrams	824	9	799	9	0
Periodicals:					
In County	8,890	102	8,544	99	-3
Outside County:					
Reg Rate Pub	1,089,408	12,529	1,084,826	12,545	15
Nonprofit Pub	194,855	2,239	196,143	2,268	29
Classroom Pub	12,413	143	12,275	142	-1
Total Periodicals	1,305,366	15,013	1,301,790	15,053	41
Standard Mail (A):					
Single Piece Rate	0	0	0	0	0
Commercial Standard:					
Enhanced Carr Rte	1,066,621	12,267	1,064,947	12,199	-68
Regular	9,714,210	111,721	9,627,838	111,332	-389
Total Commercial	10,780,831	123,988	10,682,785	123,531	-457
Aggregate Nonprofit:					
Enhanced Carr Rte	260,437	2,995	258,886	2,991	-4
Nonprofit	1,895,359	21,798	1,878,999	21,728	-70
Total Aggregate Nonprof	2,155,796	24,793	2,137,885	24,719	-74
Total Standard (A)	12,936,627	148,782	12,820,469	148,251	-531
Standard Mail (B):					
Parcels Zone Rate	1,070,908	12,316	1,063,664	12,300	-16
Bound Prnt Matter	801,567	8,918	599,192	8,929	10
Special Standard	450,401	5,180	448,630	5,188	8
Library Mail	50,774	584	51,482	595	11
Total Standard (B)	2,173,670	24,999	2,162,968	25,012	13
U S Postal Service	238,658	2,745	244,258	2,824	80
Free Mail--Blind & Hndc & Servicemen	51,012	587	50,475	584	-3
International Mail	1,028,086	11,824	1,021,810	11,816	-8
Special Services:					
Registry	36,523	420	34,450	398	-22
Certified	21,344	245	18,799	217	-28
Insurance	712	8	598	7	-1
COD	775	9	704	8	-1
Special Delivery	0	0	0	0	0
Money Orders	151	2	0	0	-2
Stamped Cards	0	0	0	0	0
Stamped Envelopes	3	0	0	0	0
Special Handling	14,380	165	14,312	165	0
Post Office Box	114	1	0	0	-1
Other	124,562	1,432	131,345	1,519	86
Total Spc Svcs	198,564	2,284	200,208	2,316	32
Total Volume Variable	51,354,816	590,822	51,075,998	590,822	0
Other	48,645,184	559,459	48,638,000	559,459	0
Total Costs	100,000,000	1,150,081	99,713,998	1,150,081	0

Attachment to
Response of Witness Kashani to
Presiding Officer's Information Request 12
Question 2

Footnotes:

1/ Kashani WP-A Table A-3 pages 67 - 68
2/ Kashani Exhibit 14-A, pages 9 - 10
3/ Includes FY99 adjustment for Single Piece Third migration
4/ Includes FY99 adjustment for International
5/ Kashani WP-C Part II Table B pages 67 - 68
6/ Kashani WP-E Part II Table B pages 67 - 68
7/ Kashani WP-G Part II Table B pages 67 - 68
8/ Kashani WP-I Part II Table B pages 67 - 68
9/ Kashani WP-C Part II Table B pages 73 - 74
10/ Kashani WP-C Part II Table B page 26
(see component 233)
11/ Kashani WP-E Part II Table B pages 73 - 74
12/ Kashani WP-E Part II Table B page 26
(see component 233)
13/ Kashani WP-G Part II Table B pages 73 - 74
14/ Kashani WP-G Part II Table B page 26
(see component 233)
15/ Kashani WP-I Part II Table B pages 73 - 74
16/ Kashani WP-I Part II Table B page 26
(see component 233)

Attachment to
Response of Witness Kashani to
Presiding Officer's Information Request 12
Question 2

	FY 1999 1099+1199+1229 $ Impact	FY 2000 1099+1199+1229 $ Impact	TYBR 2001 1099+1199+1229 $ Impact	TYAR 2001 1099+1199+1229 $ Impact
First-Class Mail:				
Single-Piece Letters	86	191	357	-118
Presort Letters	317	399	667	931
Total Letters	406	590	1,024	813
Single-Piece Cards	22	23	12	3
Presort Cards	13	15	12	18
Total First	441	628	1,048	833
Priority Mail	-106	-150	-293	-230
Express Mail	-23	-35	-61	-61
Mailgrams	0	0	0	0
Periodicals:				
In County	0	-1	-6	-6
Outside County:				
Reg Rate Pub	104	105	41	30
Nonprofit Pub	45	47	44	36
Classroom Pub	0	0	0	-1
Total Periodicals	149	150	79	58
Standard Mail (A):				
Single Piece Rate	0	0	0	0
Commercial Standard:				
Enhanced Carr Rte	-71	-87	-124	-109
Regular	-348	-305	-363	-273
Total Commercial	-418	-392	-487	-383
Aggregate Nonprofit:				
Enhanced Carr Rte	-7	-5	-1	-9
Nonprofit	-62	-52	-82	-49
Total Aggregate Nonprof	-69	-57	-83	-58
Total Standard (A)	-488	-449	-550	-441
Standard Mail (B):				
Parcels Zone Rate	-37	-33	-12	37
Bound Prnt Matter	-4	1	20	36
Special Standard	-5	0	17	13
Library Mail	29	32	37	36
Total Standard (B)	-17	-1	61	122
U S Postal Service	115	106	112	98
Free Mail--Blind & Hndc & Servicemen	-3	-3	-4	-3
International Mail	-30	-30	-12	-11
Special Services:				
Registry	-18	-22	-38	-39
Certified	-22	-35	-64	-59
Insurance	-2	-4	-6	-6
COD	-1	-1	-2	-2
Special Delivery	0	0	0	0
Money Orders	-4	-10	-15	-14
Stamped Cards	0	0	0	0
Stamped Envelopes	0	0	0	0
Special Handling	0	0	0	0
Post Office Box	-99	-257	-371	-358
Other	110	110	118	114
Total Spc Svcs	-37	-219	-379	-364
Total Volume Variable	0	0	0	0
Other	0	0	0	0
Total Costs	0	0	0	0

Response of United States Postal Service Witness Kashani
To
Presiding Officer's Information Request No. 12

POIR 12-3

3. Please refer to the response to question 2 of Presiding Officer's Information Request 10. Witness Kashani says that the rollforward was intended to account for the migration of Standard A Single Piece to First-Class single piece and Priority Mail for all components. He also says that "The proper method of reflecting this migration in the aforementioned rollforward distribution keys is to include the migrated amounts for First-Class and Priority Mail in the VBL1 file in FY99rcc...". While the response was referring to the distribution key components 1439 through 1453, would the proper method of reflecting the Standard A Single Piece migration noted in the response also apply to all of the distribution key components that make up the space and rental value distribution keys (Components 1099 and 1199), the mail processing equipment maintenance distribution key (component 1258), and the capital factors distribution key (component 1229)?

If the answer is in the affirmative, please provide the entries into the VBL1 file to accomplish this adjustment. The VBL1 entries should be in the same format as the BEN2FACT file in FY99rcc.

Response

The attached spreadsheet spmdk.xls shows migration of Standard A Single Piece to First-Class and Priority Mail for the rollforward distribution keys which were not included in my testimony (an electronic version is provided in the Question 3 directory of USPS-LR-I-384, Materials Provided in Response to POIR No. 12, Items 2 and 3). As requested, I have created BEN2FACT and VBL1 ACSII files illustrating distribution of Standard A Single Piece to First-Class and Priority Mail. Please note that the mail volume adjustment for Single Piece in VBL2 of FY99RCC had already removed Standard A Single Piece from all components and distribution keys.

Figure 1
Standard A Single Piece Cost shift to First-Class & Priority Mail in FY 1999

	Component Number	Component Name	Std A Single Piece DK = 1512 (1)	Priority 5% 1/ DK = 1513 (2)	FCM 95% DK = 1511 (3)	Total (4)
1	1439	Computer Forwarding Sys	1,275	64	1211	1275
2	1440	Mail Processing BCS	390	20	370	390
3	1441	Delivery BCS	404	20	384	404
4	1442	Function 4 Key	8,061	403	7,658	8,061
5	1443	Facer/Canceler Letters	40	2	38	40
6	1444	Culling	-	-	-	-
7	1445	Small Parcel Bundle Sorter	615	31	584	615
8	1446	RBCS	50	3	47	50
9	1447	Sorting to Letter Cases	1,773	89	1,684	1,773
10	1448	Sorting to Flat Cases	1,854	93	1,761	1,854
11	1449	OCR	235	12	223	235
12	1450	General and Logistical - BMC	1,152	58	1,094	1,152
13	1451	General and Logistical - NONBMC	11,488	574	10,914	11,488
14	1452	Carrier Sequence BCS	68	3	65	68
15	1453	Parcel Sorting & NMO Machines	606	30	576	606
16	907	Computer Forwarding Sys	345	17	328	345
17	908	Bulk Mail Acceptance Unit	62	3	59	62
18	909	Registry	323	16	307	323
19	911	Other Accountables	149	7	142	149
20	912	Other Non-Accountables	68	3	65	68
21	913	OCR	235	12	223	235
22	914	Mail Processing BCS	390	20	370	390
23	915	Delivery BCS	404	20	384	404
24	971	Carrier Sequence BCS	68	3	65	68
25	916	LSM	13	1	12	13
26	917	FSM	1,195	60	1,135	1,195
27	918	Parcel Sorting & NMO Machines	606	30	576	606
28	919	Facer/Canceler Letters	40	2	38	40
29	920	Facer/Canceler Flats	27	1	26	27
30	922	Sack Sorting Machine	184	9	175	184
31	923	Small Parcel Bundle Sorter	615	31	584	615
32	924	Remote Barcode System	50	3	47	50
33	925	Multiside	52	3	49	52
34	929	Other Equipment	233	12	221	233
35	930	Sorting to Letter Cases	1,773	89	1,684	1,773
36	931	Sorting to Flat Cases	1,854	93	1,761	1,854
37	932	Sorting to Hanging Sacks	444	22	422	444
38	933	Sorting to Rolling Container	883	44	839	883
39	934	Sorting to Pallets	27	1	26	27
40	935	Other Sorting Operations	401	20	381	401
41	936	REWRAP	18	1	17	18
42	937	Postage Due	314	16	298	314
43	938	Other Manual Operations	316	16	300	316
44	939	City Carrier	7,298	365	6,933	7,298
45	942	Accountable Cage	146	7	139	146
46	943	Platform	29	1	28	29
47	944	Office Space	1,581	79	1,502	1,581
48	902	Other Equipment Maint	-	-	-	-
49	947	Employee Facilities	40,731	2,037	38,694	40,731
50	1307	Computer Forwarding Sys	345	17	328	345
51	1363	OCR	235	12	223	235
52	1314	Mail Proc BCS	390	20	370	390
53	1371	Carrier Sequence BCS	68	3	65	68
54	1315	Delivery BCS	404	20	384	404
55	1316	LSM	13	1	12	13
56	1317	FSM	1,195	60	1,135	1,195
57	1318	Parcel Sorting & NMO Machines	606	30	576	606
58	1319	Facer/Canceler Letters	40	2	38	40

Figure 1
Standard A Single Piece Cost shift to First-Class & Priority Mail in FY 1999

	Component Number	Component Name	Std A Single Piece	Priority	FCM	Total
				5%	95%	
			DK = 1512	1/ DK = 1513	DK = 1511	
			(1)	(2)	(3)	(4)
59	1320	Facer/Canceler Flats	27	1	26	27
60	1322	Sack Sorting Machine	184	9	175	184
61	1323	Small Parcel Bundle Sorter	615	31	584	615
62	1324	RBCS	50	3	47	50
63	1365	Strapping	35	2	33	35
64	1364	Powered Transport Equip	85	4	81	85
65	1366	General & Logistical - BMC	1,152	58	1,094	1,152
66	1367	General & Logistical - NON BMC	11,488	574	10,914	11,488
67	1330	Sorting to Letter Cases	6,339	317	6,022	6,339
68	1331	Sorting to Flat Cases	6,626	331	6,295	6,626
69	1001	Window Services	949	47	902	949
70	1005	Express Mail	248	12	236	248
71	1007	Computer Forwarding Sys	1,110	56	1,054	1,110
72	1008	Bulk Mail Acceptance Unit	1,102	55	1,047	1,102
73	1009	Registry	1,495	75	1,420	1,495
74	1011	Other Accountables	968	48	920	968
75	1012	Other Non-Accountables	250	13	237	250
76	1013	OCR	935	47	888	935
77	1014	Mail Proc BCS	1,148	57	1,091	1,148
78	1015	Delivery BCS	2,824	141	2,683	2,824
79	1054	Carrier Sequence BCS	565	28	537	565
80	1016	LSM	36	2	34	36
81	1017	FSM	2,157	108	2,049	2,157
82	1018	Parcel Sorting & NMO Machines	4,684	234	4,450	4,684
83	1019	Facer/Canceler Letters	422	21	401	422
84	1020	Facer/Canceler Flats	140	7	133	140
85	1022	Sack Sorting Machine	3,153	158	2,995	3,153
86	1023	Small Parcel Bundle Sorter	3,873	194	3,679	3,873
87	1024	Remote Barcode System	314	16	298	314
88	1025	Multislide	817	41	776	817
89	1029	Other Equipment	2,013	101	1,912	2,013
90	1030	Sorting to Letter Cases	1,642	82	1,560	1,642
91	1031	Sorting to Flat Cases	4,367	218	4,149	4,367
92	1032	Sorting to Hanging Sacks	4,358	218	4,140	4,358
93	1033	Sorting to Rolling Container	4,606	230	4,376	4,606
94	1034	Sorting to Pallets	510	26	484	510
95	1035	Other Sorting Operations	720	36	684	720
96	1036	REWRAP	174	9	165	174
97	1037	Postage Due	734	37	697	734
98	1038	Other Manual Operations	1,866	93	1,773	1,866
99	1039	City Carrier	6,572	329	6,243	6,572
100	1040	Rural Carrier	249	12	237	249
101	1042	Accountable Cage	966	48	918	966
102	1043	Platform	32,369	1,618	30,751	32,369
103	1044	Office Space	5,474	274	5,200	5,474
104	1045	Mail Proc Equip Maint	1,659	83	1,576	1,659
105	1047	Employee Facilities	6,646	332	6,314	6,646
106	1048	VMF	1,463	73	1,390	1,463
107	1052	Mail Transport Equip Centers	638	32	606	638
108	1099	Total Space Key	104,216	5,211	99,005	104,216
109	1101	Window Services	1,008	50	958	1,008
110	1105	Express Mail	288	14	274	288
111	1107	Computer Forwarding Sys	1,000	50	950	1,000
112	1108	Bulk Mail Acceptance Unit	1,072	54	1,018	1,072
113	1109	Registry	1,505	75	1,430	1,505
114	1111	Other Accountables	982	49	933	982
115	1112	Other Non-Accountables	264	13	251	264
116	1113	OCR	845	42	803	845

Figure 1
Standard A Single Piece Cost shift to First-Class & Priority Mail in FY 1999

	Component Number	Component Name	Std A Single Piece DK = 1512 (1)	Priority 5% DK = 1513 (2)	FCM 95% DK = 1511 (3)	Total (4)
117	1114	Mail Proc BCS	1,030	52	978	1,030
118	1115	Delivery BCS	2,571	129	2,442	2,571
119	1154	Carrier Sequence BCS	600	30	570	600
120	1116	LSM	32	2	30	32
121	1117	FSM	1,941	97	1,844	1,941
122	1118	Parcel Sorting & NMO Machines	4,406	220	4,186	4,406
123	1119	Facer/Canceler Letters	379	19	360	379
124	1120	Facer/Canceler Flats	117	6	111	117
125	1122	Sack Sorting Machine	2,878	144	2,734	2,878
126	1123	Small Parcel Bundle Sorter	3,348	167	3,181	3,348
127	1124	Remote Barcode System	744	37	707	744
128	1125	Multislide	722	36	686	722
129	1129	Other Equipment	1,829	91	1,738	1,829
130	1130	Sorting to Letter Cases	1,597	80	1,517	1,597
131	1131	Sorting to Flat Cases	4,327	216	4,111	4,327
132	1132	Sorting to Hanging Sacks	4,095	205	3,890	4,095
133	1133	Sorting to Rolling Container	4,605	230	4,375	4,605
134	1134	Sorting to Pallets	421	21	400	421
135	1135	Other Sorting Operations	739	37	702	739
136	1136	REWRAP	164	8	156	164
137	1137	Postage Due	725	36	689	725
138	1138	Other Manual Operations	1,814	91	1,723	1,814
139	1139	City Carrier	7,535	377	7,158	7,535
140	1140	Rural Carrier	250	13	237	250
141	1142	Accountable Cage	1,085	54	1,031	1,085
142	1143	Platform	23,767	1,188	22,579	23,767
143	1144	Office Space	5,363	268	5,095	5,363
144	1145	Mail Proc Equip Maint	1,571	79	1,492	1,571
145	1147	Employee Facilities	6,786	339	6,447	6,786
146	1148	VMF	1,546	77	1,469	1,546
147	1152	Mail Transport Equip Centers	600	30	570	600
148	1199	Total Rental Key	94,551	4,728	89,823	94,551
149	1201	Computer Forwarding Sys	494	25	469	494
150	1202	OCR	11,722	586	11,136	11,722
151	1204	Mail Proc BCS	3,093	155	2,938	3,093
152	1205	Carrier Sequence BCS	3,091	155	2,936	3,091
153	1206	Delivery BCS	20,536	1,027	19,509	20,536
154	1207	LSM	21	1	20	21
155	1208	FSM	7,049	352	6,697	7,049
156	1209	Parcel Sorting & NMO Machines	6,464	323	6,141	6,464
157	1210	Facer/Canceler Letters	2,765	138	2,627	2,765
158	1211	Facer/Canceler Flats	26	1	25	26
159	1213	Sack Sorting Machine	3,591	180	3,411	3,591
160	1214	Small Parcel Bundle Sorter	10,157	508	9,649	10,157
161	1215	Remote Barcode System	5,297	265	5,032	5,297
162	1217	Strapping	785	39	746	785
163	1222	Powered Transport Equip	3,367	168	3,199	3,367
164	1218	General & Logistical - BMC	25,010	1,251	23,759	25,010
165	1219	General & Logistical - Non BMC	10,033	502	9,531	10,033
166	1229	Total Capital Key	113,501	5,675	107,826	113,501
167	1231	Computer Forwarding Sys	2,858	143	2,715	2,858
168	1233	OCR	9,601	480	9,121	9,601
169	1234	Mail Proc BCS	7,483	374	7,109	7,483
170	1235	Carrier Sequence BCS	849	42	807	849
171	1236	Delivery BCS	21,029	1,051	19,978	21,029
172	1237	LSM	175	9	166	175
173	1238	FSM	10,052	503	9,549	10,052
174	1239	Parcel Sorting & NMO Machines	7,170	359	6,811	7,170

1/

Figure 1
Standard A Single Piece Cost shift to First-Class & Priority Mail In FY 1999

	Component Number	Component Name	Std A Single Piece	Priority	FCM	Total
				5%	95%	
			DK = 1512	1/ DK = 1513	DK = 1511	
			(1)	(2)	(3)	(4)
175	1240	Facer/Canceler Letters	3,697	185	3,512	3,697
176	1241	Facer/Canceler Flats	193	10	183	193
177	1243	Sack Sorting Machine	7,812	391	7,421	7,812
178	1244	Small Parcel Bundle Sorter	8,280	414	7,866	8,280
179	1246	ACDCS		-	-	-
180	1247	Strapping	2,885	144	2,741	2,885
181	1252	Powered Transport Equip	7,746	387	7,359	7,746
182	1248	General & Logistical - BMC	6,351	318	6,033	6,351
183	1249	General & Logistical - Non BMC	3,843	192	3,651	3,843
184	1250	Mail Transport Equip Centers	4,284	214	4,070	4,284
185	1245	Remote Barcode System	2,580	129	2,451	2,580
186	1258	Mail Processing Subtotal Key	106,888	5,344	101,544	106,888
187	1259	Total Maintenance Labor Key	106,888	5,344	101,544	106,888
188	1261	Computer Forwarding Sys	11,663	583	11,080	11,663
189	1262	OCR	8,705	435	8,270	8,705
190	1264	Mail Proc BCS	5,599	280	5,319	5,599
191	1265	Carrier Sequence BCS	3,665	183	3,482	3,665
192	1266	Delivery BCS	14,524	726	13,798	14,524
193	1267	LSM	59	3	56	59
194	1268	FSM	5,366	268	5,098	5,366
195	1269	Parcel Sorting & NMO Machines	41,115	2,056	39,059	41,115
196	1270	Facer/Canceler Letters	3,239	162	3,077	3,239
197	1271	Facer/Canceler Flats	97	5	92	97
198	1273	Sack Sorting Machine	7,158	358	6,800	7,158
199	1274	Small Parcel Bundle Sorter	17,770	889	16,881	17,770
200	1275	Remote Barcode System	2,406	120	2,286	2,406
201	1277	Strapping	2,201	110	2,091	2,201
202	1282	Powered Transport Equip	8,192	410	7,782	8,192
203	1278	General & Logistical - BMC	26,126	1,306	24,820	26,126
204	1279	General & Logistical - Non BMC	3,029	151	2,878	3,029
205	1280	Mail Transport Equip Centers	243,960	12,198	231,762	243,960
206	1289	Total Parts & Supplies Key	404,874	20,244	384,630	404,874

1\ For Single Piece Standard A, components 1439 through 1453, see Kashani, Appendix A, workbook apa99.xls, spreadsheet FY99dks.
For all other components 907 through 1289, see Kashani, WP B, Part II, Table B, pages 3 through 91.

** TSO FOREGROUND HARDCOPY ****
NAME=H34153.BEN2FACT

Page 1 of 1

00000064000000000	1	1439	NA	1513	OTHER	A
00000020000000000	2	1440	NA		OTHER	A
00000020000000000	3	1441	NA		OTHER	A
00000403000000000	4	1442	NA		OTHER	A
00000002000000000	5	1443	NA		OTHER	A
00000000000000000	6	1444	NA		OTHER	A
00000031000000000	7	1445	NA		OTHER	A
00000003000000000	8	1446	NA		OTHER	A
00000089000000000	9	1447	NA		OTHER	A
00000093000000000	10	1448	NA		OTHER	A
00000012000000000	11	1449	NA		OTHER	A
00000058000000000	12	1450	NA		OTHER	A
00000574000000000	13	1451	NA		OTHER	A
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Page Set 14

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Page 8 of 14

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21366

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11	0265	1320	00050800
11	0266	1322	00050900
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Fig. 12 of 14

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21372

United States Postal Service

Nancy R. Kay
(USPS-ST-45)

RESPONSE OF POSTAL SERVICE WITNESS KAY TO PRESIDING OFFICER'S REQUEST AT HEARING

Tr. 39/17812: A request was made to provide a version of library reference USPS-LR-I-450 using FY99 cost data and an explanation of any changes in format that occur from the use of rural carrier cost system data for FY99.

RESPONSE:

Please see USPS-LR-I-486.

United States Postal Service

James M. Kiefer
(USPS-T-37)

Revised
3/2/00

RESPONSE OF WITNESS KIEFER
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 2 QUESTION 1

1. The Postal Service request includes proposed rates that have been developed to reflect the assumption that legislation will be enacted. Specifically, the rates proposed for Regular Periodicals, Nonprofit Periodicals and Classroom Publications; the rates for Standard A Nonprofit ECR; and the rates for Library Mail are all dependent on this assumption. In the absence of the passage of legislation, rates for mail in these subclasses would have to reflect existing applicable law, including the restrictions imposed by the Revenue Forgone Act of 1993.

Please provide the test year rates that the Postal Service would propose for these subclasses of mail if it is assumed that no new legislation is enacted. For purposes of this answer the Postal Service is to develop rates that reflect retention of the regular rate mark ups justified in the January 12, 2000 Request. Include exhibits tracing the development of these rates to cost and volume data contained in that Request.

RESPONSE:

The Postal Service would propose the Library Mail rates contained in its January 12,

2000 Request if no new legislation were enacted.

14. Please refer to USPS-T-37, WP-BPM-3. The billing determinant data are broken out by weight from 1 to 10 pounds. However, in R97-1 the maximum weight limit was increased from 10 to 15 pounds. Please explain how, in the rate design process, the weight increments 11-15 pounds are accounted for. Please provide a volume break out for the weight increments from 11 to 15 pounds.

RESPONSE

The increase in weight limit for Bound Printed Matter (BPM) from 10 to 15 pounds was actually recommended by the Commission in Docket No. MC97-3 on September 4, 1997, while Docket No. R97-1 (which also requested the same increase in weight limit) was still proceeding. The Commission's recommendation was approved by the Governors on September 8, 1997 and implemented on October 5, 1997.

Although the increased weight limit was in effect for almost all of FY 1998, Postal Service weight studies for FY 1998 (the basis for the single piece billing determinants shown in WP-BPM-3) detected no volume in the 10 to 15 pound range for single piece BPM. My rate design for single piece BPM was based on the FY 1998 billing determinants and assumed that the volume of single piece BPM in the 10 to 15 pound range would be insignificant.

The Postal Service now has calculated billing determinants for FY 1999. These were filed as Library Reference USPS-LR-I-259. Weight reports used to develop these billing determinants indicate that considerably less than 2% of single piece BPM falls within the 10 to 15 pound range. This suggests that the assumption used in the rate design was reasonable. Using 1999 weight distribution data,

even had it been available, would have had a negligible impact on the level and distribution of single piece BPM rates proposed in this docket.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIEFER
TO QUESTION POSED DURING ORAL CROSS-EXAMINATION

Tr. 13/5329
Counsel for AAP requested a copy of witness Kiefer's workpaper spreadsheet which was modified to reflect the revisions made by witness Crum in Attachment H to his testimony on April 14, 2000.

RESPONSE:

Please see Library Reference I-325. This version of the workpaper spreadsheet reflects a preliminary examination of the impact of witness Crum's revisions, which I believe was sufficient to allow me to conclude that the inserted changes in drop-ship shares would, when rates were adjusted to ensure that BPM's revenue requirement was collected, be unlikely to change my proposed BPM rates to any material degree.

United States Postal Service

Linda A. Kingsley
(USPS-T-10)

COMPELLED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO FOLLOW UP INTERROGATORIES OF McGRAW-HILL COMPANIES INC.

MH/USPS-T10-26 In response to MH/USPS-T10-13(c), and in response to MH/USPS-T10-16, you referred to your response to ANM/USPS-T10-33, which consists of a chart showing the percentages over time of flats that were handled manually, but excluding incoming secondary volumes, which were handled manually to a significantly greater extent.

(a) *Please produce a version of that chart which reflects incoming secondary* processing both in plants and in delivery units.

(b) Please explain fully how the Postal Service keeps track of and counts over time the number of flat mail pieces that are handled manually, and the number of flat mail pieces that are handled in mechanized or automated processing operations.

Response:

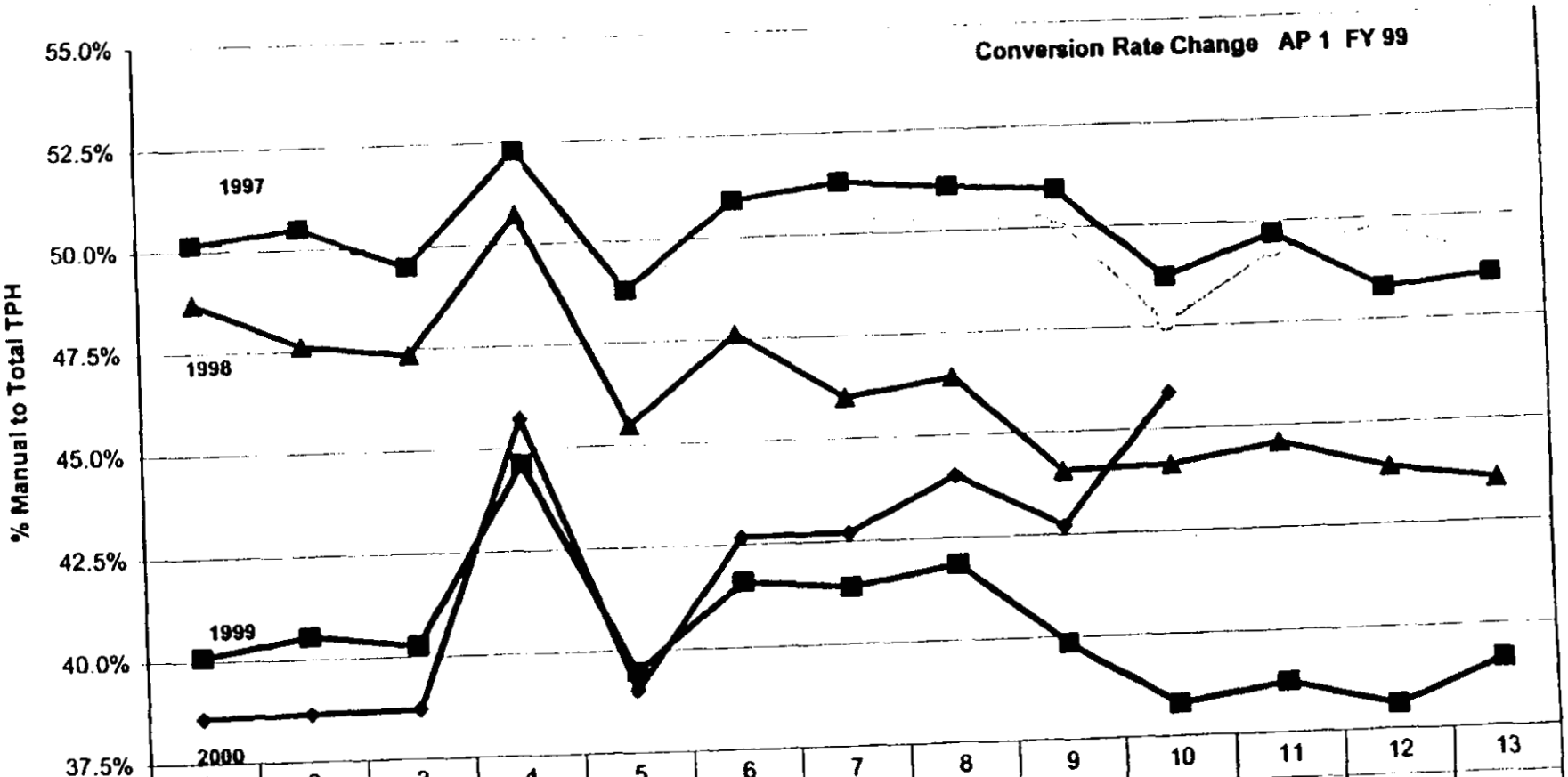
(a) See attached chart for manual incoming secondary flats processing in plants. Currently, we do not track manual volumes by shape in delivery units, however, I am told, that an effort is underway to begin tracking these volumes by shape in 2001.

(b) The Postal Service keeps track of and counts the number of flat mail pieces that are handled manually and in mechanized and automated processing operations by collecting the data through the MODS (Management Operating Data System) and provides the volumes in charts as in the responses to Hearing Question 2 of MH at Tr. 5/2059, lines 11-13, and ANM/USPS-T10-33.

21382

ATTACHMENT
MH/USPS-T10-26

Flat Mail Volume Trend
Manual Incoming Secondary



	1	2	3	4	5	6	7	8	9	10	11	12	13
96	50.3%	49.7%	50.1%	51.9%	48.9%	50.2%	50.5%	50.3%	50.3%	47.6%	49.3%	49.9%	49.0%
97	50.2%	50.5%	49.5%	52.3%	48.8%	50.9%	51.3%	51.1%	51.0%	48.7%	49.7%	48.3%	48.6%
98	48.7%	47.6%	47.4%	50.8%	45.5%	47.6%	46.0%	46.4%	44.1%	44.1%	44.6%	43.9%	43.6%
99	40.1%	40.6%	40.3%	44.6%	39.5%	41.6%	41.4%	41.9%	39.9%	38.3%	38.7%	38.1%	39.2%
00	38.6%	38.7%	38.7%	45.7%	39.0%	42.7%	42.7%	44.0%	42.7%	45.9%			

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO QUESTION RAISED BY ASSOCIATION OF PRIORITY MAIL USERS, INC.

Hearing Question 1, of APMU at Tr. 5/2028 line 18.

What does PREF mean? This question arose when discussing the spreadsheet attached to interrogatory response APMU/USPS-T10-1a. The abbreviation is one of the column headings on the spreadsheet.

Response:

The column headings on the spreadsheet are defined as:

MIX - mixed classes of mail

PREF - Express, First-Class, and Periodicals Mail

PRI - Priority Mail

STND - Standard Mail

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO QUESTION RAISED BY MCGRAW-HILL COMPANIES, INC. DURING HEARINGS

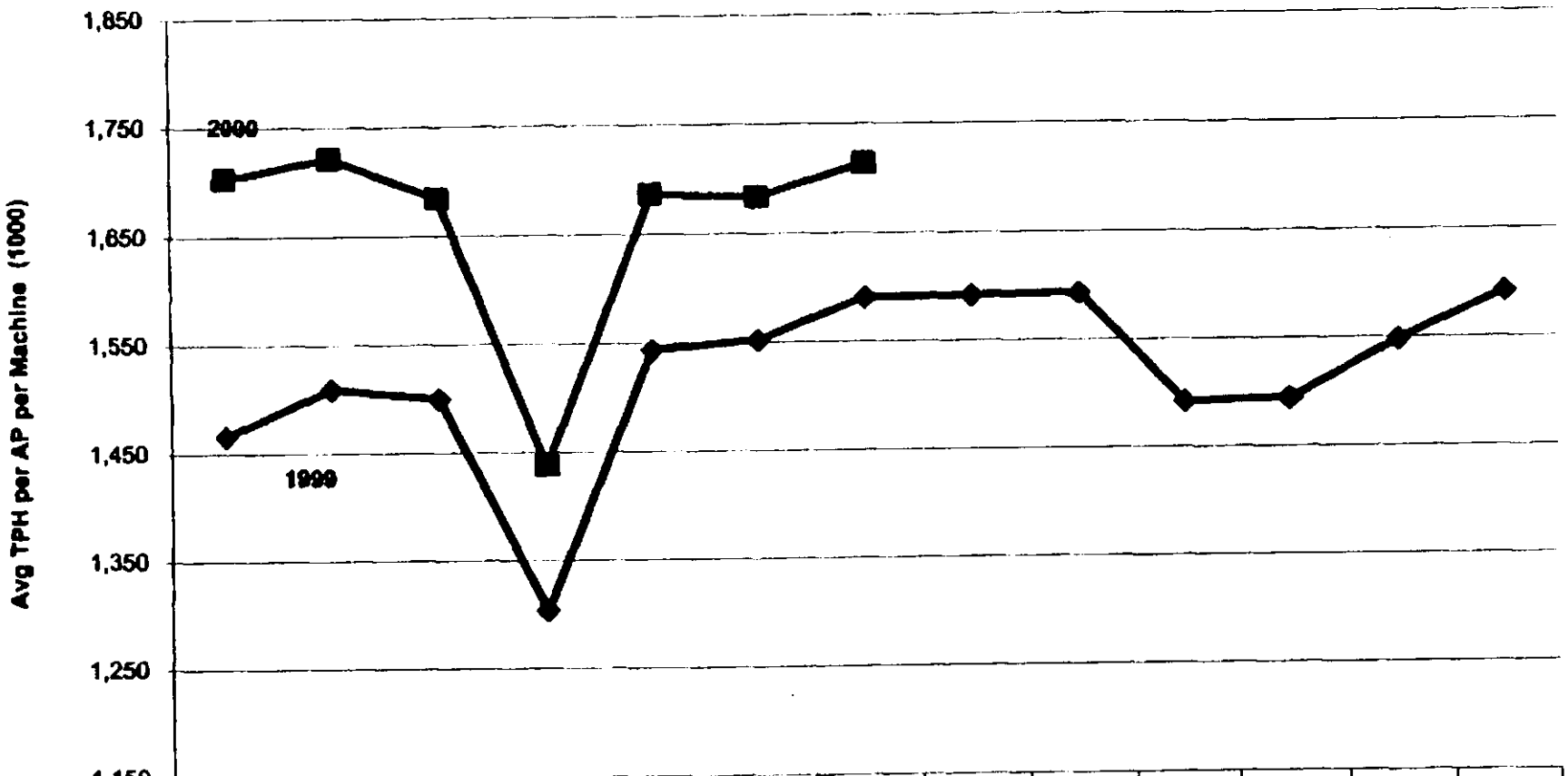
Hearing Question 2 of MH at Tr. 5/ 2059, lines 11-13. I would request production of the FSM utilization indicators for other account periods, to the extent they exist.

Response:

Please see attached charts for FSM 881 and FSM 1000 TPH utilization trends.

21385

FSM 1000 Utilization

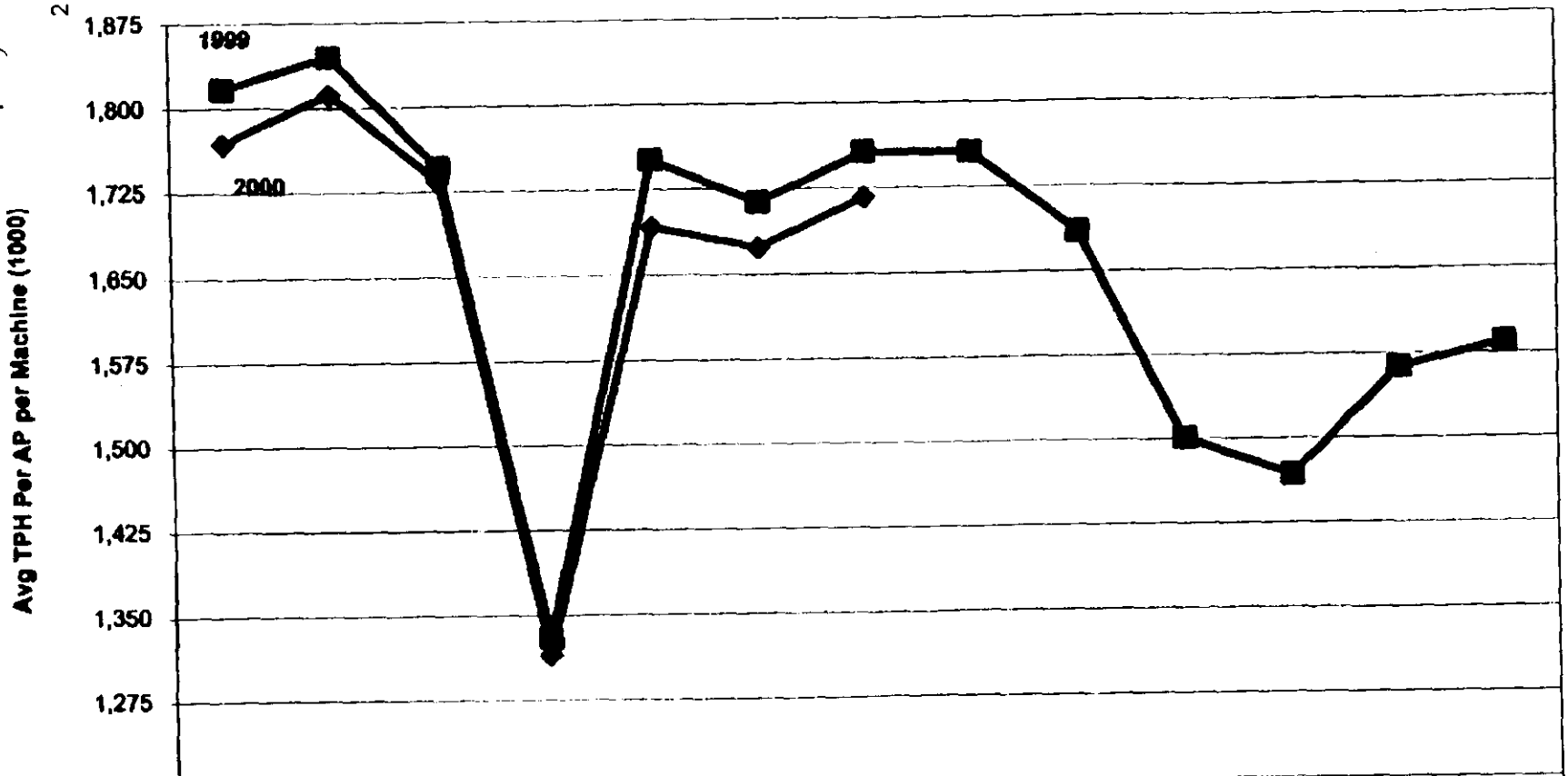


	1	2	3	4	5	6	7	8	9	10	11	12	13
1999	1,466	1,510	1,501	1,304	1,545	1,553	1,592	1,593	1,594	1,493	1,495	1,549	1,593
2000	1,704	1,722	1,685	1,438	1,688	1,684	1,715						

AP

21386

FSM 881 Utilization



	1	2	3	4	5	6	7	8	9	10	11	12	13
1999	1,817	1,845	1,746	1,330	1,751	1,714	1,757	1,756	1,685	1,501	1,468	1,563	1,585
2000	1,769	1,812	1,734	1,315	1,693	1,674	1,718						

AP

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO QUESTION RAISED BY ADVO, INC. DURING HEARINGS

Hearing Question 3, of ADVO at Tr. 5/1955, lines15-19. This (study refered to in MPA/USPS-T10-18) was not connected with, for example, the Engineering Standards study or delivery redesign studies? Is it possible to find out whether that is the case?

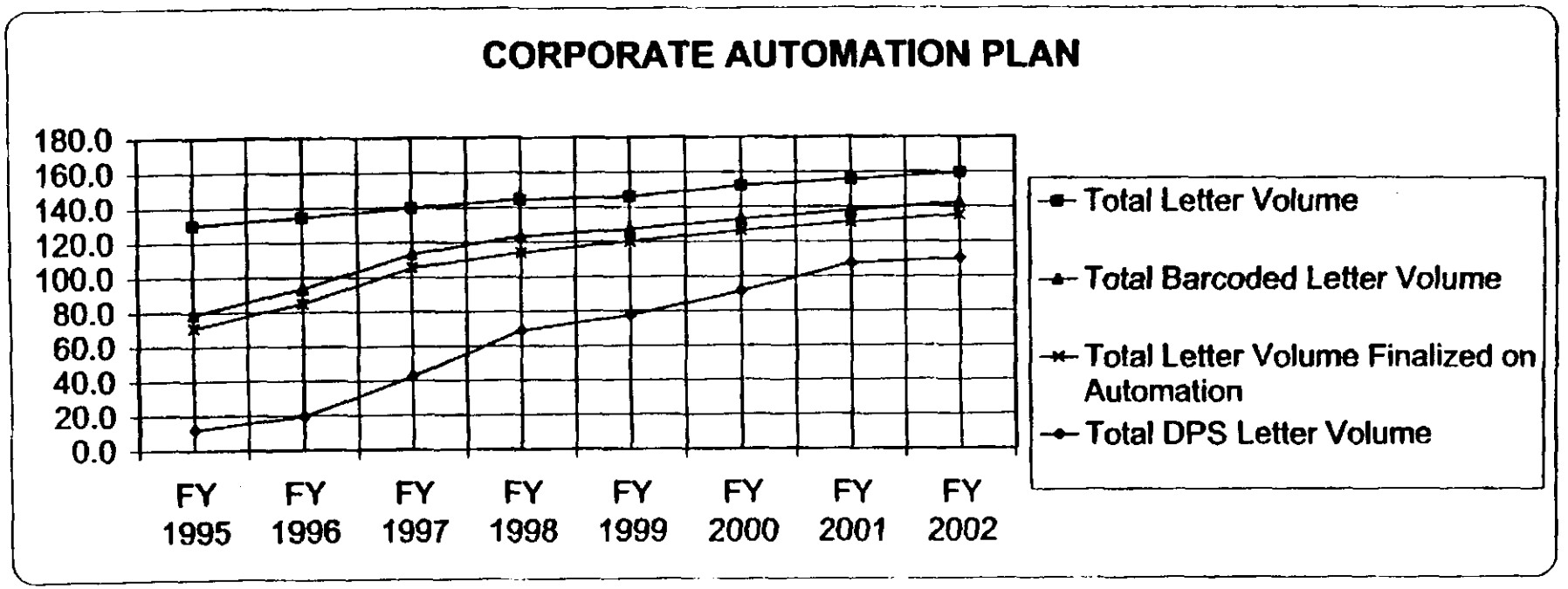
Response:

The information provided in response to MPA/USPS-T10-18 was from data prepared for Delivery Redesign.

Hearing Question 4, of KE at Tr. 5/2013-2014. The discussion runs over two pages so the question is not verbatim but a summary of the referenced pages. KeySpan Energy is asking for a progression of percentages of letters finalized on automation for incoming secondary operations to the extent that those data are available.

Response:

Please see attached.



	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Total Letter Volume	130.0	134.4	139.7	144.3	145.9	152.0	155.5	159.2
Total Barcoded Letter Volume	78.5	93.3	113.2	123.1	127.1	132.8	137.8	142.1
Percentage of Total Letters That Are Barcoded	60.4%	69.4%	81.0%	85.3%	87.2%	87.4%	88.6%	89.2%
Total Letter Volume Finalized on Automation	70.7	84.9	105.3	113.9	120.0	126.2	130.9	135.0
Percentage of Total Letters That Are Finalized on Automation	54.3%	63.2%	75.3%	78.9%	82.3%	83.0%	84.2%	84.8%
Total DPS Letter Volume	11.7	19.2	42.4	68.8	77.6	91.2	107.3	109.9
Percentage of Total Letters That Are DPS	9.0%	14.3%	30.3%	47.7%	53.2%	60.0%	69.0%	69.0%
Percentage of Barcoded Letters That Are DPS	14.9%	20.5%	37.5%	55.9%	61.0%	68.7%	77.9%	77.3%

KW Bass Hearings
Question 4
Page 1 of 1

21389

United States Postal Service

Virginia J. Mayes
(USPS-T-32)

VP-CW/USPS-T32-16.

Please refer to your response to VP-CW/USPS-T32-12, where you state that the increase in Standard A ECR's price elasticity (more than 25 percent since Docket No. R97-1) reflects a decrease in Standard A ECR's value of service. VP-CW/USPS-T32-12(b) asked if this change in price elasticity supported a change in the allocation of institutional costs to ECR. You responded in part that, "[I]f witnesses Thress and Tolley indicated that the increase in the price elasticity measured in this case relative to the elasticity measured in the most recent case were statistically significant, **and if nothing else had changed since the last case**, then it would be appropriate to consider a change in allocation of institutional burden." (Emphasis original.)

a. (1) Did witnesses Thress and Tolley indicate that the change in ECR elasticity of more than 25 percent since Docket No. R97-1 was statistically significant?
   (2) If not, did you ever ask them whether they believed the increase to be statistically significant?

b. Do you believe the change in ECR elasticity of more than 25 percent since Docket No. R97-1 was statistically significant? If not, what change in the elasticity would be statistically significant?

c. (1) What type of changes since the last rate case are you referring to?
   (2) What changes of this type have occurred since the last rate case?

d. Is it your view that a statistically significant decrease in the value of service of a subclass in and of itself constitutes evidence supporting a change in the allocation of institutional costs to that subclass? If not, please identify when "it would be appropriate to consider a change in allocation of institutional burden."

Response:

a. (1) I am unaware that either witness Thress or witness Tolley has explicitly indicated on the record whether the change in measured elasticity for ECR since Docket No. R97-1 is statistically significant. However, witness Thress, in his testimony from this case and in his testimony from R97-1, provided t-statistics for his estimates of the ECR own-price elasticity. In addition, and perhaps more relevant to the issue my response wished to address, witness Thress has indicated in his responses to NAA/USPS-T7-10 and NAA/USPS-T7-14 that the

change in the ECR own-price elasticity "appears to be the result of the changes made to the Standard ACR specification since the last case...as opposed to indicative of a change in the actual own-price elasticity of Standard ECR mail over time."

(2) Yes.

b. No. It would depend both on the level of the estimate and the standard error associated with the estimate.

c. (1) The types of changes I was referring to in my response include any and all changes that might influence the setting of the rate level for Standard ECR, which is to say any and all areas covered by the nine pricing criteria as well as changes in the institutional costs burden.

(2) The institutional cost burden has changed, as well as the sizes of the cost increases for the various subclasses of mail.

d. No. Consideration of the measured price elasticity in determination of the cost coverage is appropriate. As I noted in my response to VP-CW/USPS-T32-12, the price elasticity for ECR is not the only thing considered when setting cost coverages. As the goal of setting rate levels is to achieve financial breakeven, ECR and changes in its price elasticity cannot be considered in isolation.

4. Please provide workpapers, in support of Exhibits USPS-32A, USPS-32B and USPS-32C, that show for each mail category and special service the following statistics and their source: (a) mail volume, (b) postage, (c) fees, (d) total revenue, and (e) revenue per piece. The requested workpapers should have a similar structure as Workpapers I, II and IV presented by Postal Service witness O'Hara in support of his Exhibits USPS-30A, USPS-30B and USPS-30C in Docket No.R97-1.

Response:

All information necessary to produce the requested workpapers is available in my Exhibits USPS-32A, USPS-32B, and USPS-32C and the testimony of postal witnesses USPS-T-6, USPS-T-8, USPS-T-33, USPS-T-34, USPS-T-35, USPS-T-36, USPS-T-37, USPS-T-38 and USPS-T-39 as noted in the footnotes to my Exhibits USPS-32A through USPS-32E. However, for ease of reference, I have attached the same information in the format used by witness O'Hara in Docket No. R97-1, including a column that mechanically calculates revenue per piece. Please note that page 2 of each of my Exhibits USPS-32A, USPS-32B and USPS-32C is a worksheet identical to page 1 of Dr. O'Hara's W/P I, II and IV. Thus, I have not reproduced those pages.

21394

Summary of Revenues
Test Year Before Rates (2001)
(thousands)

Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Per Piece (Col 4/Col 1)
	(1)	(2)	(3)	(4)	(5)
First-Class Mail					
Letters - Single	53,213,826	22,169,105	137,713	22,306,818	0.419182
Automated and Carrier Route Letters	44,117,377	11,785,013	0	11,785,013	0.266875
Non-Automated Presort Letters	2,930,521	899,609	0	899,609	0.341103
Total Worksharing	47,047,898	12,784,622	18,875	12,803,497	0.271712
Total Letters	100,261,726	34,953,727	156,588	35,090,315	0.349987
Stamped Cards	445,823	89,165	181	89,346	0.200407
Post Cards - Single	2,405,027	488,839	6,224	503,163	0.209213
Automated and Carrier Route Post Cards	2,333,596	383,556	0	383,556	0.155792
Non-Automated Presort Cards	400,483	72,087	0	72,087	0.180000
Total Worksharing Cards	2,734,081	435,643	1,095	436,738	0.159739
Total Cards	5,584,931	1,021,747	7,500	1,029,247	0.184290
Business Reply Fees	0	121,356	(121,356)	0	
Domestic Mail Fees	0	42,733	(42,733)	0	
Total First Class	105,846,657	36,119,563	0	36,119,563	0.341244
Priority Mail					
Priority Mail	1,356,715	5,229,143	703	5,229,846	3.854787
Domestic Mail Fees	0	703	(703)	0	
Total Priority	1,356,715	5,229,846	0	5,229,846	3.854787
Express Mail	71,641	1,019,497	0	1,019,497	14.230617
Mailgrams	3,340	1,136	0	1,136	0.340000
Periodicals					
In-County	872,194	74,589	1,697	76,286	0.087464
Outside County					
Nonprofit	1,954,453	315,755	3,802	319,556	0.163502
Classroom	56,153	12,877	109	12,986	0.231267
Regular-Rate	7,545,945	1,819,167	14,678	1,833,845	0.243024
Domestic Mail Fees	0	20,285	(20,285)	0	
Total Periodicals	10,428,745	2,242,674	0	2,242,674	0.215047
Standard Mail A					
Commercial					
Regular	42,783,773	8,633,603	19,617	8,653,220	0.202255
Enhanced Carrier Route	33,630,517	5,021,076	15,420	5,036,496	0.149760
Total Commercial	76,414,291	13,654,679	35,036	13,689,715	0.179151
Nonprofit					
Nonprofit	11,510,795	1,416,142	42,498	1,458,641	0.126719
Enhanced Carrier Route	2,907,206	221,706	10,734	232,440	0.079953
Total Nonprofit	14,418,001	1,637,849	53,232	1,691,081	0.117290
Bulk Mailing Fees	0	61,179	(61,179)	0	
Domestic Mail Fees	0	27,089	(27,089)	0	
Total Standard Mail A	90,832,291	15,380,796	0	15,380,796	0.169332
Standard Mail B					
Parcel Post	378,447	1,197,190	611	1,197,801	3.165046
Bound Printed Matter	541,976	491,907	647	492,554	0.908813
Special Rate	208,667	327,325	306	327,631	1.569964
Library Rate	29,009	48,455	62	48,517	1.672470
Domestic Mail Fees	0	1,347	(1,347)	0	
Special Handling	0	230	(230)	0	
PAL Fees	0	49	(49)	0	
Total Standard Mail B	1,158,118	2,066,503	(0)	2,066,503	1.784362
Total USPS Penalty Mail	948,543	0	0	0	
Free-for-the-Blind	88,675	0	0	0	
Total Domestic Mail	210,102,726	62,080,013	(0)	62,080,013	0.295379
International					
Postage	1,088,939	1,478,198	10,140	1,488,339	1.384962
Terminal & Transit	0	252,793	0	252,793	
Fees, etc.	0	10,140	(10,140)	0	
Total	1,088,939	1,741,131	0	1,741,131	1.631885
Total All Mail	211,189,664	63,801,145	(0)	63,801,145	0.302132
Special Services					
Registry	11,563	81,435	0	81,435	7.042481
Certified Mail	295,742	414,039	0	414,039	1.400002
Insurance	45,610	69,575	0	69,575	1.663938
COD	3,578	18,373	0	18,373	5.137876
Money Orders *	234,993	288,465	0	288,465	1.227549
Stamped Cards	445,823	4,458	0	4,458	0.009999
Stamped Envelopes	400,000	12,515	0	12,515	0.031288
Box/Caller Service	18,246	746,817	0	746,817	40.929997
Subtotal	1,455,553	1,655,678	0	1,655,678	1.137491
Other	N/A	396,957	0	396,957	N/A
Total	1,455,553	2,052,636	0	2,052,636	1.410210
Total Mail & Services	211,189,664	65,853,780	(0)	65,853,780	0.311852
Other Income	0	383,847		383,847	
Revenue Forgone	0	67,093		67,093	
Investment Income *	0	(29,893)		(29,893)	
Total, all items	211,189,664	66,275,027	(0)	66,275,027	0.313847

* Money order revenues include $6,883 in interest.

Source: Exhibit USPS-32A, as revised 4-21-2000. Express Mail and Priority Mail volumes from USPS-T-8; all other volumes from USPS-T-6.

21395

Summary of Revenues
Test Year After Rates (2001)
(thousands)

Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Per Piece (Col 4/Col 1)
	(1)	(2)	(3)	(4)	(5)
First-Class Mail					
Letters - Single	52,877,658	22,837,722	167,072	23,004,794	0.435057
Automated and Carrier Route Letters	44,393,448	12,277,367	0	12,277,367	0.276558
Non-Automated Presort Letters	2,586,268	926,520	0	926,520	0.358243
Total Worksharing	46,979,736	13,203,887	22,520	13,226,407	0.281534
Total Letters	99,857,394	36,041,609	189,592	36,231,201	0.362829
Stamped Cards	415,873	87,333	195	87,528	0.210469
Post Cards - Single	2,364,910	508,933	7,441	516,374	0.219275
Automated and Carrier Route Post Cards	2,286,453	374,603	0	374,603	0.163836
Non-Automated Presort Cards	383,715	72,906	0	72,906	0.190000
Total Worksharing Cards	2,670,168	447,509	1,278	448,787	0.168074
Total Cards	5,440,951	1,043,775	8,914	1,052,689	0.193475
Business Reply Fees	0	148,580	(148,580)	0	
Domestic Mail Fees	0	49,925	(49,925)	0	
Total First Class	105,298,345	37,283,889	0	37,283,889	0.354079
Priority Mail					
Priority Mail	1,249,750	5,541,464	795	5,542,259	4.434693
Domestic Mail Fees	0	795	(795)	0	
Total Priority	1,249,750	5,542,259	0	5,542,259	4.434693
Express Mail	72,301	1,068,567	0	1,068,567	14.779439
Mailgrams	3,340	1,136	0	1,136	0.340000
Periodicals					
In-County	862,061	80,038	1,809	81,847	0.094944
Outside County					
Nonprofit	2,052,208	370,590	4,307	374,897	0.182680
Classroom	55,069	14,378	116	14,494	0.263103
Regular-Rate	7,351,808	2,012,106	15,429	2,027,535	0.275787
Domestic Mail Fees	0	21,661	(21,661)		
Total Periodicals	10,321,166	2,498,774	0	2,498,774	0.242102
Standard Mail A					
Commercial					
Regular	40,998,656	9,049,958	20,479	9,070,437	0.221237
Enhanced Carrier Route	32,828,211	5,145,627	16,398	5,162,024	0.157244
Total Commercial	73,826,867	14,195,585	36,876	14,232,461	0.192782
Nonprofit					
Nonprofit	11,425,579	1,491,198	51,888	1,543,087	0.135055
Enhanced Carrier Route	2,851,875	251,266	12,952	264,218	0.092647
Total Nonprofit	14,277,455	1,742,464	64,840	1,807,305	0.126585
Bulk Mailing Fees	0	75,359	(75,359)	0	
Domestic Mail Fees	0	26,357	(26,357)	0	
Total Standard Mail A	88,104,322	16,039,766	0	16,039,766	0.182054
Standard Mail B					
Parcel Post	374,096	1,199,821	541	1,200,362	3.208697
Bound Printed Matter	624,743	562,745	698	563,443	1.073751
Special Rate	205,789	338,426	338	338,764	1.646175
Library Rate	28,432	49,610	62	49,672	1.747067
Domestic Mail Fees	0	1,412	(1,412)	0	
Special Handling	0	227	(227)	0	
PAL Fees	0	0	0	0	
Total Standard Mail B	1,133,060	2,152,241	(0)	2,152,241	1.899495
Total USPS Penalty Mail	348,543	0	0	0	
Free-for-the-Blind	56,675	0	0	0	
Total Domestic Mail	206,587,501	64,586,631	(0)	64,586,631	0.312636
International					
Postage	1,031,627	1,484,663	10,102	1,494,765	1.448939
Terminal & Transit	0	252,793	0	252,793	
Fees, etc	0	10,102	(10,102)	0	
Total	1,031,627	1,747,558	0	1,747,558	1.693982
Total All Mail	207,619,128	66,334,189	(0)	66,334,189	0.319499
Special Services					
Registry	11,174	94,993	0	94,993	8.501549
Certified Mail	274,934	577,361	0	577,361	2.100002
Insurance	44,880	106,070	0	106,070	2.374020
COD	3,544	19,968	0	19,968	5.634635
Money Orders *	226,435	305,488	0	305,488	1.349118
Stamped Cards	415,873	8,317	0	8,317	0.019999
Stamped Envelopes	400,000	16,041	0	16,041	0.040104
Box/Caller Service	17,958	814,060	0	814,060	45.331948
Subtotal	1,394,597	1,942,299	0	1,942,299	1.392732
Other	N/A	419,918	0	419,918	N/A
Total	1,394,597	2,362,218	0	2,362,218	1.693836
Total Mail & Services	207,619,128	68,696,407	(0)	68,696,407	0.330677
Other Income	0	383,847		383,847	
Revenue Forgone	0	67,093		67,093	
Investment Income *	0	(27,621)		(27,621)	
Total, all items	207,619,128	69,119,726	(0)	69,119,726	0.332916

* Money order revenues include 54,821 in interest

Source: Exhibit USPS-32B. Express Mail and Priority Mail volumes from USPS-T-8, all other volumes from USPS-T-6

21396

Summary of Revenues
Fiscal Year 2000
(thousands)

Mail Service	Mail Volume (1)	Postage (2)	Fees (3)	Postage & Fees (Col 2 + Col 3) (4)	Revenue Per Piece (Col 4/Col 1) (5)
First-Class Mail					
Letters - Single	53,685,016	22,326,832	138,314	22,465,146	0.418462
Automated and Carrier Route Letters	41,850,851	11,082,457	0	11,082,457	0.266080
Non-Automated Presort Letters	3,445,205	1,176,553	0	1,176,553	0.341504
Total Worksharing	45,096,057	12,259,010	18,215	12,277,225	0.272246
Total Letters	98,781,073	34,585,842	156,530	34,742,372	0.351711
Stamped Cards	431,990	86,398	174	86,572	0.200403
Post Cards - Single	2,423,236	500,640	6,243	506,883	0.209176
Automated and Carrier Route Post Cards	2,135,901	332,868	0	332,868	0.155844
Non-Automated Presort Cards	464,203	83,556	0	83,556	0.179999
Total Worksharing Cards	2,600,104	416,424	1,049	417,473	0.160560
Total Cards	5,456,330	1,003,462	7,466	1,010,928	0.185310
Business Reply Fees	0	121,918	(121,918)	0	
Domestic Mail Fees	0	42,078	(42,078)	0	
Total First Class	104,236,403	35,753,300	0	35,753,300	0.343002
Priority Mail					
Priority Mail	1,229,818	4,740,048	838	4,740,886	3.854788
Domestic Mail Fees	0	838	(838)	0	
Total Priority	1,229,818	4,740,886	0	4,740,886	3.854788
Express Mail	69,876	994,373	0	994,373	14.230617
Mailgrams	3,858	1,312	0	1,312	0.340000
Periodicals					
In-County	892,821	76,353	1,737	78,090	0.087464
Outside County	1,988,739	321,294	3,869	325,163	0.163502
Nonprofit	56,182	13,343	113	13,456	0.231268
Classroom	7,457,452	1,797,834	14,507	1,812,341	0.243024
Regular-Rate	0	20,226	(20,226)	0	
Domestic Mail Fees	10,397,195	2,229,049	0	2,229,049	0.214389
Total Periodicals					
Standard Mail A					
Commercial					
Regular	41,673,597	8,445,395	19,108	8,464,503	0.203114
Enhanced Carrier Route	32,691,235	4,881,116	14,989	4,896,106	0.149768
Total Commercial	74,364,831	13,326,512	34,097	13,360,609	0.179663
Nonprofit					
Nonprofit	11,255,435	1,396,722	41,556	1,438,278	0.127785
Enhanced Carrier Route	2,957,311	225,538	10,919	236,456	0.079957
Total Nonprofit	14,212,747	1,622,260	52,474	1,674,734	0.117833
Bulk Mailing Fees	0	80,154	(80,154)	0	
Domestic Mail Fees	0	26,417	(26,417)	0	
Total Standard Mail A	88,577,578	15,035,343	0	15,035,343	0.169742
Standard Mail B					
Parcel Post	347,342	1,123,417	558	1,123,975	3.235935
Bound Printed Matter	509,795	462,699	609	463,307	0.908812
Special Rate	206,675	324,169	303	324,472	1.569964
Library Rate	28,546	47,682	61	47,742	1.672469
Domestic Mail Fees	0	1,242	(1,242)	0	
Special Handling	0	215	(215)	0	
PAL Fees	0	73	(73)	0	
Total Standard Mail B	1,092,357	1,959,497	(0)	1,959,497	1.793824
Total USPS Penalty Mail	359,429	0	0	0	
Free-for-the-Blind	54,952	0	0	0	
Total Domestic Mail	206,021,466	80,713,559	(0)	80,713,559	0.294695
International					
Postage	1,048,783	1,440,257	9,690	1,449,948	1.382531
Terminal & Transit	0	240,263	0	240,263	
Fees, etc	0	9,690	(9,690)	0	
Total	1,048,783	1,690,211	0	1,690,211	1.611823
Total All Mail	207,070,229	82,403,770	(0)	82,403,770	0.301365
Special Services					
Registry	12,675	89,267	0	89,267	7.042905
Certified Mail	281,365	393,911	0	393,911	1.400001
Insurance	46,888	91,694	0	91,694	1.963959
COD	3,805	19,549	0	19,549	5.138291
Money Orders *	229,868	265,081	0	265,081	1.154192
Stamped Cards	431,990	4,320	0	4,320	0.010000
Stamped Envelopes	400,000	12,515	0	12,515	0.031288
Box/Caller Service	17,853	728,460	0	728,460	40.802476
Subtotal	1,424,044	1,604,797	0	1,604,797	1.126929
Other	N/A	342,332	0	342,332	N/A
Total	1,424,044	1,947,129	0	1,947,129	1.367324
Total Mail & Services	207,070,229	84,350,899	(0)	84,350,899	0.310768
Other Income	0	376,023		376,023	
Revenue Forgone	0	64,436		64,436	
Investment Income *	0	(24,112)		(24,112)	
Total, all items	207,070,229	84,767,246	(0)	84,767,245	0.312779

* Money order revenues include 51,398 in interest.

Source Exhibit USPS-32C Express Mail and Priority Mail volumes from USPS-T-8; all others from USPS-T-6.

RESPONSE OF POSTAL SERVICE WITNESS MAYES TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 12, QUESTION 1

1. Please refer to the response to question 5 of Presiding Officer's Information Request No. 1. The question concerns, among other things, the role that RPW correction factors should play in rate design. These factors significantly affect some subclasses, but not others such as Periodicals. Whether significant or not, it seems important that they be handled appropriately and uniformly among witnesses.

   The response agrees that the revenue requirement should be divided by the correction factor at the beginning of the rate design process but then indicates (in part "f") that a correction factor need not be used to estimate the revenue that finally results. To clarify the record, please discuss the logic of the following development, which is adapted to the Postal Service's procedure of developing rates on a TYBR basis.

   Suppose for a subclass that the billing determinants multiplied by the rates in the base year yield a "calculated" revenue of $800 (without fees) and that the official RPW revenue, for some unknown reason, is $960 (without fees). This produces a correction factor of 1.2 (960/800). The mechanics are that whatever revenue is calculated, the actual revenue tends to turn out to be 1.2 times that amount. Now suppose the TYBR cost is $600 and that an after-fees coverage of 150% is desired. The revenue requirement, then, is $900 (1.5 x 600). If the billing determinants were to be used to design rates that yield $900, which (except for rounding) would then be the calculated revenue, the actual RPW revenue would be expected to turn out to be $1080 (1.2 x $900). Since this would be excessive, an adjusted procedure is used.

   Assume the TYAR fees are estimated to be $15, at before rates volumes. Since the fees may not be known at this point, a rough estimate or first-iteration value may be used. The figure of $885 ($900 - $15) is divided by 1.2 to yield $737.50. The rates are designed according to the billing determinants to yield $737.50, knowing that the RPW realized revenue will tend to be 1.2 times this much. At the end of the rate design process, the calculated revenue, which will be $737.50 (except for rounding effects) is multiplied by 1.2 to get an estimate of the realized revenue of $885. To this, the TYAR fees of $15 are added. The sum, $900, divided by the cost of $600 yields the desired coverage of 150%. If the volume decreases 1% under the new rates, the revenue estimates will decrease by 1%, the costs (to the extent they are volume variable) will decrease 1%, and the fee estimate will decrease 1%. The coverage will be approximately the same.

   Please explain whether this process properly represents a logical rate design procedure and whether the rate design procedures used by the Postal Service in this proceeding are consistent with it. If another rate design procedure has been used, please outline it in detail and explain whether it has been used consistently.

Response:

The process described in this question somewhat resembles the rate design process used by postal witnesses, a process described in greater detail below. The question asks that this response "explain whether this process properly represents a logical rate design procedure and whether the rate design procedures used by the Postal Service in this proceeding are consistent with it."

Rate Design Processes Cannot Be Identical Across Subclasses

Reason 1: *Differences in cost behavior*

For several reasons, the rate design process that I will describe below will not be consistent across all rate design witnesses. One reason that the treatment will vary by rate witness and subclass is because cost behavior is not identical for each subclass. The costs will not adjust identically with volume as in the example in the question above, where a 1% decrease in volume is associated with a 1% decrease in costs, for example for subclasses with substantial mail mix changes within the subclass.[1]

For this reason, the rate design process is not as simplistic as the one described in the question. The "revenue requirement" for any given subclass is not calculated by simply multiplying the TYBR costs by the desired TYAR cost

[1] It is my understanding that in the rollforward model, some cost reduction programs and other programs, final adjustments and PESSA costs will be distributed on different keys because of the mail volume effect from TYBR to TYAR, thus changing reported unit costs.

coverage.[2] The TYAR revenue requirement must be established with reference to TYAR volumes and costs, not with respect to TYBR volumes and costs.

In circumstances in which the TYAR unit cost is expected to be higher, or is demonstrated through the iterative process to be higher than the TYBR unit cost, it is necessary for the rate design witness to use, in conjunction with the TYBR costs, a "markup factor" or a "target cost coverage" as an input to the rate design workpapers that is higher than the final cost coverage desired. [3] Witness Robinson's response to interrogatory UPS/USPS-T34-14 provides a concise description of the use of the markup factor, or what she calls "target cost coverage", as an input to her rate design to ensure that the TYAR cost coverage matches the cost coverage required. Rate witnesses design their rates using the TYBR costs, but through the iterative process, they learn the degree to which the TYAR costs diverge from the TYBR costs and adjust, if necessary, their markup factors and other elements in their rate design workpapers in order to achieve their TYAR cost coverage targets.

It is worth noting that, as a result of insufficient technical language for postal ratemaking, there may be some confusion regarding the use of the term "target cost coverage." The rate level witness gives to the rate design witnesses a set of cost coverages which it is hoped will result after completion of the rate design

[2] For purposes of this response, a cost coverage is considered to be the ratio of revenue to volume-variable cost.

[3] There is an analogous concept in target shooting: "windage." If the wind is blowing from west to east, one does not aim at the center of the target, but rather, somewhat to the west, depending on

process. These cost coverages are also sometimes referred to as "target cost coverages." In order to achieve these targets, the rate design witnesses may have to use different cost coverages as inputs to their rate design workpapers. As I have discussed above, the cost coverages used in the rate design workpapers are sometimes referred to as "markup factors" or "target cost coverages," as well. The important thing to understand is that the rate design witnesses may use different cost coverages – whether called "markup factors" or "target cost coverages" or "preliminary cost coverages" or some other term – in order to design rates which will, in the after-rates forecasts of volume, cost and revenue, result in the set of cost coverages requested by the rate level witness. Any difference that is observed between the resulting TYAR cost coverage and the cost coverage used in a set of rate design workpapers should not be construed to indicate significant departure of the resulting TYAR cost coverage from the rate level witness's cost coverage target. Nor should a difference between the two cost coverages be construed to suggest that the rate design witness failed to achieve the TYAR cost coverage target. The cost coverage used in the rate design workpapers would have been purposely set at a level different from the desired TYAR cost coverage precisely with the intent of achieving the desired TYAR cost coverage.

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how hard the wind is blowing. The amount by which the aim is shifted to the west is the "windage." Some subclasses need more "windage" than others.

Reason 2: Differences in forecast detail

A second reason that the process differs across subclasses is that the volume forecasts provide different levels of detail for different subclasses. For some subclasses (e.g., the Periodicals subclasses), the volume forecast provides only the total subclass volume, in which case the rate design process does not have to anticipate or react to changes in the distribution of volume across rate categories in response to proposed rates. The forecasted volume is simply distributed across the rate elements using the billing determinants; there is no change in mail mix. However, for other subclasses (e.g., First-Class Mail letters, Parcel Post and Standard A Regular), the volume forecast provides detail below the subclass level, and the percentage distribution of volume across rate categories – the mail mix – will differ from before- to after-rates. The iterative rate design process for these subclasses is thus somewhat more complicated.

Reason 3: Differences in rate structure and size

Yet another reason that the subclasses differ in their rate design approaches is that there are often fundamental differences in rate structure and revenue size among subclasses. This point may be illustrated clearly by considering First-Class Mail. The First-Class Mail rate structure consists of relatively few rate elements (approximately 20), several of which, in isolation, have a large impact on postal revenues, and several of which are quite visible to the general public. For example, in base year 1998, single-piece mail in the letters subclass generated close to $22 billion in revenue with three rate elements (first-ounce rate, additional-ounce rate, and the nonstandard surcharge). In designing

proposed rates in this docket, witness Fronk's First-Class rates were guided by the factors described in detail in his testimony (USPS-T-33), once provided with subclass cost coverage and percentage rate increase targets. These factors include the convention of proposing the first-ounce stamp price in whole cents, the rate relationship between the first-ounce stamp price and automation letter rates, the fact that the class is used heavily by both household and business customers, and the policy importance of the nonstandard surcharge. Indeed, policy objectives are frequently highly important considerations in proposing First-Class rates.

As such, the ratemaking approach in First-Class Mail, for example, cannot be as mechanistic or formulaic as the example cited in the question might suggest. The number of rate elements, the relative revenue importance of those rate elements, the movement of mail pieces between single-piece and workshare in response to price changes, and other ratemaking considerations generally work to make the rate design process complex. These considerations are also likely to make it more difficult within First-Class Mail to precisely hit a cost coverage or contribution target, and to limit the usefulness of explicitly integrating a "target cost coverage" into the rate design workpapers themselves.

Applying Revenue Adjustment Factors

Base year revenues calculated using billing determinants, which are the distributions of volume to rate element, will not exactly match base year

revenues as reported in RPW.[4] The expectation is that this same discrepancy between calculated revenue and "actual" revenue would exist in the test year. Thus, the test year revenue estimate, derived by multiplying the rates by the test year volume associated with each rate element, needs to be adjusted up or down accordingly to reflect this base year relationship. Given the nature of First-Class ratemaking as discussed above, the practical point at which to apply a revenue correction factor, or revenue adjustment factor, is after the postage revenue by rate element has been calculated. For example, after single-piece revenues from first ounces, additional ounces, and the nonstandard surcharge have been calculated, the revenue adjustment factor is applied to arrive at the estimated TYAR revenue for the single-piece portion of the letters subclass. This is the revenue adjustment approach used in witness Fronk's workpaper (USPS-T-33 Workpaper, as revised April 17, 2000)[5], as well as in the rate design workpapers for other subclasses.[6]

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[4] The discrepancies may be due to over- or underpayment of postage by some pieces, or perhaps the result of the mail mix in the billing determinants not exactly matching the mail mix which resulted in the RPW revenue.

[5] As the Commission is aware, revenue adjustment factors were not incorporated in witness Fronk's workpaper as originally filed (please see response to OCA/USPS-106(d) for an explanation). Incorporating these factors as discussed above and making the other revision described in the response to OCA/USPS-106(d) increased the estimated contribution from First-Class mail from $18.118 billion to 18.164 billion in the TYAR, which was not large enough within the FCM context to change his proposed rates or the rate design process described in his testimony.

[6] Presiding Officer's Information Request No. 1, Question 5 asked if the "RPW correction factor" should have been applied to the calculated after-rates revenues for Periodicals. The response filed to that question indicated that it was not necessary to use the RPW correction factor in the calculation of the TYAR revenues. A pending revised response to that question will indicate that the "revenue adjustment factor," or "RPW correction factor," should be used in the calculation of TYAR revenues. Because the RPW correction factors for Periodicals are so close to one, the resulting revenue would be minimally affected by this change.

It is also useful to put revenue adjustment factors in perspective within the overall rate design process. While the example in the question uses a factor of 1.2 as an illustration and presumably for arithmetic ease, in reality most revenue adjustment factors are very close to 1.00, rarely requiring more than a few percentage points of adjustment back to RPW revenue. In terms of First-Class Mail rate design considerations – and, indeed, for most other subclasses of mail as well – the revenue correction factors are typically dwarfed in importance by other ratemaking considerations and policy objectives.

Generic Description of the Postal Service's Rate Design Process

As I mentioned in my responses to GCA/USPS-T32-8 and NAA/USPS-T32-3, the rate design process is an iterative one. As such, adjustments of several kinds take place between each pair of iterations. Some of the adjustments are necessary because the resultant revenue and volume do not allow for breakeven once the TYAR costs are estimated; some of the adjustments are necessary because the rate design witnesses discover that their expectations of revenue and/or volume do not, in fact, lead to the after-rates cost coverage targets; and some adjustments are necessary to correct known errors and discrepancies.

The rate design process begins with estimates of TYBR volumes. Those volumes are used in the rollforward model to develop TYBR costs. In order to assess the revenue shortfall to determine the revenue requirement in the test year, the estimated costs are compared to the estimated revenue. Each rate

design witness uses base year billing determinants, sometimes adjusted for additional rate elements not present in the base year, to distribute the TYBR volumes to rate elements in order to calculate TYBR revenue. At this stage, after distributing the TYBR volumes to rate element and applying the current (R97-1) rates, the rate witnesses would have applied the appropriate revenue adjustment factors. Although there is no official RPW version of the TYBR or TYAR revenue, the reasonable assumption is made that the discrepancies between the base year calculated revenues (developed from the base year billing determinants) and the actual base year RPW revenues would be the same discrepancies in percentage terms between the calculated TYBR revenues (using the base year billing determinants with the TYBR aggregate volumes) and the TYBR actual revenues.

In this rate case, I began – as noted in my responses to GCA/USPS-T32-8 and NAA/USPS-T32-3 – with TYBR volumes, revenues and costs, and developed approximations of the TYAR volumes, costs, revenues and cost coverages. I simulated the after-rates volume effects by using the own-price elasticities and cross-price elasticities as developed by witnesses Thress (USPS-T-7) and Musgrave (USPS-T-8), with the lags truncated so that only the test year effect on volume would accrue. I used these volume estimates in conjunction with TYBR costs and other costing information as I attempted to approximate the TYAR

effects before giving to each rate design witness my expectations of cost coverages[7] and percent rate increases by subclass.

Each rate design witness was given one or more TYAR cost coverage targets and the percent rate increases I expected to be associated with those cost coverages.[8] Each rate witness had available the own-price elasticities, and TYBR volumes, revenues and costs, and by using this information in conjunction with target cost coverages or markup factors, developed sets of rates which they expected would come close to the cost coverage targets and percentage increases I had provided to them.

As noted above, for various reasons, several iterations of this rate process were necessary. Each time the rate design witnesses produced a set of proposed rates, a TYAR volume forecast was produced. This volume forecast was then used by the rate design witnesses in conjunction with the billing determinants and revenue adjustment factors to develop TYAR revenue forecasts. The TYAR volume forecast was also used to develop cost forecasts. With each iteration, additional information was incorporated, known errors were corrected, and more knowledge was gained regarding the behavior of TYAR volumes and costs. This knowledge enabled the rate design witnesses to pinpoint the markup factors and other rate design adjustments necessary to more accurately attain their cost

[7] As noted elsewhere, including in my testimony at page 18, the cost coverages were calculated as the ratio of revenue to volume-variable cost but were set with consideration of the product specific costs such that the revenue for any subclass would more than adequately cover its product specific costs while also making an appropriate contribution to institutional costs.
[8] See also Tr.11/4491-93.

coverage targets and percentage increases. Many of my original cost coverage targets were revised somewhat in order to ensure that TYAR financial breakeven occurred, sometimes because my original approximations were not close enough, sometimes because the results were not acceptable to postal management, and sometimes to enable rate design witnesses to achieve smooth rate transitions.

RESPONSE OF POSTAL SERVICE WITNESS MAYES TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 16

Q. "To ensure that the record contains consistent information allowing all parties to make a meaningful evaluation of cost coverages, the Service is requested to provide revenue estimates by subclass and service that reflect FY 1999 billing determinants in the manner it deems appropriate. These data should be provided ... together with any analysis of cost coverages utilizing cost projections based on actual FY 1999 cost data."

RESPONSE:

The attached pages show the requested information. The cost figures are those presented by witnesses Patelunas and Kay in USPS-ST-44 and 45. The revenue figures have been developed by the rate design witnesses using the hybrid billing determinants (FY99Q3-FY00Q2) presented in USPS-LR-435, as documented in USPS-LR-436. Also reflected as "Other Income" are the revenue adjustments described by witness Patelunas at page 8 of USPS-ST-44, which have no impact on the projected revenues (or cost coverages) of any of the subclasses or services.

Summary of Estimated Test Year Before Rates Finances
Revenue and Volume Variable Cost
(Dollars in Thousands)

Description	Volume Variable Cost (1)	Revenue (2)	Revenue as Percent of Cost (Col 2/Col 1) (3)	Revenue Minus Vol Var Cost (Col 2 - Col 1) (4)
First-Class Mail				
Single-Piece Letters and Sealed Parcels	13,586,081	22,236,977	163.7%	8,650,896
Presort and Automation Letters	5,115,088	12,788,270	250.0%	7,673,182
Total Letters	18,701,169	35,025,247	187.3%	16,324,078
Single-Piece Cards	556,627	592,337	106.4%	35,710
Presort and Automation Cards	177,569	436,990	246.1%	259,421
Total Cards	734,196	1,029,327	140.2%	295,131
Total First-Class Mail	19,435,365	36,054,574	185.5%	16,619,209
Priority Mail	3,390,168	5,345,639	157.7%	1,955,471
Express Mail	462,139	1,005,884	217.7%	543,745
Mailgrams	850	1,136	133.6%	286
Periodicals				
Within County	87,046	76,728	88.1%	(10,318)
Outside County				
Nonprofit	364,374	313,809	86.1%	(50,565)
Classroom	14,538	13,199	90.8%	(1,339)
Regular-Rate	1,992,410	1,784,849	89.6%	(207,561)
Total Periodicals	2,458,368	2,188,585	89.0%	(269,783)
Standard Mail (A)				
Regular	6,784,313	8,706,739	128.3%	1,922,426
Enhanced Carrier Route	2,685,551	5,043,421	187.8%	2,357,870
Total Commercial	9,469,864	13,750,160	145.2%	4,280,296
Nonprofit	1,363,813	1,457,426	106.9%	93,613
Enhanced Carrier Route	202,982	230,257	113.4%	27,275
Total Nonprofit	1,566,795	1,687,683	107.7%	120,888
Total Standard Mail (A)	11,036,659	15,437,843	139.9%	4,401,184
Standard Mail (B)				
Parcel Post	1,097,363	1,109,627	101.1%	12,264
Bound Printed Matter	512,221	486,862	95.0%	(25,359)
Special Rate	361,266	321,866	89.1%	(39,400)
Library Rate	54,852	48,513	88.4%	(6,339)
Total Standard Mail (B)	2,025,702	1,966,868	97.1%	(58,834)
Free-for-the-Blind	31,724	0	0.0%	(31,724)
Total Domestic Mail	38,840,975	62,000,529	159.6%	23,159,554
International Mail	1,619,092	1,772,350	109.5%	153,258
Total All Mail	40,460,067	63,772,879	157.6%	23,312,812
Special Services				
Registry	104,550	82,455	78.9%	(22,095)
Certified Mail	492,029	414,039	84.1%	(77,990)
Insurance	80,900	87,563	108.2%	6,663
COD	16,708	18,379	110.0%	1,671
Money Orders *	170,767	291,038	170.4%	120,271
Stamped Cards	3,046	4,458	146.4%	1,412
Stamped Envelopes	11,061	12,515	113.1%	1,454
Box/Caller Service	593,497	746,951	125.9%	153,454
Other	122,876	395,396		272,520
Total Special Services	1,595,434	2,052,794	128.7%	457,360
Total Mail & Services	42,055,501	65,825,673	156.5%	23,770,172
Other Costs	28,010,934			
Other Income		687,847		
Prior Years Loss Recovery	311,709			
Continuing Appropriations		67,093		
Investment Income *		(21,959)		
Grand Total	70,378,144	66,558,654	94.6%	(3,819,490)

* Money order revenues include interest of 49,159

Source: Costs from USPS-ST-44; Revenues from LR-I-436.

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Summary of Revenues
Test Year Before Rates (2001)
(thousands)

Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Per Piece (Col 4/Col 1)
	(1)	(2)	(3)	(4)	(5)
First-Class Mail					
Letters - Single	53,213,828	22,065,503	151,474	22,236,977	0.417880
Automated and Carrier Route Letters	44,117,377	11,746,075	0	11,746,075	0.266246
Non-Automated Presort Letters	2,830,521	1,018,996	0	1,018,996	0.347718
Total Worksharing	47,047,898	12,765,071	23,199	12,788,270	0.271814
Total Letters	100,261,726	34,850,574	174,673	35,025,247	0.349338
Stamped Cards	445,823	89,424	204	89,629	0.201041
Post Cards - Single	2,405,027	496,863	5,846	502,709	0.209024
Automated and Carrier Route Post Cards	2,333,598	363,555	0	363,555	0.155792
Non-Automated Presort Cards	400,483	72,089	0	72,089	0.180005
Total Worksharing Cards	2,734,081	435,644	1,346	436,990	0.159831
Total Cards	5,584,931	1,020,931	8,396	1,029,327	0.184304
Business Reply Fees	0	132,821	(132,821)	0	
Domestic Mail Fees	0	50,248	(50,248)	0	
Total First Class	106,846,657	36,054,574	0	36,054,574	0.340630
Priority Mail					
Priority Mail	1,356,715	5,344,935	703	5,345,639	3.940135
Domestic Mail Fees	0	814	(814)	0	
Total Priority	1,356,715	5,345,749	(111)	5,345,639	3.940135
Express Mail	71,641	1,005,684	0	1,005,684	14.040611
Mailgrams	3,340	1,136	0	1,136	0.340000
Periodicals					
In-County	872,194	74,990	1,738	76,728	0.087971
Outside County					
Nonprofit	1,954,453	309,914	3,895	313,809	0.160561
Classroom	56,153	13,087	112	13,199	0.235057
Regular-Rate	7,545,945	1,769,811	15,038	1,784,849	0.236531
Domestic Mail Fees	0	20,783	(20,783)		
Total Periodicals	10,428,745	2,188,585	0	2,188,585	0.209861
Standard Mail A					
Commercial					
Regular	42,783,773	8,686,185	20,554	8,706,739	0.203506
Enhanced Carrier Route	33,630,517	5,027,265	16,156	5,043,421	0.149966
Total Commercial	76,414,291	13,713,450	36,710	13,750,160	0.179942
Nonprofit					
Nonprofit	11,510,796	1,416,753	40,673	1,457,426	0.126614
Enhanced Carrier Route	2,907,206	219,985	10,272	230,257	0.079202
Total Nonprofit	14,418,001	1,636,738	50,945	1,687,683	0.117054
Bulk Mailing Fees	0	61,179	(61,179)	0	
Domestic Mail Fees	0	27,089	(27,089)	0	
Total Standard Mail A	90,832,291	15,438,456	(613)	15,437,843	0.169960
Standard Mail B					
Parcel Post	378,447	1,109,173	455	1,109,627	2.932058
Bound Printed Matter	541,976	486,194	868	486,862	0.898309
Special Rate	208,687	321,545	321	321,866	1.542336
Library Rate	29,009	48,459	54	48,513	1.672349
Domestic Mail Fees	0	1,432	(1,432)	0	
Special Handling	0	55	(55)	0	
PAL Fees	0	11	(11)	0	
Total Standard Mail B	1,158,118	1,966,868	0	1,966,868	1.698330
Total USPS Penalty Mail	348,543	0	0	0	
Free-for-the-Blind	56,675	0	0	0	
Total Domestic Mail	210,102,726	62,001,253	(724)	62,000,529	0.295096
International					
Postage	1,066,939	1,509,417	10,140	1,519,557	1.424222
Terminal & Transit	0	252,793	0	252,793	
Fees, etc	0	10,140	(10,140)	0	
Total	1,066,939	1,772,350	0	1,772,350	1.661155
Total All Mail	211,169,664	63,773,603	(724)	63,772,880	0.301898
Special Services					
Registry	11,563	82,455	0	82,455	7.130642
Certified Mail	295,742	414,039	0	414,039	1.400002
Insurance	45,610	87,563	0	87,563	1.919824
COD	3,576	18,379	0	18,379	5.139554
Money Orders *	234,993	291,038	0	291,038	1.238498
Stamped Cards	445,823	4,458	0	4,458	0.009999
Stamped Envelopes	400,000	12,515	0	12,515	0.031288
Box/Caller Service	18,246	746,951	0	746,951	40.937006
Subtotal	1,455,553	1,657,398	0	1,657,398	1.138672
Other	N/A	395,396	0	395,396	N/A
Total	1,455,553	2,052,794	0	2,052,794	1.410318
Total Mail & Services	211,169,664	65,826,397	(724)	65,825,673	0.311719
Other Income	0	687,847		687,847	
Revenue Forgone	0	67,093		67,093	
Investment Income *	0	(21,959)		(21,959)	
Total, all items	211,169,664	66,559,378	(724)	66,558,654	0.315190

* Money order revenues include 49,159 in interest

Source: Express Mail volume from USPS-T-8, Priority Mail volume from USPS-T-34, all other volumes from USPS-T-6. Revenues from LR-I-436

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Summary Distribution of Domestic Mail Fees to Subclass
Test Year Before Rates
(Thousands of Dollars)

	Letters and Sealed Parcels		Cards			
				Private		
First Class	Single Piece	Worksharing	Stamped	Single Piece	Worksharing	Total
Pieces (millions)	53,214	47,048	446	2,405	2,734	105,847
Percent of Pieces	50.27%	44.45%	0.42%	2.27%	2.58%	100.00%
Address Correction	20,441	18,072	171	924	1,050	40,658
Business Reply	127,078	—	—	5,743	—	132,821
Certificate of Mailing	3,956	167	33	179	10	4,344
Presort Permit Fee	—	4,917	—	—	286	5,203
Merch. Return Permit Fee	0	43	0	0	0	43
Total	151,474	23,199	204	6,846	1,346	183,069

Priority Mail	Total
Address Correction	91
Business Reply	602
Certificate of Mailing	84
Merch. Return Permit Fee	36
Total	814

Periodicals	Within County	Nonprofit	Classroom	Regular Rate	Total
Pieces (millions)	872	1,954	56	7,546	10,429
Percent of Pieces	8.36%	18.74%	0.54%	72.36%	100.00%
Address Correction	1,686	3,778	109	14,588	20,162
Application Fees	52	116	3	450	621
Total	1,738	3,895	112	15,038	20,783

Standard Mail A	Regular	Nonprofit	Total
Pieces (millions)	76,414	14,418	90,832
Percent of Pieces	84.13%	15.87%	100.00%
Address Correction	27,455	5,180	32,636
Bulk Permit Fee	9,240	45,762	55,003
Certificate of Mailing	4	1	5
Bulk Parcel Return Service Permits	10	2	12
Total	36,710	50,945	87,655

Standard Mail B	Parcel Post	Bound Printed Matter	Special Rate	Library Rate	Total
Pieces (millions)	378	542	209	29	1,158
Percent of Pieces	32.68%	46.80%	18.02%	2.50%	100.00%
Address Correction	274	602	117	48	1,040
Certificate of Mailing	18	25	10	1	54
Std. B Special Presort Permits	—	—	171	—	171
Special Handling	44	0	8	3	55
Parcel Airlift	11	—	—	—	11
Dest. Entry Std. B Permits	79				79
Merch. Return Permit Fee	28	41	16	2	87
Total	455	668	321	54	1,498

International	Total
Certificate of Mailing	19
Special Handling	0
Other	0
Total	19

TOTAL FEES	293,838

Source: Express Mail and Priority Mail volumes from USPS-T-8, all other volumes from USPS-T-6. Revenues from LR-I-436.

21412

Summary of Estimated Test Year After Rates Finances
Revenue and Volume Variable Cost
(Dollars in Thousands)

Description	Volume Variable Cost (1)	Revenue (2)	Revenue as Percent of Cost (Col 2/Col 1) (3)	Revenue Minus Vol. Var. Cost (Col 2 - Col 1) (4)
First-Class Mail				
Single-Piece Letters and Sealed Parcels	13,565,268	22,841,864	168.4%	9,276,596
Presort and Automation Letters	5,081,634	13,250,227	260.7%	8,168,593
Total Letters	18,646,902	36,092,091	193.6%	17,445,189
Single-Piece Cards	543,567	603,623	111.0%	60,056
Presort and Automation Cards	173,866	448,789	258.1%	274,923
Total Cards	717,433	1,052,412	146.7%	334,979
Total First-Class Mail	19,364,335	37,144,502	191.8%	17,780,167
Priority Mail	3,194,542	5,656,260	177.1%	2,461,718
Express Mail	467,914	1,016,142	217.2%	548,228
Mailgrams	854	1,136	133.0%	282
Periodicals				
Within County	86,222	82,297	95.4%	(3,925)
Outside County	2,345,698	2,365,325	100.8%	19,627
Total Periodicals	2,431,920	2,447,622	100.6%	15,702
Standard Mail (A)				
Regular	6,512,735	9,126,996	140.1%	2,614,261
Enhanced Carrier Route	2,629,439	5,164,832	196.4%	2,535,393
Total Commercial	9,142,174	14,291,827	156.3%	5,149,653
Nonprofit	1,363,390	1,544,246	113.3%	180,856
Enhanced Carrier Route	199,829	262,328	131.3%	62,499
Total Nonprofit	1,563,219	1,806,574	115.6%	243,355
Total Standard Mail (A)	10,705,393	16,098,401	150.4%	5,393,008
Standard Mail (B)				
Parcel Post	1,077,003	1,126,746	104.6%	49,743
Bound Printed Matter	498,658	554,060	111.1%	55,402
Special Rate	357,987	333,099	93.0%	(24,888)
Library Rate	54,015	49,661	91.9%	(4,354)
Total Standard Mail (B)	1,987,663	2,063,566	103.8%	75,903
Free-for-the-Blind	31,833	0	0.0%	(31,833)
Total Domestic Mail	38,184,454	64,427,630	168.7%	26,243,176
International Mail	1,570,744	1,778,913	113.3%	208,169
Total All Mail	39,755,198	66,206,543	166.5%	26,451,345
Special Services				
Registry	100,215	96,301	96.1%	(3,914)
Certified Mail	460,071	577,361	125.5%	117,290
Insurance	79,549	104,522	131.4%	24,973
COD	16,629	19,981	120.2%	3,352
Money Orders *	165,714	305,035	184.1%	139,321
Stamped Cards	3,048	8,317	272.9%	5,269
Stamped Envelopes	11,077	16,041	144.8%	4,964
Box/Caller Service	586,317	805,860	137.4%	219,543
Other	123,487	414,141		290,654
Total Special Services	1,546,107	2,347,559	151.8%	801,452
Total Mail & Services	41,301,305	68,554,103	166.0%	27,252,798
Other Costs	28,031,846			
Other Income		687,847		
Prior Years Loss Recovery	311,709			
Continuing Appropriations		67,093		
Investment Income *		(20,168)		
Grand Total	69,644,860	69,288,875	99.5%	(355,985)

* Money order revenues include interest of 47,368

Source: Costs from USPS-ST-44; Revenues from LR-I-436.

21413

Summary of Revenues
Test Year After Rates (2001)
(thousands)

Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Per Piece (Col 4/Col 1)
	(1)	(2)	(3)	(4)	(5)
First-Class Mail					
Letters - Single	52,877,658	22,674,792	167,072	22,841,864	0.431976
Automated and Carrier Route Letters	44,393,448	12,284,353	0	12,284,353	0.276715
Non-Automated Presort Letters	2,586,288	943,354	0	943,354	0.364752
Total Worksharing	46,979,736	13,227,707	22,520	13,250,227	0.282041
Total Letters	99,857,394	35,902,499	189,592	36,092,091	0.361436
Stamped Cards	415,873	87,587	195	87,782	0.211079
Post Cards - Single	2,354,910	508,400	7,441	515,841	0.219049
Automated and Carrier Route Post Cards	2,286,453	374,803	0	374,803	0.163836
Non-Automated Presort Cards	383,715	72,906	0	72,906	0.190005
Total Worksharing Cards	2,670,168	447,511	1,278	448,789	0.168075
Total Cards	5,440,951	1,043,498	8,914	1,052,412	0.193424
Business Reply Fees	0	148,580	(148,580)	0	
Domestic Mail Fees	0	49,925	(49,925)	0	
Total First Class	105,298,345	37,144,502	0	37,144,502	0.352755
Priority Mail					
Priority Mail	1,249,750	5,655,465	795	5,656,260	4.525912
Domestic Mail Fees	0	795	(795)	0	
Total Priority	1,249,750	5,656,260	0	5,656,260	4.525912
Express Mail	72,301	1,016,142	0	1,016,142	14.054345
Mailgrams	3,340	1,136	0	1,136	0.340000
Periodicals					
In-County	862,061	80,488	1,809	82,297	0.095466
Outside County					
Nonprofit	2,052,208	361,507	4,307	365,814	0.178254
Classroom	55,089	14,577	116	14,692	0.266702
Regular-Rate	7,351,808	1,969,390	15,429	1,984,819	0.269977
Domestic Mail Fees	0	21,661	(21,661)		
Total Periodicals	10,321,166	2,447,622	0	2,447,622	0.237146
Standard Mail A					
Commercial					
Regular	40,998,656	9,106,517	20,479	9,126,996	0.222617
Enhanced Carrier Route	32,828,211	5,148,434	16,398	5,164,832	0.157329
Total Commercial	73,826,867	14,254,951	36,876	14,291,827	0.193586
Nonprofit					
Nonprofit	11,425,579	1,492,358	51,888	1,544,246	0.135157
Enhanced Carrier Route	2,851,875	249,376	12,952	262,328	0.091984
Total Nonprofit	14,277,455	1,741,734	64,840	1,806,574	0.126533
Bulk Mailing Fees	0	75,359	(75,359)	0	
Domestic Mail Fees	0	26,357	(26,357)	0	
Total Standard Mail A	88,104,322	16,098,401	0	16,098,401	0.182720
Standard Mail B					
Parcel Post	374,096	1,126,205	541	1,126,746	3.011914
Bound Printed Matter	524,743	553,362	698	554,060	1.055869
Special Rate	205,789	332,762	338	333,099	1.618648
Library Rate	28,432	49,599	62	49,661	1.746667
Domestic Mail Fees	0	1,412	(1,412)	0	
Special Handling	0	227	(227)	0	
PAL Fees	0	0	0	0	
Total Standard Mail B	1,133,060	2,063,566	(0)	2,063,566	1.821234
Total USPS Penalty Mail	348,543	0	0	0	
Free-for-the-Blind	56,675	0	0	0	
Total Domestic Mail	206,587,501	64,427,630	(0)	64,427,630	0.311866
International					
Postage	1,031,627	1,516,019	10,102	1,526,121	1.479334
Terminal & Transit	0	252,793	0	252,793	
Fees, etc	0	10,102	(10,102)	0	
Total	1,031,627	1,778,913	0	1,778,913	1.724376
Total All Mail	207,619,128	66,206,543	(0)	66,206,543	0.318885
Special Services					
Registry	11,174	96,301	0	96,301	8.618566
Certified Mail	274,934	577,361	0	577,361	2.100002
Insurance	44,680	104,522	0	104,522	2.339365
COD	3,544	19,981	0	19,981	5.638303
Money Orders *	226,435	305,035	0	305,035	1.347118
Stamped Cards	415,873	8,317	0	8,317	0.019999
Stamped Envelopes	400,000	16,041	0	16,041	0.040104
Box/Caller Service	17,958	805,860	0	805,860	44.875272
Subtotal	1,394,597	1,933,418	0	1,933,418	1.386363
Other	N/A	414,141	0	414,141	N/A
Total	1,394,597	2,347,559	0	2,347,559	1.683325
Total Mail & Services	207,619,128	68,554,103	(0)	68,554,103	0.330192
Other Income	0	383,847		383,847	
Revenue Forgone	0	67,093		67,093	
Investment Income *	0	(20,168)		(20,168)	
Total, all items	207,619,128	68,984,875	(0)	68,984,875	0.332266

* Money order revenues include 47,368 in interest

Source: Express Mail volume from USPS-T-8, Priority Mail volume from USPS-T-34, all other volumes from USPS-T-6. Revenues from LR-I-436

21414

Summary Distribution of Domestic Mail Fees to Subclass
Test Year After Rates
(Thousands of Dollars)

	Letters and Sealed Parcels		Cards			
				Private		
First Class	Single Piece	Worksharing	Stamped	Single Piece	Worksharing	Total
Pieces (millions)	52,878	46,980	416	2,355	2,670	105,298
Percent of Pieces	50.22%	44.62%	0.39%	2.24%	2.54%	100.00%
Address Correction	23,854	21,193	188	1,062	1,205	47,502
Business Reply	154,575	—	—	6,884	—	161,459
Certificate of Mailing	4,396	177	35	196	10	4,813
Presort Permit Fee	—	6,116	—	—	348	6,463
Merch. Return Permit Fee	0	54	0	0	0	54
Total	182,824	27,540	222	8,142	1,562	220,291

Priority Mail	Total
Address Correction	101
Business Reply	670
Certificate of Mailing	96
Merch. Return Permit Fee	42
Total	909

Periodicals	Within County	Outside County	Total
Pieces (millions)	862	9,459	10,321
Percent of Pieces	8.35%	91.65%	100.00%
Address Correction	1,786	19,601	21,387
Application Fees	58	640	699
Total	1,845	20,241	22,086

Standard Mail A	Regular	Nonprofit	Total
Pieces (millions)	73,827	14,277	88,104
Percent of Pieces	83.79%	16.21%	100.00%
Address Correction	26,568	5,138	31,706
Bulk Permit Fee	11,159	56,645	67,805
Certificate of Mailing	5	1	6
Bulk Parcel Return Service Permits	12	2	14
Total	37,744	61,787	99,531

Standard Mail B	Parcel Post	Bound Printed Matter	Special Rate	Library Rate	Total
Pieces (millions)	374	525	206	28	1,133
Percent of Pieces	33.02%	46.31%	18.16%	2.51%	100.00%
Address Correction	272	583	115	47	1,017
Certificate of Mailing	21	29	11	2	62
Std. B Special Presort Permits	—	—	211	—	211
Special Handling	44	0	8	3	55
Parcel Airlift	0	—	—	—	0
Dest. Entry Std. B Permits	41	57	—	—	98
Merch. Return Permit Fee	35	49	19	3	107
Total	412	718	364	54	1,549

International	Total
Certificate of Mailing	21
Special Handling	0
Other	0
Total	21

TOTAL FEES	344,388

Source: Express Mail and Priority Mail volumes from USPS-T-8, all other volumes from USPS-T-6. Revenues from LR-I-436

21415

Summary of Estimated Test Year After Rates
Revenue and Incremental Cost
(Dollars in Thousands)

Description	Incremental Cost (1)	Revenue (2)	Revenue Minus Incremental Cost (Col. 2 - Col. 1) (3)
First-Class Mail			
Single-Piece Letters and Sealed Parcels	14,289,800	22,841,864	8,552,064
Presort and Automation Letters	5,250,742	13,250,227	7,999,485
Total Letters	20,035,527	36,092,091	16,056,564
Single-Piece Cards	557,097	603,623	46,526
Presort and Automation Cards	175,806	448,789	272,983
Total Cards	733,759	1,052,412	318,653
Total First-Class Mail	20,993,518	37,144,502	16,150,984
Priority Mail	3,562,496	5,656,260	2,093,764
Express Mail	721,848	1,016,142	294,294
Mailgrams	839	1,136	297
Periodicals			
Within County	86,872	82,297	(4,575)
Outside County	2,372,566	2,365,325	(7,241)
Total Periodicals	2,462,292	2,447,622	(14,670)
Standard Mail (A)			
Regular	6,622,948	9,126,996	2,504,048
Enhanced Carrier Route	2,770,614	5,164,832	2,394,218
Total Commercial	9,608,383	14,291,827	4,683,444
Nonprofit	1,376,714	1,544,246	167,532
Enhanced Carrier Route	200,196	262,328	62,132
Total Nonprofit	1,578,088	1,806,574	228,486
Total Standard Mail (A)	11,313,615	16,098,401	4,784,786
Standard Mail (B)			
Parcel Post	1,087,053	1,126,746	39,693
Bound Printed Matter	502,165	554,060	51,895
Special Rate	358,785	333,099	(25,686)
Library Rate	54,035	49,661	(4,374)
Total Standard Mail (B)	2,020,841	2,063,566	42,725
International Mail	1,631,887	1,778,913	147,026
Special Services			
Registry	100,302	96,301	(4,001)
Certified Mail	527,061	577,361	50,300
Insurance	79,785	104,522	24,737
COD	16,654	19,981	3,327
Money Orders	231,950	305,035	73,085
Stamped Cards	3,047	8,317	5,270
Stamped Envelopes	11,075	16,041	4,966
Box/Caller Service	587,254	805,860	218,606

Source: Revenues from USPS-LR-I-436; Costs from USPS-ST-45.

Summary of August 3, 2000 Revisions to Response to POIR 16 and Library References USPS-LR-I-435 and USPS-LR-I-436

Changes to Hybrid Billing Determinants

A computational error was made in the development of the Hybrid FY 1999 Q3 – FY 2000 Q2 Billing Determinants for Parcel Post, originally presented in Library Reference USPS-LR-I-435. The revenue leakage associated with the barcode discount for Destination Entry (Parcel Select) Parcel Post, shown in cell X287 should have been $4,384,098 rather than $32,783,274. This change causes the total revenue for Parcel Select pieces in cells X288 and AC27 to change from $566,492,027 to $594,891,269. Total calculated Parcel Post revenue before Revenue Adjustment Factors, in cell AC28, changes from $957,868,415 to $986,267,657. The revenue adjustment factor for Parcel Select, in cell AC42, changes from 109.29854513% to 104.08079186, and the revenue adjustment factor for total Parcel Post, in cell AC43, changes from 105.30508731% to 102.27286304%.

Due to a programming error, the PERMIT data for Priority Mail volumes were omitted from the files for PQ 1 and 2 of FY 2000 originally used to develop the Hybrid Billing Determinants. The corrected data were used to develop revised Hybrid Q3 FY 1999 – Q2 FY 2000 Billing Determinants. These revised Billing Determinants will be provided in Library Reference USPS-LR-I-445. The distribution of flat rate pieces to zones was also added to the revised Billing Determinants for Priority Mail.

Changes to Revenue Calculations Based on Hybrid Billing Determinants

The error in the barcode discount for Parcel Select Parcel Post causes changes to cells AU287 and AU288 in the revenue calculation spreadsheets originally filed as Library Reference USPS-LR-I-436. As noted above, the calculated revenues shown in cells BW27 and BW28, and the revenue adjustment factors in cells BW52 and BW53 have changed as a result.

The Test Year Before Rates and Test Year After Rates volumes, originally shown in cells K286 and K287, distributed over the Parcel Select Hybrid Billing Determinants to calculated test year Parcel Select revenues inadvertently omitted the test year DDU and DSCF volumes. The use of the correct volumes, provided in cells I288-K292, causes changes to the distributions of Test Year Before Rates and Test Year After Rates volumes and revenues for Parcel Select, and to Parcel Post in total. The revised revenue estimates are reflected in the corrected response to POIR 16.

The revised Billing Determinants for Priority Mail were used to develop test year revenue estimates. The Test Year Before Rates total revenue for Priority Mail did not change. The Test Year After Rates Priority Mail total revenue increased slightly. This revised estimate is developed in Library Reference LR-I-445 and is reflected in the revised response to POIR 16.

Summary of Estimated Test Year Before Rates Finances
Revenue and Volume Variable Cost
(Dollars In Thousands)

Description	Volume Variable Cost (1)	Revenue (2)	Revenue as Percent of Cost (Col.2/Col. 1) (3)	Revenue Minus Vol. Var. Cost (Col. 2 - Col. 1) (4)
First-Class Mail				
Single-Piece Letters and Sealed Parcels	13,586,081	22,236,977	163.7%	8,650,896
Presort and Automation Letters	5,115,088	12,788,270	250.0%	7,673,182
Total Letters	18,701,169	35,025,247	187.3%	16,324,078
Single-Piece Cards	556,627	592,337	106.4%	35,710
Presort and Automation Cards	177,569	436,990	246.1%	259,421
Total Cards	734,196	1,029,327	140.2%	295,131
Total First-Class Mail	19,435,365	36,054,574	185.5%	16,619,209
Priority Mail	3,390,168	5,345,639	157.7%	1,955,471
Express Mail	462,139	1,005,884	217.7%	543,745
Mailgrams	850	1,136	133.6%	286
Periodicals				
Within County	87,046	76,728	88.1%	(10,318)
Outside County				
Nonprofit	364,374	313,809	86.1%	(50,565)
Classroom	14,538	13,199	90.8%	(1,339)
Regular-Rate	1,992,410	1,784,849	89.6%	(207,561)
Total Periodicals	2,458,368	2,188,585	89.0%	(269,783)
Standard Mail (A)				
Regular	6,784,313	8,706,739	128.3%	1,922,426
Enhanced Carrier Route	2,685,551	5,043,421	187.8%	2,357,870
Total Commercial	9,469,864	13,750,160	145.2%	4,280,296
Nonprofit	1,363,813	1,457,426	106.9%	93,613
Enhanced Carrier Route	202,982	230,257	113.4%	27,275
Total Nonprofit	1,566,795	1,687,683	107.7%	120,888
Total Standard Mail (A)	11,036,659	15,437,843	139.9%	4,401,184
Standard Mail (B)				
Parcel Post	1,097,363	1,193,030	108.7%	95,667
Bound Printed Matter	512,221	486,862	95.0%	(25,359)
Special Rate	361,266	321,866	89.1%	(39,400)
Library Rate	54,852	48,513	88.4%	(6,339)
Total Standard Mail (B)	2,025,702	2,050,270	101.2%	24,568
Free-for-the-Blind	31,724	0	0.0%	(31,724)
Total Domestic Mail	38,840,975	62,083,931	159.8%	23,242,956
International Mail	1,619,092	1,772,350	109.5%	153,258
Total All Mail	40,460,067	63,856,281	157.8%	23,396,214
Special Services				
Registry	104,550	82,455	78.9%	(22,095)
Certified Mail	492,029	414,039	84.1%	(77,990)
Insurance	80,900	87,563	108.2%	6,663
COD	16,708	18,379	110.0%	1,671
Money Orders *	170,767	291,038	170.4%	120,271
Stamped Cards	3,046	4,458	146.4%	1,412
Stamped Envelopes	11,061	12,515	113.1%	1,454
Box/Caller Service	593,497	746,951	125.9%	153,454
Other	122,876	395,396		272,520
Total Special Services	1,595,434	2,052,794	128.7%	457,360
Total Mail & Services	42,055,501	65,909,075	156.7%	23,853,574
Other Costs	28,010,934			
Other Income		687,847		
Prior Years Loss Recovery	311,709			
Continuing Appropriations		67,093		
Investment Income *		(21,959)		
Grand Total	70,378,144	66,642,056	94.7%	(3,736,088)

* Money order revenues include interest of 49,159

Source: Costs from USPS-ST-44; Revenues from LR-I-436 and LR-I-445.

Summary of Revenues
Test Year Before Rates (2001)
(thousands)

Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Per Piece (Col 4/Col 1)
	(1)	(2)	(3)	(4)	(5)
First-Class Mail					
Letters - Single	53,213,828	22,085,503	151,474	22,236,977	0.417880
Automated and Carrier Route Letters	44,117,377	11,746,075	0	11,746,075	0.266246
Non-Automated Presort Letters	2,930,521	1,018,996	0	1,018,996	0.347718
Total Worksharing	47,047,898	12,765,071	23,199	12,788,270	0.271814
Total Letters	100,261,726	34,850,574	174,673	35,025,247	0.349338
Stamped Cards	445,823	89,424	204	89,629	0.201041
Post Cards - Single	2,405,027	495,863	6,846	502,709	0.209024
Automated and Carrier Route Post Cards	2,333,598	363,555	0	363,555	0.155792
Non-Automated Presort Cards	400,483	72,089	0	72,089	0.180005
Total Worksharing Cards	2,734,081	435,644	1,346	436,990	0.159831
Total Cards	5,584,931	1,020,931	8,396	1,029,327	0.184304
Business Reply Fees	0	132,821	(132,821)	0	
Domestic Mail Fees	0	50,248	(50,248)	0	
Total First Class	105,846,657	36,054,574	0	36,054,574	0.340630
Priority Mail					
Priority Mail	1,356,715	5,344,935	703	5,345,639	3.940135
Domestic Mail Fees	0	814	(814)	0	
Total Priority	1,356,715	5,345,749	(111)	5,345,639	3.940135
Express Mail	71,641	1,005,884	0	1,005,884	14.040611
Mailgrams	3,340	1,136	0	1,136	0.340000
Periodicals					
In-County	872,194	74,990	1,738	76,728	0.087971
Outside County					
Nonprofit	1,954,453	309,914	3,895	313,809	0.160561
Classroom	56,153	13,087	112	13,199	0.235057
Regular-Rate	7,545,945	1,769,811	15,038	1,784,849	0.236531
Domestic Mail Fees	0	20,783	(20,783)		
Total Periodicals	10,428,745	2,188,585	0	2,188,585	0.209861
Standard Mail A					
Commercial					
Regular	42,783,773	8,686,185	20,554	8,706,739	0.203506
Enhanced Carrier Route	33,630,517	5,027,265	16,156	5,043,421	0.149966
Total Commercial	76,414,291	13,713,450	36,710	13,750,160	0.179942
Nonprofit					
Nonprofit	11,510,795	1,416,753	40,673	1,457,426	0.126614
Enhanced Carrier Route	2,907,206	219,985	10,272	230,257	0.079202
Total Nonprofit	14,418,001	1,636,738	50,945	1,687,683	0.117054
Bulk Mailing Fees	0	61,179	(61,179)	0	
Domestic Mail Fees	0	27,089	(27,089)	0	
Total Standard Mail A	90,832,291	15,438,456	(613)	15,437,843	0.169960
Standard Mail B					
Parcel Post	378,447	1,192,575	455	1,193,030	3.152438
Bound Printed Matter	541,976	486,194	668	486,862	0.898309
Special Rate	208,687	321,545	321	321,866	1.542336
Library Rate	29,009	48,459	54	48,513	1.672349
Domestic Mail Fees	0	1,432	(1,432)	0	
Special Handling	0	55	(55)	0	
PAL Fees	0	11	(11)	0	
Total Standard Mail B	1,158,118	2,050,270	0	2,050,270	1.770346
Total USPS Penalty Mail	348,543	0	0	0	
Free-for-the-Blind	56,675	0	0	0	
Total Domestic Mail	210,102,726	82,084,655	(724)	82,083,931	0.295493
International					
Postage	1,066,939	1,509,417	10,140	1,519,557	1.424222
Terminal & Transit	0	252,793	0	252,793	
Fees, etc.	0	10,140	(10,140)	0	
Total	1,066,939	1,772,350	0	1,772,350	1.661155
Total All Mail	211,169,664	83,857,005	(724)	83,856,282	0.302393
Special Services					
Registry	11,563	82,455	0	82,455	7.130642
Certified Mail	295,742	414,039	0	414,039	1.400002
Insurance	45,810	87,563	0	87,563	1.911824
COD	3,576	18,379	0	18,379	5.139554
Money Orders *	234,993	291,038	0	291,038	1.238498
Stamped Cards	445,823	4,458	0	4,458	0.009999
Stamped Envelopes	400,000	12,515	0	12,515	0.031288
Box/Caller Service	18,246	746,951	0	746,951	40.937006
Subtotal	1,455,553	1,657,398	0	1,657,398	1.138672
Other	N/A	395,396	0	395,396	N/A
Total	1,455,553	2,052,794	0	2,052,794	1.410318
Total Mail & Services	211,169,664	85,909,799	(724)	85,909,075	0.312114
Other Income	0	687,847		687,847	
Revenue Forgone	0	67,093		67,093	
Investment Income *	0	(21,959)		(21,959)	
Total, all items	211,169,664	86,642,780	(724)	86,642,056	0.315685

* Money order revenues include 49,159 in interest

Source: Express Mail volume from USPS-T-8, Priority Mail volume from USPS-T-34; all other volumes from USPS-T-6. Revenues from LR-I-436 and LR-I-445

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Summary of Estimated Test Year After Rates Finances
Revenue and Volume Variable Cost
(Dollars in Thousands)

Description	Volume Variable Cost (1)	Revenue (2)	Revenue as Percent of Cost (Col.2/Col. 1) (3)	Revenue Minus Vol. Var. Cost (Col. 2 - Col. 1) (4)
First-Class Mail				
Single-Piece Letters and Sealed Parcels	13,565,268	22,841,864	168.4%	9,276,596
Presort and Automation Letters	5,081,634	13,250,227	260.7%	8,168,593
Total Letters	18,646,902	36,092,091	193.6%	17,445,189
Single-Piece Cards	543,567	603,623	111.0%	60,056
Presort and Automation Cards	173,866	448,789	258.1%	274,923
Total Cards	717,433	1,052,412	146.7%	334,979
Total First-Class Mail	19,364,335	37,144,502	191.8%	17,780,167
Priority Mail	3,194,542	5,661,784	177.2%	2,467,242
Express Mail	467,914	1,016,142	217.2%	548,228
Mailgrams	854	1,136	133.0%	282
Periodicals				
Within County	86,222	82,297	95.4%	(3,925)
Outside County	2,345,698	2,365,325	100.8%	19,627
Total Periodicals	2,431,920	2,447,622	100.6%	15,702
Standard Mail (A)				
Regular	6,512,735	9,126,996	140.1%	2,614,261
Enhanced Carrier Route	2,629,439	5,164,832	196.4%	2,535,393
Total Commercial	9,142,174	14,291,827	156.3%	5,149,653
Nonprofit	1,363,390	1,544,246	113.3%	180,856
Enhanced Carrier Route	199,829	262,328	131.3%	62,499
Total Nonprofit	1,563,219	1,806,574	115.6%	243,355
Total Standard Mail (A)	10,705,393	16,098,401	150.4%	5,393,008
Standard Mail (B)				
Parcel Post	1,077,003	1,210,777	112.4%	133,774
Bound Printed Matter	498,658	554,060	111.1%	55,402
Special Rate	357,987	333,099	93.0%	(24,888)
Library Rate	54,015	49,661	91.9%	(4,354)
Total Standard Mail (B)	1,987,663	2,147,597	108.0%	159,934
Free-for-the-Blind	31,833	0	0.0%	(31,833)
Total Domestic Mail	38,184,454	64,517,185	169.0%	26,332,731
International Mail	1,570,744	1,778,913	113.3%	208,169
Total All Mail	39,755,198	66,296,098	166.8%	26,540,900
Special Services				
Registry	100,215	96,301	96.1%	(3,914)
Certified Mail	460,071	577,361	125.5%	117,290
Insurance	79,549	104,522	131.4%	24,973
COD	16,629	19,981	120.2%	3,352
Money Orders *	165,714	305,035	184.1%	139,321
Stamped Cards	3,048	8,317	272.9%	5,269
Stamped Envelopes	11,077	16,041	144.8%	4,964
Box/Caller Service	586,317	805,860	137.4%	219,543
Other	123,487	414,141		290,654
Total Special Services	1,546,107	2,347,559	151.8%	801,452
Total Mail & Services	41,301,305	68,643,658	166.2%	27,342,353
Other Costs	28,031,846			
Other Income		687,847		
Prior Years Loss Recovery	311,709			
Continuing Appropriations		67,093		
Investment Income *		(20,168)		
Grand Total	69,644,860	69,378,429	99.6%	(266,431)

* Money order revenues include interest of 47,368

Source: Costs from USPS-ST-44; Revenues from LR-I-436 and LR-I-445.

Summary of Revenues
Test Year After Rates (2001)
(thousands)

Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Per Piece (Col 4/Col 1)
	(1)	(2)	(3)	(4)	(5)
First-Class Mail					
Letters - Single	52,877,658	22,674,792	167,072	22,841,864	0.431976
Automated and Carrier Route Letters	44,293,448	12,284,353	0	12,284,353	0.276715
Non-Automated Presort Letters	2,586,288	943,354	0	943,354	0.364752
Total Worksharing	46,979,736	13,227,707	22,520	13,250,227	0.282041
Total Letters	99,857,394	35,902,499	189,592	36,092,091	0.361436
Stamped Cards	415,873	87,587	195	87,782	0.211079
Post Cards - Single	2,354,910	508,400	7,441	515,841	0.219049
Automated and Carrier Route Post Cards	2,286,453	374,603	0	374,603	0.163836
Non-Automated Presort Cards	383,715	72,906	0	72,906	0.190005
Total Worksharing Cards	2,670,168	447,511	1,278	448,789	0.168075
Total Cards	5,440,951	1,043,498	8,914	1,052,412	0.193424
Business Reply Fees	0	148,580	(148,580)	0	
Domestic Mail Fees	0	49,925	(49,925)	0	
Total First Class	105,298,345	37,144,502	0	37,144,502	0.352755
Priority Mail					
Priority Mail	1,249,750	5,860,989	795	5,861,784	4.530332
Domestic Mail Fees	0	795	(795)	0	
Total Priority	1,249,750	5,861,784	0	5,861,784	4.530332
Express Mail	72,301	1,016,142	0	1,016,142	14.054345
Mailgrams	3,340	1,136	0	1,136	0.340000
Periodicals					
In-County	862,061	80,488	1,809	82,297	0.095466
Outside County					
Nonprofit	2,052,208	361,507	4,307	365,814	0.178254
Classroom	55,069	14,577	116	14,692	0.266702
Regular-Rate	7,351,808	1,969,390	15,429	1,984,819	0.269977
Domestic Mail Fees	0	21,661	(21,661)		
Total Periodicals	10,321,166	2,447,622	0	2,447,622	0.237146
Standard Mail A					
Commercial					
Regular	40,998,656	9,106,517	20,479	9,126,996	0.222617
Enhanced Carrier Route	32,828,211	5,148,434	16,398	5,164,832	0.157329
Total Commercial	73,826,867	14,254,951	36,876	14,291,827	0.193586
Nonprofit					
Nonprofit	11,425,579	1,492,358	51,888	1,544,246	0.135157
Enhanced Carrier Route	2,851,875	249,376	12,952	262,328	0.091984
Total Nonprofit	14,277,455	1,741,734	64,840	1,806,574	0.126533
Bulk Mailing Fees	0	75,359	(75,359)	0	
Domestic Mail Fees	0	26,357	(26,357)	0	
Total Standard Mail A	88,104,322	16,098,401	0	16,098,401	0.182720
Standard Mail B					
Parcel Post	374,096	1,210,236	541	1,210,777	3.236538
Bound Printed Matter	524,743	553,362	698	554,060	1.055869
Special Rate	205,789	332,762	338	333,099	1.618648
Library Rate	28,432	49,599	62	49,661	1.746667
Domestic Mail Fees	0	1,412	(1,412)	0	
Special Handling	0	227	(227)	0	
PAL Fees	0	0	0	0	
Total Standard Mail B	1,133,060	2,147,597	(0)	2,147,597	1.895396
Total USPS Penalty Mail	348,543	0	0	0	
Free-for-the-Blind	56,675	0	0	0	
Total Domestic Mail	206,567,501	64,517,185	(0)	64,517,185	0.312300
International					
Postage	1,031,827	1,516,019	10,102	1,526,121	1.479334
Terminal & Transit	0	252,793	0	252,793	
Fees, etc.	0	10,102	(10,102)	0	
Total	1,031,827	1,778,913	0	1,778,913	1.724376
Total All Mail	207,619,128	66,296,098	(0)	66,296,098	0.319316
Special Services					
Registry	11,174	96,301	0	96,301	8.618566
Certified Mail	274,834	577,361	0	577,361	2.100002
Insurance	44,680	104,522	0	104,522	2.339365
COD	3,544	19,961	0	19,961	5.633303
Money Orders *	226,435	305,035	0	305,035	1.347118
Stamped Cards	415,873	8,317	0	8,317	0.019999
Stamped Envelopes	400,000	16,041	0	16,041	0.040104
Box/Caller Service	17,958	805,860	0	805,860	44.875272
Subtotal	1,394,597	1,933,418	0	1,933,418	1.386363
Other	N/A	414,141	0	414,141	N/A
Total	1,394,597	2,347,559	0	2,347,559	1.683325
Total Mail & Services	207,619,128	68,643,658	(0)	68,643,658	0.330623
Other Income	0	383,847		383,847	
Revenue Forgone	0	67,093		67,093	
Investment Income *	0	(20,168)		(20,168)	
Total, all items	207,619,128	69,074,430	(0)	69,074,430	0.332666

* Money order revenues include 47,368 in interest

Source: Express Mail volume from USPS-T-6; Priority Mail volume from USPS-T-34; all other volumes from USPS-T-6. Revenues from LR-I-436 and LR-I-445

Summary of Estimated Test Year After Rates
Revenue and Incremental Cost
(Dollars in Thousands)

Description	Incremental Cost (1)	Revenue (2)	Revenue Minus Incremental Cost (Col. 2 - Col. 1) (3)
First-Class Mail			
Single-Piece Letters and Sealed Parcels	14,289,800	22,841,864	8,552,064
Presort and Automation Letters	5,250,742	13,250,227	7,999,485
Total Letters	20,035,527	36,092,091	16,056,564
Single-Piece Cards	557,097	603,623	46,526
Presort and Automation Cards	175,806	448,789	272,983
Total Cards	733,759	1,052,412	318,653
Total First-Class Mail	20,993,518	37,144,502	16,150,984
Priority Mail	3,562,496	5,661,784	2,099,288
Express Mail	721,848	1,016,142	294,294
Mailgrams	839	1,136	297
Periodicals			
Within County	86,872	82,297	(4,575)
Outside County	2,372,566	2,365,325	(7,241)
Total Periodicals	2,462,292	2,447,622	(14,670)
Standard Mail (A)			
Regular	6,622,948	9,126,996	2,504,048
Enhanced Carrier Route	2,770,614	5,164,832	2,394,218
Total Commercial	9,608,383	14,291,827	4,683,444
Nonprofit	1,376,714	1,544,246	167,532
Enhanced Carrier Route	200,196	262,328	62,132
Total Nonprofit	1,578,088	1,806,574	228,486
Total Standard Mail (A)	11,313,615	16,098,401	4,784,786
Standard Mail (B)			
Parcel Post	1,087,053	1,210,777	123,724
Bound Printed Matter	502,165	554,060	51,895
Special Rate	358,785	333,099	(25,686)
Library Rate	54,035	49,661	(4,374)
Total Standard Mail (B)	2,020,841	2,147,597	126,756
International Mail	1,631,887	1,778,913	147,026
Special Services			
Registry	100,302	96,301	(4,001)
Certified Mail	527,061	577,361	50,300
Insurance	79,785	104,522	24,737
COD	16,654	19,981	3,327
Money Orders	231,950	305,035	73,085
Stamped Cards	3,047	8,317	5,270
Stamped Envelopes	11,075	16,041	4,966
Box/Caller Service	587,254	805,860	218,606

Source: Revenues from USPS-LR-I-436 and USPS-LR-I-445; Costs from USPS-ST-45.

RESPONSE OF POSTAL SERVICE WITNESS MAYES
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 18, QUESTION 2

Q. The Postal Service is requested to provide a comparison of the advantages and disadvantages of using 1999 billing determinants adjusted in this fashion, as opposed to using "hybrid billing determinants."

RESPONSE:

The rates and fees resulting from Docket No. R97-1 were implemented on January 10, 1999, a date which fell within postal quarter 2 of FY 1999. Prior to that time, the rates in effect were those resulting from Dockets No. R94-1, MC95-1 and MC96-2. For ease of reference, the portion of the fiscal year prior to January 10, 1999 can be referred to as the "pre-R97" portion of the year, and the portion of the fiscal year after R97-1 rate implementation is the "post-R97" part of the year.

Billing determinants represent the distribution of mail volume to each rate element (*e.g.*, zone, weight increment, presort category, shape, etc.) within each class and subclass of mail. The distribution of mail pieces to rate element permits the analysis of mail mix changes and allows for an understanding of the sources of revenue. In the context of billing determinants, a change in rate regime can create at least two types of complications. One type of complication arises when mailers shift the manner and/or categories in which they enter mail in response to changing price signals when relative prices change. A second type of complication arises when classification changes accompany the new rate regime, so that even if mailers are entering the exact same types of mail prepared in the exact same fashion, that mail pays postage and gets recorded in a different category than it would have under the previous rate regime. Therefore, when rate regimes change in the middle of the year, as they did in FY 1999, preparation of billing determinants is not a straightforward exercise, and the results of such effort are not easily interpreted.

Billing determinants for any given year are used to analyze the mail mix and sources of revenue for that year, but are also used to forecast revenue for future periods. The volume forecasting models provide a great deal of detail, but cannot provide meaningful forecasted volumes for each individual rate element. Thus, in developing revenue forecasts, the volumes

provided by the volume forecasting models are distributed to rate element using a set of billing determinants. Billing determinants developed for a year in which the rate regime changed may be of less use in forecasting revenue than would be billing determinants from a year in which the rate regime was the same as that in the year for which revenues will be forecast. Complications arise because the mail piece characteristics reflected in the billing determinants for a year in which the rate regime changed are not necessarily constant throughout the year. Therefore, when rate regimes change in the middle of a year, billing determinants for the two portions of the year representing each of the rate regimes may be different because of factors such as the two examples discussed above, or may be different because of seasonality.

The pre-R97 billing determinants from FY 1999 clearly do not reflect the changes precipitated by the change in rate regimes on January 10, 1999. It is also clear that, because the full year billing determinants include the pre-R97 information as well, the full year data likewise fail to reflect those changes. For example, in the pre-R97 portion of the year, Periodicals could receive a discount for 3/5-digit presortation. In the post-R97 portion of the year, these pieces were reported as either 3-digit or 5-digit presorted pieces. The billing determinants for the full year would indicate in aggregate the number of pieces that were either presorted to the 3-digit or 5-digit or 3/5-digit level. Given the post-R97 rate design, revenue forecasting would require a separation of pieces into 3-digit and 5-digit presortation levels. But only in the post-R97 portion of the year did the billing determinants fully reflect the effects of those changes. Unfortunately, however, the post-R97 FY 1999 information relates to only a portion of the year, and therefore also reflects the potential effects of seasonality as well.

Even in years in which there were no changes in rates or classifications, the billing determinants may demonstrate different profiles at different times of the year. For instance, First-Class Mail tends to be heavier during tax season. The testimonies of witnesses Thress and Tolley discuss the seasonality concerns more fully, but the point is that the distributions of the forecasted total volumes to the rate elements will vary for some subclasses depending on the time of year. Thus, while the argument may be made that the post-R97 portion of FY 1999 would be more useful in forecasting the characteristics of mail in response to the changes in rates or

classifications, due to the fact that it represents only part of a year, it would also reflect the profile of the mail associated with that time of year.

POIR No. 16 requested that the Postal Service "provide revenue estimates by subclass and service that reflect FY 1999 billing determinants in the manner it deems appropriate." In response, the Postal Service provided revenue estimates using a "hybrid" fiscal year composed of the billing determinants from the last two quarters of FY 1999 and the first two quarters of FY 2000. These four quarters represent the first four full quarters after the implementation of the R97-1 rates, thus giving a better picture of the behavior of customers in response to the changes in rates and classifications (the testimonies of witnesses Thress and Tolley discuss lagged effects of rates changes more fully). By combining the four quarters' worth of data, the resulting distributions provide the equivalent of a full year under the new rate regime and avoid any seasonality distortions resulting from using only the post-R97 portion of the fiscal year while retaining as much of the FY 1999 data as possible. In so doing, it was the belief of the Postal Service that the intent of the request was to develop the best possible forecasts of test year revenues while utilizing the FY 1999 information. (It conceivably may have been feasible to utilize a four-quarter period from FY99Q4 through FY00Q3, but that would have excluded an additional quarter, Postal Quarter 3, of FY 1999 information.)

POIR 16 suggested that the Postal Service "provide revenue estimates by subclass and service that reflect FY 1999 billing determinants in the manner it deems appropriate." And the Postal Service did so, with the understanding and belief that the intent was to assist in the development of the best possible test year revenue forecast. POIR 18 suggested that developing a revenue forecast was not their only purpose in requesting revenue based on FY 1999 billing determinants adjusted "in the manner [the Postal Service] deems appropriate." POIR 18 stated:

> There is a misalignment in the cost coverages provided in the Responses in that the costs relate to the mail sent in FY 1999, and the revenues reflect the "hybrid billing determinants" of the mail sent in the last half of FY 1999 and the first half of FY 2000. Furthermore, it does not appear that the Postal Service considered the alternative of using the post-implementation period of FY 1999 to adjust the pre-implementation period, much as the Postal Service's original filing used, in many cases, parts of the post-implementation period to adjust the billing determinants from FY 1998.

**RESPONSE OF POSTAL SERVICE WITNESS MAYES
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 18, QUESTION 2**

It would be incorrect to suggest that the Postal Service did not consider using the post-implementation period to adjust the pre-implementation period. The Postal Service did consider such an approach, but determined that it would be difficult to isolate and remove seasonality differences before using the distributions from the post-R97 portion of the year to adjust the pre-R97 part of the year. Furthermore, given that additional actual data (the Q1 and Q2 FY 2000 data) existed which would eliminate the need for making such adjustment, it seemed unnecessary to tackle the difficulties inherent in establishing which differences in mailer behavior were due to seasonality and which were due to mailer responses to rate and classification changes. In addition, given that actual information existed regarding, for example the shift of Standard A single-piece mail to other classifications, the use of estimates in developing an adjusted pre-R97 portion of FY 1999 seemed less useful or accurate.

POIR 18 suggested that the Postal Service could make such adjustments "much as the Postal Service's original filing used, in many cases, parts of the post-implementation period to adjust the billing determinants from FY 1998." For the most part, the adjustments in question were designed to take the little information available, Q3 and Q4 of FY 1999 in many cases, regarding the changes in classifications resulting from Docket No. R97-1. Again, given that actual data were available from Q1 and Q2 of FY 2000, which had not been not available at the time of the original filing, reverting back to estimates and adjustments to the pre-R97 period was not as attractive an option for purposes of revenue forecasting.

POIR 18 indicated that developing the best possible revenue forecast was not the only goal when requesting the revenue estimates developed based on FY 1999. POIR 18 indicated that the Postal Service's use of hybrid billing determinants created a "a misalignment in the cost coverages provided in the Responses in that the costs relate to the mail sent in FY 1999, and the revenues reflect the 'hybrid billing determinants' of the mail sent in the last half of FY 1999 and the first half of FY 2000." Of course there would be a misalignment in the cost coverages for FY 1999 when using the revenues

from the hybrid billing determinants and the costs from the FY 1999 CRA. Similarly, however, any adjustment to the pre-R97 portion of the FY 1999 billing determinants would result in a misalignment of the revenues and costs for FY 1999. The only situation which would not result in a misalignment would be the comparison of the actual FY 1999 revenues and billing determinants and the FY 1999 CRA costs. Use of the full year FY 1999 billing determinants, however, as noted above, would not permit adequate revenue forecasting with regard to the impacts of the R97 rate and classification changes. As noted in the Postal Service's Motion for Reconsideration of POIR 18, in terms of creating a potential misalignment, it doesn't matter whether the pre-R97 period is adjusted on the basis of post-R97 FY 1999 data, or (in effect) on the basis of post-R97 FY 2000 data. Either type of adjustment is incongruous with the objective of complete harmony between the forecast base for costs and revenues. (The objective of harmony in this context is generally a worthwhile one. Under circumstances of a split rate regime base year, however, it is one which must also be balanced against other considerations.)

As noted in the Postal Service's Motion for Reconsideration of POIR 18, with respect to the cost coverages provided in response to POIR No. 16, neither the costs nor the revenues relate to either the mail sent in FY 1999, or the mail sent in the hybrid four quarters of FY99Q3-FY00Q2. Instead, in each instance, they relate to what has been forecasted for the same prospective time period, test year 2001, both using the information available. Given the lack of congruity between factors which will affect costs and factors which will affect revenues, the most rational approach is to focus on doing the best possible job forecasting test year costs, and to focus separately on doing the best possible job in forecasting test year revenues.

WRITTEN RESPONSE OF POSTAL SERVICE WITNESS MAYES TO ORAL CROSS-EXAMINATION OF MOAA

Q. Well, within the constraint that the Ramsey prices are built to someone's decision that we need to raise X-dollars, however, within that constraint, Ramsey prices would, in fact, also serve to maximize total Postal Service volume? (Tr. 11/4487)

RESPONSE:

No. Ramsey pricing maximizes consumer surplus, subject to the breakeven constraint. Witness Bernstein is the Postal Service's Ramsey pricing witness, and is therefore the logical source of information on the attributes of Ramsey prices. In both Docket No. R97-1 (Tr. 10/5109-11) and in this docket (Tr. 6/2277), Mr. Bernstein has clarified that Ramsey prices do not maximize volume. In Mr. Bernstein's direct testimony in this case, however, he does discuss the fact that his Ramsey prices would be expected to generate substantially more test year volume than would the benchmark prices he uses for comparison purposes, which he refers to as the R97-1 Index prices. (A similar comparison to the test year volumes forecast at the Postal Service's proposed rates would likewise indicate substantially higher volumes at Ramsey prices.) The relevant portion of Mr. Bernstein's testimony states:

> The net income of the Postal Service is unaffected by the move to Ramsey prices. That is because the Ramsey prices and, indeed, any price schedule established for the Postal Service, must satisfy the break even requirement. Net revenues of the mail products considered in this testimony are $26,078 million for both the Ramsey and the R97-1 Index rates.
>
> Although net revenues are the same under Ramsey pricing, total revenues (and total costs) are greater. The Ramsey total revenue is $67,029 million while total revenues under the R97-1 Index prices are $64,666 million. However, the gain in Postal Service revenue is simply a further reflection of the benefits of Ramsey pricing to mailers. Revenue is greater because total volume is greater, 223,651 million pieces as opposed to 202,749 million pieces at the R97-1 Index Rates, an increase of more than ten percent. Volume is greater because rates are set in a

WRITTEN RESPONSE OF POSTAL SERVICE WITNESS MAYES TO ORAL CROSS-EXAMINATION OF MOAA

way that reduces the adverse impact of price increases on usage of the mail.

The increase in total volume means that the non-volume variable costs of the Postal Service are spread out over more pieces of mail. Consequently, the system-wide mark-up under Ramsey pricing is lower than under R97-1 index pricing, 63.7 percent as compared to 67.6 percent. Average revenue per piece (an aggregate measure of postal prices paid by mailers) under Ramsey pricing is 30.0 cents, or six percent less than the 31.9 cent average revenue at the R97-1 Index rates. Average volume variable cost per piece is also lower under Ramsey pricing, 18.3 cents as compared to 19.5 cents under R97-1 Index pricing. Thus, the increase in total revenues under Ramsey pricing comes not from higher average rates or higher average costs (which would be harmful to mailers), but from higher postal volumes (which is a reflection of the benefits to mailers).

USPS-T-41 at 96.

RESPONSE OF POSTAL SERVICE WITNESS MAYES TO QUESTIONS POSED DURING ORAL CROSS EXAMINATION

Tr. 11/4608-4611. [By Commissioner Goldway] I would like to ask the witness to provide me with, specifically, the name of the person in the Department that's in charge, operationally, of these service standards, and to provide me with whatever the – and to provide the hearings and the participants with whatever simple explanation is available now. (Tr. 11/4609) [By Commissioner Goldway] Well, what I'd like to do is at least get a simple explanation of how those service standards are established for both First Class and Priority, and some explanation of the distinction between the two. (Tr. 11/4610) [By Chairman Gleiman] If there is some type of an operational manual that lays out how one goes about establishing service standards for different classes of mail and subclasses of mail service, then could you please provide a copy of that manual also? And if there is no such manual, could you please then perhaps provide us with some narrative that explains how the Postal Service goes about determining whether certain types of Priority Mail service or 1- 2-, or 3-day service, as well as service standards for other types of mail. (Tr. 11/4610-11)

Response:

The acting manager of Service Management Policies and Programs is Charles Gannon. It is my understanding that there is no operational manual that lays out how the service standards were originally developed, but the attached memorandum describes the policy for requesting a change to an existing service standard. I am informed that the existing service standards represent legacy commitments and reflect the service standards in existence prior to, and as adjusted by, Docket No. N89-1 except as changed through the process described in the attached memo or as a result of adjustments to new circumstances.

POLICY FOR REQUESTING A SERVICE STANDARD CHANGE

Manager
Service Management Policies and Programs
USPS Headquarters: Room 6801
475 L'Enfant Plaza SW
Washington, DC 20260-1603

POLICY PURPOSE

This policy sets forth the process to request a change to a service standard between an origin and destination pair for all classes of mail, except Express Mail. The service standards between origin and destination pairs will be maintained in the Service Standard Directory (SSD) within the Corporate Information System (CIS). The service standards in the Service Standard Directory will be used to support external and internal service performance measurement systems and postal publications.

DEFINITIONS

Service Standard
An expectation by the Postal Service to deliver a piece of mail to its intended destination within a prescribed number of days, after proper deposit by the customer.

Service Standard Directory
A CIS database which contains the service standards between origin and destination pairs for all classes of mail except Express Mail. The Service Standard Directory is updated on a quarterly basis and the service standards are used by internal and external postal service performance measurement systems.

GENERAL INFORMATION

Submissions requesting service standard changes of any type must include with the documentation the approval of the Vice President (or a direct-report designee Manager) of the Area responsible for the origination of the request.

Submissions must include written input, either positive or negative, from the Vice President (or a direct-report designee Manager) of any other Area(s) being impacted by the proposed changes in service standards. The concurrence of the other involved Area(s) does not mean automatic approval of request, nor does a dissenting opinion mean that the request will be automatically denied.

A poor service performance trend (either EXFC or ODIS), by itself, is not adequate justification to make changes to service standards. The frequently seen assumption that "moving overnight offices to 2-day standards may result in higher ODIS/EXFC performance scores," is probably accurate. However, making such a change under the guise of "improving service" or "levelling service," without other supporting documentation to operationally justify the change, is considered numerical manipulation and will not result in the approval of the requested change. The Office of Service Management Policies and

Programs is not adverse to implementing service standard changes, including downgrades, but they must be supported by adequate documentation showing specific support and justification for necessitating such a change, rather than just providing a record of poor overall service performance between 3-digit offices.

Originating First-Class Mail service standards have never differed among 3-digit ZIP Codes processed in the same origin plant, i.e., if 210-212 are all processed and cancelled in the same plant, then they have always had the same originating standards, since the mail is commingled during processing. Although it is technically possible to change the database structure to make such an exception, the only way this would be operationally feasible were if ZIP Code 212 was to be isolated and processed separately, then it would be possible for it to have service standards different from ZIP Codes 210 and 211. Destinating 3-digit ZIP Codes served by a single Processing Facility, however, have always been able to have different service standards from the same origin (as is sometimes the case with offices identified as ID cities), since the mail can be segregated, prior to delivery, at the destination Processing Facility.

Unless unusual circumstances exist, service standard changes will only be implemented concurrent with the beginning of a Postal Quarter. For this reason, requests and supporting documentation should be received in the Office of Service Management Policies and Programs at least seven weeks before the end of a Postal Quarter in order to be considered for the next change window.

In most cases, changes requested between origins and destinations involving either 2- or 3-day service standards should include consideration of the entire destination ADC service area.

SUBMISSION REQUIREMENTS

The Office of Service Management Policies and Programs will process proposals for service standard adjustments or realignments which:

a) show that the existing standard displayed in the Service Standard Directory is an apparent error due to obvious conflicts with logistics and operational parameters or other existing standards.

or, if not falling into the category of (a) above, then provides all of the following:

(b) explains how the change will help us meet the needs of the customer.

(c) shows how such a change will improve customer satisfaction.

(d) reflects the current NASS routings for the mail in question and provides the NASS routings planned to be used if the change is approved.

(e) reflects all the projected volumes being impacted by the proposal using the most recent Fiscal Year (FY) Average Daily Volume (ADV) statistics available in ODIS (or uses the ADV data for the most recent 13 Accounting Periods).

(f) clearly defines any labeling changes which might be required to support the change.

(g) reflects Operating Plan and transportation connectivity, or lack thereof. If the request is for an upgrade, then documentation must be included which shows that service between those pairs proposed to be upgraded can successfully be achieved. If it is for a downgrade, then it must be shown that those pairs proposed for downgrade cannot be achieved at their current level of service standard.

(h) includes a narrative explaining the rationale behind the request.

Since each request is judged on its own merits and standard reciprocity is no longer a factor in establishing or changing a service standard, there is no specific formula which needs to be included in the justification narrative. However, when preparing such a narrative, some of the issues which might appropriately be addressed are as follows:

a) Does adequate transportation exist to support the current service standards? If not, is it feasible to establish such service in order to meet the standard?

b) Is the proposed change consistent with the most current "Customer Needs" information that may be available in Product Management or Consumer Affairs?

c) Will the desired change have a positive impact on the Customer Satisfaction level of the public perception of our performance?

d) Will the change potentially have a negative public relations impact or create a political inquiry?

e) What general impact will the requested change have on Operating Plan CETs and CTs, transportation schedules, Delivery and Collection operations, DOVs, the transportation mode being used, the origin and destination processing windows for the mail class involved, Mail Processing operations, and on downstream Delivery operations.

APPEAL

Appeals regarding a service standard change request denial will be considered when submitted within 30 days of the denial notification. All appeals should be addressed directly to the Manager, Service Management Policies and Programs.

United States Postal Service

Susan W. Mayo
(USPS-T-39)

REVISED
May 17, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO INTERROGATORIES OF DAVID B. POPKIN REDIRECTED FROM THE POSTAL SERVICE

21435

DBP/USPS-169. Please refer to your response to DBP/USPS-69. [a] Please explain why these mailings encourage the use of Certificates of Mailing for tax returns sent to IRS when the tax laws specifically state that they will not be accepted by IRS? [b] Was this researched prior to making the claim on the mailing? [c] If not, why not? [d] Please explain why these mailings encourage the use of Insured Mail for tax returns sent to IRS when tax returns are First-Class Mail and not merchandise and therefore may not be insured.

RESPONSE:

a-d. I assume you are referring to the first two attachments to my response to DBP/USPS-69. While each mailing has been reproduced on one sheet, it is actually the back and front of a card. The front suggests that customers should learn about special services before April 15, and shows a picture of a tax return. The back provides information about four possible special services that a customer might consider when they are thinking about special services, such as at tax time, and says these services might provide customers with peace of mind. The mailing does not make any recommendations about what a customer should use for sending tax returns. It simply presents basic information about special services to customers.

DBP/USPS-203. Please refer to your response to DBP/USPS-139. [a] Please confirm that under the system that was previously in use, that the customer's signature will be associated with a specific article and that the signature may not be transferred to a second or third article that was not actually delivered. [b] Please confirm that the example of Form 3849 provided allows for the entry of multiple article numbers. [c] What action is taken to ensure that an additional article number will not be inserted on the form after it has been signed? [d] What protection exists to ensure that it will not be possible for the Postal Service to associate a signature with an article number that was not actually delivered? [e] Confirm that it will be possible for a delivery employee to obtain "proof" that two articles were delivered when, in fact, only one article was turned over to the addressee and the second was "stolen". [f] Please confirm that the validity of the system depends on the ability of the postal employee to follow the proper procedures as well as the honesty of the postal employee. [g] Why is it planned to discard the signed delivery receipt after the transition period?

RESPONSE:

a. Confirmed that for the old delivery receipt each signature was for only one article number.

b. Confirmed.

c. Employees will be trained on the proper procedures.

d. See my response to DBP/USPS-139(i). The scanner is programmed to complete the transaction of linking each mailpiece with the signature at the time of delivery.

e. Confirmed only if proper procedures are not followed.

DBP/USPS-203 (CONTINUED).

f. Confirmed that the accuracy of the information for a particular mailpiece could depend on the postal employee's honesty, and his or her ability to follow the proper procedures.

g. Under a system of electronic delivery records, personnel and space costs of storing paper records would not be justified.

DBP/USPS-225. Please refer to your response to DBP/USPS-169. [a] Please explain what words on the card will advise the customer that one side of the card relates to mailing of tax returns and that the other side of the card provides GENERIC information on various special services? [b] Explain why you feel mailers will not be confused by the presentation of the material of specific tax mailing information on one side and generic information of a similar nature on the reverse side.

RESPONSE:

a. There are no such words on the card providing this advice. See my revised response to DBP/USPS-169, filed with this set of interrogatories.

b. The front of the card does not present any specific tax mailing information. It simply alerts the customer that he/she might want to learn about special services in general at a time of year when they might want to use a special service. The back of the card provides basic information about four special services that, due to their similarities, often confuse customers.

DBP/USPS-226. Please refer to your response to DBP/USPS-183[a]. Please provide any examples of the circumstances which would cause a delivering employee to report insured parcels to the accountable section before delivery.

RESPONSE:

Every delivery employee would know that numbered insured mail is accountable mail since a recipient's signature on a Form 3849 is required at the time of delivery. Of this universe of delivery employees, some portion, on their own volition, will treat all accountable mail in the same manner and report any accountable mail to the accountable mail section prior to delivery. A second possibility is that a supervisor has suggested to the delivery employees that they report their numbered insured parcels to the accountable section prior to delivery.

DBP/USPS-227. Please refer to your response to DBP/USPS-186[l]. [a] Please comment on the validity of the data shown in this table since 10 of the 51 lines of data have more claims paid than articles that were sent at that given value level of insurance. [b] Please confirm that 11.1% of the parcels insured for $2001-$2100 resulted in claims for loss or damage. [c] Please confirm that 8.9% of the parcels insured for $3001-$3100 resulted in claims for loss or damage. [d] Please confirm that 4.8% of the parcels insured for $1101-$1200 resulted in claims for loss or damage.

RESPONSE:

a. The comparison in the table is to the claims processed during the year to the transactions for the year. For transactions from an earlier period (such as the prior fiscal year), the claims may not be adjudicated until the year on the indemnity analysis. Also, the claims amount includes the applicable fee and the postage refunds. Therefore it would exceed the "declared value" of the parcel. This can push the item from one value level into a higher value level. Note that the claims volume tends to be higher than expected for the value levels $100 above those value levels with a high number of transactions. For example, it appears that some claims from the 145,117 transactions for the "up to $1000" level have been counted in the "up to $1100" level.

b. I can confirm that 88 is 11.1 percent of 796. See my response to (a) above, where I discuss how an item from one value level can be pushed into a higher value level.

c. I can confirm that 26 is 8.9 percent of 293. See my response to (a) above, where I discuss how an item from one value level can be pushed into a higher value level.

DBP/USPS-227 (CONTINUED).

d. Not confirmed. I can confirm that 99 is 0.4 percent of 24,704. See my response to (a) above, where I discuss how an item from one value level can be pushed into a higher value level.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO
TO INTERROGATORY OF DAVID B. POPKIN
REDIRECTED FROM THE POSTAL SERVICE

DBP/USPS-245 Please refer to your response to DBP/USPS-227. [a] The third sentence of your response to subpart a states that both the fee and postage are included in the claim amount. Please refer to DMM Section S010.3.2 and reanswer the question. [b] Please confirm that the FY 1998 claims that were for articles mailed in FY 1997 would be pretty much balanced by the articles mailed in FY 1998 that resulted in claims processed in FY 1999. [c] Please correct my original subpart d to $1001-$1100 and reanswer. [d] To compensate for the claims volume higher than expected for value levels $100 above those value levels with a high number of transactions, confirm that placing the data into $500 brackets ending at the value $100 above the high number of transactions entry, such as $1601-$2100 would provide a more realistic picture of the data.

RESPONSE:

a. The interrogatory does not have to be reanswered. "Applicable" fee refunds would include fees for ancillary services, such as return receipt service, but would not include the insurance fee.
b. Not confirmed. The claims transactions that move from one year to the next are not specifically identified. I cannot guess with any accuracy as to whether or not the transactions would be balanced similarly from year to year.
c. Confirmed that 471 is 4.8 percent of 9,824.
d. Confirmed that grouping the data into $500 brackets can mitigate the possibility that transactions and claims for the same mailing are in different brackets, but only if the entries with high numbers of transactions are included with the next higher increment.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO INTERROGATORIES OF DOUGLAS F. CARLSON (DFC/USPS-T39-69-75)

DFC/USPS-T39-69. Please refer to your response to DFC/USPS-T39-45. Did you speak with field employees specifically about the July 1999 version of Form 3811? If yes, please describe the approximate date or month of the conversations, the locations at which those field employees work, and the substance of the conversations, including each aspect of the Form 3811 that you discussed.

RESPONSE:

I recall speaking with a friend of mine who is a letter carrier in the Northern Virginia area about the revised return receipt form either during the late summer or fall of 1999. With respect to the revised return receipt form, my friend commented that it seemed carriers were filling out the address when different block more often than in the past when this was a service option and not part of the basic service as is currently the case. Field procedures are of general interest to me so I try to stay open to any information. I do not recall any other specific discussions with field personnel on this issue.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO INTERROGATORIES OF DOUGLAS F. CARLSON (DFC/USPS-T39-69-75)

DFC/USPS-T39-70. Please refer to your response to DFC/USPS-T39-47 and DBP/USPS-45(j).

a. Please confirm that a Form 3811 (July 1999 version) that is returned to the customer is not filled out properly unless one of the boxes in section D has been checked or a new address is provided in section D. If you do not confirm, please explain your answer and reconcile your answer with your response to DBP/USPS-45(j)

b. Please provide documents or policies that corroborate your response to DFC/USPS-T39-47, DBP/USPS-45(j), and DFC/USPS-T39-70(a).

RESPONSE:

a. Confirmed.

b. I am not aware of any documents or policies that corroborate my responses to the cited interrogatories, or require one box to be checked. I believe common sense applied to reading the question and instruction in box D would make it clear that a new written address should be entered if the address was different even if the "Yes" box is not checked.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO INTERROGATORIES OF DOUGLAS F. CARLSON (DFC/USPS-T39-69-75)

DFC/USPS-T39-71. Presently, a customer seeking to mail documents in a standard-size envelope that weighs one ounce via certified mail, return receipt requested, pays 33 cents in postage, $1.40 for certified mail, and $1.25 for the return receipt, for a total of $2.98. Suppose that this customer wants every service element (e.g., proof of mailing) that certified mail plus return receipt provide. For the customer described in this interrogatory, please identify all alternative services that the Commission should consider when evaluating your proposed fees for certified mail and return receipt under Criterion 5. For each service, please provide the total cost to the customer for using that service (including postage and fees, if the service is a Postal Service–provided service). In addition, for each service, please explain the service elements that the alternative service provides that certified mail plus return receipt do not provide, and please explain the service elements that certified mail plus return receipt provide that the alternative services do not provide.

RESPONSE:

I will assume you are asking a follow-up to DFC/USPS-T39-62. Since my fee proposals for certified mail and return receipts were primarily cost driven, I have not developed the requested list of alternatives, other than what is in my testimony. I have addressed Criterion 5 for certified mail in my testimony at page 43 and I have addressed Criterion 5 indirectly for return receipt service on page 136 of my testimony. I presented alternatives to certified mail in LR-SSR-110 of Docket No. MC96-3. Also, please see my Docket No. MC96-3 testimony (USPS-T-8) at pages 66-67 and 72-73. Further, please see my Docket No. R97-1 testimony (USPS-T-39) at page 31.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO INTERROGATORIES OF DOUGLAS F. CARLSON (DFC/USPS-T39-69-75)

DFC/USPS-T39-73. Please refer to your response to DFC/USPS-T39-66 and explain the basis for your "understanding" that the POM provides guidelines, rather than requirements. Please cite any specific language or directives supporting your position.

RESPONSE:

My understanding is derived from discussions with counsel and operations personnel. The POM provides general guidance, rather than requirements, on what internal procedures should normally apply to common operations. Management at many levels also commonly approves deviations from POM descriptions when local conditions warrant. The Postal Service is a large and complex organization that deals with individual local situations throughout the country. The POM provides guidance on how the processes should work, and it cannot possibly directly address every unique situation. Local postal management generally complies with the guidelines of the POM.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO INTERROGATORIES OF DOUGLAS F. CARLSON (DFC/USPS-T39-69-75)

DFC/USPS-T39-74. Please refer to your response to DFC/USPS-T39-66. Please quote the language in POM § 125.22 that would support a contention that customers who have a post-office box at a main post office should not expect mail delivery to post-office boxes on holidays if the box lobby is open on holidays.

RESPONSE:

My response to DFC/USPS-T39-66 does not make that contention. Even at main offices, mail might not be distributed if the office is not otherwise kept open to meet "reasonable customer requirements." Also see my response to DFC/USPS-T39-73.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO INTERROGATORIES OF DOUGLAS F. CARLSON (DFC/USPS-T39-76-77)

DFC/USPS-T39-76. Please refer to your response to DFC/USPS-T39-68 and DFC/USPS-T39-75. Please explain all ways in which the Commission's opinion and recommended decision in Docket No. R97-1 at pages 575–577, and in particular at ¶ 5951, influenced the Postal Service's decision not to amend DMM § D042.1.7 as originally proposed in 63 Fed. Reg. 12,874 (1998).

RESPONSE:

The Commission's Opinion and Recommended Decision had no significant influence over the Postal Service's decision not to amend the referenced DMM section.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO INTERROGATORIES OF DOUGLAS F. CARLSON (DFC/USPS-T39-76-77)

DFC/USPS-T39-77. Please refer to your response to DFC/USPS-T39-69, where you reported your friend's comment that "it seemed carriers were filling out the address when different block more often than in the past when this was a service option and not part of the basic service as is currently the case." Do you understand his/her comments to mean that the carriers are filling out this block more often because "address, if different" is now a standard feature of return-receipt service, whereas in the past obtaining address information was an optional, premium service that only a relatively small percentage of return-receipt customers purchased? If not, please explain your understanding of why carriers are filling out this block more often than in the past.

RESPONSE:

Yes.

RESPONSE OF POSTAL SERVICE WITNESS MAYO TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE (OCA/USPS-T39-3-16)

OCA/USPS-T39-5. In prior dockets, a workpaper detailing indemnity costs was filed and used to aid in the setting of fees for insurance.

a. Did you use such a document? If not, why not?.
b. Please provide an indemnity analysis.

RESPONSE:

a. Yes.

b. Please see the attached indemnity analysis.

FY 1998 Insurance Indemnity Costs

	Transactions[1]	Claims[2]				Average Indemnity Per Transaction		
		Volume		Dollar Amount				
Value Up To	Number	Lost	Damaged	Lost	Damaged	Lost	Damaged	Total
50	17,347,194	16,367	13,968	$ 650,376	$ 481,198	$ 0.04	$ 0.03	$ 0.07
100	12,121,220	8,621	27,132	$ 609,305	$ 1,555,585	$ 0.05	$ 0.13	$ 0.18
200	5,866,949	9,826	13,089	$ 1,275,544	$ 1,802,040	$ 0.22	$ 0.31	$ 0.52
300	1,974,465	4,325	5,230	$ 996,373	$ 1,257,726	$ 0.50	$ 0.64	$ 1.14
400	860,783	2,202	2,594	$ 724,853	$ 880,782	$ 0.84	$ 1.02	$ 1.87
500	820,759	1,237	1,556	$ 538,379	$ 696,303	$ 0.66	$ 0.85	$ 1.50
600 3/	341,304	1,039	1,053	$ 546,875	$ 565,204	$ 1.60	$ 1.66	$ 3.26
700 3/	121,989	783	576	$ 487,422	$ 363,836	$ 4.00	$ 2.98	$ 6.98
800 3/	110,886	204	264	$ 150,864	$ 197,101	$ 1.36	$ 1.78	$ 3.14
900 3/	37,539	142	172	$ 118,221	$ 143,948	$ 3.15	$ 3.83	$ 6.98
1000 3/	145,117	108	185	$ 102,799	$ 177,957	$ 0.71	$ 1.23	$ 1.93
1100	9,824	223	248	$ 227,029	$ 254,635	$ 23.11	$ 25.92	$ 49.03
1200	24,704	44	55	$ 50,327	$ 62,927	$ 2.04	$ 2.55	$ 4.58
1300	10,070	48	56	$ 58,984	$ 69,392	$ 5.86	$ 6.89	$ 12.75
1400 3/	17,457	42	44	$ 55,930	$ 59,521	$ 3.20	$ 3.41	$ 6.61
1500	28,663	33	43	$ 47,704	$ 62,596	$ 1.66	$ 2.18	$ 3.85
1600	2,619	74	85	$ 112,893	$ 130,295	$ 43.11	$ 49.76	$ 92.87
1700	2,582	28	23	$ 45,661	$ 37,988	$ 17.68	$ 14.71	$ 32.40
1800	3,431	17	21	$ 29,433	$ 36,714	$ 8.58	$ 10.70	$ 19.28
1900	1,998	20	19	$ 36,859	$ 34,554	$ 18.45	$ 17.30	$ 35.74
2000	27,301	23	21	$ 45,168	$ 41,456	$ 1.65	$ 1.52	$ 3.17
2100	796	47	41	$ 94,572	$ 82,988	$ 118.82	$ 104.27	$ 223.08
2200	1,521	11	8	$ 23,729	$ 17,197	$ 15.60	$ 11.31	$ 26.91
2300	2,700	16	8	$ 35,775	$ 17,975	$ 13.25	$ 6.66	$ 19.91
2400	431	10	6	$ 23,509	$ 14,103	$ 54.59	$ 32.75	$ 87.33
2500	9,463	8	6	$ 19,616	$ 14,665	$ 2.07	$ 1.55	$ 3.62
2600	0	22	6	$ 55,504	$ 15,108	N/A	N/A	N/A
2700	425	7	8	$ 18,436	$ 21,086	$ 43.41	$ 49.65	$ 93.05
2800	2,839	9	4	$ 24,647	$ 11,048	$ 8.68	$ 3.89	$ 12.57
2900	0	7	4	$ 19,862	$ 11,405	N/A	N/A	N/A
3000	5,387	5	3	$ 14,835	$ 8,816	$ 2.75	$ 1.64	$ 4.39
3100	293	14	12	$ 42,140	$ 36,179	$ 144.03	$ 123.66	$ 267.69
3200	473	1	2	$ 3,136	$ 6,245	$ 6.64	$ 13.22	$ 19.85
3300	0	5	0	$ 16,118	$ -	N/A	N/A	N/A
3400	0	4	1	$ 13,320	$ 3,314	N/A	N/A	N/A
3500	975	4	2	$ 13,762	$ 6,918	$ 14.11	$ 7.09	$ 21.20
3600	0	4	4	$ 14,045	$ 14,080	N/A	N/A	N/A

21451

	Transactions[1]	Claims[2]				Average Indemnity Per Transaction		
		Volume		Dollar Amount				
Value Up To	Number	Lost	Damaged	Lost	Damaged	Lost	Damaged	Total
3700	0	1	1	$ 3,682	$ 3,660	N/A	N/A	N/A
3800	26	0	1	$ -	$ 3,761	0.00	$ 144.88	$ 144.88
3900	0	5	1	$ 19,118	$ 3,807	N/A	N/A	N/A
4000	2,275	2	2	$ 7,888	$ 7,923	$ 3.47	$ 3.48	$ 6.95
4100	543	9	2	$ 36,096	$ 8,016	$ 66.52	$ 14.77	$ 81.29
4200	328	1	0	$ 4,162	$ -	$ 12.70	0.00	$ 12.70
4300	339	0	0	$ -	$ -	0.00	0.00	0.00
4400	0	1	0	$ 4,386	$ -	N/A	N/A	N/A
4500	545	1	1	$ 4,470	$ 4,403	$ 8.21	$ 8.09	$ 16.29
4600	0	2	0	$ 9,029	$ -	N/A	N/A	N/A
4700	380	0	0	$ -	$ -	0.00	0.00	0.00
4800	0	1	0	$ 4,753	$ -	N/A	N/A	N/A
4900	262	1	0	$ 4,823	$ -	$ 18.42	0.00	$ 18.42
5000	4,384	16	6	$ 80,388	$ 29,905	$ 18.34	$ 6.82	$ 25.16
Total	39,911,233	45,620	66,563	$ 7,522,800	$ 9,254,360	$ 0.19	$ 0.23	$ 0.42

Notes:

1 Source for transactions data is FY1998 Billing Determinants.

2 Source for Claims data: St. Louis Accounting Service Center. Dollar amounts truncated to one dollar.

3 Includes Express Mail claims in excess of $500.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO QUESTION RAISED BY KEYSPAN ENERGY DURING HEARINGS

Hearing Question 1 of Keyspan at Tr. 14/5622 "In any event, Mr. Chairman, we would like to ask that the Postal Service furnish that percentage since it was specifically asked for in our question and was not forthcoming in the answer." "And we would also like to know the derivation of that number, how they arrived at it."

RESPONSE:

Based on witness Campbell's response to KE/USPS-T29-53, I am unable to precisely determine the proportion of total QBRM included in CBCIS. However, the CBCIS total FY 1999 volume for QBRM letters and cards is 446,904,073 (363,597,865 one ounce letters plus 2,836,174 for two ounce letters plus 80,470,034 cards). The CBCIS extract used for the total QBRM volume of 446,904,073 did not contain at least one subset of QBRM mailers that generated 59,345,107 QBRM mailpieces in FY 1999. 446,904,073 is 88 percent of the resulting total of 506,249,180 (446,904,073 plus 59,345,107).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO QUESTION RAISED BY OFFICE OF THE CONSUMER ADVOCATE DURING HEARINGS

Hearing Question 1 of Office of the Consumer Advocate at Tr. 14/5683 "Mr. Chairman, I would like to ask Mr. Rubin, and with your indulgence, to provide any information the Postal Service might have on any time that is added to the transportation and delivery of mail if it goes registered, if the Postal Service has such information".

RESPONSE:

The Postal Service does not track this information, but my response to OCA/USPS-T8-32 in Docket No. MC96-3 (Tr. 4/1109) provided some information on delays related to registered mail service.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO QUESTION RAISED BY OFFICE OF THE CONSUMER ADVOCATE DURING HEARINGS

Hearing Question 2 of Office of the Consumer Advocate at Tr. 14/5686 "Will the Postal Service inform the record, whether window clerks regularly make the public aware, whether they are trained to make the public aware that for high-value articles, Priority Mail or First Class mail plus registry may be a much cheaper alternative?" Also, "Okay, would you include that in your response, also, whether the POS-1 terminal provides the clerk with cost comparison information?"

RESPONSE:

It is my understanding that retail clerks have not been trained to make the public aware of the fact that for high value items, registered mail may be less expensive than insurance, although employees may suggest this option. I have also been informed that POS-1 does not automatically provide retail clerks with the lowest priced alternative between insurance and registered mail. In 1999, the percentage of domestic insurance that could have paid a lower fee using registered mail was approximately one percent of the total domestic insured parcels. As I discussed at the hearing (Tr. 14/5721-22), moreover, not all items qualifying as insured mail will qualify to be registered.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYO TO QUESTION RAISED BY OFFICE OF THE CONSUMER ADVOCATE DURING HEARINGS

Hearing Question 3 of Office of the Consumer Advocate at Tr. 14/5707 "But we would like some type of response from the Postal Service within seven days that describes electronic manifesting and also the relationship information [concerning SmartShip.com] that Mr. Hollies was gracious enough to attempt to offer us, not under oath".

RESPONSE:

The electronic manifest for Delivery Confirmation is comprised of two types of records, a header record and a detail record 1. The header record contains an electronic file number, the date and time of mailing, and the entry facility ZIP Code of the mailing. The detail record 1 contains the mailpiece identification number, the class of mail, and the destination ZIP Code. For further information please see Publication 91, available on http://new.usps.com.

SmartShip.com is one of approximately 20 participants in a beta test of a web-based application program interface (API). This API allows individuals and small volume shippers with Internet access to generate a Delivery Confirmation barcoded label for Priority Mail and Standard Mail (B) shipments, and qualify for electronic Delivery Confirmation service.

United States Postal Service

Karen Meehan
(USPS-T-11)

Response of United States Postal Service Witness Meehan
to
Presiding Officer's Information Request #20

POIR/USPS-3. In its August 7, 2000 response to questions raised at the hearings on August 3 regarding the increase in unit cost between FY 1998 and FY1999 for Standard (B) special mail, the Postal Service indicates that "there were methodological changes between fiscal year 1998 and fiscal year 1999." Please describe these 'methodological changes'.

Response:

The only methodological changes between fiscal year 1998 and fiscal year 1999 that were referred to in the hearing response are the changes between fiscal year 1998 and base year 1998. (The FY 1999 CRA adopts the methodological changes contained in base year 1998.) The fiscal year 1998 to base year 1998 changes are summarized on pages 5, 6 and 7 of the base year testimony, USPS-T-11. The details of these methodological changes can be found in the testimonies of the witnesses referenced on those pages.

United States Postal Service

Michael W. Miller
(USPS-T-24)

Question 4

Please refer to USPS-T-24, Appendix II, pp. II-5 and II-6 and USPS-LR-I-90, pp. 34-36. Postal Service witness Miller separates CRA mail processing unit costs between (1) worksharing related - proportional; (2) other worksharing related - fixed; and, (3) non-worksharing related. Postal Service witness Yacobucci separates CRA mail processing unit costs between (1) worksharing related - proportional and (2) non-worksharing related. Witness Yacobucci does not identify any cost pools as other worksharing related - fixed. Please discuss the rationale for the different treatment accorded the CRA mail processing unit costs by witness Miller compared to witness Yacobucci.

RESPONSE:

Both witness Yacobucci and I classify the cost pools that are directly related to worksharing (e.g., presort level) as "worksharing related proportional." The remaining cost pools are classified as fixed. The methodologies used in the testimonies differ in terms of how we have treated these fixed cost pools. Witness Yacobucci uses one classification, "non-worksharing related fixed." My testimony uses two classifications, "worksharing related fixed" and "non-worksharing related fixed."

I have created the "worksharing related fixed" cost pool classification to accommodate the cost pools that are affected by worksharing, but do not necessarily vary by presort level. Had these cost pools been classified as proportional, they would have affected the cost relationships between the rate categories where cost models have been used to de-average CRA mail processing unit costs. The use of a third classification allows these cost pools to be included in the worksharing related savings calculations without affecting the costs relationships between the model adjusted costs for these de-averaged rate categories.

This third cost pool classification is necessary because the worksharing related savings calculations in my testimony rely on multiple CRA mail processing unit cost categories. For example, there are four CRA mail processing unit cost categories that support the

worksharing related savings calculations for First-Class presort letters: Bulk Metered Mail (BMM) letters, nonautomation presort letters, automation non-carrier route presort

Response to Question 4 (continued)

letters, and automation carrier route presort letters. In contrast, witness Yacobucci's testimony relies on one First-Class CRA mail processing unit cost category: non-carrier route presort flats. As a result of this fact, the flats worksharing related savings results would not have changed had witness Yacobucci used a third cost pool classification similar to that in my testimony.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MILLER TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 5

QUESTION 5

Please refer to USPS-T-24, Appendix II, p. II-30 and USPS-LR-I-90, p. 32. The variability factors appearing on those pages, which come from USPS-T-17, Table 1 appear to reflect only the MODS 1&2 Facilities. Since Standard A mail flows through non-MODS offices and BMCs as well as MODS 1&2 facilities, what is the rationale for using variability factors representing only MODS 1&2 facilities?

RESPONSE:

[NOTE: Marginal Productivity = MODS Productivity / Volume Variability Factor]

The USPS volume variability factors only affect 11 cost pools, all of which are MODS 1&2 cost pools. As a result, I use these volume variability factors to calculate marginal productivities for the MODS productivities that are associated with these cost pools in USPS-T-24, Appendix II, page II-30. For the same reason, Witness Yacobucci performs similar calculations in USPS-LR-I-90, p. 32.

QUESTION 4 Please refer to witness Miller's (USPS-T-24) Response to ABA&NAPM/USPS-T24-27b, the Compelled Response to ABA&NAPM/USPS-T24-1b, and transcript at page 3201 lines 20-25.

As shown in Attachment 1, the difference in unit cost between Bulk Metered Mail and First-Class nonautomation presort letters presented in the current docket is significantly smaller than that presented in Docket No. R97-1.

a. Please discuss all non-methodological changes, excluding cost level changes, that have occurred since Docket No. R97-1 (such as changes in operations, equipment or mail piece characteristics) which have contributed to the changes in BMM and nonautomation presort unit costs shown in the attached table.

b. Discuss the relative impact of each of the changes in methodology implemented in the current proposal, including but not limited to those described in the response to ABA&NAPM/USPS-T24-27b. Specifically, please quantify and discuss the effect on the unit cost of nonautomation presort of isolating nonautomation presort letter costs using CRA data, rather than using the model cost methodology approved by the Commission in Docket No. R97-1.

c. Please also quantify and discuss the impact on the unit costs of the automation non-carrier route presort categories of isolating nonautomation presort letter costs using CRA data, rather than using the model cost methodology approved by the Commission in Docket No. R97-1.

RESPONSE:

Docket No. R97-1 In Docket No. R97-1, the mail processing unit cost estimate for Bulk Metered Mail (BMM) letters was CRA-derived. This estimate consisted of the costs for all metered letters, with the exception that the "1CANCMMP" cost pool was set to zero. This latter change reflected the assumption that BMM letters were entered in trays, thus bypassing the cancellation and metered mail preparation operations. In addition, the delivery unit costs for BMM letters were assumed to be identical to those for nonautomation presort letters.

In that same docket, the unit cost for the First-Class nonautomation presort letters rate category was a model-derived cost estimate. Both nonautomation and automation letter models were used to "de-average" the mail processing unit costs for "non-carrier route presort." The model cost results were weighted together using base year mail volumes. A CRA proportional adjustment factor was calculated by dividing

Response to POIR 9 Question 4 (Continued)

the weighted model cost by the sum of the "proportional" (defined as worksharing related) CRA cost pools. The total mail processing unit cost for each rate category was then calculated by multiplying the model cost for each rate category by the CRA proportional adjustment factor, with the addition of the "fixed" CRA cost pools as a further adjustment. Delivery Point Sequence (DPS) percentages were also calculated in the models and used as a means to de-average the delivery unit costs for presort letters by rate category.

Docket No. R2000-1 In this docket, the BMM letters mail processing and delivery unit cost estimates have been calculated using methods identical to those in Docket No. R97-1.

The nonautomation presort letters mail processing unit cost, however, is now also CRA-derived. This change has been made because nonautomation presort letters and automation presort letters have different characteristics (e.g., weight limits). Despite this fact, nonautomation presort letter models have also been constructed in this docket to calculate DPS percentages. These percentages are once again used to de-average the presort delivery unit costs by rate category.

a. The cost methodology changes listed above are the primary reason why the worksharing related savings measured in this docket are smaller than that measured in Docket No. R97-1. However, other factors could also be affecting the costs for the nonautomation presort letters and BMM letters.

Operations/Equipment: There have been some operational and equipment changes that have affected the costs for both BMM letters and nonautomation presort letters. As witness Kingsley explained in her testimony (USPS-T-10, page 9, lines 23-24), the Remote Computer Read (RCR) finalization rate continues to improve (also see my response to ABA&NAPM/USPS-T24-39). In addition, the Remote Bar Coding System (RBCS) leakage rate has declined over time (see my response to ABA&NAPM/USPS-T24-40). Finally, many Delivery Bar Code Sorters (DBCS) will be retrofitted with Output Sub System (OSS) capabilities that would provide a greater depth of sort and reduce the number of handlings per mail piece (USPS-T-10, page 5 line 27 to page 6 line 1).

Response to POIR 9 Question 4 (Continued)

Mail Characteristics: The mail characteristics for nonautomation presort letters and BMM letters would also affect the mail processing unit costs. In looking at the entry profile data for nonautomation presort letters (Appendix I, page I-38), nearly 25% of the total volume is entered directly into manual operations. In addition, the machinable mail volumes are often entered into the same Input Sub System (ISS) operation, regardless of the presort level of the mail piece. For example, the upgradable 3-digit and 5-digit mail volumes would both be entered at an incoming ISS operation. As a result, the value associated with the presortation of non-barcoded upgradable mail may be lost to some extent.

The mail characteristics for metered mail are somewhat different. Any First-Class single-piece mail type (handwritten, Courtesy Reply Mail, machine printed/typed) can be metered. However, the percentage of metered mail that is handwritten is much smaller when compared to the single-piece mail volume as a whole:

FY 1997 ODIS MAIL TYPE PERCENTAGES

Mail Type	Single-Piece Letters	Metered Letters
Business Reply Mail	1.43%	0.00%
Courtesy Reply Mail	15.31%	2.31%
Handwritten	26.02%	10.77%
Machine Printed/Typed	57.24%	86.92%
Total	100.00%	100.00%

As a result, the accept and upgrade rates for metered mail (USPS-T-24, Appendix I, page I-39) are quite high. Despite the fact that a mail characteristics study has not been conducted for BMM letters, it is doubtful that 25% of this mail would need to be processed manually, as is the case with nonautomation presort letters.

b. c. It is difficult to precisely quantify the impact to the Docket No. R97-1 and R2000-1 results without having attempted to use both methods for each case. However, I will attempt to explain the impact in general quantitative terms for the methodology changes that I listed in my response to ABA&NAPM/USPS-T24-27(b).

Response to POIR 9 Question 4 (Continued)

CRA Mail Processing Unit Cost Categories: As stated earlier, the separation of nonautomation and automation non-carrier route presort mail processing unit costs is the primary reason why the worksharing related savings measured in this docket for nonautomation presort letters are smaller than that measured in Docket No. R97-1.

For comparison purposes, I have provided the CRA mail processing unit costs for Bulk Metered Mail (BMM) letters and the presort categories in Attachment 1. The mail processing unit costs for the two CRA presort categories used in this docket have been weighted together using base year mail volumes and are compared to the total mail processing unit cost used in Docket No. R97-1.

Attachment 1 shows that the mail processing unit costs for BMM letters have decreased from those measured in Docket No. R97-1. This finding is not surprising given that the RCR finalization rate continues to improve and a high percentage of metered mail is machine printed or typed.

Conversely, the aggregate cost for all non-carrier route presort mail appears to have increased. Once again, this is not surprising given that a fairly high percentage (25%) of nonautomation letters are processed manually. In addition, the focus of Postal Service letter automation efforts has been to apply barcodes to non-barcoded mail pieces. As a result, the costs for non-barcoded machinable mail pieces would be affected to a greater extent than the corresponding costs for prebarcoded machinable mail pieces, which represent 89% of the total presort volume.

Cost Models: Attachments 2-7 compare the model costs by operation from Docket No. R97-1 to those used in this docket. Mail volumes and weighted costs for each operation are shown. The results for the nonautomation presort letter models that have been constructed in this docket are also included, despite the fact that the model costs are not relied upon to calculate the worksharing related savings in my testimony. (As stated previously, the CRA-derived costs are used for nonautomation letters.)

It is difficult to precisely compare the model cost results from both dockets because of the many enhancements to the data that have been implemented in this docket. These enhancements include: 100% automation coverage, updated density tables, de-averaged productivities, and weighted automation piggyback factors.

Response to POIR 9 Question 4 (Continued)

In Docket No. R97-1, equipment "coverage" factors were calculated for letter and card operations. Many of these factors were in the upper 90 percentile range. In addition, the calculations were based on whether a specific site (as defined by the SCF labeling list in the DMM) had a specific type of equipment. If it did, the volume data for that site was classified as "covered." This methodology, however, was not entirely accurate. Some sites that did not house equipment had their mail processed at another site that did house equipment.

In this docket it is assumed that letter/card operations are 100% covered. The sites that have been scheduled to house automated equipment already have the vast majority of that equipment. In addition, the methodology that has been used in the past would understate the factors to some extent, yet would still yield results in the upper 90 percentile. Therefore, for modeling purposes, it is appropriate to make this assumption

In Docket No. R97-1, the density tables from Docket No. MC95-1 (MCR-3) were used. The automation table from that docket was calculated using data obtained from 40 plants. These data, however, were not collected for the same time period. In addition, the automation data were used to calculate manual tables.

In this docket, the automation density table (Miller Workpaper 1) is calculated using data that have been collected from 40 plants for the same Accounting Period (AP). In addition, manual density data have been collected (where available) and used to adjust MODS volumes from the same AP for each reporting site. As a result, the manual table more closely depicts the flow for manual operations.

In Docket No. R97-1, many MODS productivity values were calculated by machine type, rather than by operation. In this docket, the MODS productivity values have been de-averaged by operation to better estimate the costs by operation.

In Docket No. R97-1, the Mail Processing Bar Code Sorter (MPBCS) piggyback factor was used for all automated non-incoming secondary operations. In reality, both the MPBCS and the Delivery Bar Code Sorter (DBCS) are used for these operations, with the DBCS being used to a greater extent in "upstream" operations. As a result, weighted piggyback factors have been calculated using the percentage of MODS volumes that are processed on each machine in each operation.

Response to POIR 9 Question 4 (Continued)

Cost Pool Classifications: In Docket No. R97-1, witness Hatfield stated the following at USPS-T-25, page 10, lines 14-20:

> By categorizing each of the 46 unit costs that comprise the benchmark as either proportional to model related costs or fixed with respect to model related costs, the benchmark is divided into a proportional component and a fixed component. The proportional component represents the mail processing costs that are related to worksharing activities and the fixed component represents the costs that are not related to worksharing activities.

In this docket, I have also separated the costs into worksharing related and non-worksharing related cost pools, but I have used three classifications rather than the "proportional" and "fixed" classifications used in Docket No. R97-1. These classifications are: "worksharing related proportional," "worksharing related fixed," and "non-worksharing related fixed." In addition, I have classified fewer cost pools as "worksharing related proportional." In Docket No. R97-1, the "proportional" cost pools represented 91% of the total CRA cost. In this docket, the "worksharing related proportional" cost pools represent 64-67% of the total CRA costs.

In this docket, the only costs I have classified as "worksharing related proportional" are those costs directly affected by piece distribution or package sorting operations (see my response to ABA&NAPM/USPS-T24-12). In most cases, these are tasks that could have been modeled. As a result, the CRA-adjusted cost differences between rate categories that have been de-averaged using models (e.g., automation basic, 3-digit, and 5-digit letters) are not as great as they might have been otherwise.

CRA Adjustments: In Docket No. R97-1, each model cost was multiplied by the "proportional" CRA adjustment factor and added to the "fixed" component in order to determine the total mail processing unit cost.

In this docket, I perform similar calculations. Each model cost (where relied upon for estimating purposes) is multiplied by the "worksharing related proportional" CRA adjustment factor and added to both the "worksharing related fixed" component and the "non-worksharing related fixed" component in order to determine the total mail processing cost.

Response to POIR 9 Question 4 (Continued)

The proportional factors can be used as a means of comparison. In Docket No. R97-1, the "non-carrier route presort" CRA proportional adjustment factor was 1.0869. In this docket, the "automation non-carrier route presort" CRA worksharing related proportional adjustment factor is 0.826. Although it has not been used, a "nonautomation presort" CRA worksharing related proportional adjustment factor can be calculated as follows:

Factor = Weighted Model Cost / Worksharing Related Proportional Cost Pools

= 7.788 cents / 7.750 cents

= 1.005

It is not surprising that these factors are somewhat lower than those used in the last rate case given the fact that the same tasks have been modeled, but fewer cost pools have been classified as "worksharing related proportional." In my opinion, the "worksharing related proportional" cost pools should only consist of those tasks that could be modeled. In other words, these factors should be applied to the model cost results in order to compensate for the fact that "average" data and simplified processing assumptions are used.

Some intervenors expressed concern that some CRA proportional adjustment factors are greater than 1, while others are less than 1. This concern is addressed in my response to MMA/USPS-T24-20d, where I state:

> As stated in the responses to several MMA interrogatories, simplified mail processing assumptions are used to construct cost models. In general, I would expect these assumptions to have a greater impact on mail types that must be processed through the Remote Bar Code System (RBCS). Therefore, I am not surprised that the cost models for First-Class metered letters and First-Class nonautomation presort letters understate the CRA-derived "worksharing related proportional" mail processing unit costs as shown in my responses to (a1) and (a2), respectively.
>
> The First-Class automation presort letters rate categories, however, are easier to model because this mail should not theoretically be processed through the more complicated RBCS network. In addition, these mail pieces have lower weight limits. As a result, I am not surprised that the cost models for the automation presort letters rate categories overstate the CRA-derived "worksharing related proportional" mail processing unit costs as shown in my response to (a3).

Response to POIR 9 Question 4 (Continued)

Worksharing Related Savings Calculations: In Docket No. R97-1, pricing witness Fronk (USPS-T-32) used the total mail processing unit costs from the testimony of witness Hatfield (USPS-T-25) to calculate the cost differences that he used as a basis for his discount proposals. The total mail processing unit costs included the "fixed" costs that witness Hatfield had stated were not related to worksharing.

As a result, I have performed the worksharing related savings calculations in my testimony and excluded the "non-worksharing related fixed" cost pools from the savings calculations. It only stands to reason that if a cost pool is classified as not being related to worksharing activities it should not have an impact on the measured savings.

The impact that this change has had on the worksharing related savings can be calculated (using the PRC volume variability methodology) by comparing the compelled response to ABA&NAPM/USPS-T24-1b to the results found in USPS LR-I-147.

Rate Category	ABA&NAPM/ USPS-T24-1b	USPS LR-I-147	Difference
Nonauto Letters	-0.255 cents	-0.069 cents	- 0.186 cents
Auto Basic Letters	6.880 cents	5.870 cents	1.010 cents
Auto 3-Digit Letters	1.133 cents	1.133 cents	0.000 cents
Auto 5-Digit Letters	1.411 cents	1.411 cents	0.000 cents

The intervenors seem to be primarily concerned with four of the cost pools that have been classified as "non-worksharing related fixed." These cost pools are: "1platfrm," "1SuppF1," "1SuppF4," and "Allied." It should be noted that the largest contribution to the worksharing related savings would have come from the "1platfrm" cost pool (had it been classified as worksharing related). In Docket No. R97-1, however, that cost pool was classified as "fixed" and was therefore not related to worksharing as per witness Hatfield's definition. Therefore, there has been no classification change since the last rate case. In addition, had this cost pool been included, a situation would have been created where platform costs would be included in both the prebarcoding/presorting discounts and destination entry discounts for Standard Mail (A). This "double dipping" situation would have occurred due to the fact that witness Crum's (USPS-T-27) destination entry analysis includes platform ("nontransportation") cost savings.

CRA MAIL PROCESSING UNIT COST COMPARISON

Rate Category	FY 1998 Volume (000)	FY 1998 Percent	Docket No. R2000-1 CRA Mail Process Unit Cost	Weighted Docket No. R2000-1 CRA Mail Process Unit cost	Docket No. R97-1 CRA Mail Process Unit Cost	Change	
BMM Letters	—	—	11.315	11.315	12.580	-1.265	1/
Nonauto Letters	4,409,369	11.35%	11.570				
Auto Basic Letters	4,594,275			5.179	4.093	1.087	
Auto 3-Digit Letters	19,631,232						
Auto 5-Digit Letters	10,203,174						
Auto Subtotal	34,428,681	88.65%	4.361				
Presort Total	38,838,050	100.00%					

1/ 1.16 cents of this difference (1.81 cents - 0.65 cents) occurs in the LD 15 RBCS cost pool and is likely due to RCR finalization rate improvements

NONAUTOMATION PRESORT: OCR Upgradable Mail in "OCR" Trays
Model Cost Comparison (Docket Nos. R 97-1/R2000-1)

	Operation Description	(A) Docket No. R97-1 (PRC LR-10) Model Volume	(B) Docket No. R2000-1 (LR-I-147) Model Volume	(B) - (A) Difference	(C) Docket No. R97-1 (PRC LR-10) Model Cost	(D) Docket No. R2000-1 (LR-I-147) Model Cost	(D) - (C) Difference
1/	Accept/Verify	10,000	0	-10,000	0.031	0.000	-0.031
	Package Sorting	0	0	0	0.000	0.000	0.000
	Outgoing ISS	2,552	2,579	27	0.239	0.224	-0.015
2/	Outgoing RCR/REC	1,011	1,055	44	0.272	0.187	-0.085
	Outgoing OSS	978	1,094	116	0.038	0.062	0.024
	Outgoing LMLM	69	108	39	0.005	0.021	0.016
	Out Prim Auto	113	67	-46	0.007	0.008	0.001
	Out Prim Man	113	67	-46	0.076	0.055	-0.021
	Out Sec Auto	549	716	167	0.034	0.056	0.022
	Out Sec Man	45	42	-3	0.029	0.035	0.006
3/	Incoming ISS	7,157	7,559	402	0.669	1.027	0.359
3/	Incoming RCR/REC	2,646	3,093	447	0.712	0.550	-0.162
3/	Incoming OSS	2,561	3,207	646	0.100	0.187	0.087
3/	Incoming LMLM	181	316	135	0.014	0.063	0.049
	Inc MMP Auto	495	618	123	0.031	0.069	0.038
	Inc MMP Man	117	261	144	0.068	0.175	0.107
4/	Inc SCF/Prim Auto	1,898	3,275	1,377	0.119	0.327	0.208
4/	Inc SCF/Prim Man	782	204	-578	0.568	0.126	-0.442
5/	5-Digit Barcode Sort	0	521	521	0.000	0.052	0.052
	Inc Sec Auto Carrte	2,119	2,721	602	0.149	0.313	0.164
	Inc Sec Auto 3-Pass DPS	3,618	3,707	89	0.094	0.152	0.058
	Inc Sec Auto 2-Pass DPS	10,602	12,078	1,476	0.822	0.917	0.095
	Inc Sec Man (Plant)	1,794	1,190	-604	1.233	0.919	-0.314
	Inc Sec Man (DU)	1,394	422	-972	0.541	0.143	-0.398
	Box Sect DPS	542	625	83	0.100	0.107	0.007
	Box Sect Other	348	265	-83	0.129	0.090	-0.039
					6.079	5.865	-0.214

1/ The acceptance/verification costs for R97-1 were included in the model costs, even though they were not actually modeled. These costs were taken directly from the LD 79 cost pool in the CRA mail processing unit costs.

2/ The RCR and REC keying costs were combined in R97-1, but were separated in R2000-1. The volume listed for R2000-1 is for the RCR pieces. It should be noted that some pieces would be finalized and not processed at the REC.

3/ The RBCS operations from R97-1 are the sum of the ADC/AADC Distribution, SCF, and Incoming Primary operations.

4/ In R97-1, the Inc SCF and Inc Prim operations were shown separately. In this docket, they are combined.

5/ In R97-1, this operation was not included in the models.

NONAUTOMATION PRESORT: OCR Upgradable Mail in "NON-OCR" Trays

Model Cost Comparison (Docket Nos. R 97-1/R2000-1)

	Operation Description	(A) Docket No. R97-1 (PRC LR-10) Model Volume	(B) Docket No. R2000-1 (LR-I-147) Model Volume	(B) - (A) Difference	(C) Docket No. R97-1 (PRC LR-10) Model Cost	(D) Docket No. R2000-1 (LR-I-147) Model Cost	(D) - (C) Difference
1/	Accept/Verify	10,000	0	-10,000	0.031	0.000	-0.031
	Package Sorting	10,000	10,000	0	0.521	0.567	0.046
	Outgoing ISS	1,142	2,207	1,065	0.107	0.191	0.084
2/	Outgoing RCR/REC	452	1,096	644	0.122	0.195	0.073
	Outgoing OSS	438	1,164	726	0.017	0.066	0.049
	Outgoing LMLM	31	180	149	0.002	0.036	0.034
	Out Prim Auto	50	54	4	0.003	0.006	0.003
	Out Prim Man	42	76	34	0.028	0.062	0.034
	Out Sec Auto	245	579	334	0.015	0.045	0.030
	Out Sec Man	19	38	19	0.012	0.031	0.019
3/	Incoming ISS	7,952	8,115	163	0.743	1.103	0.360
3/	Incoming RCR/REC	2,912	4,029	1,117	0.784	0.717	-0.067
3/	Incoming OSS	2,819	4,280	1,461	0.110	0.259	0.149
3/	Incoming LMLM	201	661	460	0.015	0.132	0.117
	Inc MMP Auto	221	536	315	0.014	0.060	0.046
	Inc MMP Man	51	337	286	0.030	0.225	0.195
4/	Inc SCF/Prim Auto	1,256	3,055	1,799	0.079	0.305	0.226
4/	Inc SCF/Prim Man	262	203	-59	0.188	0.125	-0.063
5/	5-Digit Barcode Sort	0	541	541	0.000	0.054	0.054
	Inc Sec Auto Carrte	2,114	2,694	580	0.149	0.309	0.160
	Inc Sec Auto 3-Pass DPS	3,607	3,669	62	0.094	0.150	0.056
	Inc Sec Auto 2-Pass DPS	10,573	11,954	1,381	0.820	0.907	0.087
	Inc Sec Man (Plant)	1,784	1,253	-531	1.226	0.968	-0.258
	Inc Sec Man (DU)	1,422	445	-977	0.552	0.151	-0.401
	Box Sect DPS	540	619	79	0.100	0.106	0.006
	Box Sect Other	350	271	-79	0.129	0.093	-0.036
					5.890	**6.854**	**0.964**

1/ The acceptance/verification costs for R97-1 were included in the model costs, even though they were not actually modeled. These costs were taken directly from the LD 79 cost pool in the CRA mail processing unit costs.

2/ The RCR and REC keying costs were combined in R97-1, but were separated in R2000-1. The volume listed for R2000-1 is for the RCR pieces. It should be noted that some pieces would be finalized and not processed at the REC.

3/ The RBCS operations from R97-1 are the sum of the ADC/AADC Distribution, SCF, and Incoming Primary operations.

4/ In R97-1, the Inc SCF and Inc Prim operations were shown separately. In this docket, they are combined.

5/ In R97-1, this operation was not included in the models.

NONAUTOMATION PRESORT: NON-OCR Upgradable Mail in "NON-OCR" Trays
Model Cost Comparison (Docket Nos. R 97-1/R2000-1)

	Operation Description	(A) Docket No. R97-1 (PRC LR-10) Model Volume	(B) Docket No. R2000-1 (LR-I-147) Model Volume	(B) - (A) Difference	(C) Docket No. R97-1 (PRC LR-10) Model Cost	(D) Docket No. R2000-1 (LR-I-147) Model Cost	(D) - (C) Difference
1/	Accept/Verify	10,000	0	-10,000	0.031	0.000	-0.031
	Package Sorting	10,000	10,000	0	0.780	0.841	0.061
	Outgoing ISS	46	425	379	0.004	0.037	0.033
2/	Outgoing RCR/REC	22	211	189	0.006	0.037	0.031
	Outgoing OSS	21	224	203	0.001	0.013	0.012
	Outgoing LMLM	2	35	33	0.000	0.007	0.007
	Out Prim Auto	3	10	7	0.000	0.001	0.001
	Out Prim Man	59	530	471	0.040	0.430	0.390
	Out Sec Auto	10	112	102	0.001	0.009	0.008
	Out Sec Man	10	104	94	0.005	0.055	0.050
3/	Incoming ISS	3,937	4,162	225	0.355	0.555	0.197
3/	Incoming RCR/REC	1,754	2,066	312	0.472	0.367	-0.105
3/	Incoming OSS	1,686	2,195	509	0.066	0.128	0.062
3/	Incoming LMLM	177	339	162	0.013	0.068	0.055
	Inc MMP Auto	13	144	131	0.001	0.016	0.015
	Inc MMP Man	104	716	612	0.061	0.479	0.418
4/	Inc SCF/Prim Auto	431	1,220	789	0.027	0.122	0.095
4/	Inc SCF/Prim Man	1,226	2,928	1,702	0.950	1.812	0.862
5/	5-Digit Barcode Sort	0	244	244	0.000	0.024	0.024
	Inc Sec Auto Carrte	914	1,201	287	0.064	0.138	0.074
	Inc Sec Auto 3-Pass DPS	1,560	1,636	76	0.041	0.067	0.026
	Inc Sec Auto 2-Pass DPS	4,573	5,330	757	0.355	0.405	0.050
	Inc Sec Man (Plant)	5,629	4,649	-980	3.868	3.592	-0.276
	Inc Sec Man (DU)	1,433	1,649	216	0.556	0.559	0.003
	Box Sect DPS	234	276	42	0.043	0.047	0.004
	Box Sect Other	656	614	-42	0.242	0.209	-0.033
					7.997	10.059	2.062

1/ The acceptance/verification costs for R97-1 were included in the model costs, even though they were not actually modeled. These costs were taken directly from the LD 79 cost pool in the CRA mail processing unit costs.

2/ The RCR and REC keying costs were combined in R97-1, but were separated in R2000-1. The volume listed for R2000-1 is for the RCR pieces. It should be noted that some pieces would be finalized and not processed at the REC.

3/ The RBCS operations from R97-1 are the sum of the ADC/AADC Distribution, SCF, and Incoming Primary operations.

4/ In R97-1, the Inc SCF and Inc Prim operations were shown separately. In this docket, they are combined.

5/ In R97-1, this operation was not included in the models.

AUTOMATION BASIC PRESORT

Model Cost Comparison (Docket Nos. R 97-1/R2000-1)

	Operation Description	(A) Docket No. R97-1 (PRC LR-10) Model Volume	(B) Docket No. R2000-1 (LR-I-147) Model Volume	(B) - (A) Difference	(C) Docket No. R97-1 (PRC LR-10) Model Cost	(D) Docket No. R2000-1 (LR-I-147) Model Cost	(D) - (C) Difference
1/	*Accept/Verify*	10,000	0	-10,000	0.031	0.000	-0.031
	Package Sorting	0	0	0	0.000	0.000	0.000
	Outgoing ISS	0	0	0	0.000	0.000	0.000
2/	Outgoing RCR/REC	0	0	0	0.000	0.000	0.000
	Outgoing OSS	0	0	0	0.000	0.000	0.000
	Outgoing LMLM	0	0	0	0.000	0.000	0.000
	Out Prim Auto	4,812	4,833	21	0.301	0.553	0.252
	Out Prim Man	273	232	-41	0.183	0.188	0.005
	Out Sec Auto	792	346	-446	0.050	0.027	-0.023
	Out Sec Man	81	58	-23	0.052	0.048	-0.004
3/	Incoming ISS	0	0	0	0.000	0.000	0.000
3/	Incoming RCR/REC	0	0	0	0.000	0.000	0.000
3/	Incoming OSS	0	0	0	0.000	0.000	0.000
3/	Incoming LMLM	0	0	0	0.000	0.000	0.000
	Inc MMP Auto	5,569	5,957	388	0.348	0.668	0.320
	Inc MMP Man	398	333	-65	0.232	0.222	-0.010
4/	Inc SCF/Prim Auto	4,893	4,682	-211	0.306	0.467	0.161
4/	Inc SCF/Prim Man	840	302	-538	0.511	0.187	-0.324
5/	5-Digit Barcode Sort	0	0	0	0.000	0.000	0.000
	Inc Sec Auto Carrte	2,231	2,804	573	0.157	0.322	0.165
	Inc Sec Auto 3-Pass DPS	3,807	3,820	13	0.099	0.157	0.058
	Inc Sec Auto 2-Pass DPS	11,162	12,446	1,284	0.866	0.945	0.079
	Inc Sec Man (Plant)	1,482	1,001	-481	1.018	0.773	-0.245
	Inc Sec Man (DU)	1,347	355	-992	0.523	0.120	-0.403
	Box Sect DPS	570	644	74	0.105	0.110	0.005
	Box Sect Other	320	246	-74	0.118	0.084	-0.034
					4.900	4.871	-0.029

1/ The acceptance/verification costs for R97-1 were included in the model costs, even though they were not actually modeled. These costs were taken directly from the LD 79 cost pool in the CRA mail processing unit costs.

2/ The RCR and REC keying costs were combined in R97-1, but were separated in R2000-1. The volume listed for R2000-1 is for the RCR pieces. It should be noted that some pieces would be finalized and not processed at the REC.

3/ The RBCS operations from R97-1 are the sum of the ADC/AADC Distribution, SCF, and Incoming Primary operations.

4/ In R97-1, the Inc SCF and Inc Prim operations were shown separately. In this docket, they are combined.

5/ In R97-1, this operation was not included in the models.

AUTOMATION 3-DIGIT PRESORT
Model Cost Comparison (Docket Nos. R 97-1/R2000-1)

	Operation Description	(A) Docket No. R97-1 (PRC LR-10) Model Volume	(B) Docket No. R2000-1 (LR-I-147) Model Volume	(B) - (A) Difference	(C) Docket No. R97-1 (PRC LR-10) Model Cost	(D) Docket No. R2000-1 (LR-I-147) Model Cost	(D) - (C) Difference
1/	Accept/Verify	10,000	0	-10,000	0.031	0.000	-0.031
	Package Sorting	0	0	0	0.000	0.000	0.000
	Outgoing ISS	0	0	0	0.000	0.000	0.000
2/	Outgoing RCR/REC	0	0	0	0.000	0.000	0.000
	Outgoing OSS	0	0	0	0.000	0.000	0.000
	Outgoing LMLM	0	0	0	0.000	0.000	0.000
	Out Prim Auto	0	0	0	0.000	0.000	0.000
	Out Prim Man	0	0	0	0.000	0.000	0.000
	Out Sec Auto	0	0	0	0.000	0.000	0.000
	Out Sec Man	0	0	0	0.000	0.000	0.000
3/	Incoming ISS	0	0	0	0.000	0.000	0.000
3/	Incoming RCR/REC	0	0	0	0.000	0.000	0.000
3/	Incoming OSS	0	0	0	0.000	0.000	0.000
3/	Incoming LMLM	0	0	0	0.000	0.000	0.000
	Inc MMP Auto	0	0	0	0.000	0.000	0.000
	Inc MMP Man	0	0	0	0.000	0.000	0.000
4/	Inc SCF/Prim Auto	9,657	10,000	343	0.604	0.997	0.393
4/	Inc SCF/Prim Man	935	430	-505	0.738	0.266	-0.472
5/	5-Digit Barcode Sort	0	0	0	0.000	0.000	0.000
	Inc Sec Auto Carrte	2,306	2,884	578	0.162	0.331	0.169
	Inc Sec Auto 3-Pass DPS	3,937	3,929	-8	0.102	0.161	0.059
	Inc Sec Auto 2-Pass DPS	11,536	12,801	1,265	0.895	0.972	0.077
	Inc Sec Man (Plant)	1,242	819	-423	0.854	0.633	-0.221
	Inc Sec Man (DU)	1,345	291	-1,054	0.522	0.099	-0.423
	Box Sect DPS	590	662	72	0.109	0.113	0.004
	Box Sect Other	301	228	-73	0.111	0.078	-0.033
					4.128	3.650	-0.478

1/ The acceptance/verification costs for R97-1 were included in the model costs, even though they were not actually modeled. These costs were taken directly from the LD 79 cost pool in the CRA mail processing unit costs.

2/ The RCR and REC keying costs were combined in R97-1, but were separated in R2000-1. The volume listed for R2000-1 is for the RCR pieces. It should be noted that some pieces would be finalized and not processed at the REC.

3/ The RBCS operations from R97-1 are the sum of the ADC/AADC Distribution, SCF, and Incoming Primary operations.

4/ In R97-1, the Inc SCF and Inc Prim operations were shown separately. In this docket, they are combined.

5/ In R97-1, this operation was not included in the models.

AUTOMATION 5-DIGIT PRESORT
Model Cost Comparison (Docket Nos. R 97-1/R2000-1)

	Operation Description	(A) Docket No. R97-1 (PRC LR-10) Model Volume	(B) Docket No. R2000-1 (LR-I-147) Model Volume	(B) - (A) Difference	(C) Docket No. R97-1 (PRC LR-10) Model Cost	(D) Docket No. R2000-1 (LR-I-147) Model Cost	(D) - (C) Difference
1/	Accept/Verify	10,000	0	-10,000	0.031	0.000	-0.031
	Package Sorting	0	0	0	0.000	0.000	0.000
	Outgoing ISS	0	0	0	0.000	0.000	0.000
2/	Outgoing RCR/REC	0	0	0	0.000	0.000	0.000
	Outgoing OSS	0	0	0	0.000	0.000	0.000
	Outgoing LMLM	0	0	0	0.000	0.000	0.000
	Out Prim Auto	0	0	0	0.000	0.000	0.000
	Out Prim Man	0	0	0	0.000	0.000	0.000
	Out Sec Auto	0	0	0	0.000	0.000	0.000
	Out Sec Man	0	0	0	0.000	0.000	0.000
3/	Incoming ISS	0	0	0	0.000	0.000	0.000
3/	Incoming RCR/REC	0	0	0	0.000	0.000	0.000
3/	Incoming OSS	0	0	0	0.000	0.000	0.000
3/	Incoming LMLM	0	0	0	0.000	0.000	0.000
	Inc MMP Auto	0	0	0	0.000	0.000	0.000
	Inc MMP Man	0	0	0	0.000	0.000	0.000
4/	Inc SCF/Prim Auto	0	0	0	0.000	0.000	0.000
4/	Inc SCF/Prim Man	0	0	0	0.000	0.000	0.000
5/	5-Digit Barcode Sort	0	0	0	0.000	0.000	0.000
	Inc Sec Auto Carrte	2,427	3,014	587	0.171	0.346	0.175
	Inc Sec Auto 3-Pass DPS	4,144	4,106	-38	0.108	0.168	0.061
	Inc Sec Auto 2-Pass DPS	12,143	13,377	1,234	0.942	1.015	0.073
	Inc Sec Man (Plant)	852	524	-328	0.586	0.405	-0.181
	Inc Sec Man (DU)	1,345	186	-1,159	0.522	0.063	-0.459
	Box Sect DPS	621	692	71	0.114	0.118	0.003
	Box Sect Other	198	0	-198	0.099	0.066	-0.032
					2.573	2.184	-0.390

1/ The acceptance/verification costs for R97-1 were included in the model costs, even though they were not actually modeled. These costs were taken directly from the LD 79 cost pool in the CRA mail processing unit costs.

2/ The RCR and REC keying costs were combined in R97-1, but were separated in R2000-1. The volume listed for R2000-1 is for the RCR pieces. It should be noted that some pieces would be finalized and not processed at the REC.

3/ The RBCS operations from R97-1 are the sum of the ADC/AADC Distribution, SCF, and Incoming Primary operations.

4/ In R97-1, the Inc SCF and Inc Prim operations were shown separately. In this docket, they are combined.

5/ In R97-1, this operation was not included in the models.

Attachment 1

Worksharing Related Costs

First-Class BMM and Nonauto Presort Letters

(cents per piece)

	USPS Methodology			PRC Methodology		
	R97-1 1/	R2000-1 2/	Change	R97-1 3/	R2000-1 4/	Change
Bulk Metered Mail	14.73	13.81	-0.92	17.49	16.79	-0.69
Nonautomation Presort Letters	11.35	13.72	2.37	12.94	17.05	4.11
Cost Avoidance (BMM - Prst.)	3.38	0.09		4.55	-0.25	

1/ Source: Docket No. R97-1, USPS-T-29, Exhibit C, pg 1.
2/ Source: USPS-T-24, Appx I, pg 1 (revised 3/31/00)
3/ Source: Docket No. R97-1, PRC-LR-10 and PRC-LR-20
4/ Source: Attch. 2 of 5 to ABA&NAPM/USPS-T24-1b. The costs reflect the variabilities and cost pool categories approved in R97-1.

United States Postal Service

Joseph D. Moeller
(USPS-T-35)

NAA/USPS-T35-11: At USPS-T-35, p.4, line 18, you refer to "an upper bound on the amount by which an individual rate cell is proposed to increase." Please identify precisely what upper bound you imposed and how it was determined.

a. What specific rate cells were affected and precisely how were they affected? Please identify the affected passthrough percentages and the effect of the constraint on the selected passthrough in each case.
b. Did the "upper bound" affect rate proposals other than through the selection of the passthroughs? Please identify all such constraints and their effects on proposed rates.
c. Was there also a lower bound to the proposed rate categories?
d. If the answer to (c) is yes, please identify the lower bound, how it was determined, and how specific rate categories were affected.
e. If the answer to (c) is no, please identify in detail why not.

RESPONSE:

The cited passage refers to the Regular subclass. The upper bound on the non-destination entry minimum-per-piece rate cells was generally 14 percent. Given the overall percentage increase for the subclass, rate cell increases in excess of 14 percent were considered excessive and therefore were to be avoided unless doing so required actions that were counter to the other rate design objectives.

a. The rate cell which was most affected was 3/5-digit automation flats, although all cells were affected since limiting the increase for one cell may cause an increase in other cells. While it is impossible, due to the complexity of the rate design and the interdependency of the passthroughs, to discuss the effect of each passthrough individually, in general, the limit on the 3/5-digit automation flat increase was achieved by a high passthrough on the automation discount, and a limitation on the absolute increase in the letter/nonletter rate differential.

b. The passthroughs were the mechanism employed to limit the rate increases.

c. No; however, that is not to say there would not have been one had the rate iterations included a large percentage decrease for a particular cell. 21481

d. Not applicable.

e. There was not a perceived need to limit reductions, as they did not appear to be unreasonable.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MOELLER TO INTERROGATORIES OF RECORDING INDUSTRY ASSOCIATION OF AMERICA

RIAA/USPS-T35-4. Please refer to your Further Response to Questions Posed During Hearing (filed May 17, 2000) in which you provide certain information concerning the revenue, pieces and weight data for "pieces subject to the surcharge."
(a) Please provide copies of any workpapers, studies or other documents showing how the information in the table constituting your response has been derived.
(b) With respect to the Regular (Standard A) subclass, please disaggregate the revenue, pieces and weight shown for such subclass in the following format, corresponding to the format set forth at Schedule G-2 (page 2 of 2) of Library Reference USPS-LR-I-259:

Basic Residual-Shaped Pieces (piece rated) _____
- No destination entry _____
- BMC destination entry _____
- SCF destination entry _____

Basic Residual-Shaped Pieces (pound rated) _____
- No destination entry _____
- BMC destination entry _____
- SCF destination entry _____

3/5-Digit Residual-Shaped Pieces (piece rated) _____
- No destination entry _____
- BMC destination entry _____
- SCF destination entry _____

3/5-Digit Residual-Shaped Pieces (pound rated)_____
- No destination entry _____
- BMC destination entry _____
- SCF destination entry _____

(c) If you are unable to disaggregate the data set forth with respect to the Regular subclass in the form requested by subpart (b) of this interrogatory, please provide a detailed explanation of why that is so. If you are able to disaggregate such data, please describe how such disaggregation was performed, identify all sources used to perform such calculations and provide copies of all workpapers, studies or other documents upon which you rely in performing such disaggregation.

RESPONSE:

(a-c). See page 1 of the attachment to this response. The source data used to derive it are provided on page 2 of the attachment to this response. The source of these data and the original response (Further Response to Questions Posed During Hearing, filed May 17, 2000) is the disaggregated RPW subclass estimates for the GFY 1999 period.

Standard Mail (A) - Pieces Subject to the Residual Shape Surcharge (RSS)
GFY 1999
(Surcharge implemented January 10, 1999)

	Revenue	Rev/pc	Pieces	lbs/pc	Weight	oz/pc
Regular Subclass Total RSS	**331,909,800**	0.6034	**550,026,918**	0.5853	**321,908,436**	9.3642
"Minimum per piece" pieces	**14,758,110**	0.3630	**40,658,852**	0.1906	**7,751,076**	3.0502
Basic Presort	**7,707,721**	0.3987	**19,332,028**	0.1844	**3,564,108**	2.9498
No Destination Entry	6,585,492	0.4010	16,424,457	0.1699	2,790,375	2.7183
DBMC	803,292	0.3872	2,074,718	0.2551	529,329	4.0821
DSCF	318,937	0.3829	832,853	0.2935	244,404	4.6953
3/5-digit Presort	**7,050,389**	0.3306	**21,326,824**	0.1963	**4,186,968**	3.1412
No Destination Entry	4,117,828	0.3387	12,159,037	0.1600	1,945,232	2.5597
DBMC	919,869	0.3233	2,845,636	0.2171	617,815	3.4738
DSCF	2,012,692	0.3184	6,322,151	0.2569	1,623,921	4.1098
Pound-rated Pieces	**317,151,690**	0.6226	**509,368,066**	0.6168	**314,157,360**	9.8681
Basic Presort	**100,302,164**	0.6449	**155,533,528**	0.5660	**88,034,550**	9.0563
No Destination Entry	87,012,685	0.6460	134,685,985	0.5566	74,964,774	8.9054
DBMC	11,475,163	0.6517	17,607,919	0.6484	11,417,201	10.3746
DSCF	1,814,316	0.5600	3,239,624	0.5101	1,652,575	8.1618
3/5-digit Presort	**216,849,526**	0.6129	**353,834,538**	0.6391	**226,122,810**	10.2250
No Destination Entry	142,901,384	0.6216	229,903,713	0.6215	142,894,072	9.9446
DBMC	53,892,000	0.6143	87,725,681	0.6954	61,006,456	11.1268
DSCF	20,056,142	0.5540	36,205,144	0.6138	22,222,282	9.8206

L#	RPW#	VIP#	VIPNAME	REV	PIECES	WEIGHT
100	3240	X3584	STDA-REG-NONE-NAUTO-BAS-NLETR-PARC-PCRT	37084257	133401615	1691406
100	3240	X3589	STDA-REG-NONE-NAUTO-BAS-NLETR-PARC-LBRT	49928428	1284370	73273368
100	3241	X3684	STDA-REG-DBMC-NAUTO-BAS-NLETR-PARC-PCRT	4649171	17605181	3601
100	3241	X3689	STDA-REG-DBMC-NAUTO-BAS-NLETR-PARC-LBRT	6825992	2738	11413600
100	3242	X3784	STDA-REG-DSCF-NAUTO-BAS-NLETR-PARC-PCRT	870208	3233227	18531
100	3242	X3789	STDA-REG-DSCF-NAUTO-BAS-NLETR-PARC-LBRT	944108	6397	1634044
100	3290	X3564	STDA-REG-NONE-NAUTO-3/5-NLETR-PARC-PCRT	46297633	228225611	642613
100	3290	X3569	STDA-REG-NONE-NAUTO-3/5-NLETR-PARC-LBRT	96603751	1678102	142251459
100	3291	X3664	STDA-REG-DBMC-NAUTO-3/5-NLETR-PARC-PCRT	17411427	87724583	2504
100	3291	X3669	STDA-REG-DBMC-NAUTO-3/5-NLETR-PARC-LBRT	36480573	1098	61003952
100	3292	X3764	STDA-REG-DSCF-NAUTO-3/5-NLETR-PARC-PCRT	7256961	36195938	42861
100	3292	X3769	STDA-REG-DSCF-NAUTO-3/5-NLETR-PARC-LBRT	12799181	9206	22179421
100	3630	X3064	STDA-REG-NONE-NAUTO-3/5-NLETR-PARC	4117828	12159037	1945232
100	3631	X3164	STDA-REG-DBMC-NAUTO-3/5-NLETR-PARC	919869	2845636	617815
100	3632	X3264	STDA-REG-DSCF-NAUTO-3/5-NLETR-PARC	2012692	6322151	1623921
100	3640	X3084	STDA-REG-NONE-NAUTO-BAS-NLETR-PARC	6585492	16424457	2790375
100	3641	X3184	STDA-REG-DBMC-NAUTO-BAS-NLETR-PARC	803292	2074718	529329
100	3642	X3284	STDA-REG-DSCF-NAUTO-BAS-NLETR-PARC	318937	832853	244404
				331,909,800	550,026,918	321,908,436

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MOELLER TO INTERROGATORIES OF RECORDING INDUSTRY ASSOCIATION OF AMERICA

RIAA/USPS-T35-5. Please confirm that:

(a) The revenue, pieces and pounds reflected in Library Reference 259 for non-letters for the period January 10, 1999 "and beyond" (LR-259, Schedule G-2, page 2 of 2) includes the revenue, pieces and pounds of non-letters subject to the residual-shaped surcharge set forth in your Further Response;

(b) 27.9% of the total non-letters (Basic and 3/5) for the period January 10, 1999 "and beyond" constituted pieces subject to the residual-shaped surcharge as reflected in your Further Response;

(c) 43.2% of the total revenues derived from non-letters (Basic and 3/5) was derived from pieces that were subject to the residual-shaped surcharge in the period January 10, 1999 "and beyond".

(d) If you are unable to confirm any of subparts (a), (b) or (c) of this interrogatory, please state why that is so and provide what you consider to be the correct response, together with any workpapers, studies or supporting documents upon which you rely.

RESPONSE:

(a) Confirmed.

(b) Confirmed that 27.9 percent of total non-automation nonletters constituted pieces subject to the surcharge. Of total nonletters, the percentage was 5.5 percent.

(c) Confirmed that 43.2 percent of total revenue from non-automation nonletters constituted revenue from pieces subject to the surcharge. Of total nonletters, the percentage was 12.6 percent.

(d) Not applicable.

RESPONSE OF U.S. POSTAL SERVICE WITNESS JOSEPH D. MOELLER TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 2

1. The Postal Service request includes proposed rates that have been developed to reflect the assumption that legislation will be enacted. Specifically, the rates proposed for Regular Periodicals, Nonprofit Periodicals and Classroom Publications; the rates for Standard A Nonprofit ECR; and the rates for Library Mail are all dependent on this assumption. In the absence of the passage of legislation, rates for mail in these subclasses would have to reflect existing applicable law, including the restrictions imposed by the Revenue Forgone Act of 1993.

Please provide the test year rates that the Postal Service would propose for these subclasses of mail if it is assumed that no new legislation is enacted. For purposes of this answer the Postal Service is to develop rates that reflect retention of the regular rate mark ups justified in the January 12, 2000 Request. Include exhibits tracing the development of these rates to cost and volume data contained ~~in~~ that Request.

RESPONSE:

As the Postal Service's rate proposal would be reviewed by the Board of Governors, I do not represent this response to present what the Postal Service's proposal would be in the hypothetical stated in the question. Nevertheless, the rate design workpapers can be manipulated so as to produce rates that meet the general requirements of this information request.

The attached pages display rates derived by using the rate design workpapers for Standard Mail (A) Nonprofit Enhanced Carrier Route. The pages are the same as those found in USPS-T-35, WP 2, with a few modifications. The markup (line 2) that is an input to the rate design formula (page 20 of WP2, or page 2 of the attachment to this response) is one-half of the commercial ECR markup proposed in this proceeding. (See the footnote in bold on the attachment; the commercial markup is 108.8 percent, so one-half that figure, 54.4 percent, is used in this response). Also, the pound rate (line 13) is

increased to 45 cents. The pound rate is increased so that the piece rate does not bear the entire brunt of the effect of the higher markup that would be required in the absence of a legislative change. The 45 cent figure is selected because it results in percentage changes for pound rated mail that are only slightly higher than the overall subclass increase. The proposal filed on January 12 included a similar relationship. In order to avoid a rate anomaly between automation carrier route, and automation 5-digit letters, the passthrough for the automation carrier route discount is increased to 101 percent. (See Page 1 of the attachment to this response, Column (3)). As directed in the information request, the volumes and costs as presented in the January 12 filing are cited in the attached pages. No changes are made to any volumes or costs, or to the markup on the commercial subclass counterpart. Obviously, if the Postal Service had not anticipated changes to the Revenue Forgone Reform Act, the volume, costs, and the proposed markups would likely have been different than those included in the January 12 request. Pages 3 and 4 of the attachment display the rates that result from the higher markup, higher pound rate, and the higher passthrough for automation carrier route letters.

Based on
USPS-T-35
WP 2, page 19

NONPROFIT ENHANCED CARRIER ROUTE SUBCLASS
DEVELOPMENT OF DENSITY AND AUTOMATION DISCOUNTS

21488

	Item	MP + Del Unit Cost (Cents) (1)	Differential (Cents) (2)	Passthrough Percent (3)	Discount (4)	Cumulative Discount (Cents) (5)	Pieces (Millions) (6)	Value (Millions) (7)
	Nonletters:							
1	Basic	9.707	—	—		—	905.275	—
2	High Density	4.329	5.378	*29.8%*	1.6	1.6	9.193	0.147
3	Saturation	3.828	0.501	*99.8%*	0.5	2.1	303.225	6.368
4	Subtotal	—	—	—		—	1217.693	6.515
	Letters:							
5	Basic	8.539	1.168	0.0%	0	0	719.099	0.000
6	Automated	5.023	3.516	**101.0%**	3.6	3.6	341.586	12.297
7	High Density	3.64	4.899	*47.0%*	2.3	2.3	53.630	1.233
8	Saturation	3.005	0.635	*100.0%*	0.6	2.9	575.198	16.681
9	Letter Discount					0.0	628.828	0.000
10	Subtotal						1689.513	30.211
11	Total						2907.206	36.726

(1) Page 10, lines 20-27
(2) Difference between relevant cost figures in Col (1)
(3) Automation passthrough selected; italicized from page 18, worktable C.
(4) Col (2) * Col (3)
(5) Cumulative discount for that category.
(6) Page 4, Col (1). Flat volujmes are sum of piece-and pound-rated pieces.
(7) Col (5) * Col (6)

Based on
USPS-T-35
WP 2, page 20

21489

NONPROFIT ENHANCED CARRIER ROUTE SUBCLASS
RATE DESIGN FORMULA
(millions)

	Item	Source	Amount
1	Volume Variable Costs (TYBR)	Page 16	212.388
2	Markup	assumed	1.544 *
3	Revenue Requirement	L.1 x L.2	327.927
4	Residual shape surcharge	Page 14, Col (1)	0.183
5	Fees	Page 15, Col (1)	10.734
6	Revenue Requirement from Postage	L.3-L.4-L.5	317.011
7	Value of Discounts	Pages 9,19	87.741
8	RevReq+Discounts (RR+D)	L.6 + L.7	404.752
9	Total Pcs - min rate (Vr)	Page 4, col (1)	2670.479
10	Total Pcs - pound rate (Vrp)	Page 4, col (1)	236.727
11	Total Pounds - Lb Rate (Vp)	Page 4, col (2)	70.580
12	Break point (BP)	Current (approx.)	3.3
13	Pound Rate (P)	proposed	*0.450* **
14	FORMULA:		
	M = Basic minimum rate for nonletters		
	i = per piece rate for pound-rated pieces		
15	RR+D=(Vr)M+Vrp(i)+Vp(P)		
16	M = i + [(BP/16)*(P)]		
17	RR+D=[(Vr)[i+[BP/16]*P]+Vrp(i)+Vp(P)]/(Vr+Vrp)		
18	i = RR+D-Vr(BP/16)P-VpP		
19	*Intercept (pc rate for lb-rated pieces) (i)*		0.043
20	*Basic Piece Rate for Flats (M)*		0.136
21	Actual Breakpoint (oz.)	(L.20-L.19)*16/L.13	3.3067

Line
15 Revenue required from Basic Rates in order to fund discounts =
(Rev. from min/pc rate) + (rev. from pc. element of pound-rated mail) +
(rev. from pound element for pound-rated mail)
16 min/pc rate = per piece for pound rated mail + pound rate rev. from breakpoint weight piece
17 Substitute equation for M (line 16) into line 15 equation.
18 Solve for i
20 Solve for M using equation in line 16

*** 2 One-half of the commercial ECR markup. See USPS-T-35, WP 1, page 25. ECR coverage is 208.83%, the "markup" is 108.83%. One-half is 54.4%.**
****13 This pound rate is higher than the Postal Service proposal**

Based on
USPS-T-35
WP 2, page 29

21490

Nonprofit Subclass

Automation		Entered at destination: BMC	SCF	DDU
Letters				
Basic	0.129	0.112	0.107	
3-digit	0.122	0.105	0.100	
5-digit	0.101	0.084	0.079	
Flats (pc-rated)				
Basic	0.178	0.161	0.156	
3/5-digit	0.158	0.141	0.136	
Flats (lb-rated)				
per piece:				
Basic	0.058	0.058	0.058	
3/5 digit	0.038	0.038	0.038	
per pound:				
Basic	0.580	0.497	0.472	
3/5 digit	0.580	0.497	0.472	

Presort		Entered at destination: BMC	SCF	DDU
Letters				
Basic	0.159	0.142	0.137	
3/5-digit	0.150	0.133	0.128	
Non-letters (pc-rated)				
Basic	0.219	0.202	0.197	
3/5-digit	0.175	0.158	0.153	
Non-letters (lb-rated)				
per piece:				
Basic	0.099	0.099	0.099	
3/5 digit	0.055	0.055	0.055	
per pound:				
Basic	0.580	0.497	0.472	
3/5 digit	0.580	0.497	0.472	

Residual Shape Surcharge	0.180
Parcel Barcode Discount	0.030

Nonprofit Enhanced Carrier Route

		Entered at destination: BMC	SCF	DDU
Letters				
Basic	0.136	0.119	0.114	0.108
Auto	0.100	0.083	0.078	0.072
High-D	0.113	0.096	0.091	0.085
Saturation	0.107	0.090	0.085	0.079
Non-letters (pc-rated)				
Basic	0.136	0.119	0.114	0.108
High-D	0.120	0.103	0.098	0.092
Saturation	0.115	0.098	0.093	0.087
Non-letters (lb-rated)				
per piece:				
Basic	0.043	0.043	0.043	0.043
High-D	0.027	0.027	0.027	0.027
Saturation	0.022	0.022	0.022	0.022
per pound:				
Basic	0.450	0.367	0.342	0.316
High-D	0.450	0.367	0.342	0.316
Saturation	0.450	0.367	0.342	0.316

Residual Shape Surcharge	0.150

Sources:
Non-destination entry rates are from pages 22-24
Destination-entry rates are calculated by subtracting discounts (p.9, col (5)) from non-destination entry rates
Residual Shape Surcharge and Barcode Discount from Page 14, Column (2)

21491

Based on
USPS-T-35
WP 2, page 31

Standard Mail (A) - Nonprofit Enhanced Carrier Route

Proposed Rates

				Overall	40.8%
Minimum per piece rates					
Density tier	**Shape**		**current**	**POIR #2**	**%chg**
Basic	**Letter**		0.099	0.136	**37.4%**
	Automation		0.092	0.100	**8.7%**
	Nonletter		0.099	0.136	**37.4%**
High-Density	**Letter**		0.078	0.113	**44.9%**
	Nonletter		0.092	0.120	**30.4%**
Saturation	**Letter**		0.072	0.107	**48.6%**
	Nonletter		0.084	0.115	**36.9%**
Pound-rated pieces					
Density Tier			**current**	**POIR #2**	
Basic	per piece		0.039	0.043	
	per pound		0.290	0.450	
example:	8-ounce piece		0.184	0.268	**45.7%**
High Density	per piece		0.032	0.027	
	per pound		0.290	0.450	
example:	8-ounce piece		0.177	0.252	**42.4%**
Saturation	per piece		0.024	0.022	
	per pound		0.290	0.450	
example:	8-ounce piece		0.169	0.247	**46.2%**
Destination Entry Discounts					
			current per piece	POIR #2 per piece	
Piece-rated pieces		**DBMC**	0.016	0.017	
		DSCF	0.021	0.022	
		DDU	0.026	0.028	
			current per pound	POIR #2 per pound	
Pound-rated pieces		**DBMC**	0.079	0.083	
		DSCF	0.100	0.108	
		DDU	0.126	0.134	
			current	**POIR #2**	
Residual Shape Surcharge			0.100	0.150	

3. In USPS-T-35 at 32, witness Moeller states "...if a passthrough similar to those for other automation letters were used, a potential rate anomaly could exist between Basic and 3-digit automation letters."

a. Does the phrase "other automation letters" refer to Standard A commercial 3-digit and 5-digit automation letters?
b. Please identify the potential rate anomaly that could exist between Basic and 3-digit automation letters. Please discuss.

RESPONSE:

a. The cited phrase reads as follows: "if a passthrough similar to those for *the* other automation letters were used...." (emphasis added). This passage refers to the other nonprofit automation letter passthroughs, but the statement could apply to the commercial automation letter passthroughs, as well. The passage follows the observation on page 32 that the selected passthrough for nonprofit basic automation letters only maintains 60 percent of the current discount. In every other instance (nonprofit and commercial automation letters), a passthrough was selected that maintained at least 80 percent of the current discount. In fact, in nonprofit, the "other" (3-digit and 5-digit automation) passthroughs maintain 100 percent of the existing discounts. The passage was trying to explain why the noted passthrough was different from the other (nonprofit letter automation) passthroughs in terms of the percentage of the current discount maintained in the proposal.

b. The potential for a rate anomaly arises because, as can be seen in the depiction of the presort tree (see USPS-T-35, WP1, page 35), the Basic and 3-digit automation letter tiers are not tied to each other directly; that is, there is no passthrough between the tiers, as there is between 3-digit and 5-digit automation; instead, the passthrough is relative to Basic nonautomation letters.

In this particular instance, the passthrough selected for basic automation letters maintains 60 percent of the current discount. If, instead, a passthrough had been selected that maintained 80 percent of the current nonprofit Basic automation letter discount (the minimum amount maintained of any of the other letter automation discounts, commercial or nonprofit), the Basic automation letter rate would have been lower than the 3-digit automation letter rate, assuming no other passthroughs were adjusted. The specific passthrough that would have maintained 80 percent of the current discount is 140 percent. By entering 140 percent for the Basic automation letter passthrough in the nonprofit rate design workpapers (USPS-T-35, WP2, page 12, column (3)), and making no other changes, the resulting rate for Basic automation letters would be 12.0 cents, which is lower than the resulting 12.3 cent rate for 3-digit automation letters. If a passthrough for Basic automation letters were selected that maintained 100 percent of the current discount (which is the case with the other nonprofit automation letter tiers) this anomaly would be even worse: 11.2 cents for Basic, and 12.5 cents for 3-digit.

2. At the hearings on August 3, 2000, the Postal Service was asked to "please provide a ...list of all instances where cost avoidance models are not structured to use FY '99 data and in each of these instances would you explain how the models would need to be altered to allow them to use FY '99 data." The Service responded on August 10 by listing the models that needed to be modified. To allow participants and the Commission to understand the impact of actual FY99 data, please adjust those models to allow for incorporation of FY99 data, as follows; providing all underlying calculations.

e) Describe the change in the auto flat definition and make any necessary adjustment to the Standard (A) nonletter cost difference.

RESPONSE:

2. e) The change in the auto flat definition occurred in October 1998 and was based on the deployment of the FSM 1000 and its potential to process a broader spectrum of pieces in terms of physical characteristics. The Postal Bulletin announcing the change is attached to this response.

The most significant change in terms of potential effect on the nonletter cost differential was the increase in the maximum thickness for automation flats. Prior to the implementation of the change, automation flats were limited to a thickness of ¾ inch. The maximum thickness was increased to 1¼ inch on October 4, 1998.

The implication of this shape definition change on the cost differential between flats and parcels is not separately identifiable and quantifiable. However, it is unlikely that the change would greatly affect the differential, and it almost certainly would not change the level of the proposed surcharge. The measured

differential is based on the costs of all flats and all parcels. To the extent the definition change leads to a migration of pieces from the parcel grouping to the flat grouping as a means to avoid the residual shape surcharge, there could be some effect on the differential.

Unit parcel costs (or the cost of pieces subject to the surcharge) might increase to the extent that the pieces migrating from parcels to flats (as defined for FSM1000) are on the lower end of whatever cost spectrum there is within parcels. The remaining "parcels" would be of higher cost, thereby increasing the differential. The newly defined "flats" might also be on the high end of the flat cost spectrum, though, which might mitigate at least some of the increase in the differential.

In any event, it is not possible to determine how many pieces migrated to FSM 1000 preparation, nor is it possible to quantify any change in the nonletter differential due to the change in flat automation definition.[1] The discussion above suggests that the effect would be minimal. The proposed residual shape surcharge is not based solely on a strict passthrough of the differential, but is constrained by a desire to moderate the impact on mailers.[2] The proposed

[1] The response to interrogatory RIAA/USPS-ST46-5 notes that revenue projections anticipated reconfiguration of parcels as flats. The projected revenue increased when data regarding actual payment of the surcharge was incorporated. One possible reason for the increase could be less-than-expected reconfiguration.
[2] USPS-T-35 at page 7, lines 4-6.

passthrough is limited to 27.5 percent.[3] So, a change in the cost differential would not necessarily translate into a change in the proposed surcharge.

Also, please see witness Crum's response to OCA/USPS-T27-9 regarding the use of FY99 data.

[3] USPS-T-35 at page 7, line 2.

Attachment to the [illegible]
POIR #20, Question 2e
Page 1 of 7

DMM REVISION

21497

New Specifications for Automated Flats

Effective October 4, 1998, *Domestic Mail Manual* (DMM) C820.1.0 through C820.7.0, C840.3.0, and M820.1.5 through M820.1.8 are revised, and C820.3.0 and C820.4.0 are added to describe the new specifications for automated flats. Newspapers, tabloids, catalogs, and many kinds of polywrap that cannot be processed on existing FSM 881 equipment can be processed on FSM 1000 equipment and will now be able to qualify for automated rates.

Productivity on the FSM 881 is higher than that of the FSM 1000, and migration of the flats that are sorted on the FSM 881 to the FSM 1000 would adversely affect service and costs.

When prepared with polywrap, FSM 881-sized pieces must continue to meet all the polywrap criteria in DMM C820.4.0; pieces to be processed on the FSM 1000 may be prepared with polywrap that is exempted from all but property number 2 (haze) of the polywrap specifications given in Exhibit C820.4.1a.

Testing has shown that larger pieces can be processed on the FSM 1000 than on the FSM 881. The FSM 1000 can process a mailpiece up to 12 inches high by 15-3/4 inches in length. For the FSM 1000, the length is the longest edge unless the piece is folded or has a bound edge, in which case the dimension parallel to the folded or bound edge is the length. This is different than the definitions of length and height for mailpieces processed on FSM 881 for these pieces because the height is defined as parallel to the folded or bound edge. The dimensions for folded pieces or pieces with a bound edge that are processed on the FSM 1000 increase 3-3/4 inches in length (the bound edge) but decrease 3 inches in height (the edge perpendicular to the bound edge). The minimum height and length dimensions for all flats processed on the FSM 1000 is 4 inches by 4 inches provided the mailpiece is greater than 1/4-inch. Mailpieces less than 5 inches in length must be greater than 1/4-inch thick. The minimum thickness for pieces 5 inches or more in length is 0.009 inch.

Testing of flat mailpieces demonstrated that as the length of the piece decreases, the thickness may increase. The maximum thickness requirement for the FSM 1000 is 1-1/4 inches if the length of the mailpiece is less than or equal to 13 inches in length. For pieces over 13 inches, the thickness cannot exceed 7/8 inch.

The maximum weight for First-Class Mail processed on the FSM 1000 is 11 ounces (13 ounces after rate case implementation, January 10, 1999), less than 16 ounces for Standard Mail (A), and 6 pounds for Periodicals.

Flat mailpieces must meet the uniformity requirements contained in C820.8.0.

Since newspapers are double-folded, they pose no problem for processing on the FSM 1000. However, many flat-sized pieces are not currently bound or double-folded; therefore, unbound flat-sized mailpieces will be required to be prepared with two folds. The second fold must be perpendicular to the original fold. In order to give publishers and printers the opportunity to make adjustments to their periodicals design to comply with this requirement, the Postal Service has decided to suspend the effective date of this requirement until October 4, 2000.

Business Mail Entry Managers will receive instructions regarding acceptance procedures prior to the October 4, 1998, implementation date.

These changes will be included in DMM Issue 54 (see pages 23 and 24).

Domestic Mail Manual (DMM)

C Characteristics and Content

C800 Automation-Compatible Mail

* * * * *

C820 Flats

[Amend 1.0 by changing the term "2.0" to "1.0" and "7.0" to "9.0" and adding additional standards for FSM 881 and FSM 1000 pieces to read as follows:]

1.0 BASIC STANDARDS

Flats claimed at automation rates must meet the standards in 1.0 through 9.0 and the general and specific standards for mailability and the class of mail and rate claimed. Pieces meeting the dimensions for FSM 881 processing under 2.0 (height, length, thickness, and weight) must also meet the turning ability and deflection requirements in 7.0 in order to qualify for the automation flats discount. If polywrap is used with FSM 881 pieces meeting the dimensions under 2.0, the polywrap must meet all of the physical properties in Exhibit C820.4.1a of section 4.0 in order to qualify for the automation flats discount. Pieces that do not meet the dimensions for height, length, thickness, and weight under 2.0 (FSM 881 pieces), but that do meet the dimensions in 3.0 are eligible for processing on the FSM 1000. Such FSM 1000 pieces need not meet the turning ability and deflection requirements in 7.0. If prepared with polywrap, the polywrap for FSM 1000 pieces must meet only physical property number 2 (haze) in Exhibit 4.1a.

Attachment to response to
POIR #20, Question 2e
page 2 of 7

[Amend the heading of 2.0 to read as follows.]

2.0 DIMENSIONS FOR FSM 881 PROCESSING

* * * * *

[Delete the second sentence of section 2.3 b(2).]

* * * * *

[Redesignate 3.0 through 7.0 as 5.0 through 9.0, respectively. Insert new 3.0 and 4.0 to read as follows.]

3.0 DIMENSIONS FOR FSM 1000 PROCESSING

3.1 Determining Length and Height

The length and height of an automation compatible flat-size mailpiece eligible for FSM processing is not determined by the orientation of the address. It is determined by the following:

a. For a piece prepared as a single sheet or in an envelope, full-length wrapper, or full-length sleeve, the length is the longest dimension. The height is the dimension perpendicular to the length.

b. For a piece that has a bound or folded edge (e.g., a newspaper, tabloid, and catalog), the length is the dimension parallel to the bound or folded edge. The height is the dimension perpendicular to the length. If the piece is folded more than once or bound and then folded, the length of the mailpiece is based on the final fold.

3.2 Address Placement and Folded Pieces

a. A flat-size mailpiece with a final fold must be designed so that the address is in view when the final folded edge is to the right and any intermediate bound or folded edge is at the bottom.

b. Unbound flat-size mailpiece will be required to be double-folded on October 4, 2000.

3.3 Shape and Size

Pieces must meet the following requirements:

a. Height: no more than 12 inches or less than 4 inches.

b. Length: no more than 15-3/4 inches or less than 4 inches.

c. Minimum thickness:

(1) For pieces at least 5 inches long, 0.009 inch.

(2) For pieces at least 4 inches long, but less than 5 inches long, 0.25 inch thick.

d. Maximum thickness:

(1) For pieces 13 inches long or less, 1.25 inches.

(2) For pieces longer than 13 inches up to and including 15-3/4 inches, 7/8 inch.

3.4 Maximum Weight

21498

Maximum weight limits are as follows:

a. For First-Class Mail, 11 ounces (13 ounces as of January 10, 1999).

b. For Periodicals, 6 pounds.

c. For Standard Mail (A), less than 16 ounces.

4.0 COVERINGS

4.1 Polywrap Films

The Postal Service will allow plastic manufacturers to use the results of their American Standard Testing Methods (ASTM). Product tests must be used to certify that the polywrap films meet or exceed the minimum requirements for the physical properties outlined in Exhibit 4.1a and 4.1b.

Exhibit 4.1a
FSM 881 Polywrapped Flats Specifications

Automation flat pieces that meet the height, length, thickness, and weight dimensions for the FSM 881 in 2.0 must meet all seven properties. Automation flat pieces that do not meet the height, length, thickness, or weight dimensions in 2.0, but meet the dimensions for the FSM 1000 in 3.0, may be prepared with polywrap that only meets property number 2 (haze).

Property	Requirement	Test Method	Comment
1. Kinetic Coefficient of Friction, MD	<0.28	ASTM D1894	Stainless steel finish must be in accordance with ASTM A 480/ A 480M.
a. Film on Stainless Steel with No. 8 (Mirror) Finish			
b. Film on Film	0.20 to 0.40	ASTM D1894	
2. Haze	<70	ASTM D1003	Address labels are an alternative to meeting this requirement.
3. Secant Modulus, 1% elongation			
a. TD, psi	>40,000	ASTM D882	
b. MD, psi	>50,000	ASTM D882	
4. Tensile Strength			
a. TD, psi	>2,000	ASTM D882	
b. MD, psi	>3,000	ASTM D882	
5. Density, g/cc	0.900 to 0.950	ASTM D1505	
6. Nominal Gauge, in	>0.001	ASTM D374	
7. Static Charge, kV	<2.0	ASTM D4470	Antistatic additives can regulate this charge.

Attachment to Response to POIR #20 Question 2e page 3 of 7

21499

Exhibit 4.1b
Wrap Instruction

1. The polywrapped flat shall be machinable according to USPS-STD-28A and as outlined in section C820. Shrinkwrapped mailpieces shall be approved if they conform to the machinable flat requirements according to USPS-STD-28A and as outlined in DMM 54 section C820.
2. Wrap direction shall be specified as around the shorter axis of the mailpiece so that the seam is along the addressed side of the mailpiece, oriented from top to bottom. This seam must not cover any part of the address and barcode read areas (FSM 881 mailpieces only)
3. Overhang around edges:
   a. For FSM 881 mailpieces, overhang (selvage) of not more than 1.5 inches of polywrap shall be allowed at the top of the mailpiece when the contents are at the bottom of the package. Overhang on each side shall not be more than .25 inch, however. The piece shall not be wrapped so tightly as to cause the product to bend.
   b. For FSM 1000 mailpieces, overhang (selvage) cannot exceed 3/4 inch from any edge.

4.2 Polywrap Certification Process

The polywrap certification program requires plastic manufacturers to provide to the producer of the polywrapped flats an official ASTM certification of conformance verifying that their polywrap product meets the physical properties described in Exhibit 4.1a. Prior to the initial mailing with that polywrap product, the producer of the polywrapped pieces must submit for evaluation barcoded sample pieces that meet both applicable DMM mailing standards for automated flats and the minimum standards for polywrapped flats including the configuration requirements described in Exhibit 4.1b. Mailpiece design analysts (MDAs) may authorize the producer of the polywrapped flats that it may claim the automation rates for their initial mailing of flat-size barcoded pieces if both of the following conditions are met: (A) The pieces are prepared in a polywrap product for which the plastics manufacturer provides an official ASTM certification of conformance; (B) The prepared mailpiece meets all other mail preparation standards for polywrapped flats such as overhang, seam, and barcode readability. The MDA who authorizes the producer of the polywrapped flats that it may claim the automation rates will notify the applicable business mail entry unit of the authorization.

4.3 Submission of Samples for Evaluation

A producer of polywrapped flats who wishes to obtain authorization to claim automation rates for that polywrap product must submit samples to the Manager of Business Mail Entry for review by an MDA. Each sample submitted must consist of at least 30 polywrapped and barcoded sample mailpieces with a certification of conformance verifying that the polywrap material meets the physical property specifications in Exhibit 4.1a and Exhibit 4.1b, for either the FSM 881 mailpieces or the FSM 1000 mailpieces. If the address is placed on the outside of the polywrapped FSM 1000 flat, the submission of test pieces is not required.

4.4 Mailpiece Identification

Producers of polywrapped flats authorized to claim the automation rates must endorse the flats to show that they are automation-compatible polywrapped flat-size pieces. The mailer may meet this requirement by adding "USPS (product name of polywrap) FSM 881 Approved Automatable Polywrap" or "USPS (product name of polywrap) FSM 1000 Approved Automatable Polywrap," as applicable, on the address side of the piece, preferably below the postage area or in another visible location on the outside of the mailpiece. The polywrap marking must not interfere with the delivery address or the recognition of the barcode. The polywrap marking may also be printed directly on the polywrap material. Producers of polywrapped flats not currently using the appropriate mailpiece identification marking will have until **October 4, 1999**, to comply with this standard. For a list of USPS-approved polywrap manufacturers, refer to the USPS website.

4.5 Suspension of Approval

Any mailing found to be improperly prepared will not be accepted at the automation rates for flats. The repeated submission of nonmachinable mailings is cause for exclusion from the polywrap flat automation rates for polywrap pieces.

[Delete renumbered 5.1. Renumber 5.2 and 5.3 as 5.1 and 5.2.]

* * * * *

6.0 TABS, WAFER SEALS, TAPE, AND GLUE

[Amend the first sentence in renumbered 6.0 to clarify that tabs, seals, tape, and glue are not required, to read as follows:]

Although not required, mailpieces may be prepared with tabs, wafer seals, cellophane tape, or permanent glue (continuous or spot) if these sealing devices do not interfere with the recognition of the barcode, rate marking, postage information, and delivery and return addresses.

* * * * *

Attachment to Response to POIR #20, ~~peg~~ Q. 2e page 4 of 7

21500

7.0 TURNING ABILITY AND DEFLECTION

7.1 Turning Ability

[Amend the first sentence of renumbered 7.1 by adding "881" to read as follows:]

A flat-size mailpiece meeting the FSM 881 dimensions in 2.0 must fit between two concentric arcs drawn on a horizontal flat surface, one with a radius of 15.72 inches and the other with a radius of 16.72 inches in one of these ways:

* * * * *

[Renumber Exhibits 5.1a and 5.1b as Exhibits 7.1a and 7.1b.]

7.2 Deflection

[Renumber Exhibit 5.2 as Exhibit 7.2; amend renumbered 7.2 by adding "881" to read as follows:]

A flat-size mailpiece meeting the FSM 881 dimensions in 2.0 must be sufficiently rigid so that, when placed flat on a surface to extend unsupported 5 inches off that surface, no part of the edge of the piece that is opposite the bound, folded, or final folded edge (as applicable) deflects more than 1-3/4 inches (if the piece is less than 1/8 inch thick) or more than 2-3/8 inches (if the piece is from 1/8 to 3/4 inch thick). See Exhibit 7.2.

* * * * *

C840 Barcoding Standards

* * * * *

3.0 BARCODE LOCATION — FLAT-SIZE PIECE

[Revise 3.0 to read as follows:]

On any flat-size piece claimed at an automation rate, the barcode may be anywhere on the address side that is at least 1/8 inch from any edge of the piece. For FSM 1000 pieces, it is preferred that the barcode be placed at least 2 inches from the dimension that is the length for that type of automation piece (the longest edge, or for pieces with a folded or bound edge, the folded or bound edge). That portion of the surface of the piece on which the barcode is printed must meet the reflectance standards in 5.0. The address side may bear only one POSTNET-format barcode (i.e., the correct barcode for the delivery address on the mailpiece). Other mailer-applied non-POSTNET barcodes may appear on the address side if their format is not intelligible or not confusing to automated postal equipment. Address block barcodes are subject to the standards in 2.5a through 2.5e.

* * * * *

M Mail Preparation and Sortation

M820 Flat-Size Mail

1.0 BASIC STANDARDS

* * * * *

1.5 Package Preparation

All pieces must be prepared in packages. Firm packages must not be included in mailings prepared under M820. Pieces meeting the size dimensions for the FSM 881 under C820.2.0 must be prepared in separate packages from pieces that do not meet the FSM 881 dimensions (but that meet the dimensions for FSM 1000 processing). Each FSM 881 package and each FSM 1000 package must separately meet the package size minimum number of pieces in M820.2.1, 3.1, or 4.1 as applicable for the class of mail. When the total number of FSM 881 or FSM 1000 pieces for a specific presort destination (e.g., the 5-digit ZIP Code 12345) meets or exceeds the applicable minimum package size, the pieces for that presort destination must be prepared into a package or packages labeled to that presort destination in accordance with the standards for the rate claimed. The physical size of each package for that specific presort destination may contain the exact package minimum, more pieces than the package minimum, or fewer pieces than the package minimum depending on the size of the pieces in the mailing or the total quantity of the pieces to that destination. Rate eligibility is not affected when a physical package for a presort destination contains fewer pieces than the minimum package size for the above reasons, provided the total number of FSM 881 pieces physically packaged for that presort destination, or provided the total number of FSM 1000 pieces physically packaged for that presort destination, meets or exceeds the rate eligibility package minimum under E140, E240, or E640.

[Renumber 1.6 and 1.7 as 1.7 and 1.8, respectively, and insert new 1.6 to read as follows:]

1.6 Sack Preparation

Mailers may combine FSM 881 packages and FSM 1000 packages in the same tray (First-Class Mail) or in the same sack (Standard Mail (A) and Periodicals).

* * * * *

Attachment to Response to POIR #20, Question 2e. Page 5 of 7

[Amend the heading of renumbered 1.8 to read "Exception — Periodicals Packages."]

[Insert new 1.9 to read as follows:]

1.9 Exception — Periodicals Automation and Nonautomation

For Periodicals, packages of automation mail (both FSM 881 and FSM 1000 packages) prepared under 3.1 and packages of nonautomation mail prepared under M200.2.4c through f may be sacked together under 3.2d through 3.2e. Automation and nonautomation packages may not be combined in 5-digit sacks. Under this exception, documentation required under P012 must identify the mail claimed at each rate by package and sack sortation level. Under this exception, nonautomation mail continues to qualify for rates under E230 and automation mail continues to qualify for rates under E240 (i.e., rates for pieces in automation flats packages are based on the package level and rates for pieces in nonautomation flats packages are based on the package and sack level).

* * * * *

—Mail Preparation and Standards, Marketing Systems, 10-8-98

21501

APO/FPO Changes

Make the following ink changes to the most recent APO/FPO tables published *in Postal Bulletin* 21981 (9-24-98).

APO/FPO	Action	Effective Date	See Restrictions
09135	Activate	Immediately	B-X
09646	Activate	Immediately	B-X
34085	Activate	Immediately	B-X
96285	Activate	Immediately	B-X
96385	Activate	Immediately	B-X
96506	Close	Immediately	

—International and Military Mail Operations, International Business Unit, 10-8-98

Attachment to Response to POIR #20, Question 2e page 6 of 7

21502

Designing Flats for Automated Processing

820 Quick Service Guide

Related QSGs: 141, 241, 641

Overview Pieces designed for automated flats processing (C820) could include pieces that, if not prepared as an automation flat, would be considered flat-size, letter-size, or irregular parcels under C050. For eligibility and preparation standards for specific rate discounts, see the appropriate Quick Service Guides: 141 First-Class Automation Flats, 241 Periodicals Automation Flats, or 641 Standard Mail Automation Flats. Size, weight, thickness, and flexibility standards vary for mail processed on the Flat Sorting Machine (FSM) 881 and the FSM 1000.

Characteristics and Content (C820)

Shape: rectangular.
Dimensions: see reverse
Maximum Weight:
- First-Class Mail: 11 ounces, effective January 10, 1999, 13 ounces.
- Periodicals: 16 ounces for FSM 881, 6 pounds for FSM 1000.
- Standard Mail (A): less than 16 ounces.

Prohibitions: polywrapped, polybagged, and shrinkwrapped pieces are prohibited unless specifically approved by a manager, business mail entry (a list of approved polywrap and polywrap manufactures is available on the USPS web site). Clasps, strings, buttons, or other protrusions (C820.5).
Adequate flexibility and rigidity required for pieces meeting all FSM 881 dimensions.
Each piece in an automation flat-size mailing must contain a complete delivery address (A010).
Pieces that meet the dimensions for the FSM 881 in C820.2 *must* continue to meet flexibility and rigidity standards in C820.7 and, if prepared with polywrap, meet all polywrap criteria in C820.4.
FSM 1000 pieces may be prepared with polywrap that meets only property number 2, haze, in Exhibit C820.4.1a (not required if address label is on the outside of polywrapped piece).
Polywrapped pieces must be endorsed to show they are automation-compatible (C820.4.4).
Folded publications:
- A flat-size piece with a final fold must be designed so that the address is in view when the final folded edge is to the right and any intermediate bound or folded edge is at the bottom.
- Effective October 4, 2000, unbound tabloids must have two folds. The second fold must be perpendicular to the original fold.

Mailpiece Length and Height

Length and height of an automation-compatible flat-size piece are determined by the following:
For FSM 881 and FSM 1000
- For pieces prepared as a single sheet or in an envelope, full length wrapper, or full length sleeve, the length is the longest dimension. The height is the dimension perpendicular to the length.

For FSM 881 (C820.2)
- For a piece with a bound or folded edge (e.g., newspaper, tabloid, or catalog) the *height* (vertical dimension) is the dimension *parallel* to the bound, folded, or closed edge. The length is the dimension perpendicular to the height. If the mailpiece is folded more than once or is bound and then folded, the height of the piece is based on the final fold.

For FSM 1000 (C820.3)
- For a piece with a bound or folded edge (e.g., newspaper, tabloid, or catalog) the *length* is the dimension *parallel* to the folded or bound edge. The height (vertical dimension) is the dimension perpendicular to the bound folded or closed edge.

Barcodes (C840)

Barcodes must be in one of these four positions:
- Above the address line containing the recipient's name.
- Below the city, state, and ZIP Code line.
- Above or below the keyline information.
- Above or below the optional endorsement line.

Barcodes must be at least 1/8 inch from any edge of the address side (for FSM 1000 pieces, at least 2 inches from the length, as defined above, is preferred). No more than one POSTNET barcode per piece. Additional standards apply for address block barcodes.

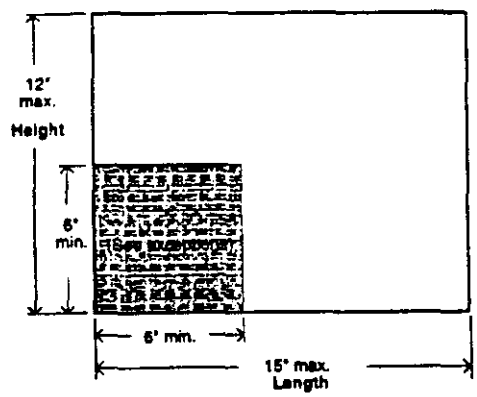
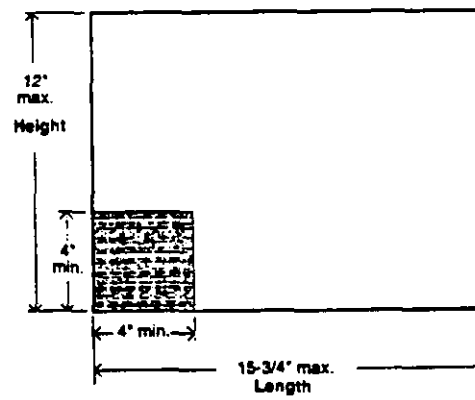
This guide is an overview only. For the specific DMM standards applicable to this category of mail, consult the DMM sections referenced above and the general sections within each DMM module.

Attachment to Response to POIR #20, Question 2e page 7 of

21503

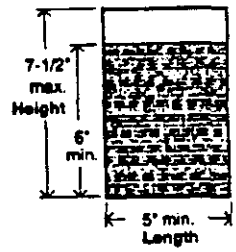
C820 Quick Service Guide

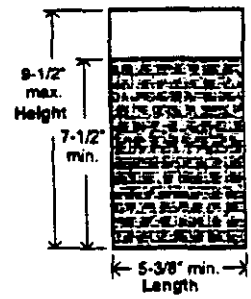
Designing Flats for Automated Processing

	Flat Sorting Machine (FSM) 881	Flat Sorting Machine (FSM) 1000
Length	Minimum: 5 inches long *if 6 to 7-1/2 inches high;* or not less than 5-3/8 inches long *if more than 7-1/2 inches high but no more than 9-1/2 inches high.* Maximum: 15 inches	Minimum: 4 inches Maximum: 15-3/4 inches
Height	Minimum: 6 inches Maximum: 12 inches	Minimum: 4 inches Maximum: 12 inches
Thickness	Minimum: 0.009 inch Maximum: 3/4 inch	Minimum: Pieces at least 4 inches but less than 5 inches long, 1/4 inch. Pieces at least 5 inches long, 0.009 inch thick. Maximum: Pieces 13 inches long or less, 1-1/4 inches thick. Pieces longer than 13 inches up to and including 15-3/4 inches, 7/8 inch thick.
Polywrapped Pieces	Must meet all seven properties in Exhibit C820.4.1a. Polywrap marking: Effective October 4, 1999, "USPS [polywrap product name] FSM 881 Approved Automatable Polywrap" (on address side, preferably below postage area).	Must meet property number 2, haze, in Exhibit C820.4.1a (not required if address label is on the outside of polywrapped piece). Polywrap marking: Effective October 4, 1999, "USPS [polywrap product name] FSM 1000 Approved Automatable Polywrap" (on address side, preferably below postage area).
Flexibility	Must meet flexibility requirements in C820.7.	No requirement.
Dimensions		

Exceptions:

May be a minimum of 5" in length if height is 6" to 7-1/2." Or May be a minimum of 5-3/8" in length if height is more than 7-1/2" but no more than 9-1/2."





DMM © USPS, October 4, 1998

FURTHER RESPONSE OF WITNESS MOELLER TO QUESTIONS POSED DURING HEARINGS

Question: Witness Moeller was asked for information regarding the weight per piece of pieces paying the Residual Shape Surcharge. (Tr.10/4079). Earlier in the cross-examination (Tr.10/4045-47), he was asked about the availability of FY99 data regarding the percentage of nonletters that were parcel-shaped, and a response to that request was filed on April 28, 2000. In that response, witness Moeller noted that revenue, pieces, and weight data specifically for pieces subject to the surcharge, by subclass, should be available in two weeks.

RESPONSE:

Pieces subject to the Residual Shape Surcharge – GFY99
(Surcharge implemented January 10, 1999)

SUBCLASS	Revenue	Pieces	Weight (pounds)	Ounces/piece
Regular	$331,909,800	550,026,918	321,908,436	9.3642
ECR	$1,792,267	7,653,424	1, 797,109	3.7570
Nonprofit	$5,500,028	12,615,265	5,270,750	6.6849
NECR	$54,909	301,627	98,792	5.2405

RESPONSE OF WITNESS MOELLER TO QUESTIONS POSED DURING HEARINGS

Question: Witness Moeller was asked to provide information regarding migration of residual shape pieces to flat automation pieces in FY 99, as well as general information regarding the percentage of nonletters that are parcel shaped and their weight per piece (Tr.10/4045-47).

RESPONSE:

In the filing, the projection of pieces paying the residual shape surcharge is derived as follows (USPS-T-35, WP1, page 14):

1. Within a subclass, begin with the volume of nonletters.
2. Using available shape-mix data from FY98, assume the percentage of nonletters that are parcel shaped remains constant. In the Regular subclass, the FY98 percentage was 5.9%.
3. Since the Residual Shape Surcharge was not in effect in FY98, the volume from step 2 would not incorporate any migration that might have occurred as a result of the implementation of the surcharge. The implementation of the surcharge and the relaxation of eligibility rules for automation flats may have caused some migration of parcels to automation flats.[1] In recognition of this possibility and its potential impact on the revenue derived from the surcharge in the Test Year, witness Moeller applied a 25% reduction to the parcel-shaped volume estimate in step 2. At the time of the preparation of the filing, sufficient data were not available regarding the volume of surcharged pieces. The 25% figure was based on the level of interest exhibited by mailers in understanding the FSM 1000 preparation requirements.

[1] Pieces of identical shape can qualify as either automation flats under the FSM 1000 preparation rules, or machinable parcels. By preparing otherwise parcel-shaped pieces as automation flats, mailers can avoid the surcharge and claim an

As FY99 figures become available, there may be insight into how many pieces are paying the surcharge. It is important to note several factors:

- Although it is possible to determine how many parcel-shaped pieces there were in FY99, it is not possible to know how many there *would have been* absent the surcharge. In other words, it is not possible to determine how many pieces migrated to FSM1000 preparation.
- Had the surcharge been in effect for the entire fiscal year (and if mailers had had time to react to the new rates and regulations), an annual volume of pieces paying the surcharge could potentially be derived without the interim step of applying the percentage of parcel-shaped nonletter pieces (as is done in step 2.) The "25%" adjustment factor would also not be required, as the volume would incorporate whatever migration occurred.[2]
- The surcharge was not in effect for the entire fiscal year, but data regarding shape mix for the entire year may be illuminating, and are provided below in response to the request made at the hearing (Tr. 10/4045).

(..continued)
automation flat discount.

[2] Although not needed, a comparable "25%" figure would not necessarily be derivable in any event, since it is not known how much volume *migrated*. The resulting volume of pieces paying the surcharge is affected by a number of factors, migration being only one. The percentage of, and number of, parcel-shaped pieces fluctuates from year to year absent the surcharge. Although a lower FY99 volume (versus FY98) might have been caused in part by the surcharge and the resulting migration, it is not ascertainable how much of the volume reduction is due to the surcharge, or how much of it was offset by general growth in parcel volumes that would have occurred regardless of rate changes.

The FY99 figures regarding shape mix in Standard Mail (A) nonletters, as compared to FY98, are as follows:

	FY 98				FY 99			
	Volume	Vol. Mix %	Pounds	Lbs/ pc	Volume	Vol. Mix %	Pounds	Lbs/ pc
Regular								
Flats	13,051,486	94.1	3,006,204	.23	13,607,812	94.7	3,152,416	.23
Parcels	811,593	5.9	449,365	.55	766,487	5.3	431,706	.56
ECR								
Flats	20,715,771	99.8	4,175,440	.20	20,929,401	99.9	4,238,439	.20
Parcels	48,083	0.2	9,457	.20	22,747	0.1	5,093	.22
Nonprofit								
Flats	1,663,490	97.5	269,950	.16	1,813,461	98.2	288,330	.16
Parcels	42,500	2.5	15,523	.37	33,352	1.8	12,421	.37
NECR								
Flats	848,473	99.8	112,325	.13	1,189,195	99.9	137,286	.12
Parcels	1,914	0.2	722	.38	927	0.1	228	.25

Source: PERMIT volume data tied to official RPW totals. FY 1998 is from USPS-T-27 Attachment F, Tables 1 and 2.

Although the surcharge was not in effect for the entire fiscal year, the FY99 weight per piece for Standard Mail (A) Regular flats and parcels did not change significantly from FY98 levels.

The Postal Service hopes to file revenue, pieces, and weight data specifically for pieces paying the surcharge for that portion of FY 99 when the R97-1 rates were in effect, by subclass, in two weeks.[3] The GFY 99 billing determinants include the revenue from the surcharge in the nonletter categories.

[3] These figures were discussed at Tr. 10/4079.

United States Postal Service

Walter O'Tormey
(USPS-ST-42)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-ST42-1 Please refer to Library Reference I-193, the Report of the Periodicals Operations Review Team (March 1999) (Joint Industry/USPS Report) that was sponsored by the American Business Press, the Magazine Publishers of America, and the United States Postal Service, and which is referenced on page 19. lines 19-22 of your testimony where you note that "[fifteen recommendations were issued in the Team's March 1999 Report, and its work is ongoing."

a. Please confirm that the following individuals, listed on pages 41-42 of the Joint Industry/USPS Report as members of the Review Team were employees of the United Sates Postal Service durtng the time they participated in preparing the Joint Industry/USPS Report: Jeffrey Colvin, Manager Cost Attribution; Joe Dipietropolo, Processing Operations; Tony Dobush, Operations Superintendent; Barry Elliott, Operations Requirements: Harvey Slentz, Manager Strategic Operations Planning: Ron J. Steele, Manager, Costs Systems.

b. On page 3, the Joint Industry/USPS Report states "[t]he team concluded that it had observed system inefficiencies in both postal and mailer processes along with other inherent characteristics that likely have contributed to, but do not explain fully, the large increases in Periodicals costs." Do you agree with this statement?

c. If your answer is other than yes, please explain.

Response:

a) Confirmed. In addition, Scott Davis, Economist, a U.S. Postal Service employee was a member of the Review Team.

b) Yes. The issues identified in the Joint Industry/USPS Report could have contributed to an increase in Periodical costs.

c) N/A

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-ST42-2 Starting on page 20 of your testimony, you describe current improvement efforts for reducing flats processing and delivery costs in the future. The first opportunity you describe is the AFSM 100.

a. On page 21, you state, " . ..the performance of the AFSM in Baltimore (the pre-production unit site) has met our expectations." Please state whether you expect performance of the AFSM to be better than planned, and better than what Baltimore results have shown, based on changes in the production model.

RESPONSE:

Yes, based on design modifications to the pre-production AFSM 100, I expect the performance of the AFSM 100 production units to exceed our preliminary expectations.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-ST42-3 On page 22 of your testimony, you describe an opportunity you entitle "Productivity."

a. Are the "more aggressive performance targets in the coming years" completely accounted for in witness Tayman's cost reduction programs?

b. If so, please provide all references to where witness Tayman accounts for these cost reduction programs.

c. If not, please fully describe all cost reductions that are not accounted for in witness Tayman's cost reduction programs and estimate the Test Year cost savings that will result from these targets.

d. Please provide in an electronic spreadsheet format manual flat sorting productivity for the last ten years and the productivity you expect to achieve in the Test Year.

e. If there are opportunities other than more aggressive performance targets included in these productivity opportunities, please describe them.

f. If there are other opportunities cited in (e) above that will generate savings in the Test Year that are not accounted for in the testimony of witness Tayman, please quantify the Test Year savings and provide all cost estimating assumptions and calculations in an electronic spreadsheet format.

RESPONSE:

a) No.

b) N/A

c) See response to TW/USPS-9(b)

d) See response to ANN/USPS-ST42-11. Additional information is still being compiled and will be furnished shortly.

e) See response to TW/USPS-9(b)

f) See response to TW/USPS-9(b)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-ST42-4 Please refer to page 24 of your testimony, where "Mail Preparation" is listed as an opportunity. In particular, you state, "The Periodicals industry and the Postal Service are looking at changes in preparation requirements for Periodicals that may create more efficient preparation."

a. Please describe all changes that you are considering.

b. For each change listed in (a), please provide an estimate of the Test Year cost savings that will result from the change in mail preparation, describe the method you used to quantify the savings, and provide all underlying calculations in an electronic spreadsheet format.

RESPONSE:

a) The Postal Service is currently considering changes to mail preparation for Periodicals which include: (1) allowing barcoded and non-barcoded bundles in the same sack; (2) elimination of CRRT skin sacks; (3) requiring that basic rate carrier route Periodicals mail be in line-of travel (LOT) sequence; and, (4) mandatory compliance with the L001 option.

b) (1) I've been advised that savings associated for Periodicals with mixed barcoded/non-barcoded sacks is about $8 million; (2) See response to MPA/USPS-ST42-5; (3) I've been advised that savings associated with LOT for Periodicals is about $23 million; (4) I've also been advised that the savings for Periodicals associated with L001 is about $3.6 million, for Test Year 2001.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

It is my understanding that documentation for the savings associated with #1, #2, & #4 will be provided in USPS-LR-I-332. Documentation for #3 is contained in USPS –LR-I-307.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-ST42-5 Please refer to page 24 of your testimony, where you state: "'Skin Sacks': One of the possibilities being explored is the elimination of CRRT 'skin sacks (sacks with fewer than 24 pieces). These sacks are often prepared by the periodicals industry to improve or protect service. The theory is that pieces in direct sacks, i.e., sacks that do not have to be opened until they reach the carrier are less likely to be delayed during interim processing steps (sack sorting, opening, dumping, distributing bundles, etc.). Eliminating that sacking option but allowing 'skin sacks at the 5-digit level would reduce the number of sack handlings in the system without jeopardizing service since those sacks would not be opened until they were at the delivery unit."

a. Please provide an estimate of the cost savings in the Test Year that would result from eliminating Periodicals CRRT skin sacks but allowing skin sacks at the 5-digit level.

b. Please state whether these savings have been incorporated into the Postal Service's roll forward. If so, please provide a citation to where they were incorporated.

RESPONSE:

a) I've been told that the elimination of CRRT skin sacks for Periodicals can be worth about $1.6 million. I understand that documentation for these saving will be provided in USPS-LR-I-332.

b) It is my understanding that these savings have not been incorporated into the Postal Service's roll forward.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-ST42-6 Please refer to the instruction on bundle recovery that you sent to the field and that witness Kingsley later provided as an attachment to her response to MPA/USPS-T-10-6. In particular, refer to the section that states:

Clearly, the most economical method of package breakage recovery is to recover the broken packages as originally secured by the mailers at induction and re-band them using rubber bands and/or strapping machines and re-induct them into the system. This is the preferred method and should be utilized whenever the package integrity is sufficient to identify the contents because it retains the correct presort level. If the packages have broken and lost their integrity, they should be recovered and, whenever possible faced and put directly into the proper container...for further processing on the appropriate Flat Sorter Machine (FSM) sort program.

The least economical method is incurred when the broken package is keyed as individual pieces on the Small Parcel Bundle Sorters (SPBS). Productivity's are considerably lower on the SPBS as compared to the FSM. Not only is the process a great deal more expensive, it also inflates SPBS volumes. At no time should this method be used as a processing option.

Please also refer to page 26 of LR-I-193, Report of the Periodicals Operations Review Team. In particular, refer to where it states, 'The cost impact of SPBS bundle breakage may be magnified, because SPBS employees choose to key individual pieces in such bundles rather than to salvage partially broken bundles. The cost implications of such practices should be investigated closely and quickly."

Finally, please refer to page 22-23 of your testimony, where you state: "(g) Methods: We continually strive to improve work methods at the operating level. Toward that end, we have recently issued instructions to the field on various operating procedures specifically related to the following: the induction of flats bundles into the SPBS, preferred recovery methods for bundles which have been broken prior to reaching piece distribution operations and instructions regarding individual piece distribution on the SPBS."

a. Please describe all efforts that the Postal Service is making to improve its bundle recovery methods.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

b. Please confirm that you expect these efforts to improve the bundle recovery methods used by the Postal Service in the Test Year.

RESPONSE:

a) My December 30, 1999 correspondence to the field concerning Periodical Package Breakage Recovery Methods has been the foundation for emphasis on broken bundle recovery. Included was an analysis for different recovery methods, processing options, and instructions for handling single pieces from broken bundles. This information has been used by the field for training and analysis. Attached is a copy of the Mail Flow and Cost Analysis for Broken Periodical Packages which accompanied my correspondence.

b) Confirmed.

MAIL FLOWS AND COST ANALYSIS FOR BROKEN PERIODICAL PACKAGES

21517

Assigning precise cost for package breakage is difficult to achieve with certainty, even under the most rigorous analysis. We have tried to identify the costs of processing broken packages showing the different recovery methods and processing options utilizing current rates, costs, and productivities.

ASSUMPTIONS

A labor rate of $28.44/hour was used in assigning cost.

An average of 12.66 pieces per package.

An average of one-half minute (30 seconds) taken to repackage and reintroduce broken packages.

An average keying cost per 1000 of $50.44 on FSM based on FY 99 final numbers.

An average productivity of 246 pieces per hour on SPBS.

Periodicals are incoming distribution being processed in a mechanized plant.

SUMMARY

A.) Package broken, recovered at induction intact and reinducted.
Cost of repackaging package approximately .018 per piece/.237 per package.
No other expense incurred.

B.) Package broken recovered at induction, loses identity and is sent to FSM.
Cost of repackaging package approximately .018 per piece/.237 per package plus the following added costs depending on sortation level.
1. A carrier route (CR) package could incur two additional sortations on an FSM at a cost of approximately .100 per piece/1.266 per package.
2. A 5-digit (5D) package could incur one additional sortation on an FSM at cost of approximately .050 per piece/.633 per package.
3. All other packages incur no additional sortation.

C.) Package broken and keyed individually.
Cost of keying each piece individually on SPBS of approximately .115 per piece /1.463 per package plus the following added expenses.
1. A CR package could incur two additional sortations on an FSM at a cost of approximately .100 per piece/1.266 per bundle.
2. A 5D package could incur one additional sortation on an FSM at a cost of approximately .050 per piece/.633 per bundle.
3. All other packages incur no additional sortations.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-ST42-7 Please refer to page 22-23 of your testimony, where you state: "(g) Methods: We continually strive to improve work methods at the operating level. Toward that end, we have recently issued instructions to the field on various operating procedures specifically related to the following: the induction of flats bundles into the SPBS, preferred recovery methods for bundles which have been broken prior to reaching piece distribution operations and instructions regarding individual piece distribution on the SPBS." Please refer further to page 21-22 of your testimony, where you state: "(d) SPBS: Material handling activities are an important component of total flats costs. In an earlier part of this testimony I highlighted the impacts of broken bundles on those operations. As part of their ongoing effort to find ways to improve the performance of all of our equipment, our engineering group is exploring options for improving equipment where broken bundles occur."

a. Please describe all efforts that the Postal Service is making to reduce bundle breakage.

b. Please confirm that you expect these efforts to reduce bundle breakage in the Test Year.

RESPONSE:

a) There is an effort in the Postal Service's Engineering, Research, and Development organization to identify how the equipment used to dump containers of bundles might be modified to reduce bundle breakage. Several modifications have been implemented. In addition, the Postal Service is considering changes in mail preparation requirements that would reduce bundle breakage. Finally, the emphasis on bundle recovery has focused attention at the sack opening/dumping operation to minimize bundle breakage.

b) Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-ST42-8 Do you expect the performance of the AFSM 100s to be better than what was assumed in LR-I-126? If so, please quantify the additional Test Year cost savings.

RESPONSE:

Yes. I am told that the additional cost savings associated with the AFSM 100 for Test Year 2001 will be about $23 million overall and about $4 million for Periodicals.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-ST42-9 Does the Postal Service plan to deploy any new equipment or modify existing equipment in the Test Year beyond what was identified in LR-I-126? If so, please quantify the additional Test Year cost savings.

RESPONSE:

The Postal Service plans to modify the FSM 1000 with an optical character reader (OCR) and automatic feeder. However, this program has yet to be presented to the Board of Governors. Based on the program's current timelines, any savings for the Test Year 2001 will be around $1 million overall and about $250,000 for Periodicals.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-ST42-10 Please provide your best estimate of the Test Year cost savings that will result from the Postal Service's efforts to reduce bundle breakage and improve bundle recovery methods. Please provide cost savings estimates individually for Periodicals and Standard (A) flats.

RESPONSE:

I'm hopeful the MTAC work group recommendations will be successfully implemented and that those changes to industry bundle preparation practices coupled with the USPS efforts described in MPA/USPS-ST42-6&7 will result in about a 25% reduction in broken bundles. I've been advised that based on witness Yacobucci's model, a 25% reduction would result is savings of about $15 million for Periodicals and $14 million for Standard A,

United States Postal Service

Bradley V. Pafford
(USPS-T-4)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO INTERRROGATORIES OF UNITED PARCEL SERVICE

UPS/USPS-T4-4. Refer to Tables 1,2, and 3 on pages 8-13 of your testimony. In the case of each table, explain why the coefficient of variation was not calculated for Express Mail.

RESPONSE:

Express Mail revenue, pieces, and weight are obtained from the Electronic Marketing Reporting System (EMRS). It is my understanding that EMRS accounts for every piece of Express Mail. Thus, it is a complete census, not a sample estimate. The coefficient of variation would be zero.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO INTERRROGATORIES OF UNITED PARCEL SERVICE

UPS/USPS-T4-5. In all instances where DRPW and BRPW estimates are combined (whether with or without other data) to produce estimates of revenue, pieces, or weight for a category of mail, describe all steps that are taken to make sure that mail covered by the BRPW system is not also sampled in the DRPW system.

RESPONSE:

The service categories in Tables 1, 2, and 3 of my testimony are developed from unique mail category codes in DRPW and BRPW. FY 1998 DRPW mail category codes are documented in USPS-LR-I-23, page 307. The RPW Adjustment system processes all RPW data by mail category code through a series of SAS programs, removing any possibility of duplication. USPS-LR-I-30 documents this process, and provides the specific SAS code both as a listing and in machine-readable form.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO INTERRROGATORIES OF UNITED PARCEL SERVICE

UPS/USPS-T4-15. Refer to Library Reference USPS-LR-I-275, the Postal Service's Cost and Revenue Analysis for Fiscal Year 1999.
(a) Confirm that the parcel post revenue estimate of $1,020.9 million and the parcel post volume estimate of approximately 319 million pieces are based on combined DRPW and BRPW (and other source data, if any) estimates. If not confirmed, explain.

RESPONSE:

(a) Confirmed.

UPS/USPS-48. In FY1999, did DRPW data collectors record pieces weighing less than one pound that would qualify for Standard Mail (A) which paid Standard Mail (B) rates as Standard Mail (A) pieces or as Standard Mail (B) pieces?

RESPONSE. Prior to the Docket No. R97-1 implementation (January 10, 1999), Standard Mail (A) paid at Standard Mail (B) rates was recorded as Standard Mail (A). After this date, it was recorded as Standard Mail (B).

RESPONSE OF WITNESS PAFFORD TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 15, QUESTION 2(C)

POIR NO. 15-2. The Postal Service initially estimated FY 1998 Parcel Post volume to be 266,479 thousand pieces (FY 1998 RPW, 11/5/98). In FY 1999, it retroactively adjusted the FY 1998 Parcel Post volume to be 316,148 thousand pieces (FY 1999 RPW, 11/19/99). The initial estimate of FY 1998 Parcel Post volume is based solely on the DRPW system and the adjusted estimate on a new BRPW/DRPW method. The difference between the two FY 1998 Parcel Post estimates is an increase of about 50 million pieces, or 19 percent.

* * *

c. Please provide the coefficient of variation (C.V.) for the initial FY 1998 Parcel Post volume estimate of 266,479 thousand pieces.

RESPONSE:

c. The coefficient of variation (C.V.) for the initial FY 1998 Parcel Post volume estimate of 266,479 thousand pieces is 1.50 percent.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 17

1. Please provide Tables 1, 2, and 3 in the testimony of witness Pafford (USPS-T-4) updated for FY 1999.

RESPONSE:

The attached tables provide FY 1999 RPW Report estimates and their estimated confidence intervals.

TABLE 1
FISCAL YEAR 1999 REVENUE ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	REVENUE ($1,000s)	C.V. 4/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 6/	UPPER 95% CONFIDENCE LIMIT 6/
FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS, FLATS, AND IPPS 2/	22,125,219	0.33	21,982,113	22,268,325
NONAUTO PRESORT LETTERS, FLATS, AND IPPS 1/	1,427,671	1.92	1,373,945	1,481,397
AUTO PRESORT LETTERS AND FLATS 1/	9,923,051	0.20	9,884,153	9,961,949
AUTO CARRIER ROUTE PRESORT LETTERS 1/	309,063	0.79	304,277	313,849
SINGLE-PIECE CARDS 2/	585,898	1.77	565,572	606,224
NONAUTO PRESORT MAILING CARDS 1/	91,862	9.78	74,253	109,471
AUTO PRESORT CARDS 1/	284,787	1.13	278,480	291,094
AUTO CARRIER ROUTE PRESORT CARDS 3/	15,332	1.41	14,908	15,756
DOMESTIC MAIL FEES 2/	170,357	2.42	162,277	178,437
TOTAL FIRST-CLASS	34,933,241	0.22	34,782,609	35,083,873
PRIORITY MAIL 1/	4,532,060	1.36	4,411,253	4,652,867
DOMESTIC MAIL FEES 2/	1,241	5.93	1,097	1,385
TOTAL PRIORITY 1/	4,533,301	1.36	4,412,461	4,654,141
EXPRESS MAIL	941,990	N/C 5/		
MAILGRAMS	1,608	N/C		
PERIODICALS MAIL:				
IN-COUNTY 3/	77,085	5.70	68,473	85,697
OUTSIDE COUNTY:				
REGULAR 3/	1,673,110	0.27	1,664,256	1,681,964
SPECIAL NONPROFIT 3/	331,308	1.55	321,243	341,373
CLASSROOM 3/	13,278	0.92	13,039	13,517
DOMESTIC MAIL FEES 2/	20,480	4.82	18,545	22,415
TOTAL PERIODICALS 1/	2,115,261	0.02	2,114,432	2,116,090
STANDARD MAIL (A):				
SINGLE-PIECE 2/	33,929	7.75	28,775	39,083
REGULAR - NONAUTO PRESORT 3/	1,821,166	1.22	1,777,618	1,864,714
REGULAR - AUTO PRESORT 3/	6,113,311	0.50	6,053,401	6,173,221
ENHANCED CARRIER ROUTE 3/	4,827,072	0.81	4,750,437	4,903,707
NONPROFIT - NONAUTO PRESORT 3/	519,593	0.90	510,427	528,759
NONPROFIT - AUTO PRESORT 3/	806,860	0.56	798,004	815,716
NONPROFIT ENHANCED CARRIER ROUTE 3/	227,878	1.74	220,106	235,650
DOMESTIC MAILING FEES 2/	85,960	1.23	83,888	88,032
TOTAL STANDARD MAIL (A) 1/	14,435,769	0.03	14,427,281	14,444,257
STANDARD MAIL (B):				
PARCEL POST 1/	1,020,873	0.88	1,003,265	1,038,481
BOUND PRINTED MATTER 1/	444,572	0.57	439,605	449,539
SPECIAL STANDARD 2/	314,127	3.73	291,162	337,092
LIBRARY MAIL 2/	46,521	2.68	44,077	48,965
DOMESTIC MAIL FEES 2/	2,366	6.38	2,070	2,662
TOTAL STANDARD MAIL (B) 1/	1,828,459	0.91	1,795,847	1,861,071

TABLE 1
(CONTINUED)
FISCAL YEAR 1999 REVENUE ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	REVENUE ($1,000s)	C.V. 4/ OF ESTIMATE PERCENT 5/	LOWER 95% CONFIDENCE LIMIT 6/	UPPER 95% CONFIDENCE LIMIT 6/
U.S. POSTAL SERVICE MAIL				
FREE MAIL FOR THE BLIND AND HANDICAPPED				
TOTAL DOMESTIC MAIL	58,789,628	N/C		
TOTAL INTERNATIONAL MAIL	1,628,180	N/C		
TOTAL ALL MAIL	60,417,808	N/C		
SPECIAL AND OTHER SERVICES:				
REGISTERED 2/	95,245	0.03	95,189	95,301
INSURANCE 2/	91,476	2.53	86,940	96,012
COLLECT ON DELIVERY 2/	19,753	0.00	19,753	19,753
CERTIFIED 2/	377,303	4.05	347,353	407,253
DELIVERY RECEIPT SERVICES 2/	284,733	4.28	260,847	308,619
SPECIAL DELIVERY 2/	3	53.15	0	6
MONEY ORDERS	182,434	N/C		
SUBTOTAL	1,050,947	2.61	997,185	1,104,709
OUT. MONEY ORDERS TAKEN INTO REVENUE	45,861	N/C		
STAMPED ENVELOPES AND CARDS	30,666	N/C		
BOX RENTS	667,199	N/C		
	1,794,674	N/C		
TOTAL MAIL & SPECIAL SERVICES	62,212,482	N/C		
OTHER INCOME	599	N/C		
TOTAL INCOME	62,811,481	N/C		

1/ COMBINED DRPW AND BRPW (INCLUDES OTHER SOURCE DATA IF ANY)
2/ DRPW (INCLUDES OTHER SOURCE DATA IF ANY)
3/ BRPW (INCLUDES OTHER SOURCE DATA IF ANY)
4/ COEFFICIENT OF VARIATION = (100 x (EST. STD. ERROR / EST. REVENUE)
5/ NOT COMPUTED
6/ LOWER LIMIT - EST. REVENUE - (1.97 x EST. STD. ERROR)
UPPER LIMIT - EST. REVENUE + (1.97 x EST. STD. ERROR)

TABLE 2
FISCAL YEAR 1999 PIECES ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	PIECES (1,000s)	C.V. 4/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 6/	UPPER 95% CONFIDENCE LIMIT 6/
FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS, FLATS, AND IPPS 2/	53,783,619	0.53	53,224,915	54,342,323
NONAUTO PRESORT LETTERS, FLATS, AND IPPS 1/	4,180,253	2.16	4,003,278	4,357,228
AUTO PRESORT LETTERS AND FLATS 1/	37,422,893	0.21	37,268,860	37,576,926
AUTO CARRIER ROUTE PRESORT LETTERS 1/	1,255,973	0.80	1,236,279	1,275,667
SINGLE-PIECE CARDS 2/	2,850,770	1.78	2,751,312	2,950,228
NONAUTO PRESORT MAILING CARDS 1/	510,346	9.78	412,519	608,173
AUTO PRESORT CARDS 1/	1,823,598	1.13	1,783,209	1,863,987
AUTO CARRIER ROUTE PRESORT CARDS 3/	109,002	1.41	105,990	112,014
DOMESTIC MAIL FEES 2/				
TOTAL FIRST-CLASS 1/	101,936,455	0.29	101,357,048	102,515,862
PRIORITY MAIL 1/	1,189,469	1.27	1,159,861	1,219,077
DOMESTIC MAIL FEES 2/				
TOTAL PRIORITY 1/	1,189,469	1.27	1,159,861	1,219,077
EXPRESS MAIL	68,673	N/C 5/		
MAILGRAMS	4,087	N/C		
PERIODICALS MAIL:				
IN-COUNTY 3/	893,454	5.66	794,338	992,570
OUTSIDE COUNTY:				
REGULAR 3/	7,200,355	0.19	7,173,541	7,227,169
SPECIAL NONPROFIT 3/	2,120,463	2.11	2,032,769	2,208,157
CLASSROOM 3/	59,555	0.96	58,434	60,676
DOMESTIC MAIL FEES 2/				
TOTAL PERIODICALS 1/	10,273,827	0.43	10,187,239	10,360,415
STANDARD MAIL (A):				
SINGLE-PIECE 2/	42,037	9.80	33,963	50,111
REGULAR - NONAUTO PRESORT 3/	6,330,857	0.90	6,219,181	6,442,533
REGULAR - AUTO PRESORT 3/	32,665,408	0.50	32,345,287	32,985,529
ENHANCED CARRIER ROUTE 3/	32,755,982	0.95	32,146,066	33,365,898
NONPROFIT - NONAUTO PRESORT 3/	3,496,158	0.90	3,434,486	3,557,830
NONPROFIT - AUTO PRESORT 3/	7,453,438	0.56	7,371,629	7,535,247
NONPROFIT ENHANCED CARRIER ROUTE 3/	2,917,830	1.74	2,818,320	3,017,340
DOMESTIC MAILING FEES 2/				
TOTAL STANDARD MAIL (A) 1/	85,661,710	0.18	85,359,495	85,963,925
STANDARD MAIL (B):				
PARCEL POST 1/	318,982	0.83	313,793	324,171
BOUND PRINTED MATTER 1/	495,662	0.32	492,553	498,771
SPECIAL STANDARD 2/	200,404	5.02	180,686	220,122
LIBRARY MAIL 2/	28,077	2.93	26,465	29,689
DOMESTIC MAIL FEES 2/				
TOTAL STANDARD MAIL (B) 1/	1,043,126	1.05	1,021,658	1,064,594

TABLE 2
(CONTINUED)
FISCAL YEAR 1999 PIECES ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	PIECES (1,000s)	C.V. 4/ OF ESTIMATE PERCENT 5/	LOWER 95% CONFIDENCE LIMIT 6/	UPPER 95% CONFIDENCE LIMIT 6/
U.S. POSTAL SERVICE MAIL	382,283	2.89	360,629	403,937
FREE MAIL FOR THE BLIND AND HANDICAPPED	53,227	5.74	47,239	59,215
TOTAL DOMESTIC MAIL	200,612,858	N/C		
TOTAL INTERNATIONAL MAIL	963,425	N/C		
TOTAL ALL MAIL	201,576,282	N/C		
SPECIAL AND OTHER SERVICES:				
REGISTERED 2/	13,699	0.08	13,678	13,720
INSURANCE 2/	48,610	2.29	46,428	50,792
COLLECT ON DELIVERY 2/	4,038	0.00	4,038	4,038
CERTIFIED 2/	268,054	4.11	246,461	289,647
DELIVERY RECEIPT SERVICES 2/	249,332	3.97	229,931	268,733
SPECIAL DELIVERY 2/	1	50.47	0	2
MONEY ORDERS	220,878	N/C		
SUBTOTAL	804,612	2.58	763,924	845,300
USPS SPECIAL SERVICE TRANSACTIONS				
REGISTERED TRANSACTIONS:	13,694	0.00	13,694	13,694
CERTIFIED TRANSACTIONS	1,545	19.65	950	2,140
RETURN RECEIPTS	1,319	29.28	562	2,076
SPECIAL DELIVERY TRANSACTIONS	0			
SPECIAL HANDLING TRANSACTIONS	62	23.76	33	91
TOTAL	16,620	3.51	15,477	17,763

1/ COMBINED DRPW AND BRPW (INCLUDES OTHER SOURCE DATA IF ANY)
2/ DRPW (INCLUDES OTHER SOURCE DATA IF ANY)
3/ BRPW (INCLUDES OTHER SOURCE DATA IF ANY)
4/ COEFFICIENT OF VARIATION = (100 x (EST. STD. ERROR / EST. PIECES)
5/ NOT COMPUTED
6/ LOWER LIMIT - EST. PIECES - (1.97 x EST. STD. ERROR)
UPPER LIMIT - EST. PIECES + (1.97 x EST. STD. ERROR)

TABLE 3
FISCAL YEAR 1999 WEIGHT ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	WEIGHT (1,000s)	C.V. 4/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 6/	UPPER 95% CONFIDENCE LIMIT 6/
FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS, FLATS, AND IPPS 2/	2,641,888	0.49	2,616,515	2,667,261
NONAUTO PRESORT LETTERS, FLATS, AND IPPS 1/	175,684	1.54	170,381	180,987
AUTO PRESORT LETTERS AND FLATS 1/	1,399,360	0.21	1,393,600	1,405,120
AUTO CARRIER ROUTE PRESORT LETTERS 1/	45,416	0.97	44,553	46,279
SINGLE-PIECE CARDS 2/	17,825	1.78	17,203	18,447
NONAUTO PRESORT MAILING CARDS 1/	3,568	7.87	3,018	4,118
AUTO PRESORT CARDS 1/	15,315	1.10	14,985	15,645
AUTO CARRIER ROUTE PRESORT CARDS 3/	830	1.30	809	851
DOMESTIC MAIL FEES 2/				
TOTAL FIRST-CLASS 1/	4,299,885	0.32	4,272,916	4,326,854
PRIORITY MAIL 1/	2,142,570	1.55	2,077,479	2,207,661
DOMESTIC MAIL FEES 2/				
TOTAL PRIORITY 1/	2,142,570	1.55	2,077,479	2,207,661
EXPRESS MAIL	78,311	N/C 5/		
MAILGRAMS		N/C		
PERIODICALS MAIL:				
IN-COUNTY 3/	247,255	6.53	215,609	278,901
OUTSIDE COUNTY:				
REGULAR 3/	3,606,562	0.63	3,562,028	3,651,096
SPECIAL NONPROFIT 3/	595,513	1.16	581,973	609,053
CLASSROOM 3/	33,223	0.88	32,650	33,796
DOMESTIC MAIL FEES 2/				
TOTAL PERIODICALS 1/	4,482,553	0.44	4,443,895	4,521,211
STANDARD MAIL (A):				
SINGLE-PIECE 2/	7,316	7.35	6,262	8,370
REGULAR - NONAUTO PRESORT 3/	1,093,202	1.66	1,057,634	1,128,770
REGULAR - AUTO PRESORT 3/	3,744,879	0.51	3,707,445	3,782,313
ENHANCED CARRIER ROUTE 3/	4,861,825	1.07	4,759,863	4,963,787
NONPROFIT - NONAUTO PRESORT 3/	212,980	0.55	210,684	215,276
NONPROFIT - AUTO PRESORT 3/	511,310	0.58	505,497	517,123
NONPROFIT ENHANCED CARRIER ROUTE 3/	216,764	1.80	209,117	224,411
DOMESTIC MAILING FEES 2/				
TOTAL STANDARD MAIL (A) 1/	10,648,275	0.29	10,587,750	10,708,800
STANDARD MAIL (B):				
PARCEL POST 1/	1,936,972	0.82	1,905,841	1,968,103
BOUND PRINTED MATTER 1/	1,234,993	0.32	1,227,247	1,242,739
SPECIAL STANDARD 2/	309,918	2.98	291,816	328,020
LIBRARY MAIL 2/	51,284	3.16	48,108	54,460
DOMESTIC MAIL FEES 2/				
TOTAL STANDARD MAIL (B) 1/	3,533,167	0.60	3,491,617	3,574,717

TABLE 3
(CONTINUED)
FISCAL YEAR 1999 WEIGHT ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	WEIGHT (1,000s)	C.V. 4/ OF ESTIMATE PERCENT 5/	LOWER 95% CONFIDENCE LIMIT 6/	UPPER 95% CONFIDENCE LIMIT 6/
U.S. POSTAL SERVICE MAIL	102,574	3.43	95,678	109,470
FREE MAIL FOR THE BLIND AND HANDICAPPED	26,573	5.69	23,609	29,537
TOTAL DOMESTIC MAIL	25,313,908	N/C		
TOTAL INTERNATIONAL MAIL	244,891	N/C		
TOTAL ALL MAIL	25,558,800	N/C		

1/ COMBINED DRPW AND BRPW (INCLUDES OTHER SOURCE DATA IF ANY)
2/ DRPW (INCLUDES OTHER SOURCE DATA IF ANY)
3/ BRPW (INCLUDES OTHER SOURCE DATA IF ANY)
4/ COEFFICIENT OF VARIATION = (100 x (EST. STD. ERROR / EST. WEIGHT)
5/ NOT COMPUTED
6/ LOWER LIMIT - EST. WEIGHT - (1.97 x EST. STD. ERROR)
UPPER LIMIT - EST. WEIGHT + (1.97 x EST. STD. ERROR)

2. Please provide Tables 1, 2, and 3 that are attached to the response to Interrogatory UPS/USPS-T4-6 updated for FY 1999.

RESPONSE:

The attached tables provide FY 1999 DRPW estimates and their estimated confidence intervals.

TABLE 1
FISCAL YEAR 1999 DRPW REVENUE ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	REVENUE ($1,000s)	C.V. 1/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 2/	UPPER 95% CONFIDENCE LIMIT 2/
FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS, FLATS, AND IPPS	22,062,599	0.33	21,919,898	22,205,300
NONAUTO PRESORT LETTERS, FLATS, AND IPPS	21,008	15.72	14,535	27,481
AUTO PRESORT LETTERS AND FLATS	92,581	13.68	67,757	117,405
AUTO CARRIER ROUTE PRESORT LETTERS	2,401	44.43	310	4,492
SINGLE-PIECE CARDS	585,262	1.77	564,958	605,566
NONAUTO PRESORT MAILING CARDS	337	75.11	0	833
AUTO PRESORT CARDS	40	73.44	0	98
AUTO CARRIER ROUTE PRESORT CARDS	8	91.06	0	22
DOMESTIC MAIL FEES	112,070	3.68	103,987	120,153
TOTAL FIRST-CLASS	22,876,306	0.31	22,737,310	23,015,302
PRIORITY MAIL	4,518,603	1.37	4,397,269	4,639,937
DOMESTIC MAIL FEES	1,241	5.93	1,097	1,385
TOTAL PRIORITY	4,519,844	1.37	4,398,477	4,641,211
EXPRESS MAIL	0			
MAILGRAMS	0			
PERIODICALS MAIL:				
IN-COUNTY	0			
OUTSIDE COUNTY:				
REGULAR	0			
SPECIAL NONPROFIT	0			
CLASSROOM	0			
DOMESTIC MAIL FEES	7,952	12.41	6,018	9,886
TOTAL PERIODICALS	7,952	12.41	6,018	9,886
STANDARD MAIL (A):				
SINGLE-PIECE	33,929	7.75	28,775	39,083
REGULAR - NONAUTO PRESORT	0			
REGULAR - AUTO PRESORT	0			
ENHANCED CARRIER ROUTE	0			
NONPROFIT - NONAUTO PRESORT	0			
NONPROFIT - AUTO PRESORT	0			
NONPROFIT ENHANCED CARRIER ROUTE	0			
DOMESTIC MAILING FEES	16,993	6.21	14,925	19,061
TOTAL STANDARD MAIL (A)	50,922	5.62	45,313	56,531
STANDARD MAIL (B):				
PARCEL POST	289,461	2.31	276,355	302,567
BOUND PRINTED MATTER	44,442	5.66	39,512	49,372
SPECIAL STANDARD	312,105	3.76	289,104	335,106
LIBRARY MAIL	46,521	2.68	44,077	48,965
DOMESTIC MAIL FEES	1,777	8.50	1,481	2,073
TOTAL STANDARD MAIL (B)	694,306	2.24	663,823	724,789

TABLE 1
(CONTINUED)
FISCAL YEAR 1999 DRPW REVENUE ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	REVENUE ($1,000s)	C.V. 1/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 2/	UPPER 95% CONFIDENCE LIMIT 2/
U.S. POSTAL SERVICE MAIL				
FREE MAIL FOR THE BLIND AND HANDICAPPED				
TOTAL DOMESTIC MAIL	28,149,330	N/C 3/		
TOTAL INTERNATIONAL MAIL	42,662	N/C		
TOTAL ALL MAIL	28,191,992	N/C		
SPECIAL AND OTHER SERVICES:				
REGISTERED	130	22.93	72	188
INSURANCE	88,491	2.62	83,947	93,035
COLLECT ON DELIVERY	0			
CERTIFIED	377,303	4.05	347,353	407,253
DELIVERY RECEIPT SERVICES	284,733	4.28	260,847	308,619
SPECIAL DELIVERY	3	53.15	0	6
MONEY ORDERS	0			
SUBTOTAL	750,660	3.65	696,958	804,362
OUT. MONEY ORDERS TAKEN INTO REVENUE	0			
STAMPED ENVELOPES AND CARDS	3,090	N/C		
BOX RENTS	0			
TOTAL SPECIAL & OTHER SERVICES	753,750	N/C		
TOTAL MAIL & SPECIAL SERVICES	28,945,742	N/C		
OTHER INCOME	0			
TOTAL INCOME	28,945,742	N/C		

1/ COEFFICIENT OF VARIATION = (100 x EST. STD. ERROR / EST. REVENUE)
2/ LOWER LIMIT = EST. REVENUE - (1.97 x EST. STD. ERROR)
UPPER LIMIT = EST. REVENUE + (1.97 x EST. STD. ERROR)
3/ N/C - NOT COMPUTED

TABLE 2
FISCAL YEAR 1999 DRPW PIECES ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	PIECES (1,000s)	C.V. 1/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 2/	UPPER 95% CONFIDENCE LIMIT 2/
FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS, FLATS, AND IPPS	53,624,687	0.54	53,057,123	54,192,251
NONAUTO PRESORT LETTERS, FLATS, AND IPPS	55,946	15.25	39,224	72,668
AUTO PRESORT LETTERS AND FLATS	336,251	13.94	244,379	428,123
AUTO CARRIER ROUTE PRESORT LETTERS	9,812	45.34	1,092	18,532
SINGLE-PIECE CARDS	2,847,587	1.78	2,748,240	2,946,934
NONAUTO PRESORT MAILING CARDS	1,874	75.11	0	4,633
AUTO PRESORT CARDS	246	46.12	24	468
AUTO CARRIER ROUTE PRESORT CARDS	55	91.06	0	153
DOMESTIC MAIL FEES				
TOTAL FIRST-CLASS	56,876,458	0.50	56,319,069	57,433,847
PRIORITY MAIL	1,186,806	1.28	1,157,031	1,216,581
DOMESTIC MAIL FEES				
TOTAL PRIORITY	1,186,806	1.28	1,157,031	1,216,581
EXPRESS MAIL	0			
MAILGRAMS	0			
PERIODICALS MAIL:				
IN-COUNTY	0			
OUTSIDE COUNTY:				
REGULAR	0			
SPECIAL NONPROFIT	0			
CLASSROOM	0			
DOMESTIC MAIL FEES				
TOTAL PERIODICALS	0			
STANDARD MAIL (A):				
SINGLE-PIECE	42,037	9.80	33,963	50,111
REGULAR - NONAUTO PRESORT	0			
REGULAR - AUTO PRESORT	0			
ENHANCED CARRIER ROUTE	0			
NONPROFIT - NONAUTO PRESORT	0			
NONPROFIT - AUTO PRESORT	0			
NONPROFIT ENHANCED CARRIER ROUTE	0			
DOMESTIC MAILING FEES				
TOTAL STANDARD MAIL (A)	42,037	9.80	33,963	50,111
STANDARD MAIL (B):				
PARCEL POST	62,629	2.20	59,928	65,330
BOUND PRINTED MATTER	27,010	5.94	23,865	30,155
SPECIAL STANDARD	199,376	5.05	179,642	219,110
LIBRARY MAIL	28,077	2.93	26,465	29,689
DOMESTIC MAIL FEES				
TOTAL STANDARD MAIL (B)	317,092	3.39	296,023	338,161

TABLE 2
(CONTINUED)
FISCAL YEAR 1999 DRPW PIECES ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	PIECES (1,000s)	C.V. 1/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 2/	UPPER 95% CONFIDENCE LIMIT 2/
U.S. POSTAL SERVICE MAIL	381,060	2.89	359,475	402,645
FREE MAIL FOR THE BLIND AND HANDICAPPED	53,227	5.74	47,239	59,215
TOTAL DOMESTIC MAIL	58,856,680	N/C 3/		
TOTAL INTERNATIONAL MAIL	5,151	N/C		
TOTAL ALL MAIL	58,861,831	N/C		
SPECIAL AND OTHER SERVICES:				
REGISTERED	46	23.23	25	67
INSURANCE	47,046	2.36	44,870	49,222
COLLECT ON DELIVERY	0			
CERTIFIED	268,054	4.11	246,461	289,647
DELIVERY RECEIPT SERVICES	249,332	3.97	229,931	268,733
SPECIAL DELIVERY	1	50.47	0	2
MONEY ORDERS	0			
SUBTOTAL	564,479	3.68	523,764	605,194
USPS SPECIAL SERVICE TRANSACTIONS				
REGISTERED TRANSACTIONS:	0			
CERTIFIED TRANSACTIONS	1,545	19.65	950	2,140
RETURN RECEIPTS	1,319	29.28	562	2,076
SPECIAL DELIVERY TRANSACTIONS	0			
SPECIAL HANDLING TRANSACTIONS	62	23.76	33	91
TOTAL	2,926	19.96	1,781	4,071

1/ COEFFICIENT OF VARIATION = (100 x EST. STD. ERROR / EST. PIECES)
2/ LOWER LIMIT = EST. PIECES - (1.97 x EST. STD. ERROR)
UPPER LIMIT = EST. PIECES + (1.97 x EST. STD. ERROR)
3/ N/C - NOT COMPUTED

TABLE 3
FISCAL YEAR 1999 DRPW WEIGHT ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	WEIGHT (1,000s)	C.V. 1/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 2/	UPPER 95% CONFIDENCE LIMIT 2/
FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS, FLATS, AND IPPS	2,635,247	0.50	2,609,422	2,661,072
NONAUTO PRESORT LETTERS, FLATS, AND IPPS	2,883	16.79	1,934	3,832
AUTO PRESORT LETTERS AND FLATS	11,344	12.31	8,607	14,081
AUTO CARRIER ROUTE PRESORT LETTERS	357	46.72	30	684
SINGLE-PIECE CARDS	17,797	1.78	17,176	18,418
NONAUTO PRESORT MAILING CARDS	12	75.12	0	30
AUTO PRESORT CARDS	2	46.10	0	4
AUTO CARRIER ROUTE PRESORT CARDS	0			
DOMESTIC MAIL FEES				
TOTAL FIRST-CLASS	2,667,642	0.50	2,641,499	2,693,785
PRIORITY MAIL	2,134,051	1.56	2,068,800	2,199,302
DOMESTIC MAIL FEES				
TOTAL PRIORITY	2,134,051	1.56	2,068,800	2,199,302
EXPRESS MAIL	0			
MAILGRAMS				
PERIODICALS MAIL:				
IN-COUNTY	0			
OUTSIDE COUNTY:				
REGULAR	0			
SPECIAL NONPROFIT	0			
CLASSROOM	0			
DOMESTIC MAIL FEES				
TOTAL PERIODICALS	0			
STANDARD MAIL (A):				
SINGLE-PIECE	7,316	7.35	6,262	8,370
REGULAR - NONAUTO PRESORT	0			
REGULAR - AUTO PRESORT	0			
ENHANCED CARRIER ROUTE	0			
NONPROFIT - NONAUTO PRESORT	0			
NONPROFIT - AUTO PRESORT	0			
NONPROFIT ENHANCED CARRIER ROUTE	0			
DOMESTIC MAILING FEES				
TOTAL STANDARD MAIL (A)	7,316	7.35	6,262	8,370
STANDARD MAIL (B):				
PARCEL POST	359,574	2.33	343,153	375,995
BOUND PRINTED MATTER	71,824	5.55	64,011	79,637
SPECIAL STANDARD	307,789	3.00	289,691	325,887
LIBRARY MAIL	51,284	3.16	48,108	54,460
DOMESTIC MAIL FEES				
TOTAL STANDARD MAIL (B)	790,471	2.07	758,400	822,542

TABLE 3
(CONTINUED)
FISCAL YEAR 1999 DRPW WEIGHT ESTIMATES
AND ASSOCIATED CONFIDENCE LIMITS

SERVICE CATEGORY	WEIGHT (1,000s)	C.V. 1/ OF ESTIMATE PERCENT	LOWER 95% CONFIDENCE LIMIT 2/	UPPER 95% CONFIDENCE LIMIT 2/
U.S. POSTAL SERVICE MAIL	93,181	3.77	86,296	100,066
FREE MAIL FOR THE BLIND AND HANDICAPPED	26,573	5.69	23,609	29,537
TOTAL DOMESTIC MAIL	5,719,234	N/C 3/		
TOTAL INTERNATIONAL MAIL	9,546	N/C		
TOTAL ALL MAIL	5,728,780	N/C		

1/ COEFFICIENT OF VARIATION = (100 x EST. STD. ERROR / EST. WEIGHT)
2/ LOWER LIMIT = EST. WEIGHT - (1.97 x EST. STD. ERROR)
UPPER LIMIT = EST. WEIGHT + (1.97 x EST. STD. ERROR)
3/ N/C - NOT COMPUTED

6. Please provide DRPW-only volume, revenue, and weight estimates for the Parcel Post subclass in FY 1999 if the required data are available.

RESPONSE:

Beyond that which was provided in response to question 8 of POIR 17, these data are not available.

7. In FY 1999, the Postal Service retroactively adjusted reported FY 1998 Parcel Post volume and revenue by an increase of 50 million pieces and $124 million (FY 1998 RPW, 11/5/98; FY 1999 RPW, 11/19/99). Please identify the mail categories, if any, that were adjusted to offset the increase in Parcel Post volume and revenue and show the magnitude of the adjustment for each of the mail categories.

RESPONSE:

The attached table compares the final FY 1998 RPW Report (issued 11/19/99) against the original (issued 11/5/98). The percent change column, identifies mail categories that were adjusted based on the introduction of Standard Mail (B) parcel post PERMIT System data and the utilization of mailing statement data for the nonautomated office component for precanceled stamp and metered RPW data for First-Class Presort and Standard Mail (A) (see footnotes to the final RPW report issued 11/19/99). It is therefore, not possible to isolate the changes in mail categories due strictly to the Parcel Post updates since other modifications occurred at the same time.

REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPE... SERVICES FOR GOVERNMENT FISCAL YEAR 1998
GOVERNMENT FISCAL YEAR 1998 (Oct. 1, 1997–Sep. 30, 1998) COMPARED WITH GOVERNMENT FISCAL YEAR 1998
(Agency and Franked Mail Distributed – Data in Thousands)

Service Category	REVENUE				PIECES				WEIGHT			
	Government Fiscal Year		Change 1998 over 1998		Government Fiscal Year		Change 1998 over 1998		Government Fiscal Year		Change 1998 over 1998	
	Final 1998 1/	Orig. 1998	Amount	Percent	Final 1998 1/	Orig. 1998	Amount	Percent	Final 1998 1/	Orig. 1998	Amount	Percent
First–Class Mail: 2/												
Single–Piece Letters, Flats, and IPPs	21,807,405	21,609,781	197,623	0.9	54,273,024	53,781,254	491,770	0.9	2,589,862	2,566,399	23,463	0.9
Nonautom. Presort Letters, Flats, & IPPs	1,542,425	1,561,102	(18,677)	(1.2)	4,658,236	4,708,842	(50,606)	(1.1)	188,724	192,663	(3,939)	(2.0)
Automation Presort Letters and Flats	9,035,064	9,323,479	(288,415)	(3.1)	34,696,924	35,818,106	(1,121,182)	(3.1)	1,285,947	1,332,799	(46,853)	(3.5)
Automation Carrier Route Presort Letters	305,949	320,175	(14,226)	(4.4)	1,278,092	1,339,344	(60,252)	(4.5)	46,628	48,147	(1,519)	(3.2)
Single–Piece Cards	612,924	607,316	5,608	0.9	2,971,751	2,944,565	27,186	0.9	18,579	18,409	170	0.9
Nonautomation Presort Cards	99,659	101,763	(2,104)	(2.1)	553,662	565,351	(11,689)	(2.1)	4,089	4,120	(31)	(0.7)
Automation Presort Cards	267,143	269,288	(2,145)	(0.7)	1,852,337	1,865,916	(13,579)	(0.7)	16,291	16,404	(114)	(0.7)
Automation Carrier Route Presort Cards	20,677	20,923	(45)	(0.2)	149,125	149,449	(325)	(0.2)	1,226	1,229	(3)	(0.2)
Domestic Mail Fees	149,740	148,848	892	0.6	–	–	–	–	–	–	–	–
Total First–Class Mail	33,861,187	33,982,677	(121,490)	(0.4)	100,434,151	101,172,828	(738,677)	(0.7)	4,151,345	4,180,172	(28,827)	(0.7)
Priority Mail	4,186,416	4,148,707	37,709	0.9	1,174,425	1,163,831	10,594	0.9	1,979,953	1,962,176	17,777	0.9
Domestic Mail Fees	941	933	9	0.9	–	–	–	–	–	–	–	–
Total Priority Mail	4,187,358	4,149,640	37,718	0.9	1,174,425	1,163,831	10,594	0.9	1,979,953	1,962,176	17,777	0.9
Express Mail	854,530	854,530	0	0.0	66,244	66,244	0	0.0	77,739	77,739	0	0.0
Mailgrams	1,678	1,678	0	0.0	4,302	4,302	0	0.0	–	–	–	–
Periodicals:												
In–County	79,302	79,302	(0)	(0.0)	923,865	923,865	(0)	(0.0)	253,938	253,938	(0)	(0.0)
Regular	1,643,645	1,643,644	1	0.0	7,195,168	7,195,008	160	0.0	3,580,405	3,580,405	(0)	(0.0)
Special Nonprofit	317,027	317,027	(0)	(0.0)	2,136,927	2,136,927	(0)	(0.0)	585,102	585,102	(0)	(0.0)
Classroom	12,229	12,229	(0)	(0.0)	60,793	60,793	(0)	(0.0)	31,684	31,684	0	0.0
Domestic Mail Fees	20,082	20,010	72	0.4	–	–	–	–	–	–	–	–
Total Periodical Mail	2,072,285	2,072,212	73	0.0	10,316,751	10,316,591	160	0.0	4,451,129	4,451,129	(0)	(0.0)
Standard Mail (A): 2/												
Single–Piece	123,859	122,722	1,136	0.9	150,276	148,890	1,386	0.9	28,032	27,775	257	0.9
Regular – Nonautomation Presort	1,927,930	1,930,801	(2,871)	(0.1)	6,952,941	6,960,087	(7,146)	(0.1)	1,182,083	1,183,843	(1,760)	(0.1)
– Automation Presort	5,263,923	5,291,870	(27,948)	(0.5)	28,134,073	28,297,181	(163,108)	(0.6)	3,400,264	3,408,423	(8,160)	(0.2)
Enhanced Carrier Route	4,945,801	4,952,630	(6,829)	(0.1)	34,059,127	34,110,504	(51,377)	(0.2)	4,872,082	4,873,782	(1,701)	(0.0)
Nonprofit – Nonautomation Presort	486,447	489,275	(2,828)	(0.6)	3,719,254	3,738,569	(19,316)	(0.5)	239,983	241,366	(1,383)	(0.6)
– Automation Presort	665,081	676,541	(11,461)	(1.7)	6,845,382	6,962,580	(117,198)	(1.7)	458,590	465,128	(6,538)	(1.4)
Nonprofit Enhanced Carrier Route	211,744	212,563	(819)	(0.4)	2,647,088	2,656,838	(9,750)	(0.4)	195,751	196,228	(477)	(0.2)
Domestic Mail Fees	76,958	76,822	136	0.2	–	–	–	–	–	–	–	–
Total Standard Mail (A)	13,701,742	13,753,224	(51,483)	(0.4)	82,508,141	82,874,650	(366,509)	(0.4)	10,376,784	10,396,546	(19,762)	(0.2)
Standard Mail (B): 3/												
Parcel Post	947,945	823,567	124,379	15.1	316,148	266,479	49,669	18.6	1,847,608	1,334,333	513,275	38.5
Bound Printed Matter	427,827	427,386	441	0.1	488,413	488,134	278	0.1	1,198,384	1,197,710	674	0.1
Special Standard Mail	330,301	327,286	3,016	0.9	191,093	189,346	1,747	0.9	308,191	305,387	2,805	0.9
Library Mail	45,684	45,268	417	0.9	27,728	27,475	253	0.9	53,105	52,621	484	0.9
Domestic Mail Fees	2,506	2,487	19	0.8	–	–	–	–	–	–	–	–
Total Standard Mail (B)	1,754,264	1,625,993	128,272	7.9	1,023,382	971,434	51,948	5.3	3,407,288	2,890,050	517,238	17.9

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REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR GOVERNMENT FISCAL YEAR 1998
GOVERNMENT FISCAL YEAR 1998 (Oct. 1, 1997–Sep. 30, 1998) COMPARED WITH GOVERNMENT FISCAL YEAR 1998
(Agency and Franked Mail Distributed – Data in Thousands)

Service Category	REVENUE				PIECES				WEIGHT			
	Government Fiscal Year		Change 1998 over 1998		Government Fiscal Year		Change 1998 over 1998		Government Fiscal Year		Change 1998 over 1998	
	Final 1998	Orig. 1998	Amount	Percent	Final 1998	Orig. 1998	Amount	Percent	Final 1998	Orig. 1998	Amount	Percent
U.S. Postal Service Mail	–	–	–	–	380,103	376,668	3,435	0.9	96,248	95,453	795	0.8
Free Mail for the Blind and Handicapped	–	–	–	–	53,169	52,680	489	0.9	27,190	26,940	250	0.9
Total Domestic Mail	58,433,042	58,439,953	(6,911)	(0.0)	195,960,669	196,999,228	(1,038,560)	(0.5)	24,567,677	24,080,205	487,472	2.0
International Mail:												
Surface – Other Articles	57,462	57,461	1	0.0	28,216	28,215	0	0.0	33,321	33,321	0	0.0
– Parcel Post	57,663	57,607	55	0.1	2,314	2,312	2	0.1	24,148	24,124	23	0.1
– Periodicals	68,615	68,615	0	0.0	65,082	65,082	0	0.0	38,171	38,170	0	0.0
Total Surface Mail	183,740	183,683	57	0.0	95,612	95,609	2	0.0	95,640	95,616	24	0.0
Airmail – Letters and Cards	513,546	513,507	39	0.0	577,322	577,283	40	0.0	34,293	34,290	3	0.0
– Other Articles	194,869	194,833	36	0.0	45,023	45,017	6	0.0	30,576	30,570	5	0.0
– Parcel Post	124,203	124,029	173	0.1	4,246	4,240	6	0.1	30,184	30,143	41	0.1
Total Airmail	832,618	832,369	249	0.0	626,591	626,540	52	0.0	95,053	95,004	49	0.1
International Express Mail	135,418	135,418	0	0.0	5,389	5,389	0	0.0	12,581	12,581	0	0.0
International Surface Airlift Mail	116,120	116,120	0	0.0	163,587	163,587	0	0.0	36,898	36,898	0	0.0
International Priority Airmail	39,219	39,219	0	0.0	52,843	52,843	0	0.0	4,441	4,441	0	0.0
International Mail Subtotal	1,307,115	1,306,810	305	0.0	944,022	943,968	54	0.0	244,612	244,539	73	0.0
Foreign Postal Transactions	279,643	279,643	0	0.0	–	–	–	–	–	–	–	–
International Mail Fees	13,079	12,987	93	0.7	–	–	–	–	–	–	–	–
Total International Mail	1,599,838	1,599,440	398	0.0	944,022	943,968	54	0.0	244,612	244,539	73	0.0
Total All Mail	58,032,880	58,039,393	(6,513)	(0.0)	196,904,691	197,943,197	(1,038,506)	(0.5)	24,812,289	24,324,744	487,545	2.0
Special and Other Services:												
Registered	89,221	89,219	2	0.0	15,254	15,254	0	0.0				
Insurance	72,547	71,913	634	0.9	40,789	40,434	356	0.9				
Collect on Delivery	17,829	17,829	0	0.0	3,844	3,844	0	0.0				
Certified	386,745	382,241	3,504	0.9	278,298	275,770	2,527	0.9				
Return Receipts	262,058	259,685	2,373	0.9	237,256	235,108	2,149	0.9				
Special Delivery	1	1	0	1.0	1	1	0	1.0				
Money Orders	178,942	178,942	0	0.0	208,597	208,597	0	0.0				
Total Special Services	1,006,343	999,830	6,513	0.7	784,038	779,006	5,032	0.6				
Outstanding MO Taken Into Revenue	31,177	31,177	0	0.0								
Stamped Envelopes	17,440	17,440	0	0.0								
Box Rents	617,434	617,434	0	0.0								
Total Special and Other Services	1,572,395	1,565,882	6,513	0.4								
Total Mail and Services	59,705,275	59,705,275	(0)	(0.0)								
Other Revenue	486,982	486,982	0	0.0								
Total Revenue	60,192,256	60,192,256	(0)	(0.0)								

Special Service Transactions
U.S. Postal Service Mail
Government Fiscal Year 1998 4/

Registered	14,700
Certified	1,114
Return Receipts	1,133
Special Delivery	0
Special Handling	4

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REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR GOVERNMENT FISCAL YEAR 1998
GOVERNMENT FISCAL YEAR 1998 (Oct. 1, 1997–Sep. 30, 1998) COMPARED WITH GOVERNMENT FISCAL YEAR 1998
(Agency and Franked Mail Distributed – Data in Thousands)

RPW SUMMARY REPORT FOOTNOTES

1/ The "Final 1998" column contains FY 1998 RPW data that were reestimated using new methodologies.
2/ Nonautomated office (non–Permit System) precanceled stamp and metered RPW data for First Class Presort and Standard Mail (A) bulk were estimated with mailing statements from a panel of offices.
3/ Permit imprint Standard Mail (B) parcel post RPW data were estimated using Permit System data.
4/ Not included elsewhere on this table.

– Totals may not sum due to rounding.

9. Question 2(a) in POIR 15 asked the Postal Service to explain why the long-accepted DRPW sampling system underestimated Parcel Post volume by 50 million pieces, or 19 percent, in FY 1998 compared to the new BRPW/DRPW method. In its response, the Postal Service attributed the underestimation in the DRPW system to errors committed by the data collectors.

a. Please describe the frequency of data collectors' training and provide the materials that were used to train the data collectors in FY 1998.

b. Please specify what fraction of data collectors received training in FY 1998.

c. Please describe the data collection quality control procedures applied during FY 1998 and discuss if the procedures were different for previous years.

d. Were all DRPW sample observations for FY 1998 made and recorded by onsite data technicians? If not, please specify all other means used to make and record observations, and provide estimates of the proportion of observations made by each such method.

RESPONSE:

a. During FY 1998, every district was to conduct at least one day of statistical programs training each postal quarter for each person involved in data collection. Districts developed their own training materials utilizing the Handbook F-75 (USPS-LR-I-37), and any instructions that may have been issued relating to such things as CODES-RPW software updates, or data collection policies. Since these training materials were kept locally, and there were no retention requirements, these materials cannot be provided.

b. The percentage of data collectors who received training in FY 1998 is not known, but should approach 100 percent.

c. Please see the response to UPS/USPS-T1-31, where witness Xie describes the monitoring or data collection quality control procedures in place for all

statistical programs, and USPS-LR-I-264 that provides PS Form 1444-F used to record monitoring observations for RPW. Similar monitoring forms were available for prior years, however, the monitoring requirements were optional.

d. DRPW testing is conducted onsite by trained data collectors. The Handbook F-75 instructions do not present telephone 'readings' as an option for RPW data collection.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO DATA REQUESTS OF UNITED PARCEL SERVICE DURING ORAL CROSS-EXAMINATION

Hearing Question 1, Tr. 2/735, lines 13-19. "I would like to know the number of Parcel Post pieces that were sampled and that were used to arrive at the estimate of Parcel Post revenue pieces and weight in what I will call the original CRA that was presented before the Postal Service revised its Parcel Post revenue pieces and weight estimates based on the use of the bulk RPW system."

RESPONSE:

The DRPW System indicates that there were 243,437 Standard Mail (B) Parcel Post pieces of mail entered by the DRPW data collectors during FY 1998.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO DATA REQUESTS OF UNITED PARCEL SERVICE DURING ORAL CROSS-EXAMINATION

Hearing Question 2, Tr. 2/743, lines 6-8. "Are there any, is there any permit imprint Parcel Post data in the Domestic RPW data file in Library Reference I-30?"

RESPONSE:

Yes, as input data, but not in the summary output data sets that supply the final GFY 1998 RPW Adjustment System estimates of revenue, pieces and weight. Specifically, SAS program H22493.RPW.FY98.CNTL(DRPW) deletes DRPW data not applicable for RPW Adjustment System roll-up based on two data flags contained in the RPW Adjustment System rate category directory (H22493.RPW.FY98.CATEGORY.EOY.DIR): 1) "B" and 2) "X". If the data flag for a mail category code is "B" or "X" then DRPW data from the input file (HSI.HQN.PS060D03.FYyyQTn) is NOT outputted to the DRPW data file (H22493.FYyyn.DRPW.DATA) used for RPW Adjustment System roll-up.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO DATA REQUESTS OF UNITED PARCEL SERVICE DURING ORAL CROSS-EXAMINATION

Hearing Question 3, Tr. 2/750, lines 22-23. "Can you tell me why this section of the code [Appendix G, page 3] was commented out when Library Reference I-30 was supplied?"

RESPONSE:

This section of the code was not relevant for the PQ 2 GFY 1998 Trial Balance revenue inputs (Accounting Periods 4, 5, and 6) specified in this Library Reference. However, when AP14 GFY 1998 (Government Fiscal Year) data is input into the program, this section of the code would be uncommented out, and the 'XXX' values replaced with real numbers.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO DATA REQUESTS OF UNITED PARCEL SERVICE DURING ORAL CROSS-EXAMINATION

Hearing Question 4, Tr. 2/755, lines 17-21. *"We would like to request all of the input files that were run on the SAS programs, on the programs that are shown in Library Reference I-30 as having been run in Quarter 2. We would like those input files for all quarters for Fiscal Year 1998."*

RESPONSE:

USPS-LR-I-302 provides all input data files, SAS and Lotus 1-2-3 spreadsheet programs for PQ 0, PQ 3, and PQ 5 GFY 1998 RPW Adjustment System processing. Note that the underlying code is the same as that first provided in USPS-LR-I-30. In order to expedite the processing, and instead of just providing the relatively minor additions to the commented out portions of the USPS-LR-I-30 for PQ 0 and PQ 5 code, the Lotus 1-2-3 and SAS programs contain the full parameterized versions for each respective time period.

Note: PQ 2 GFY 1998 BRPW inputs, which were erroneously omitted from USPS-LR-I-249, are have been included in USPS-LR-I-302.

The following is the crosswalk of the PC file names on the CD to the input file names shown in USPS-LR-I-30:

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO DATA REQUESTS OF UNITED PARCEL SERVICE DURING ORAL CROSS-EXAMINATION

Lotus 1-2-3 Spreadsheets for each time period

FACTORS0.WK3 FACTORS0.FM3	
FACTORS5.WK3 FACTORS5.FM3	
MAN980.WK3 MAN980.FM3	S:\RVC-RPW\QTMODEL\MAN980.WK3
MAN983.WK3 MAN983.FM3	S:\RVC-RPW\QTMODEL\MAN983.WK3
MAN985.WK3 MAN985.FM3	S:\RVC-RPW\QTMODEL\MAN985.WK3
OMAS980.WK3 OMAS980.FM3	S:\RVC-RPW\QTMODEL\OMAS980.WK3
OMAS983.WK3 OMAS983.FM3	S:\RVC-RPW\QTMODEL\OMAS983.WK3
OMAS985.WK3 OMAS985.FM3	S:\RVC-RPW\QTMODEL\OMAS985.WK3

Quarter 0 FY 1998 SAS Programs

PUCODE1.TXT	H22493.RPW.FY98(UCODE23)
PDRPW1.TXT	H22493.RPW.FY98(DRPW)
PBRPW0.TXT	H22493.RPW.FY98(BRPW)
PIRPW0.TXT	H22493.RPW.FY98(IRPW)
PTRBAL1.TXT	H22493.RPW.FY98(TRBAL)
PPROG0.TXT	H22493.RPW.FY98(PROGRAM)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO DATA REQUESTS OF UNITED PARCEL SERVICE DURING ORAL CROSS-EXAMINATION

Quarter 3 FY 1998 SAS Programs

PUCODE3.TXT	H22493.RPW.FY98(UCODE23)
PDRPW3.TXT	H22493.RPW.FY98(DRPW)
PBRPW3.TXT	H22493.RPW.FY98(BRPW)
PIRPW3.TXT	H22493.RPW.FY98(IRPW)
PTRBAL3.TXT	H22493.RPW.FY98(TRBAL)
PPROG3.TXT	H22493.RPW.FY98(PROGRAM)

Quarter 5 FY 1998 SAS Programs

PUCODE4.TXT	H22493.RPW.FY98(UCODE23)
PDRPW4.TXT	H22493.RPW.FY98(DRPW)
PBRPW5.TXT	H22493.RPW.FY98(BRPW)
PIRPW5.TXT	H22493.RPW.FY98(IRPW)
PTRBAL14.TXT	H22493.RPW.FY98(TRBAL)
PPROG5.TXT	H22493.RPW.FY98(PROGRAM)

Quarter 0 FY 1998 Data Files

D2SUM1.TXT	HSISMN.RPW.D2SUM.FY98QT1
UCODE1.TXT	H22493.FY981.UCODE23.DATA
PS1.TXT	HSI.HQN.PS060D03.FY98QT1
HSQRAN1.TXT	HSQRAN.BRPWD01.TRANS.FY1998Q1
CODREG1.TXT	H22493.FY981.CODREG.DATA
DRPW1.TXT	H22493.FY981.DRPW.DATA
MISC0.TXT	H22493.FY980.MISC.DATA
SIRVO1.TXT	H22493.SIRVO.RPWSUM.PQ9801.ADJII.DATA
IRPW0.TXT	H22493.FY980.IRPW.DATA
AUANYN01.BIN	1/ AUANYN.BV910T01.NATL.AP0198
AUANYN02.BIN	1/ AUANYN.BV910T01.NATL.AP0298
AUANYN03.BIN	1/ AUANYN.BV910T01.NATL.AP0398
TRIALB0.TXT	H22493.FY980.TRIALBAL.DATA
BRPW0.TXT	H22493.FY980.BRPW.DATA

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO DATA REQUESTS OF UNITED PARCEL SERVICE DURING ORAL CROSS-EXAMINATION

Quarter 2 FY 1998 Data Files

HSQRAN2.TXT	HSQRAN.BRPWD01.TRANS.FY1998Q2

Quarter 3 FY 1998 Data Files

D2SUM3.TXT	HSISMN.RPW.D2SUM.FY98QT3
UCODE3.TXT	H22493.FY983.UCODE23.DATA
PS3.TXT	HSI.HQN.PS060D03.FY98QT3
HSQRAN3.TXT	HSQRAN.BRPWD01.TRANS.FY1998Q3
CODREG3.TXT	H22493.FY983.CODREG.DATA
DRPW3.TXT	H22493.FY983.DRPW.DATA
MISC3.TXT	H22493.FY983.MISC.DATA
SIRVO3.TXT	H22493.SIRVO.RPWSUM.PQ9803.ADJII.DATA
IRPW3.TXT	H22493.FY983.IRPW.DATA
AUANYN07.BIN 1/	AUANYN.BV910T01.NATL.AP0798
AUANYN08.BIN 1/	AUANYN.BV910T01.NATL.AP0898
AUANYN09.BIN 1/	AUANYN.BV910T01.NATL.AP0998
TRIALB3.TXT	H22493.FY983.TRIALBAL.DATA
BRPW3.TXT	H22493.FY983.BRPW.DATA

Quarter 5 FY 1998 Data Files

D2SUM4.TXT	HSISMN.RPW.D2SUM.FY98QT4
UCODE4.TXT	H22493.FY984.UCODE23.DATA
PS4.TXT	HSI.HQN.PS060D03.FY98QT4
HSQRAN4.TXT	HSQRAN.BRPWD01.TRANS.FY1998Q4
CODREG4.TXT	H22493.FY984.CODREG.DATA
DRPW4.TXT	H22493.FY984.DRPW.DATA
MISC5.TXT	H22493.FY985.MISC.DATA
SIRVO4.TXT	H22493.SIRVO.RPWSUM.PQ9804.ADJII.DATA
IRPW5.TXT	H22493.FY985.IRPW.DATA
AUANYN14.BIN 1/	AUANYN.BV910T01.NATL.AP1498
TRIALB5.TXT	H22493.FY985.TRIALBAL.DATA
BRPW5.TXT	H22493.FY985.BRPW.DATA

(a) 1/ These files contain data stored as packed decimal. Data files were downloaded from the mainframe as binary files.

United States Postal Service

Richard L. Patelunas
(USPS-ST-44)

Response of United States Postal Service witness Patelunas to Interrogatories of American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-ST44-9.

a) Please explain with all documentation the additional $102.5 million you assume in test year savings under the caption "improve manual letter productivity" in exhibit USPS-ST-44Z.
b) Please explain the basis of your two cost reduction plug assumptions in the above exhibit, $102.5 million for single piece letters versus $51.4 million for automated letters, which has the net effect of giving the appearance of reduced cost avoidance for workshared letters.
c) For each category in Exhibit USPS-ST-44Z, please break down the updated cost reduction by the following categories: (a) First Class single piece letters; (b) First Class metered letters; (c) First Class automation presort letters.

Response:

a) The additional $102.5 million "improve manual letter productivity" amount was supplied as the Postal Service's best estimate of this program consistent with the assumptions underlying the FY 2001 budget planning process.

b) Assuming that "workshared" letters is synonymous with "presorted" letters, the difference between the $102.5 million for single piece letters and the $51.4 million for automated letters does not give the appearance of "reduced cost avoidance for workshared letters." The difference is the amount of savings projected for each cost reduction program; one program is bigger than the other.

c) The rollforward model operates on the class, subclass and special service level of detail reported in the Cost and Revenue Analysis report. As such, First Class metered letters and First Class automation presort letters are not reported separately. To see all the cost reduction impacts on First Class

**Response of United States Postal Service witness Patelunas
to interrogatories of
American Bankers Association and
National Association of Presort Mailers**

Single Piece Letters, please see Table 6 of Volumes A - G of USPS-LR-I-410. Additional mail processing cost reduction detail is available in USPS-LR-I-408.

**Response of United States Postal Service witness Patelunas
to Interrogatories of
American Bankers Association and
National Association of Presort Mailers**

ABA&NAPM/USPS-ST44-10.

a) In your revised filing in Exhibit USPS-ST-44Z, how much of your (i) "breakthrough productivity" initiatives, and (ii) other cost reduction factors by source, are allocated to: (a) First Class single piece letters; (b) metered letters and (c) presort letters in cost segment 3.1?
b) In your final adjustments in Exhibit USPS-ST-44W ("D Report"), please crosswalk the cost reductions by subclass to Exhibit USPS-ST-44Z. If there is not a full reconciliation, please explain the sources of the other cost reductions in the former exhibit.

Response:

a) The rollforward model operates on the class, subclass and special service level of detail reported in the Cost and Revenue Analysis report. As such, First Class metered letters are not reported separately. To see all the cost reduction impacts on First Class Single Piece Letters, please see Table 6 of Volumes A - G of USPS-LR-I-410. Presort Letters are reported for component grouping 3.1 in those tables and additional mail processing cost reduction detail for component grouping 3.1 is available in USPS-LR-I-408.

b) I do not understand the question because there is no relationship to crosswalk between the final adjustments reported in the "D Reports" and the cost reductions reported in Exhibit USPS-ST44Z. The final adjustments can be found in USPS-LR-I-419 and the cost reductions can be found by class, subclass and special service in USPS-LR-I-410, Table 6.

**Response of United States Postal Service witness Patelunas
to Interrogatories of
American Bankers Association and
National Association of Presort Mailers**

ABA&NAPM/USPS-ST44-11.

a) Please confirm that test year volumes for First Class single piece letters and presort letters have not changed as between the original filing and revised filing. If you can not confirm, explain why not.
b) Please confirm that the test year volumes for First Class basic automation letters, 3 digit prebarcoded and 5 digit prebarcoded letters have not changed between the original filing and the revised filing. If you can not confirm, explain why not.

Response:

a) Confirmed that the same test year volumes that were used in the Request were used in the update.

b) Confirmed that the same test year volumes that were used in the Request were used in the update.

Response of United States Postal Service witness Patelunas to Interrogatories of American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-ST44-13.

Please refer to the attachment, which compares witness Patelunas' rollforward with mix adjustment figures to the test year in ST-44, before final adjustment plugs, to USPS witness Kashani's corresponding file as revised.

a) Please confirm that the effect over all cost segments of the USPS revised filing as shown in the attachment is to add 311,863,000 to costs to First Class letters and to cut from Standard A Commercial mail (-$309,275,000). If you can not confirm, explain why not.
b) Please confirm that in the Postal Service's revised filing, there has been little if any shift in the volume of Standard A Regular commercial mail. If you can not confirm, explain why not.
c) Please explain each and every source for the $238,753,000 reduction in mail processing costs contained in the revised filing for Standard A Regular commercial mail as shown in the attachment.
d) Please explain each and every source for the $462,176,000 reduction in total unit costs contained in the revised filing for Standard A Regular commercial mail as shown in the attachment.
e) Please confirm that one reason for the shifting of costs from Standard A Regular commercial mail in your revised filing is to obtain a higher cost coverage for that subclass under your original rate recommendations. If you can not confirm, explain why not.

Response:

a) Confirmed that First Class Mail Letters increased $311,863,000 and

Standard A Commercial mail decreased $309,275,000.

b) Confirmed that the same volumes were used in the Request and the update.

c) Please see my response to AAP/USPS-ST44-9(b).

d) Please see my response to AAP/USPS-ST44-9(b).

e) Not confirmed. The assumptions used in the updated revenue requirement

and rollforward were not based on any cost coverage calculations.

Original vs Updated Cost Segments
After Rates FY01 (W/Mix) ($1,000)

Cost Segments	First-Class Single Piece Letters			First-Class Presort Letters			Standard A Regular			Standard A ECR			Total Difference FC Letters	Total Difference Std. A Com.
	Original 1/	Updated 2/	Difference 3/	Original 4/	Updated 5/	Difference 6/	Original 7/	Updated 8/	Difference 9/	Original 10/	Updated 11/	Difference 12/	13/	14/
C/S-1, Postmasters	118,002	114,982		70,371	67,447		46,908	44,023		26,859	25,820			
C/S-2, Supervs & Techs	898,865	896,992		263,770	258,847		348,509	320,498		111,106	115,010			
C/S-3, Clerks & Mailhandl	8,051,703	8,022,193		1,879,322	1,795,381		2,685,833	2,438,439		380,190	431,588			
C/S-4, Clerks CAG-K Offices	3,478	1,842		1,017	541		600	884		70	139			
C/S-6&7, City Del Carriers	1,901,877	1,878,748		1,267,484	1,248,184		1,432,638	1,346,300		963,201	937,392			
C/S-8, Veh Serv Drivers	31,464	32,698		21,857	22,262		54,434	52,158		47,740	49,861			
C/S-10, Rural Carriers	315,849	305,408		290,116	287,319		460,229	437,210		353,228	408,219			
C/S-11, Cust. & Maint Services	645,647	654,396		224,619	220,569		299,815	274,783		58,501	62,579			
C/S-12, Motor Veh. Services	29,870	33,134		18,648	19,890		28,189	28,265		28,868	28,987			
C/S-13, Misc Oper Costs	2,351	2,587		1,538	1,627		1,050	1,077		1,072	1,127			
C/S-14, Purchased Transp.	538,519	612,816		397,441	415,023		377,498	358,368		60,268	57,060			
C/S-15, Building Occupancy	320,807	325,481		106,805	110,153		169,358	154,939		46,443	49,972			
C/S-16, Supplies & Services	672,136	605,672		128,494	165,563		185,304	220,770		62,836	77,760			
C/S-18, Admin & Area Oper	799,230	832,252		309,672	322,910		434,434	417,165		150,435	172,213			
C/S-20, Other Accr'd Expenses	900,584	938,560		328,003	334,453		460,150	415,503		124,009	133,052			
TOTAL	12,925,691	13,153,623		5,098,747	5,187,178		8,871,212	8,509,006		2,399,828	2,551,527			
C/S-3.1, Mail Processing	5,127,891	5,133,809		1,617,340	1,627,874		2,477,182	2,236,386		292,694	359,425			
C/S-6&7&10, Delivery	2,217,746	2,282,244		1,548,600	1,538,503		1,892,668	1,782,519		1,316,429	1,346,811			

1/, 4/, 7/ & 10/ are from USPS-T-44, Exhibit USPS-14K
2/, 5/, 8/ & 11/ are from USPS-ST-44, Exhibit USPS-ST-44V
3/, 6/, 9/ & 12/ are the differences between updated and original costs
13/ is the sum of 3/ & 9/
14/ is the sum of 9/ & 12/

USPS-ST-44-13

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Response of United States Postal Service witness Patelunas to Interrogatories of American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-ST44-26.

a) Beyond the incorporation of actual 1999 CRA data (BY99) in your revised roll-forward model to TY2001 before final adjustments, what other cost adjustment factors are explicitly factored into the roll-forward model by year before final adjustments in (I) BY1999; (2) 2000; (3) TY2001?
b) What cost adjustment factors are explicitly factored into the final adjustments for TY2001?
c) If there are cost adjustment factors that are incorporated into both the roll-forward before final adjustments and the final adjustments, please explain why, or what elements of each such factor are applied to the two procedures.
d) Please explain why direct costs on]y, without piggybacks, are all that is needed for your final adjustments in response to Commission Order # 1294.

Response:

a) The cost adjustment factors presented in Exhibit USPS-ST44L are explicitly factored into the roll-forward model by year before final adjustments in (1) BY1999; (2) FY2000; (3) TY2001. The impact of these cost adjustment factors can be seen in USPS-LR-I-410.

b - d) Redirected to the Postal Service.

**Response of United States Postal Service witness Patelunas
to Interrogatories of
American Bankers Association and
National Association of Presort Mailers**

ABA&NAPM/USPS-ST-44-27.

Please confirm that the sole source of your cost adjustments in Exhibit USPS-ST-44Z is the Postal Service's current budget process or operating budget or planning budget for FY2001, and for each cost adjustment factor please cite to the appropriate budget document and page of that document.

Response:

Confirmed. The FY2001 budget has not been approved.

Response of United States Postal Service Revised 8/11/00
witness Patelunas
to Interrogatories of
Major Mailers Association

MMA/USPS-ST44-7 Please refer to USPS-ST-44A.

(a) Please confirm that the Postal Service projects a $275.3 million loss in the test year after rates? If you cannot confirm, please provide the correct net revenue impact of the updated costs to FY 1999.

(b) Is the $275.3 million loss acceptable in order for the Postal Service to meet its breakeven mandate? Please explain.

(c) If your answer to part (b) is no, please explain what changes the Postal Service has made to its originally proposed rates in order for it to break even.

Response:

(a) Please see my revised response to Presiding Officer's Information Request No. 14 (Revised 8/11/00) which indicates an approximate $475.3 million deficiency in the Test Year After Rates which would result from incorporating the $200 million Field Reserve, which was inadvertently omitted in the July 7, 2000 update.

(b - c) Redirected to the Postal Service.

Response of United States Postal Service witness Patelunas
to Interrogatories of
Major Mailers Association
(Redirected from Witness Miller, USPS-T-24)

MMA/USPS-T24-22 Please refer to USPS-T-32B and USPS-ST-44W. There the Postal Service provides the original (revised) volume variable costs and the updated volume variable costs for First-Class Mail.

(a) Please confirm that the original (revised) total volume variable costs (in $000s) for First Class Single Piece and Workshare letters are 13,326,042 and 5,019,464, respectively. If you cannot confirm, please explain and provide the correct original (revised) volume variable costs.

(b) Please confirm that the updated total volume variable costs (in $000s) for First Class Single Piece and Workshare letters are 13,565,269 and 5,081,635, respectively. If you cannot confirm, please explain and provide the correct volume variable costs resulting from the FY 1999 update.

(c) Please confirm that the USPS projected TYAR volumes (in 000s) for First-Class Single Piece and Workshare letters are 52,877,658 and 46,979,736, respectively. If you cannot confirm, please explain and provide the correct First-Class volumes.

(d) Please confirm that the USPS original (revised) TYAR unit volume variable costs for First Class Single Piece and Workshare letters are .2520 and .1068 cents, respectively. If you cannot confirm, please explain and provide the correct original (revised) unit volume variable costs.

(e) Please confirm that the USPS updated TYAR unit volume variable costs for First Class Single Piece and Workshare letters are .2565 and .1082 cents, respectively. If you cannot confirm, please explain and provide the correct update unit volume variable costs as a result of the update to FY 1999.

(f) Please confirm that the unit variable cost for First-Class Single Piece letters is projected to increase by .45 cents as a result of the update to FY 1999. If you cannot confirm, please explain and provide the correct unit cost increase for First-Class Single Piece letters.

(g) Please confirm that the unit variable cost for First-Class Workshare letters is projected to increase by .14 cents as a result of the update to FY 1999. If you cannot confirm, please explain and provide the correct unit cost increase for First-Class Workshare letters.

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(h) Please confirm that the unit variable cost for First-Class Single Piece letters is projected to increase by .31 cents more than the unit variable cost increase for First-Class Workshare letters as a result of the update to FY 1999. If you cannot confirm please explain and provide the correct amount by which First-Class Single Piece letters increase more than Workshare letters.

(i) Please explain how this difference in unit variable cost increases, i.e., .31 cents more for First-Class Single Piece letters than for Workshare letters, impacts your derived 5.2-cent worksharing cost savings.

Response:

a) Confirmed that Test Year After Rates costs ($000s), as shown in Exhibit USPS-32B, page 1 of 2 (revised 4/21/00) for First Class Single Piece is 13,326,042 and for Presort Letters is 5,019,464.

b) Not confirmed. Test Year After Rates costs ($000), as shown in Exhibit USPS-ST44W, page 1 of 2, for First Class Single Piece is 13,565,268 and for Presort Letters is 5,081,634.

c) Confirmed assuming Workshare letters are the same as Presort Letters.

d) Not confirmed. The unit costs calculated using the information from parts a) and c) of this question are: First Class Single Piece of $.2520/piece and Presort Letters of $.1068/piece.

e) Not confirmed. The unit costs calculated using the information from parts b) and c) of this question are: First Class Single Piece of $.2565/piece and Presort Letters of $.1082/piece.

f) Confirmed.

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g) Confirmed.

h) Confirmed.

i) It is my understanding that an updated workshare cost savings calculation has not been prepared as part of the response to Order No. 1294.

Response of United States Postal Service witness Patelunas to Interrogatories of Office of the Consumer Advocate

OCA/USPS-ST44-11. The following interrogatory refers to the Postal Service's response to P.O. Information Request No. 14 (June 29, 2000), part d, Attachment I.

(a) In preparing your supplemental filing, did you incorporate the cost reduction programs listed under the column identified as "Order No. 1294," of Attachment I? If not, for each program listed on Attachment I, please indicate the total amount of the cost reduction you did incorporate.

(b) For each program identified in the column identified as "Order No. 1294" of Attachment I, please provide the date(s) each forecast was reviewed and/or updated. If the specific date is not known, please confirm that you used the most current data available. If you are unable to confirm, please explain.

(c) In Attachment I, the column identified as "Order No. 1294" has a line item identified as "Field Reserve" with a value of ($200) million. Please confirm that the ($200) million reduces the total cost reduction projection from $744 million to $544 million. If you are unable to confirm, please explain.

(d) In Attachment I, please confirm that the column identified as "POIR 13" has a line item identified as "Field Reserve" with a value of ($200) million. Please confirm that the ($200) million reduces the total cost reduction projection from $750 million to $550 million. If you are unable to confirm, please explain.

(e) Is the "Field Reserve" of $200 million similar to a "contingency provision?" If not, please explain.

Response:

(a) Yes, I incorporated the cost reduction programs, but as reflected in my revised response and revised Attachment I to Presiding Officer's Information Request No. 14 (Revised 8/11/00), I inadvertently omitted the $200 million of Field Reserve.

(b) Confirmed that the most current data available were used.

(c) See my revised response and Attachment I to Presiding Officer's Information Request No. 14 (Revised 8/11/00).

(d) Confirmed.

(e) Redirected to the Postal Service.

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OCA/USPS-ST44-35. Please confirm that your FY 2000 estimate of "Miscellaneous Local Operations" is $30 million higher than witness Tayman's (i.e., $344.3 million - 314.7, from USPS-ST-44A and USPS 9A, respectively). Explain all underlying assumptions and changes that cause this increase. Cite to testimony, exhibits, or library references that shed light on this phenomenon; also provide any other primary or intermediate sources for the determination of this cost.

Response:

Confirmed. Please see my response to AAP/USPS-ST44-9(b).

Response of United States Postal Service witness Patelunas to Interrogatories of Office of the Consumer Advocate

OCA/USPS-ST44-36. The following interrogatory refers to USPS-LR-I-421 at 96, USPS-LR-I-410, and Exhibit USPS-ST44AA.

(a) USPS-LR-I-421 at 96, indicates that total Other Program costs for FY 01 AR are $918,232,000. USPS-LR-I-410, Volume F, indicates that total Other Program costs for FY 01 are $918,232,000. Exhibit USPS-ST-44AA indicates that total Other Program costs for FY 01 are $1,042,232. Please explain the apparent discrepancy between your Exhibit USPS-ST-44AA, USPS-LR-I-410 and USPS-LR-I-421.

(b) Please identify the cause of the discrepancy and update documents as appropriate.

Response:

(a) The $1,042,232 shown on Exhibit USPS-ST-44AA is the Test Year Before Rates amount. The Test Year Before Rates total Other Programs differs from the After Rates total Other Programs by $124,000. This is the Before Rates and After Rates difference in Interest on Debt. Exhibit USPS-ST-44L is the best place to see this.

(b) There is no discrepancy.

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OCA/USPS-ST44-37. At pages 6-7 of your testimony, you state that:

> Updated test year costs were reflected at the same level as [the] updated FY 2000 estimate . . . consistent with the proposed FY 2001 Operating Budget . . . Plans are being formulated to reduce the modeled level of workers' compensation costs back to the amount budgeted for FY 20001.

You also indicate at page 8 of your testimony that "additional revenue reflected in the proposed FY 2001 Operating Budget" has been incorporated into test year revenue estimates. Please provide the FY 2001 Operating Budget in the same format used in the Postal Service's response to interrogatory OCA/USPS-T9-27.

Response: The final FY 2001 Operating Budget is not available.

RESPONSE OF WITNESS PATELUNAS TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-ST44-38. At page 7 of your testimony you state that , "The overtime assumption was updated to reflect the overtime planned in the FY 2000 operating budget and the fact that overtime is currently over plan." Please state the new "overtime assumption" and how it differs from the overtime assumption contained in the Postal Service's original filing. Also cite the locations in you exhibits and library references where the new overtime

RESPONSE:

As reflected in Table 12 of USPS-T-9 and detailed in Chapter X e. of LR I-127, FY 2000 overtime workyears as a percentage of straight time workyears were assumed to be 8.6% for clerks, 10.3% for city carriers, and 11.5% for mail handlers. This was based on performance to the PFY 99 operating plan as of A/P 12 of PFY 99.

As reflected in Chapter IX e. of LR I-421, the updated overtime percentages are 8.9% for clerks, 11.3% for city carriers, and 11.5% for mail handlers. This is based on performance to the PFY 00 operating plan as of A/P 8 PFY 00.

Response of United States Postal Service witness Patelunas to Interrogatories of Office of the Consumer Advocate

OCA/USPS-ST44-39. Are the changes to the revenue estimates for FY 2000 and the TYBR and TYAR limited to those described at page 8 of your testimony, lines 12-17? If not, please explain in detail any other changes made to revenue estimates.

Response: Yes.

Response of United States Postal Service witness Patelunas to Interrogatories of Office of the Consumer Advocate

OCA/USPS-ST44-40. At page 9 of your testimony you state that: "additional cost reductions and other programs were incorporated" as part of the rollforward updates. Please describe in detail all of the changes made to cost reduction and other program estimates. Include in the description:

(a) The specific change made;
(b) The reason for making the change;
(c) The magnitude of the change;
(d) Citations to your exhibits and library references where the change is applied;
(e) In preparing your supplemental testimony, did you take a fresh look at all cost reduction and other program estimates made in the Postal Service's initial filing? If not, why not.
(f) Please list the originally filed cost reduction estimates that were reviewed recently in preparation of your supplemental testimony.
(g) Please list the originally filed cost reduction estimates that were not reviewed recently in preparation of your supplemental testimony.
(h) Please list the originally filed other program estimates that were reviewed recently in preparation of your supplemental testimony.
(i) Please list the originally filed other program estimates that were not reviewed recently in preparation of your supplemental testimony.
(j) Please confirm that, due to the cost reduction and other program estimates that you present in your testimony, exhibits, and accompanying library references, when one compares the FY 2000 estimate that you present in USPS-ST-44 with the FY 2000 cost estimate found in Exh. USPS 9A, your recent cost estimate is more likely to be accurate. If you do not confirm, please explain fully.
(k) Please confirm that, due to the cost reduction and other program estimates that you present in your testimony, exhibits, and accompanying library references, when one compares the TYBR and TYAR cost estimates that you present in USPS-ST-44 with the TYBR and TYAR cost estimates found in Exh. USPS 9A, your recent cost estimates are more likely to be accurate. If you do not confirm, explain fully.

Response:

(a), (c) and (d) Please refer to the machine readable copy of USPS-LR-I-421, Rollforward Expense Factors in Response to Order No. 1294 for updated rollforward expense factors and sources. All updated inputs have been highlighted in lavender. Input changes and be traced through the model to determine their impact on rollforward

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cost factors. The impact can also be seen in USPS-LR-I-410, Volumes A - G, Tables 6 and 7 for cost reductions and other programs, respectively.

(b) The reason for the changes was to reflect more recent information in response to Order No. 1294.

(e - i) I did not personally review any of the cost reductions or other programs used to develop my supplemental testimony. It is my understanding that all of the cost reductions and other programs used in the update reflect Postal management's best view of each at the time the update was being prepared.

(j - k) Redirected to the Postal Service.

Response of United States Postal Service witness Patelunas
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OCA/USPS-ST44-41. Please refer to page 5 of your testimony and your Exhibit USPS-ST-44Z titled "Comparison of Original to Updated Cost Reduction." You state that, "Test year cost reductions were updated to reflect the impact of breakthrough productivity and additional Periodicals initiatives savings identified since the Request was filed."

(a) Please identify the lines and amounts on Exhibit USPS-ST-44Z related to the "additional Periodicals initiatives."
(b) Please identify the lines and amounts reflecting the impact of "breakthrough productivity."
(c) Please provide the source and explain the basis for the remaining lines of adjustments to cost reductions on Exhibit USPS-ST-44Z.

Response:

(a - c) Please see the Attachment that accompanies this response.

Attachment
OCA/USPS-ST44-41

	Comp.	Update FY 2000 $ (000)	Reference: LR-I-411 Section 5 (BEN2FACT) Factor Number	Update FY 2001 $ (000)	BPI In Request	BPI Additional	Periodicals	Other	Total
Description				-	-	-	-	-	-
Changes in FY 1999 Base Update									
Submission:		(980,578)							
Personnel Cost Reductions									
SEI & Wkhr Mgt	256		28	(29,932)	(29,932)	(44,551)			(74,483)
ID Sort Code	43		230	(13,356)				(84)	(13,440)
ID Sort Code	35		250	(37,162)				(490)	(37,652)
RBCS	35		251	(40,186)				(530)	(40,716)
Gen/Log BMC	35		252	(364)				(5)	(369)
Institutional	66		285	(1,848)				(25)	(1,873)
Domestic Trans: Air	35		249	(14,282)				(188)	(14,470)
CFS	35		263	-		(8,512)		-	(8,512)
Delivery BCS	35		256	(34,445)				(454)	(34,899)
Facer/Canceler Letters	35		262	(17,167)				(226)	(17,393)
Function 4 Key	35		261	(37,974)	(31,000)	8,601		-	(28,373)
Culling	35		266	(224)				(3)	(227)
SPBS	35		260	(5,181)				(69)	(5,250)
Sorting to Flat Cases	35		258	(216,993)	(127,000)	(31,539)		-	(250,532)
Sorting To Letter Cases	35		259	-		(102,031)		-	(102,031)
OCR	35		265	-		(51,186)		-	(51,186)
Gen/Log NonBMC	35		267	(49,876)				(657)	(50,533)
Mail Processing	35		264	(8,485)		(24,637)		-	(33,122)
Delivery BCS	43		235	(108,086)				(680)	(108,766)
Maintenance	75		283	-		(1,396)		-	(1,396)
Gen/Log NonBMC	75		289	(298)				(1)	(299)
Parcel Sorting NMO	35		287	(1,372)				(18)	(1,390)
Function 4 Key	40		297	-		(23,153)			(23,153)
Aggressive Targets DMA-2	35		298	-			(15,000)		(15,000)
AFSM DMA ST42-2	35		299	-			(23,000)		(23,000)
AFSM DMA ST42-3	35		300	-			(1,120)		(1,120)
Bundle Breakage	35		255	-			(20,300)		(20,300)
Mail Prep LR-I-332	35		243	-			(9,211)		(9,211)
Line of Travel	43		236	-		(23,000)			(23,000)
Memo DMA-1	43		229	-		(70,215)			(70,215)
Subtotal				(819,231)	(187,932)	(370,619)	(68,631)	(3,430)	(1,061,911)
Non-personnel Cost Reductions									
Prior Yr Adj - International	146	75,700	145	20,000					20,000
Parcel Dropship Volume Shift	35		135	(7,615)				7,615	-
Parcel Dropship Volume Shift	143		136	(44,404)				44,404	-
Rail	144		130	(1,122)				-	(1,122)
Highway Breakthrough Productivity	143		144			(75,198)		-	(75,198)
Subtotal		75,700		(33,341)	-	(75,198)	-	52,219	(56,320)
All Other - Cost Level Changes, Workyear									
Conversion Rates, and all other		197		(1,378)				1,378	-
R00-1 Updated Change		(904,681)		(853,950)	(187,932)	(445,817)	(68,631)	50,167	(1,116,231)

NOTE: Total Periodicals Initiatives include BPI amounts for Line of Travel and MOU DMA-1

RESPONSE OF WITNESS PATELUNAS TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-ST44-42. Please refer to page 6, lines 15-16 of your testimony discussing other programs expenses and stating "interest expense calculations have not been changed." Does your Exhibit USPS-ST-44A reflect a change in the interest expense in FY 2000 of "(3,300)" and FY 2001 of "300" on the "Interest on Debt" line? If so, please confirm that this is an update in the USPS estimate for interest on debt expense. If you do not confirm, please explain.

RESPONSE:

Not confirmed that interest on notes and mortgages was updated. However, interest capitalized was updated and this results in a decrease to total interest on debt (component 587) by $800,000 in FY 00, and by $500,000 in FY 01. Please refer to Chapter IV h. in LR I-127 and Chapter III h. in LR I-421.

RESPONSE OF WITNESS PATELUNAS TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-ST44-46. The following refers to USPS-LR-I-421, Excel file "SPTDC_OR.XLS," worksheet "Non Pers Other Programs", cells E58, and E64 through E67. Please explain how you determined the following FY 00 amounts for absorbing additional inflation: (1) ($7,000) – HQ S&S; (2) ($8,000) – operating equipment; (3) ($20,000) – miscellaneous S&S; (4) ($7,000) – ADP S&S; and (4) ($5,000) – Vehicle S&S. Please note that trailing zeros have been omitted.

RESPONSE:

These are the same amounts reflected in the original filing. Their derivation was explained in the response to OCA/USPS-T9-1e.

RESPONSE OF WITNESS PATELUNAS TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-ST44-47. The following refers to USPS-LR-I-410, Volume G and USPS-T-14, workpaper J. In workpaper J, the FY 01 after rate employee mix adjustment is ($2,658,000). In USPS-LR-I-410, the FY 01 after rate employee mix adjustment is $213,750,000. Please explain what caused the significant increase in the employee mix adjustment.

RESPONSE:

As explained on page 7 of my testimony the main reason for the increase in the test year after rates workyear mix adjustment was an assumed reduction in the number of clerk and mail handler casual workyears. The calculations supporting these amounts are detailed in Chapter IX of LR I-421.

Response of United States Postal Service witness Patelunas to Interrogatories of Office of the Consumer Advocate

OCA/USPS-ST44-48. Please refer to your response to OCA/USPS-ST44-10(d)(iv) and (e)(iv) indicating that in updating non-personnel and personnel cost level factors, respectively, you used "the most recent DRI data available in time to incorporate in the update...."

(a) Did you apply without modification the DRI indices utilized in your update?

(b) If not, please explain which DRI indices were modified, the manner in which they were modified, and whether similar modifications were made to the same DRI indices in the Postal Service's initial request.

In responding to this interrogatory, please relate your response to the indices listed in the OCA cross-examination exhibit, OCA-XE-ST44-1 at Tr. 35/16818-21.

Response:

(a) None of the indices provided by DRI were modified and most of the annual fiscal year indices were directly applied. However, the application of the DRI data varied in some cases as appropriate. For example, the change in the ECI used to estimate test year wage costs was based on the year to year change in the September monthly ECI index lagged by one year. The monthly private transportation index was used to calculate Rural Equipment Maintenance Allowance. The calculation of the lagged change in the ECI is shown on page 275 of LR I-421. The calculation of the Rural Equipment Maintenance Alowance is shown on page 145 of LR I-421. Additionally, the cost level factors used for two non-personnel cost components, Fuel and International Transportation, represent weighted averages of different DRI indices. The index for Fuel is calculated by weighting the DRI indexes for Fuel/Oil/Coal and Gas using base year costs in related accounts. The index for International Transportation is calculated in a similar manner using the DRI Air Transportation and

Transportation Services indexes.These calculations are reflected on page 112 and 113 of LR I-421.

(b) Please see the response to part (a).

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OCA/USPS-ST44-49. Please refer to your response to OCA/USPS-ST44-10(d)(iv) and (e)(iv) indicating that in updating non-personnel and personnel cost level factors, respectively, you used "the most recent DRI data available in time to incorporate in the update...."

(a) Does DRI provide the Postal Service only one forecast estimate for a particular time period for each of the indices used in your update?

(b) If DRI provides more than one estimate in recognition of differing economic scenarios for the indices used in your update, please indicate (1) which type of DRI estimate is used by the Postal Service and (2) whether the indices were uniformly utilized from the same scenario or whether indices from different DRI scenarios were used for the various applications.

(c) If DRI indices were used based upon different scenarios, please explain the reasons for not utilizing indices based upon a uniform economic scenario for all of the applications.

Please relate your response to the indices listed in the OCA cross-examination exhibit, OCA-XE-ST44-1 at Tr. 35/16818-21.

Response:

(a) Typically, and in this case in particular, DRI provides the Postal Service with only one forecast for use in developing cost level factors.

(b) See the response to (a).

(c) See the response to (a).

Response of United States Postal Service witness Patelunas to Interrogatories of Office of the Consumer Advocate

OCA/USPS-ST44-50. Please refer to your response to OCA/USPS-ST44-31.

(a) On the second page you state, "I have also been advised that this assumption is consistent with the proposed FY01 Operating Budget which did not exist when the case was originally filed." Is the assumption referred to in that sentence to use the ECI ("Employment Cost Index for Wages and Salaries for Private Industry") estimate of wages rather than the ECI minus 1 as applied by witness Tayman? If not, please provide the assumption.

(b) The response also indicates the effective test year change in wages is "equal to the one year lagged forecast for the ECI." Please explain your understanding of the phrase "one year lagged forecast for the ECI."

(c) What is the date of the original ECI estimate used by witness Tayman and the date of the ECI estimate used in your update?

Response:

(a) Yes.

(b) The change in the ECI applied to FY 2001 represents the change in the ECI estimated to occur between September of 1999 and September of 2000, i.e. a one year lag. This calculation is shown on page 275 of LR I-421.

(c) As explained in my responses to OCA/USPS-ST44-9 and OCA/USPS-ST44-30, the original ECI forecast used by witness Tayman was taken from the DRI Trend forecast issued on or about November 28,1999. The ECI forecast used in the update was taken from the DRI Trend forecast released on or about February 29, 2000.

Response of United States Postal Service Witness Patelunas
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Presiding Officer's Information Request No. 14

POIR 14.

1. In the general response to OCA/USPS-99 the Postal Service referred to the proposed cost reductions as the "affordability challenge" addressed by the PMG in his speech. The Service also noted that the study, referred to as a 'Transactions Survey', is a work in progress and that the full survey "...including development of an implementation plan will not be completed until the December 2000/January 2001 time frame." Additionally, the response to part b of OCA/USPS-99 says, "...the specific overhead savings have not yet been identified. Accordingly, they are not incorporated in the interim years or the test year."

   However, the Service noted that there are various cost reductions in FY 2000, such as "local management initiatives" and "absorb inflation", which would be part of the PMG's "affordability challenge". The cost reductions identified as "Local Management Initiatives (LMIs) and "absorb inflation" are detailed in USPS LR-I-126. The library reference describes LMIs as "...the amount of expenses the organization needs to cut to achieve its targeted net income goals." The LMI cost reductions affect cost segment 2, supervisors, cost segment 3, clerks & mailhandlers, CAG A-J, cost segments 6 & 7, city delivery carriers, and cost segment 11, custodial maintenance. LR-I-126, Exhibit E. The absorb inflation costs reductions are described as "...management initiative to reduce costs in various supplies and services areas. These cost reductions affect cost segment 12, motor vehicle service, cost segment 16, supplies and services, and cost segment 18, administrative and regional operations. LR-I-126, Exhibit B. There are additional cost reductions for cost segment 14, transportation. LR-I-126, Exhibit E.

   Please provide a definite response concerning whether or not the specific LMI and "absorb inflation" cost reductions above are included in the cost reductions referred to in the PMG's speech. If they are, please provide a table showing what portion of the "overhead reductions," "more efficient paperwork and purchasing," and "transportation costs" reductions are accounted for by the items specified above?

Response

1. When addressing the affordability challenge in his speech, the PMG referred to cost reductions prior to FY 2001, as well as cost reductions beginning in FY 2001. Thus, as stated in the response to OCA/USPS-99(b), the LMI and "absorb inflation"

Response of United States Postal Service Witness Patelunas
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POIR 14.

Response continued

cost reductions are included in the cost reductions referred to in the PMG's speech. As identified in USPS-LR-I-126, the LMI and "absorb inflation" cost reductions are included in estimates for FY 2000. As indicated in the PMG's speech, only the cost reductions beginning in FY 2001 and after are categorized as "overhead reductions," "more efficient paperwork and purchasing," and "transportation costs" reductions. As such, the "overhead reductions," "more efficient paperwork and purchasing," and "transportation costs" reductions are not accounted for in the FY 2000 LMI and "absorb inflation" cost reductions.

Response of United States Postal Service Witness Patelunas
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POIR 14.

2. In response to POIR 13, Postal Service witness Tayman refers to the Postal Service response to OCA/USPS-99 and reiterates that the FY 2000 cost reductions noted above would be part of the "affordability challenge". He also said, "...some of the cost reductions reflected in the test year (FY 2001) are early estimates of "the affordability challenge" or breakthrough productivity savings." He goes on to say "...total test year savings for breakthrough productivity is about $550 million, rather the $1 billion specified in the question. The Postal Service's revenue requirement includes about $181 million in the test year cost reductions that are considered breakthrough productivity."

The Postmaster General in his speech says "...some $700 million a year --will come from dramatic, breakthrough productivity in our processing system. He defines breakthrough productivity to be "...reducing costs through everything from machine utilization, to standardized processes, to staffing and scheduling, and to resource management. ...Tracking mail throughout the system...benchmarking, measuring performance, and understanding the costs of every activity. ...Managing our capital investments in line with changes in our volume patterns, our need to create new products and channels, and investing in the next generation of automation for flats and parcels to offset the cost of labor."

a. Please provide the type of savings the $550 million, referred to by witness Tayman, represents, the cost segments affected, and where in LR-I-126 the savings are reflected. If the savings are not reflected in LR-I-126 or the revenue requirement workpapers, LR-I-127, please specify where the savings can be found.

b. Is witness Tayman's identification of breakthrough productivity savings of $550 million an indication that the Postmaster General overestimated cost reductions in mail processing by $150 million? If not, please reconcile the $700 million in breakthrough productivity cost reductions referred to in the PMG's speech with the $550 million referred to in witness Tayman's answer to POIR 13, item 1.

c. Witness Tayman refers to cost reductions in the test year revenue requirement amounting to $181 million that are considered to be breakthrough productivity savings. Please specify which cost reductions in the test year he is referring to.

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POIR 14.

d. Witness Tayman has reduced the breakthrough productivity savings from $700 million mentioned in the PMG's speech to $550 million in the test year in his answer to POIR 13. He also says in that answer that there are $181 million of breakthrough productivity savings in the test year revenue requirement. Does this mean that there are $369 million ($550 million less $181 million) or $519 million ($700 million less $181 million) in test year cost reductions that are not now reflected in the test year revenue requirement? If so, what cost segments will the additional cost reductions affect? Please provide as specific a description as possible of the types of cost reductions that are likely to make up the additional savings in a format similar to LR-I-126.

e. Can the Commission conclude that test year processing costs will be reduced by either $369 or $519 million?

Response

2.

a. Attachment I that accompanies this response provides the type of savings and the cost segments affected by the Breakthrough Productivity Initiative. The Attachment displays the amounts referred to in the PMG's speech, the amounts described in the response to POIR No. 13, and the amounts reflected in the update filed in response to Order No. 1294, on July 7, 2000. The total amount of savings included in the Postal Service's request was $188 million and can be found in USPS-LR-I-126, Exhibit E. I believe the $188 million is a better estimate than the $ 181 million referenced in the response to POIR No. 13, Item 1.

b. Please refer to Attachment I. The amounts from the PMG's speech represented an aggressive challenge to the organization rather than a blueprint for specific cost savings. In his speech, the PMG instructed his

Response of United States Postal Service Witness Patelunas
To
Presiding Officer's Information Request No. 14

POIR 14.

Response continued:

team to "launch additional initiatives" to reduce future expenses. During the FY 2001 budget development process, cost savings programs were identified, negotiated and accepted. As a result, the cost savings amounts in the proposed FY 2001 budget are reflected in the update filed July 7, 2000 and are also shown in Attachment I.

c. See the response to Part 1(a) of this question and Attachment I.

d. Please see Attachment I for a crosswalk between the Breakthrough Productivity Initiatives in the PMG's speech, the response to POIR No. 13 and the July 7, 2000 update. Please see Attachment II to this response for a description of the various cost reductions in a format similar to USPS-LR-I-126.

e. No, please see Attachment I.

Response of United States Postal Service Witness Patelunas
To
Presiding Officer's Information Request No. 14

POIR 14.

2. In response to POIR 13, Postal Service witness Tayman refers to the Postal Service response to OCA/USPS-99 and reiterates that the FY 2000 cost reductions noted above would be part of the "affordability challenge". He also said, "...some of the cost reductions reflected in the test year (FY 2001) are early estimates of "the affordability challenge" or breakthrough productivity savings." He goes on to say "...total test year savings for breakthrough productivity is about $550 million, rather the $1 billion specified in the question. The Postal Service's revenue requirement includes about $181 million in the test year cost reductions that are considered breakthrough productivity."

The Postmaster General in his speech says "...some $700 million a year –will come from dramatic, breakthrough productivity in our processing system. He defines breakthrough productivity to be "...reducing costs through everything from machine utilization, to standardized processes, to staffing and scheduling, and to resource management. ...Tracking mail throughout the system...benchmarking, measuring performance, and understanding the costs of every activity. ...Managing our capital investments in line with changes in our volume patterns, our need to create new products and channels, and investing in the next generation of automation for flats and parcels to offset the cost of labor."

a. Please provide the type of savings the $550 million, referred to by witness Tayman, represents, the cost segments affected, and where in LR-I-126 the savings are reflected. If the savings are not reflected in LR-I-126 or the revenue requirement workpapers, LR-I-127, please specify where the savings can be found.

b. Is witness Tayman's identification of breakthrough productivity savings of $550 million an indication that the Postmaster General overestimated cost reductions in mail processing by $150 million? If not, please reconcile the $700 million in breakthrough productivity cost reductions referred to in the PMG's speech with the $550 million referred to in witness Tayman's answer to POIR 13, item 1.

c. Witness Tayman refers to cost reductions in the test year revenue requirement amounting to $181 million that are considered to be breakthrough productivity savings. Please specify which cost reductions in the test year he is referring to.

Response of United States Postal Service Witness Patelunas
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POIR 14.

d. Witness Tayman has reduced the breakthrough productivity savings from $700 million mentioned in the PMG's speech to $550 million in the test year in his answer to POIR 13. He also says in that answer that there are $181 million of breakthrough productivity savings in the test year revenue requirement. Does this mean that there are $369 million ($550 million less $181 million) or $519 million ($700 million less $181 million) in test year cost reductions that are not now reflected in the test year revenue requirement? If so, what cost segments will the additional cost reductions affect? Please provide as specific a description as possible of the types of cost reductions that are likely to make up the additional savings in a format similar to LR-I-126.

e. Can the Commission conclude that test year processing costs will be reduced by either $369 or $519 million?

Response

2.

a. Attachment I (Revised 8/11/00) that accompanies this response provides the type of savings and the cost segments affected by the Breakthrough Productivity Initiative. The Attachment displays the amounts referred to in the PMG's speech, the amounts described in the response to POIR No. 13, and the amounts reflected in the update filed in response to Order No. 1294, on July 7, 2000. The total amount of savings included in the Postal Service's request was $188 million and can be found in USPS-LR-I-126, Exhibit E. I believe the $188 million is a better estimate than the $ 181 million referenced in the response to POIR No. 13, Item 1.

b. Please refer to Attachment I (Revised 8/11/00). The amounts from the PMG's speech represented an aggressive challenge to the organization rather than a blueprint for specific cost savings. In his speech, the PMG

POIR 14.

instructed his team to "launch additional initiatives" to reduce future expenses. During the FY 2001 budget development process, cost savings programs were identified, negotiated and accepted.

The update filed on July 7, 2000, in response to Order No. 1294, intended to reflect the FY 2001 budget development process. However, the $200 million Field Reserve, which should have decreased certain of the Operations cost reductions, was inadvertently omitted. Thus, these Operations cost reductions contained the July 7, 2000 update are overstated by the $200 million. My attachment accordingly has been revised to reflect what is actually contained in the July 7, 2000 update, even though what is contained in the update is incorrect. The Order No. 1294 column of the Attachment thus removes the $200 million Field Reserve and shows a Grand Total All Programs as $744 million.

Had the $200 million Field Reserve been incorporated into the update as it should have been, certain of the Operations cost reductions, as well as the Grand Total All Programs, would decrease. The overall Test Year After Rates impact would be to increase the deficiency shown on Exhibit USPS-ST44A from -$275.3 million to approximately -$475.3 million. It is anticipated that because these Operations cost reductions are primarily for mail processing and window service clerks and mailhandlers, the impact on any particular class, subclass or special service would be relatively minor.

POIR 14.

c. See the response to Part 1(a) of this question and Attachment I.

d. Please see Attachment I for a crosswalk between the Breakthrough Productivity Initiatives in the PMG's speech, the response to POIR No. 13 and the July 7, 2000 update. Please see Attachment II to this response for a description of the various cost reductions in a format similar to USPS-LR-I-126.

e. The processing portion of the cost reductions are shown in the Operations section in the POIR. 13 column of Attachment I. The Test Year processing costs are calculated as:

	$ millions
Grand Total Operations	450
Field Reserve	-200
Included in the Request	-188
Test Year Processing costs	62

Response to POIR 14.
Attachment I

Segment	Component	Program	PMG Speech ($ millions)	POIR. 13 ($ millions)	Order No. 1294 ($ millions)
		Transportation			
14	143	Highway Transportaion Initiative			72
14	143	Trailer Leasing Mgt Program			3
12	99	Fuel Mgt Program			25
		Grand Total Transportation	100	100	100
		Purchasing			
16	168	Telecommunications Sourcing			42
16	174	ADP Sourcing			37
16	184	Mail Transport Equipment			6
18	210	Travel Sourcing			15
		Grand Total Purchasing	100	100	100
		Overhead			
16	192	HQ Personnel workyears			37
16	177	Nonpersonnel related to reductions			13
3	253	Administrative Clerk workyears			28
		Grand Total Overhead	100	100	78
		Operations			
3	35	Accelerate FSM Buy to 2001 (included in the Request)		37	37
3	35	Additional AFSM to Upper Bound (included in the Request)		53	53
3	35	Improve Function 4 Productivity (included in the Request)		31	31
3	35	Improve FSM (included in the Request)		37	37
7	257	Improve SEI (included in the Request)		30	30
3	253	Clerks and Mailhandlers			
3	40	Function 4 Window Improvement			23
3	35	Improve Automated Letter Productivity			51
3	35	Improve Manual Letter Productivity			102
3	35	Reduce CFS No Record Volume			9
6	256	City Carrier In-Office (Workhour Reduction/LOT & MOU)			93
		Other to be Determined 1/		262	
		Grand Total Operations	700	450	466
		Field Reserve 2/		(200)	(200)
		Grand Total All Programs	1,000	550	544

1/ The budget process identified $278 million as indicated in the Order No. 1294 column
2/ The Field Reserve recognizes the difficulty in achieving the aggressive cost reductions in FY 2001, the first year of the Breakthrough Productivity Initiative

Response to POIR 14.
Attachment I
Revised 8/11/00

Segment	Component	Program	PMG Speech ($ millions)	POIR. 13 ($ millions)	Order No. 1294 ($ millions)
		Transportation			
14	143	Highway Transportaion Initiative			72
14	143	Trailer Leasing Mgt Program			3
12	99	Fuel Mgt Program			25
		Grand Total Transportation	100	100	100
		Purchasing			
16	168	Telecommunications Sourcing			42
16	174	ADP Sourcing			37
16	184	Mail Transport Equipment			6
18	210	Travel Sourcing			15
		Grand Total Purchasing	100	100	100
		Overhead			
18	192	HQ Personnel workyears			37
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		Grand Total Overhead	100	100	78
		Operations			
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3	35	Improve FSM (included in the Request)		37	37
7	257	Improve SEI (included in the Request)		30	30
3	253	Clerks and Mailhandlers			
3	40	Function 4 Window Improvement			23
3	35	Improve Automated Letter Productivity			51
3	35	Improve Manual Letter Productivity			102
3	35	Reduce CFS No Record Volume			9
6	256	City Carrier In-Office (Workhour Reduction/LOT & MOU)			93
		Other to be Determined 1/		262	
		Grand Total Operations	700	450	466
		Field Reserve 2/		(200)	-
		Grand Total All Programs	1,000	550	744

1/ The budget process identified $278 million as indicated in the Order No. 1294 column
2/ The Field Reserve recognizes the difficulty in achieving the aggressive cost reductions in FY 2001, the first year of the Breakthrough Productivity Initiative

USPS-LR-I-126 type information provided in response to POIR 14.

HIGHWAY TRANSPORTATION INITIATIVE – The Highway Transportation Initiative is a review by the Field of existing transportation to investigate the possibility of consolidating or eliminating specific routes when appropriate. The savings will be calculated against a baseline of highway contract routes as of February 2000 and savings after that date will be included in the Breakthrough Productivity Initiative.

TRAILER LEASING MANAGEMENT PROGRAM – The Trailer Leasing Management Program is designed to consolidate and improve the Postal Service's opportunities for trailer leasing purchases. This program will include a reduction in the daily rate, obtained through a free market approach (reverse auction) in awarding trailer leasing contracts.

FUEL MANAGEMENT PROGRAM – The Fuel Management Program is designed to purchase fuel at wholesale prices instead of retail prices. Additional savings will be obtained by expanding participation to facilities not that are not currently included. For example, participation will be expanded for obtaining fuel by dispensing fuel through VMF's, HDR contractor terminals and fueling postal vehicles on-site.

TELECOMMUNICATION SOURCING -- The Telecommunications Sourcing Initiative team is investigating targets of opportunity for numerous categories of telecommunications spending. For example, data network and services, outbound/inbound voice, local telephone service, and cellular, paging and calling cards are being targeted for savings.

ADP SOURCING -- This sourcing initiative is investigating targets of opportunity on the cost of ADP related services. Expenses related to ADP hardware are under examination. For instance, asset recovery/management, reducing configurations, and preload software options are being considered. Software and services are also being examined. For example, initiatives are being considered to integrate with hardware contracts and to revise incentives.

MAIL TRANSPORT EQUIPMENT – Several categories of mail transportation equipment spending have been identified to achieve expense reductions. These include: increasing the supply of rolling stock to decrease the use of corrugated boxes, centralizing the purchasing of corrugated boxes, reducing emergency buys and consolidating suppliers.

TRAVEL SOURCING – The Travel Sourcing Initiative team is investigating targets of opportunity on a national level related to any travel expenses. Various categories of travel have been identified to achieve expense reductions. For instance, the Postal Service will negotiate site-specific volume-based discounts for hotels, airlines and auto rentals. Internally, the Postal Service will utilize its systems in conjunction with corporate credit cards to automate expense reporting.

OVERHEAD (ADMINISTRATIVE) – The savings in Headquarters, Headquarters-related field units and Administrative Clerk workyears, as well as the nonpersonnel supplies and services associated with those positions, will be achieved by eliminating work, working more efficiently, eliminating duplication, consolidating functions and implementing web-based and/or paperless transactions. The goal is that workload, not just positions, be reduced to achieve savings.

FUNCTION 4 WINDOW IMPROVEMENT – The Function 4 Window Improvement program relies on the field to utilize the Function 4 review process to identify potential retail savings. Through the proper use of the review process, workhour usage will be identified and scheduling/staffing adjustments will be made to reduce window hours.

IMPROVE AUTOMATED LETTER PRODUCTIVITY – The Automated Letter Productivity program will target opportunities for DBCS, MLOCR and MPBCS improvements in automated letter operations. For instance, the following areas are under review: reducing idle and downtime, scheduling of preventive maintenance, performance management and communication, upgrade equipment and reducing sort plans.

IMPROVE MANUAL LETTER PRODUCTIVITY – The Improve Manual Letter Productivity program is examining cost savings by: improved labeling, consolidating operations and reducing the number of cases.

REDUCE CFS NO RECORD VOLUME – The Reduce CFS No Record Volume program seeks to decrease the volume of "No Record" mail. "No Record" mail is keyed by CFS, but due to the lack of a valid forwarding order on file, or erroneous address information that prevents a match to a forwarding order, it cannot be processed and must be returned to the delivery unit. The savings will be realized by local review and prioritization of CFS No Record statistics, by delivery unit and route, and emphasizing the use of available training and review materials.

CITY CARRIER IN-OFFICE (WORKHOUR REDUCTION/LOT & MOU) – Workhour savings are targeted for opportunities to reduce City Carrier overtime.

These include certain information that became available during Docket No. R2000-1 as part of the Periodicals initiatives, and that falls within the area of reducing cost per delivery by improving workhour management. Line of Travel was discussed in USPS-LR-I-307 and the Memo Of Understanding was discussed in the Postal Service's response to DMA/USPS-1.

Response of United States Postal Service witness Patelunas to *Presiding Officer's Information Request No. 21*

POIR 21

3. The Postal Service's original filing included Alaskan Air adjustment factors that were calculated in Library Reference I-59 for FY 1998, 1999, 2000, and the Test Year 2001. These adjustment factors were input into the rollforward in Witness Meehan's WP A-1, the base year 1998 manual input requirement. See Meehan W/P A-1 at 159. The base year Alaskan Air adjustment was applied to component 681, Alaskan Air Transportation, in the development of the B report. See Meehan W/P A-4 at 1-2. See also USPS LR-I-4 at 48 and 371.

   The process to rollforward component 681 from the base year to the test year as shown in witness Kashani's workpapers, was to use the costs from the A report, in which component 681 was 100% variable. The Alaskan Air adjustment factors from LR-I-59 were then applied in the development of the B report separately for each fiscal year in the rollforward.

   The updated rollforward provided by witness Patelunas in the Postal Service's response to Order No. 1294 treated component 681 differently than in the original filing. The update started with component 681, which already included the Alaskan Air adjustment. Witness Patelunas then rolled forward to the test year from FY 1999 the adjusted component 681 rather than rolling forward the component as 100% variable as was done in the original filing. Additionally, there is no further adjustment of component 681 using updated Alaskan Air factors in the B report as was done in the original filing.

   Does the treatment afforded to Alaska Air in component 681 in the USPS response to Order No. 1294 represent a change in the rollforward methodology from the original filing? If so, please provide a justification for this change.

   Please provide an update to LR-I-59 using actual FY 1999 costs showing the new Alaska Air adjustment factors for FY 1999, FY 2000, and the Test Year 2001.

Response

The treatment of the Alaska Air adjustment in the update resulting from Order No. 1294 is different from the original filing. To incorporate the Alaska Air adjustment in the FY 1999 Cost Segments and Components report, the Alaska Air

Response of United States Postal Service witness Patelunas to Presiding Officer's Information Request No. 21

Response

costs were adjusted before they were entered into the cost model. As such, there was no need to make the adjustment in the B Report. Likewise, when the Alaska Air costs were then rolled-forward, the adjustment had already been made and there was no need to further adjust the costs. Although the result is different from what would have resulted from the original treatment, as shown in Attachment I that accompanies this response, the test year difference for classes, subclasses and special services is minor.

The requested update of USPS-LR-I-59 using the FY 1999 costs, as well as the electronic version of Attachment I, is provided in USPS-LR-I-475.

CRA CLASS ALASKA NONPREF AIR

				FY 2000			FY 2001				
			$(000) WS 14.4 C3 Comp 681	Cost Level Adjusted	Volume Adjusted	0.0777 Total Adjusted	Cost Level Adjusted	Volume Adjusted	0.0788 Total Adjusted	Order No. 1294 Update	Difference
1	FIRST-CLASS MAIL:										
2	SINGLE-PIECE LETTERS	101	297	300	299	23	301	298	23	22	1
3	PRESORT LETTERS	102	-								
4	SINGLE-PIECE CARDS	104	-								
5	PRESORT CARDS	105	-								
6	TOTAL FIRST-CLASS		95	300	299	23	301	298	23	22	1
7	PRIORITY MAIL	110	843	850	870	68	874	955	75	74	1
8	EXPRESS MAIL	111	-								
9	MAILGRAMS	112	-								
10	PERIODICALS:										
11	IN-COUNTY	113	-								
12	OUTSIDE COUNTY:										
13	REGULAR	117	144	145	150	12	151	153	12	11	1
14	NON-PROFIT	118	39	39	37	3	37	36	3	3	(0)
15	CLASSROOM	119	2	2	2	0	2	2	0	-	0
16	TOTAL PERIODICALS		185	187	189	15	190	191	15	14	1
17	STANDARD MAIL (A):										
18	SINGLE-PIECE RATE	125	-	-	-		-	-			
19	COMMERCIAL STANDARD:										
20	ENHANCED CARR RTE	126	586	591	590	46	592	609	48	46	2
21	REGULAR	127	519	524	488	38	490	503	40	44	(4)
22	TOTAL COMMERCIAL		1,105	1,115	1,078	84	1,082	1,112	88	90	(2)
23	AGGREGATE NONPROFIT:										
24	NONPROF ENH CARR R	131	2	2	2	0	2	2	0	-	0
25	NONPROFIT	132	20	20	21	2	21	21	2	2	(0)
26	TOTAL NONPROFIT		22	22	23	2	23	23	2	2	(0)
27	TOTAL STANDARD (A)		1,340	1,137	1,101	86	1,105	1,135	89	92	(3)
28	STANDARD MAIL (B):										
29	PARCELS ZONE RATE	136	98,801	99,690	108,553	8,435	108,955	118,712	9,355	9,164	191
30	BOUND PRINTED MATTE	137	124	125	129	10	129	137	11	11	(0)
31	SPECIAL STANDARD	139	112	113	117	9	117	118	9	9	0
32	LIBRARY MAIL	140	24	24	25	2	25	25	2	2	(0)
33	TOTAL STANDARD (B)		99,061	99,953	108,823	8,456	109,226	118,993	9,377	9,186	191
34	US POSTAL SERVICE	142	214	216	203	16	203	197	16	15	1
35	FREE MAIL	147	-								
36	INTERNATIONAL MAIL	161	-								
37	TOTAL DISTRIBUTION KEY		101,727	102,643	111,486	8,662	111,898	121,769	9,595	9,403	192
38	OTHER	199	-	-	-	102,824	-	-	112,174	94,786	17,388
39	GRAND TOTAL		101,727	102,643	111,486	111,486	111,898	121,769	121,769	104,189	17,580

Response of United States Postal Service witness Patelunas to Presiding Officer's Information Request No. 21

POIR 21

4. In the Postal Service's response to Order No. 1294 witness Patelunas presented additional cost reductions from the Postal Service's planned "breakthrough productivity" initiatives. These cost reductions were implemented in the rollforward to the test year using seven new distribution keys, components 1456 through 1462. However, unlike the original cost reductions distribution keys, components 1439 through 1453, these new distribution key components do not receive a mail volume effect for FY 2000 or the test year.

   Please describe the sources of the new components 1456 through 1462 and explain the reasons that these components do not receive a mail volume effect in the rollforward from FY 1999 to the test year.

   Please provide an update that includes a mail volume effect.

Response

Components 1456 through 1462 are distribution keys used for the cost savings programs resulting from the joint Postal Service and Periodicals mailers effort that took place after the Request was filed. These cost savings occur only in the test year and the distribution keys were developed specifically for these programs in the test year; therefore, they do not and should not receive a mail volume effect in the rollforward. The sources for the distribution keys are:

Component Number	Description	Source
1456	Mail Prep	USPS-LR-I-332
1457	Bundle Breakage	MPA/USPS-ST42-8
1458	Aggressive Targets	DMA/USPS-2
1459	Line of Travel	MPA/USPS-ST42-4
1460	Memo of Understanding	DMA/USPS-1
1461	Additional AFSM Savings	DMA/USPS-ST42-2
1462	New AFSM Equipment	DMA/USPS-ST42-3

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PATELUNAS TO QUESTIONS RAISED AT JULY 26, 2000 TECHNICAL CONFERENCE

QUESTION: The Postal Service was asked to provide a spreadsheet, similar to that provided by witness Kashani in response to OCA/USPS-T14-5, showing the impact of using correct Before Rates Periodicals volumes in FY 2000 and FY 2001 in the July 7, 2000 update in response to Order No. 1294.

RESPONSE:

Please see the attached spreadsheet. An electronic version is provided in USPS-LR-I-459.

Periodicals	TY 2001 BR With Correct FY 1999 RPW Volume			TY 2001 BR With Preliminary FY 1999 RPW Volume			Change from TY 2001 with Correct FY 1999 RPW Volume		
	Volume Variable Cost 1/	Volume 3/	Unit Cost	Volume Variable Cost 2/	Volume 4/	Unit Cost	Volume Variable Cost	Volume	Unit Cost
In-County	84,845	872,194	0.0973	84,842	872,194	0.0973	(3)	-	(0.0000)
Regular	1,906,824	7,410,104	0.2573	1,941,623	7,545,945	0.2573	34,799	135,841	(0.0000)
Nonprofit	361,017	2,095,809	0.1818	355,125	1,954,453	0.1817	(25,892)	(141,356)	(0.0001)
Classroom	14,236	56,415	0.2523	14,169	56,153	0.2523	(67)	(262)	(0.0000)
Total Reg + Nonprft	2,287,841	9,505,913	0.2407	2,296,748	9,500,398	0.2418	8,907	(5,515)	(0.0001)

Periodicals	FY 2000 With Correct FY 1999 RPW Volume			FY 2000 With Preliminary FY 1999 RPW Volume			Change from FY 2000 with Correct FY 1999 RPW Volume		
	Volume Variable Cost	Volume	Unit Cost	Volume Variable Cost	Volume	Unit Cost	Volume Variable Cost	Volume	Unit Cost
In-County	86,609	892,821	0.0970	86,607	892,821	0.0970	(2)	-	(0.0000)
Regular	1,877,647	7,327,818	0.2562	1,909,880	7,457,452	0.2561	32,233	129,634	(0.0001)
Nonprofit	385,564	2,118,588	0.1820	362,549	1,988,821	0.1823	(23,015)	(129,767)	0.0003
Classroom	14,761	58,452	0.2525	14,694	58,182	0.2526	(67)	(270)	0.0000
Total Reg + Nonprft	2,263,211	9,446,406	0.2396	2,272,429	9,446,273	0.2406	9,218	(133)	0.0002

1/ Order No. 1294 Update rollforward using correct Periodicals volumes
2/ Order No. 1294 Update rollforward as filed 7/7/00
3/ Correct Periodicals volumes from Attachment I to witness Kashani response to OCA/USPS-T14-5
4/ Periodicals volumes used Order No. 1294 Update rollforward as filed 7/7/00

Response of United States Postal Service witness Patelunas to Questions Raised at Hearings

QUESTION Tr.35/16782-83. "I would like to ask you about one of your responses to OCA's Interrogatory OCA/USPS-ST44-2 . . . I understand that the space category value breakout for those items that are listed in the question, such as total square feet, et cetera, are not in 410, or do not appear in 410 . . . Would you be able to provide those for the record? And also, the same question relates to Fiscal Year 2000 and Fiscal Year 2001 for the same factors."

Response:

Attachment I that accompanies this response provides the following FY 1999 components requested in the initial interrogatory: (1) USPS component 555 - Total Square Feet; (2) USPS component 562 - Total Rental Value; (3) USPS component 1299 - Capital; (4) USPS component 1298 - Maintenance Labor; and (5) USPS component 1297 - Parts and Supplies. These data are used in the calculation of the various space related factors in the Postal Service cost model "B" Report. Formerly, the Postal Service's cost model calculated the factor components using the data components with the following relationships:

Title	Data Component	Factor Component
Square Feet	555	569
Rental Value	562	570
Capital	1299	1296
Maintenance Labor	1298	1295
Parts & Supplies	1297	1294

In an effort to save many lines of code in the Postal Service's cost model, beginning in FY 1999, the factor components are calculated outside of the model. The result is identical whether calculated by the model or externally to the model. The only difference is that just the factor components now appear in the model. These FY 1999 factor components were also used in the rollforward for FYs 2000 and 20001.

ATTACHMENT 1
QUESTIONS RAISED AT HEARINGS
TR. 35/16782-83 Page 1 of 3

FY 1999 FACILITY SPACE FACTORS

21607

LINE NO	SPACE CATEGORY	(1) SQUARE FEET	(2) RENTAL VALUE (000s OF $)
1	WINDOW SERVICE	22,025,863	205,021
2	SELF-SERVICE POSTAL CENTER	2,539,615	25,284
3	POST OFFICE BOXES	28,819,424	274,110
4	PRIORITY MAIL	1,976,303	19,434
5	EXPRESS MAIL	1,085,406	11,037
6	MAILGRAMS	-	0
7	COMPUTER FORWARDING SYSTEM	2,325,296	18,354
8	BULK MAIL ACCEPTANCE UNIT	1,729,159	14,735
9	REGISTRY	1,462,814	12,909
10	CLAIMS & INQUIRY	529,769	4,631
11	OTHER ACCOUNTABLES	1,147,026	10,193
12	OTHER NON-ACCOUNTABLES	412,715	3,824
13	OPTICAL CHARACTER READERS (OCRs)	2,434,751	19,270
14	MAIL PROCESSING BARCODE SORTERS (MPBCSs)	3,535,504	27,792
15	DELIVERY BARCODE SORTERS (DBCSs)	9,635,410	76,877
16	CARRIER SEQUENCE BARCODE SORTER (CSBCS)	2,063,589	19,208
17	LETTER SORTING MACHINE (LSMs)	168,522	1,307
18	FLAT SORTING MACHINE (FSMs)	5,092,558	40,164
19	PARCEL SORTING MACHINE & NMO MACHINE	3,774,959	31,121
20	FACER/CANCELER - LETTERS	2,544,733	20,040
21	FACER/CANCELER - FLATS	387,052	2,827
22	CULLING	1,865,450	14,985
23	SACK SORTING MACHINE (SSMs)	2,825,824	22,605
24	SMALL PARCEL AND BUNDLE SORTER	5,255,518	39,812
25	REMOTE BARCODING SYSTEM	1,580,976	32,798
26	MULTISLIDE	1,033,971	8,008
27	AIR CONTRACT DATA COLLECTION SYSTEM	480,027	3,825
28	CENTRAL BANDING OPERATION - LETTERS	676,280	5,404
29	CENTRAL BANDING OPERATION - FLATS	337,061	2,706
30	OTHER EQUIPMENT	1,783,511	14,202
31	SORTING TO LETTER CASES	7,069,061	60,273
32	SORTING TO FLAT CASES	7,755,600	67,348
33	SORTING TO HANGING SACKS	4,504,764	37,093
34	SORTING TO ROLLING CONTAINERS	11,684,190	102,378
35	SORTING TO PALLETS	459,032	3,319
36	OTHER SORTING OPERATIONS	2,287,827	20,587
37	REWRAP	305,462	2,512
38	POSTAGE DUE	512,777	4,433
39	OTHER MANUAL OPERATIONS	2,778,003	23,675
40	CITY CARRIER	38,518,338	387,012
41	RURAL CARRIER	9,579,319	84,268
42	SPECIAL DELIVERY	212,483	1,812
43	ACCOUNTABLES CAGE	852,104	8,384
44	INTERIOR & EXTERIOR PLATFORM	38,269,714	246,243
45	OFFICE SPACE	38,565,606	331,180
46	MAIL PROCESSING EQUIPMENT MAINTENANCE	3,823,969	31,726
47	OTHER EQUIPMENT MAINTENANCE	770,267	6,686
48	EMPLOYEE FACILITIES	23,796,998	212,947
49	VMF	7,374,628	68,281
50	CVS	5,537,561	38,214
51	VACANT & TENANT	6,852,002	58,635
52	HQ, HQ-FIELD RELATED AND REGIONAL OFFICES	5,775,855	88,822
53	MAIL TRANSPORTATION EQUIPMENT CENTERS	1,205,141	9,929
54	STORAGE FACILITIES	9,043,920	74,511
	TOTAL	337,063,709	2,952,753

QUESTIONS RAISED AT HEARINGS
Tr. 35/16782-83 Page 2 of 3

MAIL PROCESSING EQUIPMENT DEPRECIATION BY CATEGORY FOR FY 1999

Equip Group	— Equipment Description —	(1296) Depreciation Costs (CS 20.1)
1	OCRs	65,843,837
2	MPBCSs	16,476,979
3	DBCSs	141,481,400
4	CSBCSs	27,917,908
5	LSMs	145,570
6	FSMs	38,788,258
	RBCS WORKROOM	78,076,292
	RBCS REMOTE ENCODING SITES	0
7	RBCS TOTAL	78,076,292
8	CFS	5,098,681
9	EDGE, FACE, & CANCEL - LETTERS	58,147,321
10	EDGE, FACE, & CANCEL - FLATS	537,577
11	CULLING	2,137,186
12	SSMs	5,275,877
13	SPBMs	28,307,234
14	PSMs	11,005,611
15	ACDCS	140,748
16	STRAPPING	2,668,672
18	GENERAL AND LOGISTICS: BMC	43,999,611
19	GENERAL AND LOGISTICS: NON-BMC	51,741,262
20	MAIL TRANSPORTATION EQUIPMENT	0
21	POWERED EQUIPMENT	9,620,189
	TOTAL FOR MAIL PROCESSING EQUIPMENT	587,410,213
	NON-MAIL PROCESSING EQUIPMENT	298,298,492
	TOTAL EQUIPMENT	885,708,705

QUESTIONS RAISED AT HEARING
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MAINTENANCE LABOR, AND PARTS AND SUPPLIES
FOR
MAIL PROCESSING EQUIPMENT BY CATEGORY FOR FY 1999

21609

Equip. Group	— Equipment Description —	Maintenance Labor Costs (CS 11)	Parts & Supplies Costs (CS 16)
1	OCRs	91,310,626	8,481,763
2	MPBCSs	70,370,001	5,351,908
3	DBCSs	212,101,485	14,827,079
4	CSBCSs	9,540,016	4,142,879
5	LSMs	9,951,782	330,059
6	FSMs	66,942,918	3,622,271
	RBCS WORKROOM	19,749,115	2,216,504
	RBCS REMOTE ENCODING SITES	14,802,802	1,074,220
7	RBCS TOTAL	34,551,917	3,290,724
8	CFS	15,883,483	2,071,869
9	EDGE, FACE, & CANCEL - LETTERS	105,048,468	9,541,670
10	EDGE, FACE, & CANCEL - FLATS	2,512,292	129,064
11	CULLING	6,405,799	127,684
12	SSMs	16,458,678	1,514,459
13	SPBMs	31,502,299	6,780,266
14	PSMs	13,094,186	7,530,733
15	ACDCS	4,050,583	630,298
16	STRAPPING	12,535,246	966,453
18	GENERAL AND LOGISTICS BMC	13,101,884	5,364,220
19	GENERAL AND LOGISTICS NON-BMC	26,799,673	2,152,108
20	MAIL TRANSPORTATION EQUIPMENT	26,183,657	196,324,897
21	POWERED EQUIPMENT	28,890,744	3,085,901
	TOTAL FOR MAIL PROCESSING EQUIPMENT	797,235,738	276,266,305
	NON-MAIL PROCESSING EQUIPMENT	293,165,315	141,305,232
	TOTAL EQUIPMENT	1,090,401,053	417,571,537

Response of United States Postal Service witness Patelunas to Questions Raised at Hearings

QUESTION Tr.35/16785, 91-92. "And there is a reference to a field reserve in that table of $200 million. . .is it included? . . . And how did you go about apportioning the field reserve to the different categories in that case? . . . Mr. Richardson asked you some questions earlier about the allocation of the field reserve. And you talked about some formula that you used? . . . I assume there's a spreadsheet that shows that? . . . could you provide it?"

Response:

Please see my revised response to Presiding Officer's Information Request No. 14, Item 2(b) and (e), filed August 11, 2000.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PATELUNAS
TO QUESTIONS POSED DURING ORAL CROSS EXAMINATION

Counsel for the Office of the Consumer Advocate asked for an explanation of why the use of a general population life table would result in higher workers' compensation costs than the use of a life table for a disabled population. The Postal Service was also asked to confirm that while the immediate impact of the change was to lower costs there would be no cost increase in later years as a result of using the disabled population life tables. Tr. 35/16779.

RESPONSE:

The Social Security Administration disabled population life tables in general reflect higher mortality rates than the old life tables based on the general population. The life table for the disabled population is a much better mathematical fit with the experience of Postal Service workers' compensation claimants. It results in lower costs due to the recalculation of the aggregate liability for future payments on behalf of current claims. No additional costs in future years result from the change in life tables.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PATELUNAS TO QUESTIONS POSED DURING ORAL CROSS EXAMINATION

Counsel for the Office of the Consumer Advocate asked for an explanation of how wage changes were calculated for FY's 00 and 01 and how a change in wages of 1.7 % less than the Employment Cost Index was accounted for in the test year. Tr. 35/16786.

RESPONSE:

FY 00 wage costs for bargaining unit employees are based on the provisions of labor contracts currently in force. As explained on page 3 of my testimony, the effective change in wages for the test year has two components. The first is the carryover cost from wage increases effective in FY 00 under existing labor contracts. For example, a hypothetical wage change of $100 with an effective date in the middle of FY 00 would add $50 to FY 00 expenses and an additional $50 to FY 01 expenses. The second test year wage change component is a new wage change assumed to be effective under the new labor contracts in the test year. The total of these two components has been limited to the forecasted growth in the ECI for the 12 month period prior to the test year. For clerks the total effective wage change indicated by the ECI for FY 01 is $1,733.85 (4.63% multiplied by the average FY 2000 base salary of $37,469.27). The carryover from the general increase and COLAS effective in FY 00 under the existing labor contract is $771.92 ($68.22 for pay and $703.70 for COLA). Subtracting the carryover amounts from the total indicated by the ECI leaves a residual of $961.93 available for effective new wages under the new labor contract in FY 01. Because the new wage increase is assumed to be effective on 11/18/00, an annual increase of $1,107.58 is implied, which results in

$961.93 effective in FY 01 and a carryover of $145.65 effective in FY 02. The $1,107.58 new annual wage increase is 2.96% of the FY 00 base salary and 2.96% is roughly 1.7% less than the forecasted change in the ECI. Thus the wage costs assumed to result from the new contract are more than one percentage point less than the ECI. These calculations are detailed on page 266 of USPS-LR-I-421.

United States Postal Service

Michael K. Plunkett
(USPS-T-36)

POIR No. 1 Question 10. Please refer to USPS-LR I-125, H-I.
a. The note at the bottom of page 2 states, "Excludes 1,931,382 Alaska Bypass pieces and 1,556,914 OMAS pieces." Please explain how these numbers are calculated and provide cites.
b. Please also provide the revenue and revenue adjustment figures for H-I.

POIR No. 1 Question 10 Response

a-b. Estimates for OMAS and Alaska Bypass volumes are incorporated into billing determinant volumes based on mailing statement data collected as part of the RPW system.

RESPONSE OF USPS WITNESS PLUNKETT TO PRESIDING OFFICER'S INFORMATION REQUEST NO.1 QUESTIONS 10-12

POIR No. 1 Question 11. Please refer to USPS-T-36, Attachment A. On page 1 the total air postage pounds for TYBR is 70,062,344. On page 2 the figure used is 64,784,248. Please reconcile these numbers.

POIR No.1 Question 11 Response. The correct total for TYBR postage pounds is 83,598,835. A corrected version of attachment A will be filed with other errata shortly.

POIR NO.1 Question12. Please refer to USPS-T-36, Attachment E.

a. The sources listed are WP I.A page 1 and WP I.A pages 6 and 7. Are these workpapers included in LR-I-62 "Materials related to Testimony of witness Plunkett, USPS-T-36"?

b.If so please provide a crosswalk between the sources listed in USPS-T-3 and the library reference. For example, is WP I.A pages 6 and 7, the same as LR-I-62 'BD Volumes'?

POIR NO.1 Question 12 Response.

a-b References to WP 1.A are for volume data. Test year volumes are presented in my Attachment D, and are distributed on the basis of FY 98 billing determinant volumes. Billing determinant data are in LR-USPS-125. The billing determinants for parcel post are also contained in LR-USPS-62.

United States Postal Service

Mark F. Ramage
(USPS-T-2)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAMAGE TO QUESTION RAISED BY OFFICE OF THE CONSUMER ADVOCATE DURING HEARINGS

Question of the OCA at Tr. 4/1143-44:

Q Just so we are sure on the question, what I am hoping to determine is whether IOCS could recognize the kinds of pieces that the Chairman was discussing earlier, the letters that weigh more than the break point, and somehow reclassify their shape during computer processing of the data.

Response:

This question is directed towards exploring the feasibility of adjusting IOCS data so that it is consistent with shape definitions used for volume data for Standard A letters. An alternative approach would be to produce volume estimates for Standard A letters that are consistent with the IOCS shape definitions. My understanding is that witness Daniel employed this latter approach to ensure consistency between the costs and volumes. See Tr. 4/1202. Since witness Daniel relies on PERMIT volumes corresponding to the Domestic Mail Manual (DMM) shape definitions, she uses consistent shape definitions for her volume and cost estimates. The IOCS shape definitions and the DMM shape definitions both define letter shape according to the same physical dimensions of the piece. See F-45, page 12-8, and C050.2.0 of the DMM 55.

Upon review of data collected by the IOCS, it would not be possible to identify all IOCS records having Standard A letter activity codes derived from pieces which are over the breakpoint. This is due partly to the fact that IOCS question 23G records weight in half-ounce intervals for pieces weighing less than 4 ounces, and partly to the fact that some IOCS records having a Standard A letter activity code are generated from counted item mixed mail observations for which piece weights are not recorded.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAMAGE TO QUESTION RAISED BY OFFICE OF THE CONSUMER ADVOCATE DURING HEARINGS

For IOCS Standard A records having a letter shape activity code (1310 - 1360), there may or may not be a valid weight recorded in F165. For example, if the record is generated from a divided mixed mail item, weight fields would contain zeros.

If there is an entry in the ounce question (Q23G, variable F165), there are 3 possibilities:

1. Weight is less than 3 ounces (an entry of A-F in this question). This is not an overweight Standard A letter. For BY 1998, there were 14,345 observations of this type.
2. Weight is between 3 and 3.5 ounces (choice "G"). This might be an overweight Standard A letter. For BY 1998, there were 183 observations of this type.
3. Weight over 3.5 ounces. This is an overweight standard weight letter. For BY 1998, there were 311 observations of this type.

Based on IOCS data, it is not possible to determine whether a particular Standard A letter observation between 3 and 3.5 ounces was over the breakpoint.

United States Postal Service

Lloyd Raymond
(USPS-T-13)

ADVO/USPS-T13-38. Please confirm that the database you filed in LR-163 (and any subsequent updates or variations of that database) does not include any information identifying the observer codes for any observations.

(a) If you cannot confirm, please identify specifically where this information can be found in the LR-163 database (or any other databases that have been filed in this proceeding).

(b) Please provide a re-filed database, in hardcopy and electronic spreadsheet format, that identifies for each record (tally) the data collector who actually recorded the data (by observer code number). If such information is not available, please so state, and explain why it is not available.

(c) If there are no data or other information that would enable a matching of each tally with the data collector who actually recorded the tally, please provide a re-filed database, in hardcopy and electronic spreadsheet format, that identifies any segments of observations for each route-day where the data collector (by observer code number) was different from the one who was listed as the "Observer" at the start of the day. If such information is not available, please so state, and explain why it is not available.

(d) If there are no data or other information that would enable a matching of either (i) each tally with the data collector who actually recorded the tally, or (ii) segments of tallies where the identified data collector is different from the one identified at the "Observer" at the start of the day, please provide a refiled database, in hardcopy and electronic spreadsheet format, that identifies for each route-day the data collector who was listed at the start of the day as the "Observer" (by observer code number). If such information is not available, please so state, and explain why it is not available.

RESPONSE:

(a) Confirmed. The LR-I-163 does not contain observer codes.

(b-d) Please refer to the Access database LR-I-337, to be filed shortly. Please see my response to ADVO/USPS-T13-37.

ADVO/USPS-T13-69. For each of the types of tallies identified below from the LR-163 database, please explain fully how these tallies occurred:

(a) 492 tallies with the same time and observation information;

(b) 20 tallies with the same time but different observation information;

(c) 1,325 tallies that are taken within 5 minutes of another tally, including 241 tallies taken within 3 minutes of another tally;

(d) Tallies that are greater than 6 minutes apart but do not appear to be the result of some sort of uncompensated break (e.g., 295 tallies that are II-12 minutes after another tally, and 610 tallies that are 12-15 minutes after another tally).

RESPONSE:

(a) The duplication of the 492 tallies is due to the barcode scanner retaining the previous scan sequence when entering the quantity information in level 13. 1 tally type of each of the 371 tallies should remain in the database. The duplicate tallies should be deleted from LR-I-163. LR-I-337, to be filed shortly, contains a revised version of LR-I-163.

(b) I have not been able to locate 20 such tallies that have the same time but different observation information in the remaining 18 data fields.

(c) The observers were instructed to take the mental snapshot of the carriers actions and location when the beep sounded from the scanner. The scanning of the observation made was to take place as soon as the observer was able to safely scan the codes. In a relatively small number of cases, this took as long as five minutes.

(d) The observers were instructed to take the mental snapshot of the carriers actions and location when the beep sounded from the scanner. The scanning of the observation made was to take place as soon as the observer was able to safely scan the codes. The lack of lunch break information in the data provided to witness Baron, provides one possible an explanation. Please refer to the "A03" codes provided in USPS-LR-I-316.

Please see Tr. 19/8065-69 for other additions to LR-I-163 that will provide an explanation for some of the tallies with greater than a six minute break.

ADVO/USPS-T13-102. Please provide the Outside Study data in Access Database Format, for each route-day, including the following:

(a) All data for Levels 1, 2, 3, 3.1, 4, 5, and 6.

(b) The ending vehicle odometer readings.

(c) All Outside Study/Outside Work Sample Observations (counts and tallies) for Levels 8.3, 8.4, 9, IO, 11.1, 11.2, 11.3, 11.4, and 11.4.1, and times.

(d) The observer code for the second person on the team.

(e) The trainer code for all trainers accompanying observers.

RESPONSE:

(a-e) Please see the Access database provided in Library Reference LR-I-238.

Note that, with respect to (e), the observers conducted the training. Thus, in the database provided, trainers are identified as observers. Those accompanying the observers are identified as trainees (there were no such trainees in Phase 1).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. INTERROGRATORIES

ADVO/USPS-T13-104. On a curbline delivery, when a carrier had to dismount from his vehicle at a delivery to drop an accountable or parcel to an address, did the data collector identify that delivery type as a curbline or as a dismount?

RESPONSE:

In general the data collector recorded a carrier dismount from the vehicle to deliver a parcel or an accountable as a dismount type delivery. The Engineered Standards study was concerned with the work that is taking place at a delivery point. The work required to service a curbline type delivery with a dismount of the vehicle is significantly greater that servicing a curbline delivery from the vehicle. Our data thus has the advantage of allowing such dismounts to be accurately categorized with the STS category of Route/Access (FAT) Time.

ADVO/USPS-T13-110. Interrogatory MPA/USPS-T13-16 asked you to "identify the routes" that each data collector worked on during the survey. Your response provided observers (by observer code) and 4-digit route numbers. With respect to this response,

(a) Please confirm that 7 pairs of routes in the database (14 total routes) have identical 4-digit route codes but for different city and zip codes, and that your response lists two or more data collectors for each of these identical 4-digit route codes, but does not uniquely identify which observer(s) worked on which routes.

(b) Please confirm that it is impossible to determine from your response which observer(s) correspond to which of these routes.

(c) Please provide, in hardcopy and spreadsheet format, a revised response that includes city (CY codes) that will enable parties to "identify the routes" that each data collector worked on.

RESPONSE:

(a) Not Confirmed – I cannot confirm 7 pairs of routes in the entire ES database (14 total routes) have identical 4-digit route codes but for different city and zip codes. I found five pairs in Phase 1pair and one in Phase 2. Confirmed that each route having identical 4-digit route codes relating different city and zip codes lists two or more data collectors. Not confirmed that the response to MPA/USPS-T13-16 does not uniquely identify which observer(s) worked on each route. See (b) below.

(b) Not Confirmed – It is possible to determine which observers correspond to which routes. The response to MPA/USPS-T13-16 provided observers (by observer code) and 4-digit route numbers. I admit, however, that for some routes it is unclear which city the route is located. Also see response to ADVO/USPS-T13-31.

(c) Please refer to library reference LR-378 for the updated database containing city (CY codes) and observer codes.

ADVO/USPS-T13-111. In response to MPA/USPS-T13-57, you state that, when the 6-minute beep occurred, the observer took an instant snapshot of the carrier's activity and scanned in the observation as soon as possible. On page 6 of your testimony, you state that your Stage 1 process design included a task inventory which included:

"1) Followed carriers from time of arrival at the station (clock-in) to end of the day (clock-out). Teams also traced routes from start to finish.

"2) Compiled a list of activities performed/route information and arranged the list into a hierarchy.

"3) Returned to the stations to follow carriers to insure the hierarchy reflected activities performed/route characteristics.

"4) Adjusted hierarchy and finalized flow-process charts with a data collection structure. Refer to Appendix A." (Italics in original)

> ..."The work sampling data identified the frequency of occurrence of an activity, which translated into the percent of time a carrier spent performing certain activities."

With respect to these "instants," activities, and hierarchy, please confirm the following or explain fully why you cannot and provide all corrections. If none of the following are correct, please explain fully how Appendix A of your testimony relates to your activity sampling data collection and your testimony.

> (a) The list of activities and hierarchy to which you refer on page 6 are represented in Appendix A on page 17 of your testimony (and similarly in the flowcharts presented in LR I-220).
>
> (b) For purposes of the original activity sampling data collection, the intent of collecting data was to categorize time proportions (i.e., instants of time) into the general sets of activities described by the rectangles and circles in Appendix A.
>
> (c) Numerous specific carrier activities can be encompassed within each of the general sets of activities described by the rectangles and circles in Appendix A (for example, according to your response to MPA/USPS-T13-109, the Appendix A term, "Load Vehicle," includes moving full hampers/containers from unit across dock to vehicle, physically moving mail from hampers/containers into vehicle, rearranging mail/containers within vehicle, moving empty hampers/containers from vehicle, across dock, and back to unit; the Appendix A term, "Drive to Park Point,"

includes any driving for any delivery type except driving among curbline deliveries).

(d) Although the data collectors took "snapshots" of carrier activity being observed, the codes used to describe those "snapshots" were designed to categorize each snapshot into one of the general sets of activities (represented by either one of the rectangles or one of the circles in Appendix A).

RESPONSE:

(a) Not precisely. The list of activities and hierarchy to which I refer on page 6 are the basic steps that were followed to create the data collection hierarchy for programming the TimeWand II scanners. Appendix A on page 17 of my testimony is a flow chart showing the basic delivery patterns of a city delivery carrier. Appendix A was one of many materials used to develop the data collection hierarchy prior to programming the scanners. The flowcharts presented in LR I-220 are other materials used to develop the data collection hierarchy, and were, in fact developed prior to the creation of Appendix A. Pages 10 and 11 of my testimony describe the data collection procedure as it transpired following the programming of the scanners.

(b) Not confirmed. For purposes of the original activity sampling data collection, the intent of collecting data was to determine the percentage distributions of time spent at various locations, determine percent time spent inside versus outside, develop delay percentages for inside and outside activities, develop a set of engineered standards based on work sampling and other data, and other purposes.

(c) Partially confirmed, in that numerous specific carrier activities can be encompassed within each of the general sets of activities described by the rectangles and circles in Appendix A. In my response to MPA/USPS-T13-109, I identified only two tallies out of the 844 route days of data given to Witness Baron that involved "In Unit Walking", and in my response I did not state that the Appendix A term, "Load Vehicle," includes moving full hampers/containers from unit across dock to vehicle, physically moving mail from hampers/containers into vehicle, rearranging mail/containers within vehicle, moving empty hampers/containers from vehicle, across dock, and back to unit. In fact, "Load Vehicle" may contain other activities in addition to those mentioned in your question. In my response, I also did not state that the Appendix A term, "Drive to Park Point," includes any driving for any delivery type except driving among curbline deliveries and driving to a DM – Dismount Point. However, the use of the work sampling hierarchy provided additional driving information to assist in defining the intent of the travel. In fact, "Drive to Park Point" may contain other activities in addition to those mentioned in your question.

(d) Not confirmed. The codes used to describe the "snapshots" were designed to represent many different characteristics of a single moment in time relating to the location, activity, etc. of the carrier at that moment. Some of these characteristics were intended to be combined to present an overall picture of the carrier's activity. The codes were not designed to map onto Appendix A. The

rectangles and circles in Appendix A are not suitable to all of the goals of the work sampling data collection.

ADVO/USPS-T13-112. In response to MPA/USPS-T13-57, you state that, when the 6-minute beep occurred, the observer took an instant snapshot of the carrier's activity and scanned in the observation as soon as possible. Please confirm the following or provide a correction.

(a) With the exception of L18 (In Unit Walking), none of the Level 10 Location codes indicate specific physical actions on the part of the carrier – only that carrier actions occurred at these locations at the instants of time being observed.

(b) None of the Level 11 .I (Personal or Administrative), Level 11.2 (Delivery Type), or Level 11.3 (Delivery Type Status) codes, provided in LR I-163, indicate specific physical actions on the part of the carrier at the instants of time being observed.

(c) The D01 (No Access to Box), D02 (Vehicle Breakdown), D04 (Weather), D05 (Traffic/Detour), D06 (No Work), D08 (Delay Specify) activity codes do not indicate specific physical actions on the part of the carrier – only that these conditions were somehow associated with a carrier activity at the instants of time being observed.

(d) The F03 (Hardship), F04 (Delay-Specify) activity codes do not indicate specific physical actions on the part of the carrier - only that a hardship service or delay was somehow associated with a carrier activity at the instants of time being observed.

(e) The F01 (Accountable), F02 (Parcel), J04 (Parcels), and J06 (Mix) activity codes do not indicate specific physical actions on the part of the carrier - only that accountable, parcel, parcels, or mix of mail was somehow associated with a carrier activity at the instants of time being observed.

(f) The T00-T04 Travel activity codes do not indicate, by themselves, how the carrier was physically moving or, even, whether the carrier was actually moving.

RESPONSE:

(a) Confirmed. As stated in my testimony on page 10, lines 17 and 18, Level 10 Location codes are used to indicate *where* a carrier is when the tone signals. Level 10 Location codes are not intended to capture specific physical carrier actions by themselves. However, a Level 10 Location

code scanned in combination with the additional 5 Levels of codes (Level 11.1, 11.2, 11.3, 11.4, and 11.4.1) could add additional insight into what carrier activity is taking place at the instant of time being observed.

(b) Confirmed. Level 11.1 (Personal or Administrative), Level 11.2 (Delivery Type), and Level 11.3 (Delivery Type Status) codes are not intended to capture specific physical carrier actions by themselves. However, the Level 11.1, 11.2, and 11.3 codes, scanned in combination with the additional Levels of codes (Levels 10, 11.1, 11.2, 11.3, 11.4, 11.4.1), could add additional insight into what carrier activity is taking place at the instant of time being observed.

(c) Confirmed. The D01, D02, D04, D05, D06, and D08 codes are not intended to capture specific physical carrier actions by themselves. However, scanning these codes (D01, D02, D04, D05, D06, or D08) in combination with other Levels of codes (Level 11.1, 11.2, 11.3, 11.4, and 11.4.1) may yield additional insight into what carrier activity is taking place at the instant of time being observed.

(d) Confirmed. The F03 and F04 codes are not intended to capture specific physical carrier actions by themselves. However, scanning these codes (F03 or F04) in combination with other Levels of codes (Level 11.1, 11.2, 11.3, 11.4, and 11.4.1) may yield additional insight into what carrier activity is taking place at the instant of time being observed.

(e) Confirmed. The F01, F02, J04, and J06 codes are not intended to capture specific physical carrier actions by themselves. However, scanning these

codes (F01, F02, J04, or J06) in combination with other Levels of codes (Level 11.1, 11.2, 11.3, 11.4, and 11.4.1) yields additional insight into what carrier activity is taking place at the instant of time being observed.

(f) Confirmed. The T00-T04 codes, by themselves, are not intended to capture how the carrier was moving or whether the carrier was moving. By and large, however, use of these codes (T00-T04) in combination with other Levels of codes (Level 11.1, 11.2, 11.3, 11.4, and 11.4.1) can be expected to indicate movement and yield additional insight into what carrier activity is taking place at the instant of time being observed.

ADVO/USPS-T13-114. MPA/USPS-T13-60 requested, for each route day, the observer codes for all data collectors that collected data on that specific route day. Your response indicates that you have provided that information in response to MPA/USPS-T13-16.

(a) Please confirm that your response to MPA/USPS-T13-16 provides no CY codes or dates and does not provide sufficient data points to reflect all route days in your LR I-163 database.

(b) Please provide, in spreadsheet format, the observer codes for each data collector for each route day in LR I-163.

RESPONSE:

(a) Confirmed.

(b) A spreadsheet named ADVO114.xls is provided in LR-I-378, to be filed shortly.

ADVO/USPS-T13-115. MPA/USPS-T13-60 requests identification of data collectors which had previous experience (in projects other than the one in which the activity sampling data were collected) in observing postal delivery carriers for purposes of identifying specific activities. Your response states that OBS12 and OBS13 had collected data with the scanner on other non-postal clients.

(a) Were OBS12 and OBS13 the only data collectors that had scanner experience on other than this project?

(b) Did any of the other data collectors have experience in observing postal delivery carriers for purposes of identifying or measuring specific carrier activities? If so, please identify each individual by observer code and provide a brief description of his experience.

RESPONSE:

(a) Yes.

(b) No.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

ADVO/USPS-T13-116. Your responses to:

- MPA/USPS-T13-61 and 62 suggest that USPS LR I-220 (Engineered Standards Book of Forms/Pictures) explains how to identify and distinguish among each of the Level 10 Locations in Appendix D.

- MPA/USPS-T13-64 suggest that USPS LR I-220 explains how to identify and distinguish among specific Level 11.2 Delivery Types.

- MPA/USPS-T13-78 suggest that USPS LR I-220 explains how Level 11.3.1 Activity Detail codes should be associated with Level 11.4 Activity codes.

Please confirm that LR I-220 contains only the following. If you cannot, please explain why not and make all necessary corrections.

(a) Fourteen pages of sample USPS forms, none of which demonstrate how to identify Locations, Delivery Types, Activity, or Activity Detail codes.

(b) Eight pages of diagrams of which five are diagrams of in-office activities.

(c) A "Delivery-Basic" diagram that covers only three route types (park & loop, walking, curbside) but does not explain how to identify them (as either Level 11.2 or Level 11.3 codes), provides no explanation of when one location or delivery type begins and the other ends, provides no explanation of when one activity begins and the other ends, and provides no explanation of how to apply the various (Level 11.4.1) activity detail codes.

(d) A "Delivery -Accountable" diagram that does not use any terms which are identical with the codes in your Appendix D, other than the Level 11.4 code for "Parcel" (F02), provides no explanation of when one location or activity begins and the other ends, and provides no explanation of how to apply the various (Level 11.4.1) activity detail codes.

(e) A "Collection" diagram that does not use any terms which are identical with the codes in your Appendix D, other than the Level Location code for "Collection Box," and the Level 11.4.1 code for "Collection Box," provides no explanation of when one location or activity begins and the other ends, and provides no explanation of how to apply the various (Level 11.4.1) activity detail codes.

(f) Four pages of sample maps.

(g) Thirteen pages of in-unit photographs, none of which show the dock or demonstrate when the dock (Level 10) location begins or ends.

(h) Seven pages of vehicle photographs, none of which explain how to determine when vehicle location (Level 10) codes should be used.

(i) Four pages of photographs of collection and relay boxes, none of which explain how to determine when collection/relay box (Level 10) location codes should be used.

(j) Fifteen pages of photographs of mail receptacles, none of which explain how to determine when various location codes (e.g., vehicle, point of delivery, on route, in vehicle at stop, other route) should be used, how to determine when various activity codes should be used, and none of which (with the exception of gang box) show how to identify specific receptacle codes.

(k) Fifteen pages of photographs of mail in containers and various mail receptacles, none of which can be related to any of the Location, Delivery Type, Activity, or Activity Detail codes.

RESPONSE:

USPS LR-I-220, used in conjunction with oral instructions, served as a guide as to what types of activities, locations, vehicles, collection boxes, relay boxes, various mail receptacles, and other containers and carts holding mail a data collector may observe. USPS LR-I-220 was not intended to include *every* location, *every* mail receptacle, or *every* activity, nor was it intended to correlate directly to the various Levels associated with the barcode technology, and I did not intend to suggest that it did.

(a) Confirmed. Refer to my response to ADVO/USPS-T13-84 regarding photographs contained in LR I-220.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

(b) Confirmed. Four diagrams are in-office activities as they relate to carrier activities. One diagram shows in-office activities as they relate to upstream activities performed by USPS personnel other than carriers.

(c) Confirmed. Refer to my response to ADVO/USPS-T13-86 regarding the "Delivery Basic" flowchart of carrier activities and route characteristics used to develop the barcode method application. It was not the intent of the flow process charts to identify the work sampling codes, but to define the boundaries of the time study groupings. Application of the various activity detail codes was explained in my response to ADVO/USPS-T13-84.

(d) Confirmed. It was not the intent of the flow process charts to identify the work sampling codes, but to define the boundaries of the time study groupings. Application of the various activity detail codes was explained in my response to ADVO/USPS-T13-84.

(e) Confirmed. It was not the intent of the flow process charts to identify the work sampling codes, but to define the boundaries of the time study groupings. Application of the various activity detail codes was explained in my response to ADVO/USPS-T13-84.

(f) Confirmed.

(g) Confirmed, although two *vehicle* photographs show the dock (Long Life Vehicle Front View and ¼ Ton Jeep-Rear View). Application of the various location codes was explained in my response to ADVO/USPS-T13-84(b).

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(h) Confirmed. Application of the various location codes was explained in my response to ADVO/USPS-T13-84(b).

(i) Confirmed. Application of the various location codes was explained in my response to ADVO/USPS-T13-84(b).

(j) Confirmed. Application of the various location codes was explained in my response to ADVO/USPS-T13-84(b).

(k) Confirmed. Application of the various location codes was explained in my response to ADVO/USPS-T13-84(b).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

ADVO/USPS-T13-117. Your responses to:

- MPA/USPS-T13-61 and 62 suggest that USPS LR I-220 (Engineered Standards Book of Forms/Pictures) explains how to identify and distinguish among each of the Level 10 Locations in Appendix D.

- MPA/USPS-T13-78 suggest that USPS LR I-220 explains how Level 11.3.1 Activity Detail codes should be associated with Level 11.4 Activity codes.

Please confirm that LR I-220 contains no photographs of any carriers at any locations and no photographs of any carrier activities. If you cannot, please explain why not and provide all necessary corrections.

RESPONSE:

USPS LR-I-220, used in conjunction with oral instructions, served as a guide as to what types of activities, locations, vehicles, collection boxes, relay boxes, various mail receptacles, and other containers and carts holding mail a data collector may observe. USPS LR-I-220 was used during the process of oral instruction to identify locations where some carrier activities might occur. USPS LR-I-220 was not intended to include *every* location or *every* activity, nor was it intended to correlate directly to the various Levels associated with the barcode technology, and I did not intend to suggest that it did.

Confirmed. LRI-220 contains no photographs of any carriers at locations and no photographs of any carrier activities.

ADVO/USPS-T13-118. In response to MPA/USPS-T13-61 and 52, you state that "the oral instructions provided to the observers" on how to identify and distinguish among the Level 10 Location codes "are as shown in Appendix D to my testimony." On page 26, Appendix D, you state that Location Code L09, Park Point, is "the point where the vehicle is parked on Park and Loop routes." However, on page 17, Appendix A, you show "Park Points" for Central Inside, Central Outside, Dismount, and Park and Loop routes. There also appear to be Park Point locations for non-Park and Loop routes in the LR I-163 database. Despite the Appendix D definition, please confirm that your data collectors scanned the Park Point L09 code when the carrier parked at many different locations and not just on loops. If you cannot, please explain why not.

RESPONSE:

Confirmed. Please note that the response to MPA/USPS-T13-52 does not relate to the use of Park Point L09 Code. Note also the response to MPA/USPS-T13-61 explains that LR-I-220 contains pictures of various postal items and oral instructions were provided to the observers as shown in Appendix D of my testimony. Appendix D of my testimony was not intended to be a set of all-encompassing definitions of location codes, but only to give very general insight as to the location.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

ADVO/USPS-T13-119. MPA/USPS-T13-69(e) asked for an explanation of why the data collectors assigned delivery type and delivery type status codes to locations that were not at the point of delivery. Based on your best belief and understanding of what the data collectors were instructed to do:

(a) Please explain the distinction between the tallies with delivery type and delivery type status codes and those that do not have such codes.

(b) Please provide all reasons for collecting that delivery type and delivery type status codes for non-Point of Delivery locations.

RESPONSE:

As I stated in my response to MPA/USPS-T13-69 (e), "based on the USPS Form 3999x delivery type the observer chose the code for either the delivery the carrier was servicing or the next delivery the carrier was traveling to."

(a) As I stated in my response to ADVO/USPS-T13-81 (d), "the 11.2 level outside delivery type could be N/A or the next delivery type the carrier was to encounter on the route. The 11.3 level delivery type status could be N/A or the next delivery type status the carrier was to encounter next on his route." Ideally, all tallies should have delivery type recorded. There were very few tallies (22 out of 38,557 based on LR-I-337) that have Level 11.2 Outside Delivery Type codes of N/A. These N/A Codes are legitimate tallies since they apply to an activity not specific to the deliveries. Examples are personal or break time, administrative, loading, unloading, setup etc.

There are tallies for Level 11.3 Outside Delivery Type Status that are N/A (4,030 out of 38,557 based on LR-I-337). These N/A Codes are legitimate tallies since they apply to an activity not specific to deliveries. Examples are personal or break time, administrative, loading, unloading, setup etc.

(b) The reason for collecting delivery type and delivery type status was to collect additional information that might assist us in identifying the conditions of the route. Tallies were grouped by the delivery type code in the work sampling summary reports. The delivery type status code ultimately was not used in any portion of the Engineered Standards or data analysis performed on the data collected.

ADVO/USPS-T13-120. Your response to MPA/USPS-T13-65 indicates that, based on USPS 3999X delivery types, when moving from one kind of delivery type/status to another kind of delivery type/status, the observer would change the delivery type when traveling to the next (new) delivery type/status. MPA/USPS-T13-69(c) and (d) requested all systematic guidance given to the data collectors on how to identify delivery type and delivery type status when the carrier was not at the point of delivery. For the following, please provide your best belief and understanding. If you do not know the answer, please so state. If no instructions were given, please so state.

(a) For all carrier activities prior to the first delivery of the day, did the observers scan the delivery type/status for the first possible (as opposed to actual) delivery of the day? Please explain,

(b) For all carrier activities after the last delivery of the day, did the observers scan the delivery type/status for the last possible (as opposed to actual) delivery of the day? Please explain.

(c) If a delivery was typically curbline but, on the observed route-day, a parcel or accountable had to be dropped to the address, were the data collectors instructed to scan curbline type (with either outside residential or business status) or to scan dismount (with inside residential or business status)? Please explain.

(d) If a delivery was typically central, park & loop, or foot, and the delivery status was typically outside residential or business, but on the observed route-day, a parcel or accountable had to be dropped to the address, were the data collectors instructed to scan outside residential or business or inside residential or business? Please explain.

(e) In response to MPA/USPS-T13-91, you confirm that there are no tallies allocating Curbline Delivery type to Drive Time. In response to MPA/USPS-T13-92 you confirm that the observers could tell when a curbline set of deliveries was coming up. Do these facts mean that, on the observed routes, curbline deliveries always preceded other motorized delivery types and the observed carriers never drove from another delivery type to a curbline set of deliveries? Please explain.

RESPONSE:

As indicated in response to MPA/USPS-T13-69 (c-e), the observer's choice for

delivery type and delivery type status was based on the USPS Form 3999x.

Based on this form, the observer choose the code for either the delivery the carrier was servicing or the next delivery the carrier was traveling to.

(a) In general, the observers correctly scanned the delivery type/status for the first possible delivery point based on the USPS Form 3999x for all the outside sampling scans prior to the first delivery. The delivery type/status scans after the first delivery point were based on the actual delivery and the USPS Form 3999x as a guideline. If the actual delivery point did not match the USPS Form 3999x, the collector was to note the change for a database update. In a few cases, the N/A Code was scanned.

(b) Generally, the delivery type/status for the last delivery was correctly scanned for the remaining outside work sampling scans. In a few cases, the N/A Code was scanned.

(c) For a parcel delivery on a curb line route, the observation at the time of the six-minute work sampling beep would be scanned as dismount if the carrier had dismounted the vehicle and walked to the delivery point. The observer would scan Curb line delivery if the carrier remained at the vehicle and could fit the parcel into the receptacle or hand it to the customer waiting at the receptacle. If the parcel point of delivery was inside then inside residential or business would be recorded. If the parcel point of delivery was outside, then outside residential or business would be recorded.

For an accountable delivery on a curb line route, the observation at the time of the six-minute work sampling beep would be scanned as dismount if the carrier dismounted the vehicle and walked to the delivery point. The observer would scan Curb line delivery if the carrier remained at the vehicle and handed the accountable to the customer waiting at the receptacle. If the accountable point of delivery was inside then inside residential or business would be recorded. If the accountable point of delivery was outside, then outside residential or business would be recorded.

(d) If the parcel or accountable was to be dropped inside, then inside residential or business would be recorded. If the parcel or accountable was to be dropped outside then outside residential or business would be recorded.

(e) As I stated in my response to MPA/USPS-T13-92, "the observers had the USPS Form 3999x that lists the entire route with delivery types by delivery point." If your question means that curbline deliveries always preceded other motorized delivery type (such as dismount) and the observed carriers never drove from another delivery type (such as park and loop), then no, these facts do not mean that is the case. Curbline deliveries can occur throughout the route. Park and loops can occur prior to or after curbline deliveries. The carrier would drive from the park point to the first curbline delivery. The carrier can also drive from the last curbline delivery to a park point. The curbline deliveries are identified on the USPS Form 3999x.

ADVO/USPS-T13-121. In response to MPA/USPS-T13-74(c), you state that Level 11.4 Activity code F01 (Accountable) means that the carrier is handling, delivering, or processing an accountable type of mail.

(a) Please confirm that F01 does not necessarily mean that the carrier was preparing mail to place into a mail receptacle, inserting mail into a receptacle or handing mail to an addressee at the observed instant of time. If you cannot, please explain why not.

(b) Please confirm that "delivering" as used in your statement is used broadly in the sense that the carrier intends to get the accountable to the addressee and does not mean physically placing the accountable in the addresee's hands or mail receptacle. If you cannot, please explain why not.

RESPONSE:

(a) Confirmed. As stated in MPA/USPS-T13-74 (c), the physical action generally observed for the F01 (accountable) code is, "the carrier handling, delivering or processing an accountable type of mail." These actions include, in addition to the activities described in your question, completing the form and waiting for the customer.

(b) Confirmed.

ADVO/USPS-T13-122. In response to MPA/USPS-T13-75(c), you state that Level 11.4 Activity Code F02 (Parcel) means that the carrier is handling, delivering, or processing a parcel type of mail.

(a) Please confirm that F02 does not necessarily mean that the carrier was preparing mail to place into a mail receptacle, inserting mail into a receptacle, or handing mail to an addressee at the observed instant of time. If you cannot, please explain why not.

(b) Please confirm that "delivering" as used in your statement is used broadly in the sense that the carrier intends to get the accountable to the addressee and does not mean physically placing the parcel in the addresee's hands or mail receptacle. If you cannot, please explain why not.

RESPONSE:

(a) Confirmed. As stated in MPA/USPS-T13-75 (c), the physical action generally observed for the F02 (parcel) code is, "the carrier handling, delivering or processing a parcel type of mail." These actions include, in addition to the activities described in your question, completing the form, waiting for the customer.

(b) Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

ADVO/USPS-T13-124. In response to MPA/USPS-T13-57, you state that, when the 6-minute beep occurred, the observer took an instant snapshot of the carrier's activity and scanned in the observation as soon as possible. Please refer to your response to MPA/USPS-T13-36 where you state that the Level 11.4 Activity Code of "Finger @ Delivery" (J12) includes ". the actions of the carrier obtaining the mail while at the delivery point from the hand, and/or arm, and/or satchel, verifying the mail, and depositing the mail." For purposes of your activity sampling data collection:

(a) Please confirm that your MPA/USPS-TI-36 definition differs from the one previously provided in Appendix D. The response includes obtaining mail, verifying the mail, and depositing the mail while the Appendix D definition indicates that only "fingering through the mail to verify the address is correct and collecting the mail to deposit" is observed.

(b) Please confirm that only one of the actions described in (a) above may have been observed at a specific instant of time, when the "Finger @ Delivery" code was scanned. If you cannot, please explain why not.

(c) To your best belief and understanding, were there any other actions that may have also been observed when the "Finger @ Delivery" barcode was scanned? Please explain.

(d) If the code for "Finger @ Delivery" includes the action of depositing the mail, then, to the best of your belief and understanding, please identify every routine physical carrier action that you believe your data collectors may have been observing when they scanned the "Delivery/Collection" (J08) code. If this may vary by delivery type (e.g., curbline vs. park & loop), please explain fully.

RESPONSE:

(a) Not confirmed. My response in MPA/USPS-T13-36 defining the "Finger @ Delivery" activity could have been more explicit. A more detailed definition of the "Finger @ Delivery" term would be: "...obtaining the mail while at the delivery point from the hand, and/or arm, and/or satchel, verifying the mail, and *collecting the mail from the arm and/or satchel before depositing the mail in the receptacle or at a drop.*" Incidentally, Appendix D contains

no definitions and is intended to identify general activities and does not define all possible activities at the various Levels 10 through 11.4.1.

(b) Not confirmed. The actions described above in (a) – obtaining mail, verifying addresses, and collecting mail to deposit continuously occur in one motion. As the carrier is holding letters in the non-dominant hand, (1) one piece of mail is grasped with the dominant hand (2) while reading/verifying the address. After the address is verified, (3) that piece of mail is flipped forward. (1) The next piece of mail is grasped (2) while reading/verifying the address. After the address is verified, (3) that piece of mail is flipped forward. The actions of (1)obtaining, (2)verifying, and (3)collecting mail occur so quickly that it would not be possible to determine which of the three actions was occurring at a specific instant of time.

(c) Yes. Other actions that may have been observed when the "Finger @ Delivery" barcode was scanned include the carrier obtaining a sample from the satchel or arm, rolling a flat for placement in a mail receptacle, or obtaining a piece of marriage mail or SPR from the satchel or arm.

(d) With respect to response (a), the action of *depositing* mail is not part of the Finger @ Delivery activity. It is impossible to describe *every* physical routine carrier action that could be observed when "Deliver/Collection" was scanned; however, some of the actions data collectors may have observed when "Delivery/Collection" was scanned include:

-Delivery: Data collectors may have observed mail deposited in any variety of mail receptacles including 1-handed slams where the carrier can in an upward sweeping motion open the mailbox and deposit the mail in a single downward motion (common on park and loop and/or dismount deliveries); #1, #1 ½, and #2 boxes where a carrier may have to pull down/forward the box door and deposit the mail in the box (common on curbline deliveries); 1-handed slots where the carrier can deposit the mail through a door slot in one motion (common on park and loop and/or dismount deliveries); 2-handed slots where the carrier may have to lift a flap with one hand while depositing mail with the other hand (common on park and loop and/or dismount deliveries); drops where the carrier would hand the mail directly to the customer (can occur on any delivery type); and a central delivery where a carrier would have to open the central unit with an arrow key, deposit mail into the proper 'cells' in the central delivery box/wall unit, close and lock the central unit. Also note the carriers may have been performing other actions such as propping screen doors open, particularly on 1-handed or 2-handed slot deliveries. This type of action would be *observed*, but it was not part of the bar code scan sequence.

-Collection: Data collectors may have observed a variety of actions when carriers collected mail. Customers used many methods of putting out mail to be collected which varied the actions of carriers. Carriers would lift open 1-handed slam box lids and remove mail from inside the box, remove mail that was clipped to the 1-handed slam box with a paper clip

or clothespin, or just remove mail from inside the 1-handed slam box (common on park and loop and/or dismount deliveries); for #1, #1 ½, and #2 boxes, carriers would pull forward/down the box door, remove any mail to be collected, close the box door, and put down the 'collection' flag on these types of boxes (common on curbline deliveries); carriers may make a collection by removing a plastic USPS tub of 'outgoing' mail from some specified location and replacing it with an empty tub (common on dismount business deliveries). Carriers may collect mail from centralized delivery locations by removing mail from a designated collection point in the centralized delivery area and placing it in a tub that the carrier would take back to the vehicle. The collection points may be one of the 'cells' in the central unit itself labeled 'outgoing'. In this case, the carrier would not need to make any additional actions pertaining to opening central doors since the central door is already open for making deliveries.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

ADVO/USPS-T13-126. In response to MPA/USPS-T13-105, you state that "Setup" (Activity Code J11) is "loading the satchel or moving trays to the front of the vehicle." Please identify every routine physical carrier action that you believe your data collectors may have been observing when they scanned the "Setup" (J11) code.

RESPONSE:

Setup (J11) includes various actions depending on the circumstances. With respect to vehicles, setup includes, but is not limited to, unlocking and opening the cargo door, unlocking and opening non-driver-side door, removing empty trays to cargo area, moving full trays to the front of the vehicle, shutting and locking non-driver-side door, shutting and locking cargo door, and returning to the vehicle. Part of the vehicle setup is rearranging the parcels to facilitate delivery.

Setup also applies to preparing the satchel for park and loop routes and foot routes with relay boxes. The carrier unlocks and opens the cargo door, places mail into the satchel for the loop, loads mail onto arms and hands, shuts and locks the cargo door. At relay boxes, the carrier unlocks and opens the relay box, places mail into the satchel, loads mail onto arms and hands, shuts and locks the relay box.

Setup can also apply to the actions associated with moving mail to a central delivery unit and arranging tubs of mail at the unit. These units are at facilities such as office buildings or large apartment complexes. There may be

other activities that I have not described, but the above should cover the vast majority.

ADVO/USPS-T13-128. In response to MPA/USPS-T13-67(c), you state that "The T05 code [walking] was used when the carrier was walking other than the other defined codes." The other Activity codes were T01 Travel to First Delivery Point, T02 Travel b/t Delivery, and T03 Travel b/t w/Sort.

(a) Please confirm that there are walking code (T05) tallies at both On Route (L13) and Point of Delivery (L12) locations, If you cannot, please explain why not.

(b) Among a set of park & loop deliveries within one loop, under what typical circumstances do you believe your data collectors may have scanned the T05 code? If you cannot identify the typical circumstances, please explain fully why not.

(c) On a dismount delivery, under what typical circumstances do you believe your data collectors may have scanned the T05 code? If you cannot identify the typical circumstances, please explain fully why not.

(d) On a set of foot deliveries within one relay, under what typical circumstances do you believe your data collectors may have scanned the T05? If you cannot identify the typical circumstances, please explain fully why not.

(e) On a central delivery, under what typical circumstances do you believe your data collectors may have scanned the T05 code? If you cannot identify the typical circumstances, please explain fully why not.

RESPONSE:

(a) Confirmed, there are 149 (of 39,046 total tallies in LR-I-163) T05 Walking tallies at Level 10, On Route (L13) locations and 5 (of 39,046 total tallies) T05 Walking tallies at Level 10, Point of Delivery (L12) locations.

(b-e) In an attempt to expand on my response to MPA/USPS-T13-67 (c), the T05 code may have been scanned under the following typical circumstances, including but not limited to:

- Carrier is walking, specifically dead head walking, where the intent of the carrier is to return to the vehicle or another location, and/or
- The carrier is not traveling to the first delivery point, or not returning to the unit, and has deviated from the route and ends up taking PBL time, and/or
- The observer could see that the carrier was not sorting mail, or had no mail in hand to sort, and is not preparing to deliver and is not walking in the direction to reach the next delivery point, and/or
- The observer could not anticipate if the carrier was, in fact walking to the next delivery point. This situation may occur if the carrier carries some portion of the route in a sequence other than the USPS Form 3999x indicates. Therefore, the observer mat not be able to determine if the carrier 's walk destination is a delivery.

These circumstances apply for one loop within a set of Park and Loop deliveries (32 of the 39,046 total tallies, note there is no way to determine from the work sampling tallies when the loop began or ended.) These circumstances apply for dismount deliveries (102 of the 39,046 total tallies). These circumstances apply for foot deliveries (2 of 39,046 total tallies). These circumstances also apply for central deliveries (36 of 39,046 total tallies).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND
TO ADVO, INC. FOLLOW-UP INTERROGATORIES

ADVO/USPS-T13-129. In response to MPA/USPS-T13-80, you state that the Code H activity details (i.e., mail receptacles) describe the receptacle or collection box ,(X%X the carrier. Please confirm that these codes do not necessarily mean the carrier was physically handling a receptacle at the instant of time observed. If you cannot, please
explain why not.

RESPONSE:

Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

ADVO/USPS-T13-130. For the Code K activity details (i.e., Jeep, LLV, Walking, Walk Flat, etc.), please provide your belief as to the observers' interpretation of the following:

(a) Did any of the vehicle codes (i.e., Jeep, LLV, 1 or 2 ton truck, pickup/van, bus, automobile, elevator) mean the carrier is physically inside or moving the vehicle, doing something with the vehicle (i.e., locking it or pulling mail out of the back), or simply near the vehicle? Please explain.

(b) What were the differences among the "Walking" (K09), "Walk Flat" (K10), and "Walk Obstructed" (K11) codes?

RESPONSE:

(a) Yes, the vehicle codes (i.e., Jeep, LLV, 1 or 2 ton truck, pickup/van, bus, automobile, elevator) could mean that the carrier was physically inside the vehicle, doing something with the vehicle, or moving the vehicle. The entire scan sequence needs to be reviewed to determine what activity is occurring. The most common occurrence is traveling in the vehicle. Also at the vehicle are the occurrences of setup, loading and unloading and/or the occurrence of delays (i.e., vehicle breakdown), in which the carrier may be near the vehicle, but not inside it.

(b) Walking (K09) was applicable for all walking during Phase 1. There are 841 tallies, the latest tally dated 2/13/97, in the data provide to Witness Baron that are coded as K09, Walking. In Phase 2 the walking code was expanded into two separate walking codes K10, Walk Flat and K11, Walk Obstructed. Walk Flat (K10) is for walking when the terrain is primarily flat. Walk Obstructed (K11) is for walking that is obstructed in some way, requiring the carrier to

modify stride length. For example, carriers walking up a flight of stairs, or through shrubbery, down an embankment on wet leaves.

ADVO/USPS-T13-131. Please refer to your response to MPA/USPS-T13-94 where you state that you cannot, without specific records, explain why virtually all the Code G activity detail (e.g., public relations, service rates, directions, excess words) were allocated to the STS Load category.

(a) Please confirm that when a Code G Activity Detail was scanned, that does not necessarily mean that the carrier, at that instant, was physically handling mail, a mail satchel/container (other than physically carrying it), or a mail form.

(b) Please confirm that the Activity code associated with a Code G Activity Detail (such as Activity Code F04 "Delay Specify"), does not provide any additional information to determine whether the carrier was physically handling mail, a mail satchel/container (other than physically carrying it), or a mail form.

(c) Please confirm that a Code G Activity Detail can occur at many different Locations, and not just at Point of Delivery.

RESPONSE:

(a) Confirmed. The G Activity Detail codes, by themselves, are not intended to capture what specific physical action the carrier is performing, whether physically handling mail, a mail satchel/container (other than physically carrying it), or a mail form. By and large however, use of these codes in combination with other Levels of codes (Level 11.1, 11.2, 11.3, and 11.4) may indicate physical movement and may yield additional insight into what carrier activity is taking place.

(b) Confirmed, if by "Activity code associated with a Code G Activity Detail" you mean F Activity Codes. In these cases, F Activity codes will not and are not intended to provide additional information as to whether the carrier was physically handling mail, a mail satchel/container (other than physically carrying it), or a mail form. However, use of the F Activity Codes in combination with other

Levels of codes (Level 11.1, 11.2, 11.3, and 11.4) may indicate physical movement and may yield additional insight into what carrier activity is taking place.

(c) Confirmed. Based on the 39,046 tallies in LR-I-163 presented to witness Baron, Code G Activity Detail occurred at many different Locations including: point of delivery (L12), 67 tallies; Vehicle (L08), 20 tallies; On route (L13) 13 tallies; Misc. (L15), 4 tallies; In vehicle Stopped (L19), 2 tallies; and Dock (I07), 1 tally.

ADVO/USPS-T13-132. In response to MPA/USPS-T13-57 (b), 61(b), 64(b), and 67(f), questions regarding the systematic efforts made to ensure that the codes were consistently and correctly applied by all data collectors, you state that "USPS Subject Matter Experts and the roving quality assurance personnel would spot check the observations. The work sampling scans were cross-checked with the time study records, observer comments and video tapes."

(a) Please describe the qualifications of a roving quality assurance person and state whether such a person was a Resource & Process metrics, Inc. employee, an employee of another consulting firm, or a USPS employee.

(b) Were USPS Subject Matter Experts and roving quality assurance personnel used in both Phases 1 and 2? Please explain and provide the number of such experts and number of quality assurance personnel in Phases 1 and 2, separately.

(c) Was some portion of each route-day observed by a USPS Subject Matter Expert and a roving quality assurance person? If not, please identify the route-days for which a portion of time was observed by either a USPS Subject Matter Expert or roving quality assurance person.

(d) Typically, when observed, how much of a route-day was observed by a USPS Subject Matter Expert or roving quality assurance person?

(e) Was some portion of each route-day cross-checked with the time study records, observer comments and video tapes? If not, please identify the route-days that were cross-checked by each method.

(f) Were the cross-checks performed by both the USPS Subject Matter Experts and roving quality assurance personnel? If not, who performed the cross-checks?

(g) Typically, how much of a route-day was cross-checked by a USPS Subject Matter Expert, roving quality assurance person, or some other person?

(h) Were you a roving quality assurance person and did you personally cross-check any of the time study records, observer comments and video tapes?

RESPONSE:

(a) There are no specified, documented qualifications of a roving quality assurance person. All Phase 2 quality assurance individuals had been data collectors in Phase 1. One individual was a Resource and Process Metrics, Inc. employee who served in the capacity of quality assurance, but did perform other duties on rare occasions, on an as-needed basis. The other 2 roving quality assurance individuals were independent contractors under contract with Resource and Process Metrics, Inc.

(b) Yes. There were three Subject Matter Experts rotating between teams in Phase 1. Phase 2 included 1 Subject Matter Expert and 3 roving quality assurance personnel, 1 of whom did perform other duties as necessary. Refer to responses to ADVO/USPS-T13-6(c) and ADVO/USPS-T-13-30(c) regarding Subject Matter Expert and quality assurance personnel participation in Phases 1 and 2.

(c) No. A portion of each route-day was not observed by USPS Subject Matter Expert or roving quality assurance person. Unless some other circumstance dictated otherwise, the USPS Subject Matter Experts and/or roving quality assurance individuals were committed to the quality assurance function. Therefore, for each day worked by a USPS Subject Matter Expert and/or roving quality assurance person, some portion, if not all of the route day was observed. The following list, based on LR-I-163, is not inclusive of all route-days for which a portion of time was observed by either a USPS Subject Matter Expert and/or roving quality assurance

person. Since records were not maintained as to the frequency of checks, when compiling the following list, we focused our effort primarily on the Field Edited Data Collected binders/paperwork for indications that a quality assurance person was present. Please note that there are more route-days (that quality assurance personnel were present) than we are able to substantiate. The quality assurance personnel, however, were committed to the quality assurance function and spent a vast majority of time in the field rather than performing other activities that would have taken them away from quality assurance functions. The requested route days are presented below, and in library reference LR-I-390.

Route	Date
0102	15-May-97
0102	16-May-97
0102	12-Jan-98
0105	08-May-97
0105	09-May-97
0110	06-Feb-98
0113	05-Feb-98
0115	20-Dec-97
0124	07-Jan-98
0126	08-Jan-98
0129	12-Nov-97
0164	05-May-97
0164	06-May-97
0164	07-May-97
0240	29-Jan-98
0244	16-Dec-97
0248	10-Jan-98
0249	15-Dec-97
0252	06-Jan-98
0281	13-Jan-98
0310	06-Dec-96
0326	04-Dec-96

6703	10-Dec-96
6739	11-Dec-96
6742	09-Dec-96
8008	13-Dec-96
8028	17-Oct-96
8035	15-Oct-96
8044	17-Dec-96
8045	16-Oct-96
8212	15-Jul-97
8212	16-Jul-97
8218	21-Jul-97
8218	22-Jul-97
8218	23-Jul-97
8229	16-Dec-96
8701	05-Jun-97
8701	06-Jun-97
8701	08-Nov-97
8702	25-Oct-97
8702	12-Nov-97
8711	01-Nov-97
8717	08-May-97
8717	09-May-97
8717	29-May-97
8726	23-Oct-97
8727	27-Oct-97
8729	31-Oct-97
8735	10-Jul-97
8735	11-Jul-97
8735	12-Jul-97
8735	14-Jul-97
8735	15-Jul-97
8735	16-Jul-97
8735	17-Jul-97
8735	24-Jul-97
8735	25-Jul-97
8735	07-Nov-97
8736	24-Oct-97
8744	25-Aug-97
8744	26-Aug-97
8744	27-Aug-97
8744	28-Aug-97
8744	02-Sep-97
8744	03-Sep-97
8744	04-Sep-97
8744	05-Sep-97
8744	06-Nov-97

8747	30-Oct-97
8759	05-Aug-97
8759	06-Aug-97
8759	07-Aug-97
8759	08-Aug-97
9302	28-Oct-96

(d) The quantity of time of a USPS Subject Matter Expert or roving quality assurance person spent observing a route varied up to and including the entire day; there are no records indicating the amount of time observed. Unless schedule conflicts arose (e.g., travel/flight plans), the Subject Matter Expert or quality assurance individual would attempt to observe the entire route day and spot check work sampling and time study reports printed by the data collectors.

(e) No records were maintained on the frequency and methodology of checks; therefore, it is not possible to identify the route-days that were cross-checked by various methods.

(f) To the extent that cross-checks were performed, the cross-checks may have been performed by one of the observers, the Subject Matter Expert, the Quality Assurance person, or any other individual associated with the project that may have been present.

(g) No records were maintained identifying what portions of the route-days were cross-checked by whom. It was a daily function of the data collectors, Subject Matter Expert, roving quality assurance person, or other individual associated with the project who was in the field to cross-check daily reports for accuracy of barcode scans. Specifically, the work-

1620	17-Oct-96
1620	17-Oct-96
1632	16-Oct-96
1638	15-Oct-96
1842	09-Dec-96
1901	08-Jul-97
1901	09-Jul-97
1908	06-Nov-96
1917	10-Jul-97
1926	07-Nov-96
1928	05-Nov-96
1946	13-Feb-97
2160	22-Oct-96
2167	23-Oct-96
2167	23-Oct-96
2169	24-Oct-96
2169	24-Oct-96
2205	03-Nov-97
2210	05-Nov-97
2212	04-Nov-97
2213	06-Nov-97
2214	24-Jun-97
2214	25-Jun-97
2214	07-Nov-97
2215	27-Jun-97
2374	13-Jan-97
2375	15-Jan-97
2385	14-Jan-97
2451	29-Oct-96
2451	29-Oct-96
2465	30-Oct-96
2469	28-Oct-96
2469	28-Oct-96
2806	23-Oct-96
2814	24-Oct-96
2822	22-Oct-96
2835	21-Oct-96
2912	05-Feb-97
2934	14-Nov-96
2947	04-Feb-97
3104	04-Dec-96
3125	03-Dec-96
3141	05-Dec-96
3549	06-Jan-97
3618	09-Jan-97
3656	08-Jan-97

3703	06-Nov-96
3706	06-Feb-97
3707	05-Feb-97
3707	08-Jul-97
4214	29-Jan-98
4229	05-Feb-98
4234	28-Jul-97
4234	30-Jul-97
4234	30-Jul-97
4234	20-Aug-97
4235	30-Jan-98
4241	31-Jan-98
4242	04-Feb-98
4243	30-Jun-97
4243	01-Jul-97
4243	02-Jul-97
4254	11-Sep-97
4273	24-Jul-97
4273	25-Jul-97
4275	22-Jul-97
4275	23-Jul-97
4310	11-Jan-97
4442	15-Jan-97
4506	07-Jan-97
4515	13-Jan-97
4708	25-Oct-96
4712	15-Oct-96
4719	30-Oct-96
4725	24-Oct-96
4731	22-Oct-96
4732	17-Oct-96
4811	16-Oct-96
4814	29-Oct-96
4817	26-Oct-96
4846	18-Nov-96
4880	19-Nov-96
4910	23-Oct-96
4916	22-Oct-97
4917	21-Oct-97
4921	28-Oct-96
4926	23-Oct-97
4940	09-Oct-97
4945	07-Oct-97
6410	27-May-97
6410	28-May-97
6419	29-May-97

0371	04-Feb-98
0374	17-Dec-97
0376	09-Jan-98
0379	12-Jan-98
0384	18-Dec-97
0405	23-Jun-97
0405	24-Jun-97
0405	25-Jun-97
0411	19-May-97
0424	05-Aug-97
0424	06-Aug-97
0426	07-Aug-97
0426	08-Aug-97
0432	28-May-97
0474	29-May-97
0474	30-May-97
0480	05-Dec-96
0610	11-Feb-97
0626	13-Feb-97
0628	12-Feb-97
0716	13-May-97
0716	14-May-97
0807	04-Sep-97
0807	05-Sep-97
0818	06-Jan-97
0825	12-Aug-97
0825	13-Aug-97
0825	14-Aug-97
0825	15-Aug-97
0828	07-Jan-97
0828	02-Sep-97
0828	03-Sep-97
0849	08-Jan-97
0908	14-Dec-96
1101	03-Jun-97
1101	04-Jun-97
1131	09-Jun-97
1131	10-Jun-97
1132	19-Aug-97
1132	20-Aug-97
1132	21-Aug-97
1132	22-Aug-97
1132	23-Aug-97
1133	06-May-97
1133	07-May-97
1133	08-May-97

1133	13-May-97
1133	14-May-97
1133	16-May-97
1145	15-Jul-97
1145	16-Jul-97
1145	17-Jul-97
1148	02-Jun-97
1148	02-Jun-97
1205	16-Dec-96
1206	17-Dec-96
1233	13-Nov-96
1237	14-Nov-96
1252	18-Nov-96
1401	12-Aug-97
1401	13-Aug-97
1411	07-May-97
1411	07-May-97
1411	08-May-97
1411	09-May-97
1411	10-May-97
1428	09-Jan-97
1430	10-Jan-97
1435	11-Jan-97
1475	01-Jul-97
1475	03-Jul-97
1507	26-Aug-97
1507	27-Aug-97
1507	28-Aug-97
1507	29-Aug-97
1579	05-May-97
1579	06-May-97
1579	07-May-97
1579	19-May-97
1579	20-May-97
1579	21-May-97
1581	11-Jun-97
1581	16-Jun-97
1581	17-Jun-97
1581	18-Jun-97
1581	19-Jun-97
1605	09-Jun-97
1605	10-Jun-97
1605	11-Jun-97
1606	12-Jun-97
1612	10-Dec-96
1618	11-Dec-96

sampling reports span the day of the carrier, from the time the carrier clocks in for the day up to and including the carrier clocking out at the end of the day. Therefore, the time span of the work sampling report covers the route-day. Consequently, when daily reports are cross-checked, the route-day is cross-checked.

(h) No.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

ADVO/USPS-T13-133. Interrogatories MPA/USPS-T13-86 and 99 provided lists of types of tallies grouped by the STS categories to which they had been assigned, and asked you to explain why you assigned them to the particular STS category. You declined to respond on the ground that "I cannot respond without references to the specific records in question, including CY code, route ID, date, etc." As an alternate approach to help understand in general terms your assignments of various types of tallies to STS categories (including the tally types listed in MPA-86 and MPA-99) please refer to your testimony at page 14 where you discuss your initial manual assignment of STS categories to the tallies, followed by your creation of a "master list" of scan sequences grouped by STS category, which you state was used "to crosscheck the manual review process." In response to ADVO/USPS-T13-22(c) which asked you to provide the master list of scan sequences, you responded "Please refer to Appendix D and Appendix F of my testimony."

(a) Please confirm that Appendix D does not contain the "master list" of scan sequences grouped by STS category, because it does not contain any information about STS categories.

(b) Please refer to Appendix F and the table below. This table lists, for each STS category, the "Locations" shown in your Appendix F (in the second column) compared to the "Locations" that are found in the LR I-163 database (in the third column). Please confirm that this is an accurate list of the Locations by STS category shown in Appendix F and appearing in LR I-163. If you cannot confirm, please explain why not.

(c) Please confirm that some of the locations that appear in LR I-163 but not in your Appendix F also appear on the MPA interrogatories (e.g., MPA/USPS-T13-86w), (qq), (ww)).

(d) Please explain why the location information by STS category in Appendix F differs from the location information in the LR I-163 database.

STS Categories	Locations Listed In USPS-T-13 Appendix F	Locations Included In LR I-163
Load Time	On Route Point of Delivery Vehicle	On Route Point of Delivery Vehicle Park Point Other Route Miscellaneous In Vehicle at Stop N/A
Street Support Time	Dock Gas Station	Dock Gas Station

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND
TO ADVO, INC. FOLLOW-UP INTERROGATORIES

	Vehicle PBL On Route Relay Box Park Point Collection Box Miscellaneous	Vehicle PBL On Route Relay Box Park Point Miscellaneous In Unit Walking In Vehicle at Stop Vehicle Traffic N/A Point of Delivery Wait When Walking
Driving Time	Vehicle In Vehicle at Stop On Route Park Point Miscellaneous	Vehicle In Vehicle at Stop On Route Park Point Miscellaneous Wait When Walking
CAT	Vehicle In Vehicle at Stop On Route In Vehicle Traffic Miscellaneous	Vehicle In Vehicle at Stop On Route In Vehicle Traffic Miscellaneous Other Route Point of Delivery
FAT	On Route Miscellaneous Wait While Walking	On Route Miscellaneous Wait While Walking Vehicle Park Point
Collection	Collection Box	Collection Box Miscellaneous On Route

RESPONSE:

(a) Confirmed to the extent that Appendix D is not grouped by STS category.

Appendix D does contain a master list of all possible scan sequences of level 10 through level 11.4.1 codes presented to witness Baron.

(b) Confirmed. Note that the column in ADVO/USPS-T13-133 contains a location listed as "Miscellaneous". Actually this is listed in USPS-T13 Appendix F as "Misc." and "Misc".

(c) Confirmed.

(d) I have created an Access query to look-up the individual tallies associated with each location and I also referenced various hardcopies.

In reviewing LR-I-163, I find in the STS Load Time category:

One tally with a location of "Park Point". The activity of "Del/Coll."(deliver and collect) requires the load time classification.

Three tallies with an "Other Route" location. The activity of "Del/Coll."(deliver and collect) required the load time classification on two tallies. The remaining tally activity of accountable and activity detail of drop to cust (drop to the customer) required the load time classification.

Two tallies with a "Misc." location. The activity of delay specify details and the activity details on the two tallies are excess words cust (excess words from the customer) and public relations. These are clearly load time classifications.

One tally with an "In Vehicle at Stop" location. The activity of delay specify details and the activity of directions (a customer asking the carrier for directions). This is clearly a load time activity.

Two tallies with a location of N/A. The activity of "Del/Coll."(deliver and collect) requires the load time classification.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

Only nine tallies of the 39046 tallies in LR-I-163 contain a location not mentioned in Appendix F for load time. The nine tallies represent 0.023 percent of the data.

In reviewing LR-I-163, I find in the STS category for Street Support Time:

Two tallies with "In Unit Walking" as the location. The activity in both of these tallies is "Loading". The carrier is preparing to load the vehicle. This is clearly street support time.

Twelve tallies with "In Vehcl at Stop" (in the vehicle at a stop)location. In all cases the activity of "Travel to 1 deliver" (travel to first delivery point) or "Return to Unit" (return to the post office) clearly defines street support time. Two tallies with a "In Vehcl Traffic" (in the vehicle in traffic) location. In both cases the activity of "Travel to 1 deliver" (travel to first delivery point) or "Return to Unit" (return to the post office) clearly defines street support time.

One tally with a "N/A" location. The activity for this tally is "Unloading" (unloading the vehicle) and the activity detail of "LLV", confirms the carrier is unloading the vehicle. This is clearly a street support activity.

Four tallies with a "Point of Deliver" location. One of the four has an activity of "Return to Unit". The activity is defined in the street support category. The remaining three tallies have the activity of "Setup". The setup activity is defined as rearranging or restocking the satchel. This is consistent with the street support category.

Two tallies with a "Wait when Walkg" (wait while walking) location. The activity for one of the tallies is "Travel to 1 Deliver"(traveling to the first delivery). This is clearly street support time. The other tally activity is "No Work". This was assigned the street support category because the activity does not fit the other STS categories.

Only twenty-three tallies of the 39046 tallies in LR-I-163 contain a location not mentioned in Appendix F for street support. The tallies represent 0.059 percent of the data.

In reviewing LR-I-163, I find in the STS category for Driving Time:

Two tallies with the location as "Wait when Walkg" (wait while walking). One of the tallies has the activity detail as "Bus-Public". The tally is defined as the carrier waiting for a bus. This was assigned to Driving time because the carrier is using public transportation as a means between deliveries. The other tally has the activity of "Traffic/Detour" and the activity detail of "Construction". This was changed in to Route/Access (FAT).

Only two tallies of the 39046 tallies in LR-I-163 contain a location not mentioned in Appendix F for driving time. The tallies represent 0.005 percent of the data.

In reviewing LR-I-163, I find in the STS category for Route/Access (CAT):

Two tallies with a location of "Other Route". In both cases the activity is "Travel B/t Deliver" (traveling between deliveries) and the delivery type is a curb. The tallies are clearly Route/Access (CAT).

Two tallies with a location of "Point of Deliver". In both cases the activity is "Travel B/t Deliver" (traveling between deliveries) and the delivery type is a curb. The tallies are clearly Route/Access (CAT).

Only four tallies of the 39046 tallies in LR-I-163 contain a location not mentioned in Appendix F for route/access CAT. The tallies represent 0.01 percent of the data.

In reviewing LR-I-163, I find in the STS category for Route/Access (FAT) Time:

One tally where the location is "Park Point". The activity is "Travel B/t Deliver" (traveling between deliveries) and the activity detail is "Walking". This is clearly Route/Access (FAT).

Seven tallies with a location of "Vehicle". In one tally the activity of "Travel B/t Deliver" and the activity detail of "Elevator – Passn" (passenger elevator) on a "Foot" route, is clearly Route/Access (FAT). One tally the delivery type is "Park & Loop" the activity is "Accountable" and the activity detail is "Jeep". The carrier is at the jeep preparing a form prior to delivering an accountable. The remaining five tallies are for a "Dismount" delivery. The activities are "Parcel", "Accountable", "N/A" and "Delay – Specify". The activity detail of "Mat'l Handling" defines the carrier is rearranging mail at the vehicle and should be street support. The activity detail of "Jeep" and "N/A" with the parcel and accountable is

delivering the parcel or accountable. Because the carrier is not listed as the point of delivery and on a dismount, the carrier is walking to deliver the parcel or accountable. The last tally has an activity of "Delay – Specify" and an activity detail of "Jeep". This tally was assigned to the (FAT) category because of the dismount delivery type.

Only eight tallies of the 39046 tallies in LR-I-163 contain a location not mentioned in Appendix F for route/access FAT. The tallies represent 0.02 percent of the data.

In reviewing LR-I-163, I find in the STS category for Collection Time:

A total of three tallies contain the location of "on Route" or "Misc." In all three cases the activity of "Wait 4 Collectn" (waiting for collection) describes the carrier waiting for the time when the collection is scheduled to occur. The tallies clearly belong in collection time.

Only three tallies of the 39046 tallies in LR-I-163 contain a location not mentioned in Appendix F for collection time. The tallies represent 0.007 percent of the data.

Only 49 total tallies of the 39046 presented to witness Baron where not included in the location column in Appendix F. The 49 tallies represent .125 percent of the total tallies, in other words 99.875 percent of the tallies are represented by the location column in Appendix F. For my intent, I feel Appendix F is an acceptable master list.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

ADVO/USPS-T13-134. Please refer to the preceding interrogatory and Appendix F to your testimony. The table below lists, for each STS category, the "Activities" shown in your Appendix F (in the second column) compared to the "Activities" that are found in the LR I-163 database (in the third column). Locations Listed in Locations Included in STS Categories USPS-T-13 Appendix F LR I-163

(a) Please confirm that this is an accurate list of the Activities by STS category shown in Appendix F and appearing in LR I-163. If you cannot confirm, please explain why not.

(b) Please confirm that some of the Activities that appear in LR I-163 but not in your Appendix F also appear on the MPA interrogatories (e.g., MPA/USPS-T13-86(kk), (ww); MPA/USPS-T13-99(n), (aa), (bb), (cc), (gg), (kk), (tt)).

(c) Please explain why the Activities information by STS category in Appendix F differs from the Activities information in the LR I-163 database.

STS Categories	Activities Listed in USPS-T-13 Appendix F	Activities Included in LR I-I 63
Load Time	Delivery/Collection Parcel Finger @ Delivery Setup Accountable Delay Specify	Delivery/Collection Parcel Finger @ Delivery Setup Accountable Delay Specify N/A Delay Specify Detail Walking Hardship No Access to Box Travel Between Deliveries Travel Between Deliveries with Sort
Street Support Time	Loading Unloading Setup Travel to 1st Delivery Return to Unit Delay Specify	Loading Unloading Setup Travel to 1st Delivery Return to Unit Delay Specify Delay Soecify Detail Delivey/Collection N/A

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND
TO ADVO, INC. FOLLOW-UP INTERROGATORIES

		Walking Mix Travel Between Deliveries No Work Wait 4 Collection Parcels Mix
Driving Time	Travel Between Deliveries Traffic/Detour Delay Vehicle Breakdown Setup	Travel Between Deliveries Traffic/Detour Delay – Specify Vehicle Breakdown Parcel Travel to First Delivery N/A Delay Specify Detail Accountable Delivery/Collection No Access to Box Weather
CAT	Travel Between Deliveries Traffic/Detour Delay Specify	Travel Between Deliveries Traffic/Detour Delay Specify Vehicle Breakdown Delay Specify Detail Parcel Accountable N/A Weather
FAT	Travel Between Deliveries N/A Accountable Parcel	Travel Between Deliveries N/A Accountable Parcel Delay Specify Walking No Work No Access to Box Travel Between Deliveries with Sort Travel to 1st Delivery
Collection	Delivery/Collection Setup Unloading Wait for Collection	Delivery/Collection Setup Unloading Wait for Collection

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

RESPONSE:

(a) Confirmed, except for the column in ADVO/USPS-T13-134 containing activity listed as "Travel to 1st Delivery". Actually this is listed in USPS-T13 Appendix F as "Travel to 1st".

(b) Confirmed.

(c) I have created an Access query to reference the individual tallies or group of tallies associated with each activity.

In reviewing LR-I-163, I find in the STS category for Load Time:

Thirteen tallies where the activity is "N/A". Nine tallies have a location of "Point of Deliver" (point of delivery). This location is consistent with the load time definition. Two tallies with a location of "Vehicle" and an activity detail of "Public Relations". One tally with a location of "On Route" and an activity detail of "Public Relations". The activity detail is consistent with the load time definition. The final tally location is "On Route" and the activity detail is "Central Inside". The carrier is at a central inside mailbox.

Eighty two tallies where the activity is "DelaySpcfyDetail" (delay specify details). Seventy-eight of the tallies contain the activity detail of "Excess Words Carr", "Excess Words Cust", "Public Relations", "Service Rates" or "Directions". The tallies' detail the carrier or the customer having a conversation that delays the carrier. This is clearly the load time function of "incidental customer contacts". The remaining three tallies have a location of "Point of Deliver" and is clearly a load time function.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND
TO ADVO, INC. FOLLOW-UP INTERROGATORIES

Ten tallies contain the activity of "Walking". Five of the ten have a location of "Point of Deliver". The location of point of delivery is consistent with the load time definition. Five of the tallies have a location of "On Route" and a delivery type of "Dismount". These tallies should be changed to Route/Access (FAT).

Ten tallies contain the activity of "Hardship". Hardship is described as the carrier making contact with a customer. The load time definition of "incidental customer contacts" describes this activity.

Six tallies contain the activity of "No Access to Box". Four of the tallies have a location of "Point of Deliver". These tallies are classified as load time. One of the tallies has a location of "Point of Deliver" and the activity detail of "Parking Unavail". This tally should be classified as Route/Access (CAT). The final tally has the carrier location at the "Vehicle". With the delivery type of curb and no access to the mailbox, this one tally should be classified as Route/Access (CAT).

Thirty-two tallies have an activity of "Travel B/t Deliver". Thirty of the tallies have a location of "Point of Deliver". The remaining two tallies have the location as "Vehicle", and the activity detail of "Drop to Cust", these are consistent with the load time definition of "incidental customer contacts". In the ten tallies where the delivery type is curb and the location of point of delivery, the activity was ignored and the load time classification assigned. The six tallies where the delivery type is dismount and the location is point of delivery the activity was ignored and the load time classification assigned. The two tallies where the delivery type is dismount and the location is point of delivery and the

"Excess Words Cust". This tally should be changed to load time due to "incidental customer contacts" as mentioned previously. The other tally contains "Super Instruct" in the personal and administrative level and should be changed to street support.

There are three tallies of the 39046 tallies in LR-I-163 where the activity is "Accountable". Two of the tallies have a location of "Vehicle" and an activity detail of "LLV". The tallies were assigned driving time due to the location and the activity detail. The remaining tally contains the activity detail of "Drop to Cust" and should be changed to load time as previously discussed.

There are five tallies of the 39046 tallies in LR-I-163 that contain "Del/Coll" in the activity level. In all cases the carriers' location is "Vehicle and the activity detail is "LLV". In all cases the tallies should be changed to load time.

There is one tally of the 39046 tallies in LR-I-163 that contains "No Access to Box" in the activity level. The location is "Vehicle" and the activity detail is "LLV". The tally is assigned to driving time because the carrier is in the LLV and is attempting to get access to the mailbox.

There are four tallies of the 39046 tallies in LR-I-163 that contain an activity of "Weather". The location is "Vehicle" and the activity detail is "LLV". The carrier is delayed while in the LLV by the weather. This is driving time.

A total of seventy-seven of the 39046, or 0.19 percent, of the tallies in LR-I-163 contain activities that are not in Appendix F.

In reviewing LR-I-163, I find in the STS category for Route/Access (CAT) time:

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

There are two tallies of the 39046 tallies in LR-I-163 containing the activity of "Vehicle Breakdown". In both cases the delivery type is curb. The carriers' location is in the "Vehicle" or in the vehicle at stop. The tallies are assigned to CAT due to the delivery type of curb.

There are six tallies of the 39046 tallies in LR-I-163 that contain the activity of "DelaySpcfyDetail". In all cases the delivery type is curb, in three tallies the location is "Vehicle" and in three tallies the location is "Misc". These were assigned the "CAT" category due to the delivery type of curb and the carrier being delayed on the route.

There are twenty tallies of the 39046 tallies in LR-I-163 with an activity of "Parcel". In eighteen of the tallies the carriers' location is in the "Vehicle" and the activity detail is "LLV" and the delivery type is curb. The "CAT" category is assigned because of these factors. The remaining two tallies contain a location of "On Route" with the delivery type of curb. The "CAT" category is assigned because of these factors.

There are five tallies of the 39046 tallies in LR-I-163 containing the activity of "Accountable". In all cases the carriers' location is in the "Vehicle" and the delivery type is curb. The "CAT" category is assigned because of these factors.

There are forty-six of the 39046 tallies in LR-I-163 containing the activity "N/A". In all cases the delivery type is curb. Thirty-seven of these tallies have a location of "Vehicle". Two tallies have a location of "On Route" and the balance contain "Misc". The activity detail in all cases contains "N/A", "LLV" or "1or 2 Ton Truck". The "CAT" category is assigned because of these factors.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

There is one tally of the 39046 tallies in LR-I-163 containing an activity of "Weather". The delivery type for this tally is curb. As mentioned previously the "CAT" category is assigned because the carrier is delayed on a curb route by the weather.

A total of eighty of the 39046 tallies, or 0.2 percent of tallies in LR-I-163 contain activities that are not in Appendix F.

In reviewing LR-I-163, I find in the STS category for Route/Access (FAT) time:

There are twenty-eight tallies of the 39046 in LR-I-163 containing an activity of "Delay – Specify". In all cases the delivery type is not curb. In all cases the carriers' location is "Misc.", "Vehicle" or "On Route". The "FAT" category is applied because the carrier is delayed on a non-curb type route.

There are 145 tallies of the 39046 tallies in LR-I-163 containing the activity "Walking". In all cases but one, the carries' location is "On Route". In all cases the delivery type is not curb. This is clearly the definition for the "FAT" STS category. The remaining tally has a location of "Misc" and the activity detail is "Walk Flat". Also, clearly the STS category of "FAT" can be applied.

There are two tallies of the 39046 in LR-I-163 containing the activity of "No Work". The delivery type in the two tallies is park and loop. The carriers' location is "Misc.". The carrier is delayed on a park and loop type route due to lack of work. The "FAT" category was assigned.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

There are two tallies of the 39046 in LR-I-163 with an activity of "No Access to Box". In both cases the carrier is on a non-curb type route. The carriers' location is "On Route". Clearly the "FAT" category can be applied.

There are 1394 tallies of the 39046 in LR-I-163 containing the activity "Travel B/t w/sort". In all cases the location of the carrier is "On Route" and is supported further by the activity details of "Walking", "Walk Flat", 'Walk Obst." or "Walkg Push Cart". Again the tallies clearly are Route/Access (FAT).

There are three tallies of the 39046 in LR-I-163 containing the activity "Travel to 1 Deliver". The carriers' location is "On Route" and the activity detail of "Walking" supports the activity. These tallies should be re-classified to street support.

In all cases where a STS category change has been mentioned, the change is so minor and will not affect the percentage used by witness Baron.

ADVO/USPS-T13-135. In view of the disparity in the Locations and Activities by STS category between (i) your Appendix F, and (ii) both the LR I-163 database as shown in Advo Interrogatories 133-134 and the tally types listed in MPA/USPS-T13-86 and 99 [which you say you cannot respond to without specific tally references], please respond to the following:

(a) At page 14 of your testimony, you discuss the process by which you assigned STS categories to the observations in the database, beginning with a line-by-line manual assignment. At page 14 (lines 18-20) you then state:

> "To crosscheck the manual review process, a master list was created of scan sequences. The sequences were grouped according to STS activity. All scan sequence possibilities for an STS activity were assigned a 1-6 code."

Is your Appendix F, in fact, the "master list" of scan sequences, as you claimed in your response to ADVO/USPS-T13-22(d)?

(b) We have not been able to replicate either a "master list" of scan sequences or your Appendix F. Explain precisely, in a step-by-step manner sufficiently detailed to allow other parties to follow and replicate your results, how you created this "master list" of scan sequences "grouped according to STS activity."

(c) What was the source for creation of the "master list" of scan sequences? If it was something other than the database developed in the initial manual review process, please provide the source materials in their entirety, and explain how those source materials were used to create the "master list."

(d) Please provide a copy of the "master list" created by the process described in subparts (b) and (c) above. If you claim that Appendix F is the "master list," please explain how Appendix F was created so that other parties might replicate it.

(e) With respect to your use of the "master file" to "crosscheck the manual review process" (Testimony at page 14, line 18) Webster's Third New International Dictionary defines "cross-check" as "to check (as data, reports, statements) from various angles or sources to determine accuracy or validity." Is your use of the term "crosscheck" consistent with this definition?

(1) If so, explain why.

(2) If not, please explain more precisely what you meant by the term "crosscheck."

(f) Please state whether or not the "crosscheck" procedure you describe checked the database developed in the manual sequence review step "to determine accuracy or validity" of the manual STS entries. If your answer is anything other than "No,"

(1) Please explain precisely how your crosscheck procedure checked the accuracy or validity of either the observed database entries or the manual STS entries.

(2) Please identify each and every record or tally in LR I-163 where the "crosscheck" procedure resulted in either (i) a change in the STS category assigned to the tally or (ii) a change in the other observer-recorded fields of the tally. For each such change, please provide the original information before the change, and explain why the change was made.

(g) In your testimony, from page 14 line 20 through page 15 line 2, you state that after creation of the "master list" of scan sequences:

> "An update query was then used to assign the sequences a code in the database. These codes appear in the Library Reference USPS-LR-I-163 with the column header 'STS Type.' "

(1) Please confirm that this quoted statement is inconsistent with your statement at page 14, lines 16-17, that "The column 'STS Type' contains definitions entered by manual sequence review."

(2) Please confirm that the codes you refer to at page 15 are numeric codes, not text fields.

(3) Please confirm that these numeric codes appear in LR I-163 under the column header "File," not under the column header "STS Type."

(4) Please confirm that the information in the LR I-163 database under the column header "STS Type" consists of the STS category entries "entered by manual sequence review" described at page 14, lines 13-16. If you do not confirm,

> (i) Please identify each and every record or tally in LR I-163 where the actual STS category shown in the "STS Type" field differs from the STS category that was manually entered in the initial "manual sequence review."
>
> (ii) For each such record, please provide the STS type that was initially entered manually, and the different STS type that appears in LR I-163.

(iii) For each such record, please explain at what point in the process described at pages 14-15 the STS type was changed, the reason for the change, and the methodology by which it was changed.

If you cannot confirm any of (1)-(4) above, please explain fully why not, including an explanation of the correct meaning and content of the "File" and "STS Type" column headers, and the source and derivation of the STS-related information contained in those fields.

(h) At page 14 line 19 through page 15 line 2, you state that after the "master list" of scan sequences was created,

> "All scan sequence possibilities for an STS activity were assigned a I-6 code. An update query was then used to assign the sequences a code in the database. These codes appear in the Library Reference USPS-LR-I-163 with the column header 'STS Type.' "

Please respond to the following with respect to this "update query."

(1) Provide and describe the full Microsoft Access@ query or queries that you actually used.

(2) What information does the "update query" actually update? Please be specific, and provide examples of the results of the "update query" process.

(3) Explain precisely, in a step-by-step manner sufficiently detailed to allow other parties to follow and replicate your results, how you created this update query, what the update query does, and how it is executed.

(4) Was the "update query" designed or intended to either flag for review, check the accuracy, or change in any manner (i) any of the observer-entered data in the database, or (ii) any of the manual STS assignments made during the initial "manual sequence review?" If so,

(i) Please explain how the update query flags for review, checks for accuracy, or changes the database information in any manner.

(ii) Please identify each and every record in LR I-163 where, as a result of the "update query" process, the actual STS category shown in the "STS Type" field was changed from the STS category that was manually entered in the initial "manual sequence review," and for each such record provide the original manually-entered STS type.

(iii) Please identify each and every record in LR I-163 where, as a result of the "update query" process, changes were made to any of the observer-entered information, and for each such record provide the original observer-entered information.

(i) Please explain, on a step-by-step basis, precisely how a party, working with the collected tally information contained in all but the last two fields of the LR I-193 database ("File" and "STS Type"), can replicate your assignments of tallies to the various STS categories. For each step,

(1) Please provide (and explain in plain language) all programs, formulas, queries, algorithms, etc. that are used in that step of the replication,

(2) Please explain the rationale or logic underlying such programs, etc.

(3) Please explain precisely how a party would apply and execute the programs to reproduce your STS assignment results.

(j) Please refer to the following:

- Subparts (a)-(i) of this interrogatory and your responses thereto, and
- Your "responses" to MPA Interrogatories MPANSPS-T13-83, 85-90, 93, 94, 96, 97, 99-101, 106 and 108, where you state that you cannot respond to questions concerning the interpretation and STS classification of types of tallies or even hypothetical questions "without references to the specific records in question, including CY code, route ID, date, etc."

Is your inability to address questions about the STS classification of types of tallies without references to the specific tallies related in any manner to the possibility that the actual STS Type entries in LR I-163 are, in the case of each of the 39,046 records, the result of the manual, line-by-line assignment described in your testimony at page 14, lines 13-17? Please explain.

RESPONSE

(a) Not exactly. In my response to ADVO/USPS-T13-22 (d), I state "Please refer to Appendix D and Appendix F of my testimony." In fact, Appendix D contains a master list of all codes used in creating a scan sequence. All codes found in an individual tally or tally group can be found in Appendix D.

(b) At page 14 of my testimony, I was referring loosely to Appendices D and F as the master list that I used in reviewing STS categories assignments. Obviously, based on my response to ADVO/USPS-T13-133 and ADVO/USPS-T13-134, very few of the descriptions used in level 10 and level 11.4 were omitted from Appendix F. Please refer to ADVO/USPS-T13-133 and ADVO/USPS-T13-134 for the explanation of the missing descriptions.

(c) LR-I-163 was the source for the development of Appendix D and Appendix F.

(d) Although I was referring loosely to Appendices D and F, I have provided more comprehensive listings of scanned sequences. Please refer to the response to Presiding Officer's Information Request (POIR) No. 8 and to LR-I-281. See also LR-I-383, to be filed shortly.

(e) (1) Yes. Please refer to my response in ADVO/USPS-T13-135 (f) (1).

(f) The "crosscheck" was an attempt to determine the accuracy of the assignment of the STS categories.

(1) I printed the frequency distribution grouped by the STS categories similar to the frequency distribution provided in LR-I-281. Then visually scanned the printout for adherence to the STS definitions.

(2) Please refer to the response to Presiding Officer's Information Request (POIR) No. 8 and to LR-I-281. See also LR-I-383, to be filed shortly.

(g) (1) Confirmed. Line 2 of page 15 the "column header STS Type" is incorrect. This statement should read starting at line 1 'These codes appear in the Library Reference USPS-LR-I-163 with the column heading "File".

(2) Confirmed. Please refer to my response to ADVO/USPS-T13-135 (1).

(3) Confirmed. Please refer to my response to ADVO/USPS-T13-135 (1).

(4) (i) In general, any tally with a frequency of occurrence in LR-I-221 of approximately 3 or less was manually assigned the STS category. It does not make sense to run the update query on such low frequency tallies.

(ii) No data is available.

(iii) Please refer to the response to Presiding Officer's Information Request (POIR) No. 8 and to LR-I-281. See also LR-I-383, to be filed shortly.

(h) (1) The Access query is provided in LR-I-388, a zip file called ADVO135.zip.

(2) The Access update query updates the column called "File" in LR-I-163 with the number related to the STS category. An example of the results are the records in LR-I-163.

(3) Left click on the tab in Access that shows "Queries". Select the "New" button. Choose "Simple Query Wizard" from the list on the screen and left click on the "OK" button. Select the table containing the tally data by using the left mouse button. Choose all columns in the data table by clicking on the ">>" that is on the screen. Choose the "Next>" button and press the left

click button. Left click the "Next>" button that appears on the screen. Left click on the "Modify the query design" option button and left click the "Finish" button. From the list of query type that is available from the icon at the top of the screen, choose "update query" with the left button on the mouse. In the "criteria" line on the update query enter the level 10 through level 11.4.1 codes that correspond to the unique group of tallies that you want to update. In the line on the query "Update to" enter the "File" number and "STS Type" name of the tallies to be updated. Then left click on the exclamation point icon at the top of the screen to execute the update query. Access will display a message as to the number of records that have been updated. Left click on the "OK" button to verify the update.

(4) No, the update query was not designed to or intended to change any of the observation data.

(i) The data table is only changed in the columns specified in the "Update to" line in the update query.

(ii) No information is available.

(iii) No changes were made in the observer-entered information by the update query.

(i) You state "LR-I-193", I am not familiar with this library reference. If you are referring to LR-I-163, I can provide the following information.

(1-3) STS assignments were made on a case by case basis. Please refer to the response to Presiding Officer's Information Request (POIR) No. 8 and to LR-I-281. See also LR-I-383, to be filed shortly.

(j) Not exactly. As previously stated, in general the tallies with a low frequency of occurrence were updated manually. The tallies with a greater number of occurrences where updated using the update query.

ADVO/USPS-T13-140. In your response to ADVO/USPS-T13-75, you state that an "Arrow" key is required to open a group of central boxes. In response to MPA/USPS-T13-66, you state that "deliveries that were classified as Central required the carrier to exit the vehicle." In response to ADVO/USPS-T13-78, you state that a "drop to customer" receptacle code is used when the carrier drops mail to a central mailroom.

(a) Can one assume that if the carrier was loading either an NDCBU or a Central Box with an Arrow key, the Delivery Type could be either "Central" or "Dismount" but the receptacle code associated with that type of delivery should be either "central outside" or "central inside?" Please explain.

(b) Would an NDCBU or Central receptacle requiring an "Arrow" key always be identified as either a "central outside" or "central inside" activity detail? If not, what other receptacle codes could be involved? Please explain.

(c) If a tally indicates a "Central" delivery type with a delivery/collect activity code and a "drop to customer" activity detail code, can such a tally be assumed to be a routine delivery (i.e., not associated with accountable/parcel/ hardship service) to a multiple-address delivery point? Please explain.

(d) If a tally indicates a "Dismount" delivery type with a delivery/collect activity code and a "drop to customer" activity detail code, can the tally be assumed to represent a routine delivery (i.e., not associated with accountable/parcel/hardship service)? Please explain.

(e) With respect to the "drop to customer" code associated with a dismount delivery, was this code used only when the carrier was physically handing the mail to the customer or physically placing it on the customer's counter/reception space (i.e., it was not used by an observer to indicate that the carrier was moving from a routine delivery point to a non-routine drop point)?

(f) Please confirm that a "drop to customer" activity detail code on a foot, curb, dismount or park & loop delivery type can occur at either a single or a multiple address delivery. If that is incorrect, please explain fully.

(g) For tallies indicating "drop to customer" activity detail, regardless of the activity code associated with it, please confirm that the observed delivery could have been either a routine delivery (i.e., mail is dropped to the customer on every day that the delivery is

covered) or a non-routine delivery caused by a particular service (i.e., parcel, accountable, hardship). If that is incorrect, please explain fully.

RESPONSE:

(a) No such assumptions can be made. In most cases the receptacle associated with a central delivery type could be a central inside or central outside type mailbox. There are rare occasions where another type of receptacle is associated with a central type delivery.

Please refer to my response in ADVO/USPS-T13-71 for additional information.

(b) There are seven load time tallies where a #1 box is associated with a central delivery type. There is one load time tally where a #1-1/2 box is associated with a central delivery type. There is one load time tally where a 1 handed slot is associated with a central delivery type. There is one load time tally where a 2-handed slot is associated with a central delivery type. There are three load time tallies where a flat receptacle is associated with a central delivery type. There are four load time tallies where a gang box is associated with a central delivery type. There are a total of seventeen load time tallies, out of 4017 tallies, where the receptacle is not a central inside or central outside. The seventeen tallies represent 0.42 percent of the total central delivery type load time tallies.

There are 2986 load time tallies where the receptacle is a central outside type and is associated with a central delivery type. There are 1014 load time

tallies where the receptacle is a central inside type and is associated with a central delivery type.

Please refer to my response in ADVO/USPS-T13-71 for additional information.

(c) No such assumptions can be made. One example would be occasions where the customer will stop by the mailbox as the carrier is loading the mail and the carrier will hand or "drop" the mail to the customer. On other occasions the "drop" is part of the routine central delivery.

(d) No such assumptions can be made. One example would be occasions where the customer will stop by the mailbox as the carrier is loading the mail and the carrier will hand or "drop" the mail to the customer. On other occasions the "drop" is part of the routine dismount delivery.

(e) Correct. The "Drop to Cust" code is intended to be used when the carrier was handing the mail to the customer or placing the mail on the customers' counter or reception area. On other occasions events occurred where a drop took place inside the customers screen door or many other areas that were designated for a "drop".

(f) Confirmed. A "Drop to Cust" can take place on all delivery types for reasons mentioned earlier.

(g) Confirmed. A "Drop to Cust" can take on all deliveries, routine or non-routine, for reasons mentioned earlier.

ADVO/USPS-T13-142. Please refer to your response to ADVO/USPS-T13-81 describing in more detail the Level 11.2 Delivery Type and Level 11.3 Delivery Type Status Codes. There you state that the "11.2 and 11.3 levels could be N/A if the carrier's travel path was returning to unit, moving the vehicle to load, loading at the unit, traveling to lunch, or to other places where the carrier is not associated with a delivery type."

(a) Please explain why there would be a N/A delivery type associated with a physical delivery to a mail receptacle or customer.

(b) Please explain why there would be a N/A delivery type status associated with a physical delivery to a mail receptacle or customer.

RESPONSE:

(a) I can find only one occurrence, out of the 39064 tallies in LR-I-163, where the data collector recorded a "N/A" in the "Delivery Type" column, the "Delivery Type Status" column contains "Resident Inside" and the activity detail of "Central Inside". I cannot explain why in this one case the data collector did not record the "Delivery Type". The STS category of load time is still applicable because the definition of load time is applied across all delivery types.

(b) I find thirty-three tallies of the 39046 in LR-I-163, where the activity detail contains a mail receptacle. Thirty of the tallies have a location of "Point of Deliver". The activity level for the thirty tallies contains "Del/Coll", "Accountable" or "Finger @ Deliver". In all thirty tallies the location, activity and activity detail are consistent with the load time definition. One of the remaining three tallies contains "Drop to Cust" in the activity detail level. Again this is consistent with the load time definition. Of the two remaining tallies one tally records the carrier location as "On Route". The activity is

"Del/Coll" and the activity detail is "# 1 Box". This tally is consistent with the load time definition. The final tally records the carriers' location as at a "Collection Box". The activity is "Del/Coll" and the activity detail is "Central Outside". This tally is consistent with the "Collection Time" definition. I cannot explain why in the thirty-three cases the data collector did not record the "Delivery Type Status". The STS categories of load time and collection time are still applicable because the STS definition is applied across all delivery type status.

ADVO/USPS-T13-143. Please refer to your responses to UPS/USPS-T13-7 and ADVO/USPS-T13-76. The tally in the UPS question is:

CY50	8735	Vehicle	12:26	Dismount	Business Inside	Parcel	Drop to Customer

(a) Please confirm that, to prepare your response to both questions, you had to identify the date of the tally in question from the LR I-163 database and then pull hardcopy documents from your Merrifield, VA, depository.

(b) Please confirm that the date for the tally you discuss in response to both questions is July 5, 1997.

(c) Please confirm that the tally you have identified has the delivery status of "Resident Outside" while the UPS tally in question has the delivery status of "Business Inside."

RESPONSE:

(a) Confirmed. The tally was identified in the LR I-163 database and also in the hardcopy documents at the Merrifield, VA depository.

(b) Confirmed. The date for the tally in question, July 5, 1997, was confirmed using the documents stored at the Merrifield, VA location.

(c) Confirmed. The delivery status "Resident Outside" not "Business Inside" was confirmed using the hardcopy documentation stored at the Merrifield, VA depository.

ADVO/USPS-T13-144. Please refer Attachment 1 to of your response to ADVO/USPS-T13-76.

(a) Please confirm that this sheet is the one printed out by the data collector and mailed to the data processor. If this is incorrect, please identify the source of this particular sheet.

(b) Is the observation on the fourth row down the description of the tally (with Resident Outside as the Status) which is the subject of your responses? If it is not, please identify the correct row.

(c) Please confirm that in Attachment 1 there were (originally) two 12:20 PM Vehicle scans (one on the third row and one on the fourth row) and both were initialed, while there was only one 12:26 PM scan and that was for the Level 11.01 Personal or Administrative code on the fourth row. If you cannot, please explain why not.

(d) On the fourth row, the time associated with the Vehicle location scan (edited to be Point of Delivery) appears to be 12:20 PM, while the rest of the scans in that row appear to be scattered over several minutes, up to 12:28 PM. The location scan on the third row (directly above the fourth row) also has a 12:20 PM time.

(i) Are these correct interpretations of what is on this sheet? If not, please explain what is occurring.

(ii) Please explain why both the third and fourth row have the same scan time for the location code.

(iii) Please explain why there are widely varying scan times for the fourth row observation.

(e) Please confirm that, although there are three apparent editor initials on rows three and four of this sheet, the editor did not make all the edits that you now consider appropriate.

RESPONSE:

(a) Confirmed.

(b) Confirmed.

(c) Confirmed.

(d) (i) Not exactly. Underneath the "B" on the fourth line is an handwritten arrow indicating that the time should also be changed on the location scan.

(ii) The barcode scanning methodology allows the observer to scan the "11" level codes independent from the "10" level code. On very rare occasions when the carrier was at the same location when the "beep" sounded, the "11" level codes were all that would be required to complete the record.

(iii) On this particular scan sequence, the observer required over 1 minute to complete the scan.

(e) Confirmed. The only edit the data coordinator did not complete is in the location column.

ADVO/USPS-T13-145. Please refer to your responses to UPS/USPS-T13-7 and ADVO/USPS-T13-76. The tally in the UPS question is:

CY50	8735	Vehicle	12:26	Dismount	Business Inside	Parcel	Drop to Customer

In your response, you state that the:

> "USPS form 3999X (the 2nd attached page) shows the carrier dismounting to service 11 delivery points starting at 12:23 p.m. and ending at 12:30 p.m.
>
> These two documents [including the 1st attached page] show that the carrier was not in the vehicle at 12:26 as the tally shows."

However, the form 3999X shows 14 possible delivery points recorded by the USPS on that sector-segment, and they are all identified as Residential Type 2 deliveries. You state in response to ADVO/USPS-T13-82 that Type 2 are residential curbline deliveries. Please confirm the following or explain why you cannot.

(a) The routine delivery type on that sector-segment is residential curbline, a delivery type which does not routinely require a dismount.

(b) 12:23 PM is approximately the time the carrier began to service the curbline delivery points on that sector segment of the route being observed.

(c) 12:30 PM is approximately the time the carrier began to service the delivery point in the subsequent sector segment of the route being observed (also a residential curbline delivery) and does not necessarily represent the time that the carrier completed delivery to the preceding sector segment on the route.

(d) There appears to be a non-routine dismount during the sector-segment that begins 12:23 PM, and that non-routine dismount appears to be the sixth of 14 possible delivery points recorded by the USPS on that sector segment. The rest of the stops are curbline.

(e) There is no way from the Form 3999X to determine whether the carrier was in his vehicle, at his vehicle, out of his vehicle walking to the point of delivery, or at a delivery point at either 12:20 PM or 12:26 PM.

RESPONSE:

(a) Not Exactly. In some cases a curbline delivery type can routinely require a dismount. The USPS form 3999X used by the observer shows a dismount took place. This is verified by the scan at 12:26 on the daily edit sheet. The information on the USPS form 3999X and other supporting documentation does not permit verification of the dismount as routine or not routine at this delivery point.

(c) Confirmed.

(d) Confirmed.

(e) Not exactly. The USPS form 3999X and other supporting documentation does not permit verification of whether the dismount is routine or not routine at this delivery point.

(f) Confirmed. Using only the USPS form 3999X there is no way to determine the location of the carrier. The information on the observer edit sheet places the carrier at the point of delivery at 12:26 and in the vehicle at 12:20. This is further supported by the activity detail scan of "Drop to Cust"(drop to customer) at 12:28.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. FOLLOW-UP INTERROGATORIES

ADVO/USPS-T13-149. ADVO interrogatory ADVO/USPS-T13-17 asked for the number of possible deliveries by delivery type for each route code in your database.

(a) Please confirm that your response includes information for only 297 of the total 340 routes in your database.

(b) Please provide, in the form of an amended response to interrogatory 17, the requested information for all 340 routes in your database. If available, please provide the information in electronic as well as hard copy format.

(c) If information for the missing 43 routes is unavailable, please state the source of the information for the 297 routes that were provided, and explain why the information is not available for the other routes.

RESPONSE:

(a) Confirmed. ADVO/USPS-T13-17 has 297 rows of data. This was the only data available electronically at the time.

(b) By using the information verified in preparing ADVO/USPS-T13-61, I am able to provide the following Excel spreadsheet named ADVO149(b) as LR-I-389.

(c) In most cases the additional information on the missing 43 routes came from the USPS form 3999X collected by the observers. In some cases the additional information on the missing 43 routes came from the observer comment sheet.

RoutNumberCode	UnitCode	Residental Other	Residental Curb	Residental NDCBU	Residental Central	Business Other	Business Curb	Business NDCBU	Business Central
0101	CY49	204	150	103	68	253	7	0	0
0101	CY66	133	1	134	68	121	0	12	48
0102	CY49	81	6	0	24	313	91	0	1
0102	CY66	324	7	55	112	51	0	5	0
0103	CY66	43	0	0	0	325	0	0	10
0104	CY66	51	2	9	90	182	0	0	5
0105	CY48	145	0	0	0	175	0	9	0
0105	CY66	202	15	174	46	91	0	73	27
0106	CY66	291	53	166	68	54	0	14	4
0107	CY66	138	126	80	22	115	3	12	33
0108	CY66	172	25	13	36	104	1	27	0
0110	CY66	308	23	159	154	17	0	0	0
0111	CY66	15	399	259	4	8	10	90	0
0112	CY66	378	94	161	9	8	0	0	0
0113	CY66	211	88	321	0	42	6	2	0
0114	CY66	8	307	236	0	53	21	24	0
0115	CY66	15	419	98	0	13	26	18	0
0116	CY66	280	221	31	0	3	0	0	0
0117	CY66	137	377	135	0	1	0	0	0
0119	CY66	220	165	118	0	16	0	19	4
0120	CY66	482	35	27	0	12	2	0	0
0123	CY66	288	133	102	28	42	1	1	2
0124	CY66	14	221	377	0	11	25	44	0
0126	CY66	293	104	157	18	1	1	0	0
0128	CY66	240	155	241	0	112	14	25	0
0129	CY66	208	6	256	0	1	0	0	0
0130	CY66	99	17	364	0	0	0	0	0
0131	CY66	0	0	318	0	0	0	0	0
0134	CY37	398	0	0	15	42	0	0	0
0146	CY48	367	23	0	0	3	0	0	0
0164	CY48	0	130	476	0	57	5	0	0
0211	CY37	212	10	35	0	48	27	1	66
0240	CY66	28	29	82	0	200	8	75	17
0241	CY66	24	216	322	139	88	8	13	4
0242	CY66	127	163	59	0	66	0	13	49
0243	CY66	1	182	22	102	146	9	8	21
0244	CY66	84	424	147	40	19	9	69	8
0245	CY66	323	96	225	4	0	2	0	0
0246	CY66	0	350	225	0	16	1	0	10
0247	CY66	56	355	276	146	9	7	21	0
0248	CY66	33	345	373	0	3	6	3	0
0249	CY66	147	156	312	0	3	0	0	0
0250	CY66	47	34	154	4	176	3	24	5
0251	CY66	115	159	342	0	68	6	10	11
0252	CY66	169	170	264	0	10	23	38	0
0253	CY66	226	72	212	147	87	5	54	0
0254	CY66	165	150	367	0	1	0	0	0
0255	CY66	24	0	620	0	8	0	0	0
0256	CY66	458	0	187	0	1	0	0	0
0257	CY66	73	51	488	8	73	14	16	0
0281	CY66	54	164	213	0	59	70	146	0
0305	CY59	173	0	0	110	79	0	0	5
0310	CY36	417	0	0	101	27	0	0	0
0320	CY59	355	0	12	240	21	0	0	0
0321	CY37	521	1	0	0	10	0	0	0
0326	CY36	195	0	0	0	45	0	0	8
0337	CY48	0	387	0	0	1	1	0	0

0370	CY66	1	327	401	0	1	5	1	0
0371	CY66	19	12	757	143	13	5	9	0
0372	CY66	270	119	346	26	26	5	11	0
0373	CY66	6	404	452	0	8	30	27	0
0374	CY66	199	0	415	124	0	0	0	0
0375	CY66	1	346	440	0	27	8	23	0
0376	CY66	65	98	35	307	44	1	0	0
0377	CY66	29	107	712	67	14	9	16	0
0378	CY66	157	131	326	148	6	2	10	0
0379	CY66	20	8	668	0	110	4	44	0
0380	CY66	91	293	505	8	6	2	0	0
0382	CY66	314	54	251	0	1	0	0	0
0383	CY66	53	21	671	50	68	1	32	0
0384	CY66	5	26	769	0	4	1	21	0
0405	CY56	220	3	168	95	44	4	1	1
0406	CY62	129	0	0	0	155	2	0	0
0411	CY54	351	33	0	0	48	0	0	0
0415	CY62	470	0	0	0	44	0	0	0
0424	CY54	38	533	0	0	9	1	0	0
0424	CY62	363	1	68	513	24	1	0	0
0426	CY62	178	7	15	152	168	3	0	0
0432	CY54	585	38	0	0	16	0	0	0
0467	CY56	0	328	315	112	0	1	1	1
0474	CY54	175	50	40	302	51	12	0	1
0480	CY36	575	6	0	0	3	0	0	0
0498	CY56	0	73	115	457	55	65	40	0
0603	CY23	276	0	0	25	2	0	0	0
0607	CY23	218	0	0	0	0	0	0	0
0610	CY41	0	0	0	0	193	0	0	0
0611	CY55	328	0	0	0	10	0	0	0
0621	CY55	364	0	0	0	0	0	0	0
0623	CY23	261	4	0	2	12	0	0	0
0626	CY41	0	0	0	0	39	0	0	0
0628	CY41	0	0	0	0	246	0	0	0
0711	CY49	216	68	0	42	0	0	0	0
0716	CY49	0	345	299	0	2	5	1	0
0801	CY63	193	1	0	0	6	0	0	0
0802	CY63	251	0	0	0	1	0	0	0
0803	CY63	192	1	0	0	2	0	0	0
0806	CY63	413	0	33	12	1	0	0	0
0807	CY63	174	172	0	0	1	0	0	0
0808	CY63	342	6	0	0	0	0	0	0
0809	CY63	311	0	0	0	0	0	0	0
0811	CY63	103	47	0	0	204	0	0	0
0815	CY63	367	1	0	0	0	0	0	0
0816	CY63	208	1	0	0	0	0	0	0
0817	CY63	283	0	0	0	1	0	0	0
0818	CY26	131	0	0	743	41	0	0	0
0819	CY63	267	10	1	0	53	1	0	0
0820	CY63	249	66	0	0	0	0	0	0
0821	CY63	145	24	0	0	106	0	0	0
0822	CY63	46	250	0	0	0	0	0	0
0823	CY63	190	32	0	285	10	1	0	21
0824	CY63	242	140	0	0	1	0	0	0
0825	CY63	8	269	0	0	1	0	0	0
0827	CY63	75	77	0	0	153	10	0	0
0828	CY26	513	0	0	115	40	0	0	2
0828	CY63	168	95	0	0	0	0	0	0
0830	CY63	163	161	84	0	51	0	0	0

0831	CY63	0	255	198	0	9	0	1	0
0832	CY63	150	0	0	66	109	0	20	33
0849	CY26	391	0	0	49	25	0	0	0
0908	CY39	0	152	272	177	24	0	0	8
1024	CY15	269	124	155	83	29	3	0	0
1049	CY56	2	528	107	163	7	55	18	2
1061	CY15	340	22	0	234	17	5	0	1
1101	CY52	40	0	20	714	35	0	0	6
1111	CY52	132	0	0	120	145	0	0	49
1121	CY52	140	145	0	0	1	0	0	0
1131	CY52	7	324	0	0	0	0	0	0
1132	CY46	69	344	18	195	4	4	0	0
1133	CY46	18	369	23	191	0	0	0	1
1142	CY46	0	415	56	0	1	0	0	0
1145	CY46	161	255	51	35	0	0	0	0
1148	CY46	0	342	146	0	2	1	0	0
1205	CY39	103	285	31	0	2	0	0	0
1206	CY39	0	72	370	386	2	0	0	0
1233	CY16	0	632	34	31	0	2	0	0
1237	CY16	0	486	15	48	51	21	0	0
1252	CY16	72	322	0	96	59	8	0	0
1401	CY64	407	4	0	0	5	1	0	0
1411	CY47	372	75	0	0	0	0	0	0
1428	CY27	353	0	60	0	14	0	0	0
1430	CY27	184	1	0	0	56	1	0	0
1435	CY27	271	0	0	36	15	0	0	0
1457	CY64	168	53	32	79	86	0	0	0
1475	CY47	0	0	348	288	79	1	0	132
1507	CY47	71	184	354	0	16	0	0	8
1508	CY47	343	1	220	140	3	0	0	0
1558	CY02	429	0	0	95	28	0	0	0
1560	CY02	211	8	0	0	2	0	0	0
1569	CY02	199	15	0	0	1	0	0	0
1579	CY02	275	50	0	195	45	1	15	0
1581	CY02	118	122	0	33	2	0	0	0
1586	CY47	224	0	301	0	0	0	0	0
1595	CY02	352	0	0	142	0	0	0	0
1605	CY55	1	18	0	0	145	4	14	172
1606	CY55	53	0	95	227	115	0	0	26
1612	CY33	185	41	0	0	8	0	0	0
1618	CY33	162	144	0	0	0	0	0	0
1620	CY08	26	409	0	0	0	0	0	0
1632	CY08	31	569	0	0	11	3	0	26
1638	CY08	217	3	0	37	0	0	0	0
1842	CY33	225	290	0	0	3	1	0	0
1901	CY60	96	394	4	0	93	15	18	0
1908	CY17	0	259	0	0	34	2	0	0
1913	CY60	561	2	0	0	17	0	0	0
1917	CY60	0	48	282	337	118	61	82	0
1926	CY17	239	66	0	0	25	0	0	0
1928	CY17	284	0	0	0	0	0	0	0
1929	CY60	253	348	0	0	11	3	0	0
1946	CY42	0	0	0	1151	31	0	0	0
2155	CY10	2	257	14	0	4	23	6	1
2160	CY10	1	0	196	268	34	2	5	0
2167	CY10	7	281	83	0	5	4	7	19
2169	CY10	0	0	92	561	72	0	0	0
2201	CY53	362	0	0	0	24	0	0	14
2202	CY53	182	0	0	243	2	0	0	0

2203	CY53	333	0	0	116	0	0	0	0
2205	CY53	181	0	0	178	6	0	0	0
2206	CY53	315	0	0	109	3	0	0	0
2207	CY53	360	0	0	16	14	0	0	4
2210	CY53	189	0	0	271	34	0	0	0
2211	CY53	361	0	0	104	24	0	0	0
2212	CY53	291	0	0	43	0	0	0	0
2213	CY53	213	0	0	216	22	0	0	0
2214	CY53	182	0	0	393	28	0	0	0
2215	CY53	161	0	0	371	0	0	0	0
2216	CY53	369	0	0	107	0	0	0	0
2219	CY53	301	0	0	51	54	0	0	0
2221	CY53	269	0	0	95	85	0	0	0
2224	CY53	331	0	0	12	13	0	0	0
2225	CY53	347	0	0	22	1	0	0	0
2227	CY53	387	0	0	46	0	0	0	0
2374	CY28	0	24	40	513	26	47	14	0
2375	CY28	24	329	0	0	53	9	0	0
2385	CY28	209	166	0	203	8	0	22	0
2402	CY59	33	0	0	520	3	0	0	0
2407	CY64	1	243	8	16	51	1	0	0
2411	CY64	0	268	0	0	5	1	0	0
2417	CY59	130	0	0	313	2	0	0	0
2451	CY09	3	0	0	733	133	2	0	2
2465	CY09	90	0	336	447	18	0	0	0
2469	CY09	4	351	0	0	0	0	0	0
2717	CY61	0	383	167	70	13	1	0	0
2806	CY05	340	0	0	0	118	0	0	0
2814	CY05	0	466	0	0	1	0	0	0
2822	CY05	374	0	0	0	0	0	0	0
2835	CY05	0	0	172	901	49	2	0	0
2912	CY18	470	0	0	0	6	0	0	0
2934	CY18	499	0	0	0	22	0	0	0
2947	CY18	487	0	0	0	19	0	0	0
3104	CY34	881	0	1	3	209	0	0	0
3125	CY34	719	0	0	0	17	0	0	0
3141	CY34	604	0	54	50	7	0	0	0
3549	CY29	339	0	0	0	8	4	0	0
3618	CY29	0	432	0	0	0	0	0	0
3655	CY30	76	114	139	52	4	17	21	0
3656	CY29	1	392	69	104	1	3	1	0
3703	CY14	465	2	0	128	22	0	0	1
3704	CY57	327	0	0	84	3	0	0	0
3705	CY14	453	1	0	134	35	0	0	1
3706	CY14	520	3	0	67	23	0	0	0
3707	CY14	542	13	0	67	18	2	0	0
3707	CY57	320	22	0	0	1	0	0	0
3709	CY57	49	0	0	467	33	0	0	0
3716	CY57	106	0	0	434	3	0	0	0
4104	CY03	358	1	0	153	12	0	7	0
4106	CY03	198	166	0	0	4	31	0	0
4111	CY03	35	165	328	0	0	0	1	0
4114	CY03	215	190	0	0	0	0	0	0
4126	CY03	273	18	0	0	50	10	0	0
4207	CY04	0	215	0	0	26	0	0	2
4211	CY04	148	0	0	49	40	0	14	0
4213	CY04	72	0	0	0	75	0	0	13
4214	CY04	1	82	0	0	51	0	0	56
4218	CY04	0	93	0	0	615	2	0	0

4219	CY04	112	176	0	0	0	0	0	0
4221	CY04	97	239	0	0	0	0	0	0
4222	CY04	203	65	0	0	1	3	0	0
4224	CY04	149	10	0	33	112	2	0	0
4225	CY04	2	361	4	0	0	3	0	0
4228	CY04	0	236	0	0	49	0	3	11
4229	CY04	0	277	0	155	4	1	0	0
4230	CY04	42	0	0	50	136	0	47	10
4232	CY04	1	290	0	0	45	3	36	0
4233	CY04	383	0	0	0	34	0	8	0
4234	CY04	0	331	67	0	0	0	0	0
4235	CY04	90	38	0	0	69	1	0	0
4236	CY04	0	142	20	0	98	1	0	0
4237	CY04	177	0	0	30	91	0	0	0
4238	CY04	0	141	0	0	25	1	0	64
4241	CY04	0	111	86	0	68	2	0	26
4242	CY04	0	148	0	84	93	0	0	1
4243	CY04	0	254	0	56	0	62	0	0
4248	CY04	117	0	99	108	45	2	0	14
4249	CY04	0	202	15	16	13	4	0	0
4254	CY04	75	301	0	0	2	0	0	0
4257	CY04	51	159	0	0	50	16	9	0
4258	CY04	152	0	0	242	26	1	0	1
4259	CY04	176	0	0	0	60	0	0	0
4262	CY04	0	191	0	0	14	10	20	46
4265	CY04	163	48	0	0	65	0	14	0
4271	CY61	0	634	0	157	7	0	0	0
4272	CY04	138	0		0	0	0	0	0
4273	CY61	0	728	161	0	2	4	0	0
4275	CY61	0	687	0	0	4	0	0	0
4285	CY04	142	7	122	146	1	0	0	0
4310	CY29	344	0	0	36	74	2	0	4
4442	CY30	0	424	148	0	0	0	0	0
4506	CY29	0	459	0	0	0	0	0	0
4515	CY29	60	328	24	0	5	43	0	0
4708	CY11	346	0	8	223	46	0	0	0
4712	CY11	424	0	100	88	14	0	22	0
4719	CY11	442	0	0	43	1	0	0	0
4725	CY11	377	0	27	316	5	0	0	5
4726	CY11	465	2	0	128	22	0	0	1
4731	CY11	291	0	24	241	0	0	0	0
4732	CY11	244	0	7	255	90	0	6	49
4811	CY11	100	0	0	0	0	266	4	0
4814	CY11	213	0	0	189	79	0	31	11
4817	CY11	296	0	0	0	72	0	0	19
4846	CY19	67	84	209	0	1	0	0	0
4880	CY19	104	94	0	162	13	1	0	0
4906	CY04	0	287	15	0	5	0	17	0
4908	CY04	0	80	0	0	78	7	0	0
4909	CY04	205	3	0	415	4	2	0	0
4910	CY04	0	106	64	0	23	1	1	66
4910	CY11	179	0	211	108	63	0	8	0
4912	CY04	69	3	125	261	9	0	28	0
4915	CY04	0	316	0	0	64	11	0	0
4916	CY04	0	285	11	0	3	0	0	0
4917	CY04	0	440	0	0	25	1	0	0
4920	CY04	0	268	30	154	1	0	0	0
4921	CY11	320	0	101	226	0	0	0	0
4926	CY04	0	639	19	0	3	2	0	0

4931	CY04	10	105	32	286	1	0	0	0
4940	CY04	0	516	0	0	0	0	0	0
4944	CY04	0	2	357	210	58	9	55	0
4945	CY04	0	25	263	0	55	11	47	0
4999	CY04	153	0	0	0	0	0	0	0
5546	CY20	386	69	0	0	11	0	0	0
5566	CY20	0	455	0	0	1	0	0	0
6156	CY51	33	417	0	0	0	0	0	0
6157	CY51	9	449	0	0	0	0	0	0
6410	CY51	478	1	0	26	73	0	1	0
6419	CY51	517	5	0	6	4	0	0	0
6703	CY35	227	331	0	0	0	0	0	0
6739	CY35	0	526	0	0	2	2	0	0
6742	CY35	0	357	0	0	1	2	0	0
8008	CY38	162	162	9	0	3	1	0	0
8028	CY07	95	0	0	284	149	0	0	19
8035	CY07	49	396	0	0	0	0	0	0
8044	CY38	0	308	0	31	1	25	30	1
8045	CY07	56	42	0	241	52	0	0	48
8212	CY58	201	0	0	6	0	0	0	0
8217	CY58	184	0	0	20	0	0	0	0
8218	CY58	4	0	0	573	0	0	0	0
8221	CY58	147	14	0	0	0	8	0	0
8229	CY38	175	163	0	0	2	1	0	0
8404	CY40	180	0	0	200	130	1	0	1
8405	CY40	477	0	0	0	3	0	0	0
8408	CY40	278	55	0	0	25	24	16	0
8701	CY50	0	189	0	0	5	5	91	34
8702	CY50	2	572	0	0	2	1	11	0
8703	CY50	0	596	100	0	0	5	0	0
8705	CY50	0	308	0	0	44	7	18	0
8711	CY50	0	386	0	0	3	5	0	0
8714	CY50	0	459	0	0	0	0	0	0
8717	CY50	1	573	0	0	1	4	0	0
8726	CY50	1	573	0	0	0	1	0	0
8727	CY50	0	388	0	0	1	2	0	0
8729	CY50	2	540	0	0	0	0	0	0
8735	CY50	0	380	0	0	19	17	0	24
8736	CY50	1	558	0	0	1	0	0	0
8739	CY50	1	135	358	268	2	3	1	0
8744	CY50	0	351	0	0	0	0	0	0
8747	CY50	0	547	0	0	18	2	0	0
8748	CY50	0	483	0	0	0	0	0	0
8756	CY50		691	0	0	3	6	0	0
8759	CY50	1	135	358	268	2	3	1	0
8770	CY50	0	462	0	0	0	4	0	0
9302	CY06	0	369	0	0	0	2	0	0

MPA/USPS-T13-121. MPA/USPS-T13-96 and your response were as follows:

> MPA/USPS-T13-96. Please confirm that, with only minor exceptions, virtually all tallies for the "Point of Delivery" location were allocated to the Load or Street Support category. Please explain why you have done this.
>
> RESPONSE:
> I cannot respond without references to the specific records in question, including CY code, route ID, date, etc. See Appendix A to USPS-LR-I-163 for relevant data fields.

1. How many tallies in the database that have the "Point of Delivery" location were allocated to the Load or Street Support categories? If you do not have a precise number of such tallies, please provide an approximate number (e.g., hundreds, thousands, five thousand, or more?)
2. The first sentence of MPA/USPS-T13-96 asked for a confirmation that you allocated virtually all tallies with the "Point of Delivery" location to the Load or Street Support category. The second sentence asks you to explain why you have done this. Explain why is it necessary to have references to "the specific tallies in question" to answer the question.
3. Please respond to both sentences of the original question. If you are reluctant to confirm the first sentence because of the qualifiers "minor exceptions" and "virtually all," please quantify the percentage of total Delivery Point tallies that were allocated to the Load or Street Support category.

RESPONSE:

The following responses are based on LR-I-337 developed to support my responses to ADVO/USPS-T13-38 and 69.

1. 15,820 tallies of 38,557 total tallies in LR-I-337 with the Point of Delivery location were allocated to Load, and 21 tallies were allocated to Street Support.
2. Although the Location code Point of Delivery indicates the tally should be Load, the additional bar code Levels 11.1 Personal or Administrative level, 11.2 Delivery Type level, 11.3 Delivery Type Status level, 11.4 Activity level,

and the 11.4.1 Activity Detail level provide additional supporting information about the STS category allocation. Identifying specific records with tally details including CY Code, route ID, date, etc. assists in understanding tallies in question for research purposes. Having tally details such as CY Code, route ID, and date is necessary when researching hard copy documentation associated with a specific tally. Also, having the specific tallies you were questioning would reduce my chances of providing a misleading response and reduce the effort required to query the database and possibly misidentify the requested information and associated tallies.

3. Confirmed. 0.08% of Point of Delivery tallies (13 tallies of 15854 Point of Delivery tallies in LR-I-337) were allocated to categories other than Load or Street Support. It is necessary to look at more than one work sampling code to determine the appropriate STS category. Refer to the response to Presiding Officer's Information Request No. 8 (POIR8), which describes the general steps taken to classify each of the rows of data used by witness Baron. The response to POIR8 outlines the six STS category definitions used in the classification function, explains which of the tally fields played important roles for each of the six STS categories, explains general classification rules that were implicit in our tally-type by tally-type analysis, and provides tally-group by tally-group descriptions of the key considerations underlying the STS classifications for the 38,557 tallies in LR-I-337. See also LR-I-383. The majority of the tallies were allocated to Load because the location "Point of

Delivery" is consistent with the definition of Load, which is "delivering and collecting mail pieces at residential and business delivery points." A small portion of the tallies was allocated to Street Support because additional information on the tally indicated the carrier was performing a street support activity. The STS definition of Street Support Time is "the part of street time spent on activities such as traveling to and from the route, to the carriers' station, obtaining and loading the vehicle, and preparing mail in bulk at the vehicle and at relay boxes." For example, a tally may indicate that the carrier is performing a Setup activity. The carrier activity of Setup includes "relocating mail from the rear of the vehicle to the front or loading the satchel for a loop of a park and loop delivery". On rare occasions the Setup, that is, organizing the mail the carrier has in his possession, may have to be redone at the Point of Delivery or On Route depending on the number of customers being serviced and/or volume of mail picked up at the delivery points. The Setup activity is therefore consistent with the definition of Street Support.

MPA/USPS-T13-122. MPA/USPS-TI3-97 and your response were as follows:

> MPA/USPS-T13-97. Please confirm that, with the exception of Collection and Relay Box Locations, virtually all Del/Coll tallies were allocated to the Load or Street Support category. Please explain why you have done this.
>
> RESPONSE: I cannot respond without references to the specific records in question, including CY code, route ID, date, etc. See Appendix A to USPS-LR-I-163 for relevant data fields.

1. With the exception of Collection and Relay Box locations, how many "Del/Coll" tallies in the database were allocated to the Load or Street Support categories? If you do not have a precise number of such tallies, please provide an approximate number (e.g., hundreds, thousands, five thousand, or more?)
2. The first sentence of MPA/USPS-T13-97 asked for a confirmation that, except for Collection and Relay Box locations, you allocated virtually all "Del/Coll" tallies to the Load or Street Support category. The second sentence asks you to explain why you have done this. Is it your position that you cannot respond without references to all of "the specific tallies in question." If so, please explain why.
3. Please respond to both sentences of the original question. If you are reluctant to confirm the first sentence because of the qualifier "virtually all," please quantify the percentage of total Del/Coll tallies that were allocated to the Load or Street Support category.

RESPONSE:

The following responses are based on LR-I-337 developed to support my responses to ADVO/USPS-T13-38 and 69.

1. There are 13,703 "Del/Coll" tallies of the 13,704 total "Del/Coll" tallies in LR-I-337, with the exception of Collection and Relay Box locations, allocated to Load Time. No "Del/Coll" tallies in LR-I-337 are allocated to Street Support Time with the exception of the tallies at a Relay Box location.

2. Not exactly, although the Activity code Del/Coll indicates the tally should be Load, as stated in the response to Presiding Officer's Information Request No. 8 (POIR8), page 6, the additional bar code Levels 10.0 Location, 11.1 Personal or Administrative level, 11.2 Delivery Type level, 11.3 Delivery Type Status level, and the 11.4.1 Activity Detail level provide additional supporting information about the STS category allocation. Identifying specific records with tally details including CY Code, route ID, date, etc. assists in understanding tallies in question for research purposes. Having tally details such as CY Code, route ID, and date is necessary when researching hard copy documentation associated with a specific tally. Also, having the specific tallies you were questioning would reduce my chances of providing a misleading response and reduce the effort required to query the database and possibly misidentify the requested information and associated tallies.
3. Confirmed. Virtually all "Del/Coll" tallies were allocated to the Load category, with the exception of Collection Box and Relay Box Locations. No "Del/Coll" tallies, except for Collection Box and Relay Box Locations, were allocated to Street Support. With respect to allocating tallies to STS categories, it is necessary to look at more than one work sampling code to determine the appropriate STS category. Refer to the response to POIR8, which describes the general steps taken to classify each of the rows of data used by witness Baron. The response to POIR8 outlines the six STS category definitions used in the classification function, explains which of the tally fields played important

roles for each of the six STS categories, explains general classification rules that were implicit in our tally-type by tally-type analysis, and provides tally-group by tally-group descriptions of the key considerations underlying the STS classifications for the 38,557 tallies in LR-I-337. See also LR-I-383. The STS definition of Load Time is "delivering and collecting mail pieces at residential and business delivery points." The "Del/Coll" Activity code is a strong indication that the appropriate STS category is Load Time. There may be exceptions, however. For example, the Relay Box location or the Collection Box location when used with the "Del/Coll" code requires the tallies to be allocated to Street Support or Collection time. I have created an Access query to reference the "Del/Coll" tallies and found *one* exception to the 13,704 tallies with the "Del/Coll" Activity code. This tally is allocated to Drive Time. After researching the manual records, I determined that this tally came from a centralized delivery type route. The pattern on this portion of the route was tallies of Point of Delivery, N/A, Central or Dismount, Business Inside or Resident Outside, Delivery, and Drop to Customer or Central Inside or Outside. Interspersed with these tallies were Vehicle, N/A, Central or Dismount, Business Inside or Resident Outside, Travel B/t Dlvr in an LLV. The one tally in question was Vehicle, N/A, Central, Business Inside, Del/Coll, and LLV. This particular record occurred between PBL at 2:35 PM and Point of Delivery at 2:47 PM. The Activity scan of "Del/Coll" was overruled, and,

based on the remaining scans and the STS definition of Drive Time as stated on page 7 of the response to POIR8, the tally was allocated to Drive Time.

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MPA/USPS-T13-123. MPA/USPS-T13-99 presented a table (reproduced below) showing various types of tallies that you allocated to the Load category. It asked you to "Please explain what the data collector was observing with each of the following tallies, how you can tell, and why you placed each in the 'Load' category." You responded "I cannot respond without references to the specific records in question, including CY code, route ID, date, etc. See Appendix A to USPS-LR-I-163 for relevant data fields."

The purpose of that interrogatory was to gain an understanding of what these types of tallies represent (ie., what the data collectors were observing), how that can be determined from the tally, and why you assigned these tallies to the Load category. For example, subpart r. below identifies "On Route" carrier location, "Park & Loop" delivery type, "Finger @ Delivery" activity, and "Walk Flat" detail. However, it is unclear from that information where the carrier was and what the carrier was actually doing at the time of the observation, and why you have assigned it to Load.

Please respond to the original question for each of the types of tallies in the table below. For each tally type, provide in narrative form (not just data codes) your best understanding of what the data collector was actually observing. If that cannot be determined or you are unsure, please so state. If additional tally information not contained in the table is needed for an understanding, please identify that information and explain how it helps to understand what the observation represents.

Explain for each subpart why you have assigned the tally type to Load. If the final assignment was based on an algorithm or decisional rule (e.g., all tallies with "x activity" are Load), please provide and explain it.

	Location	Delivery Type	Activity(ies)	Detail(s)
d.	On Route	Central	N/A	Central Inside
e.	On Route or Park Point	Any Delivery Type (WT Codes)	Del/Coll or Finger @ Delivery	Any Receptacle Type (H Codes)
i.	On Route	Curb	Del/Coll	Walking
l.	On Route	Dismount	Finger @ Delivery	Walk Flat
m.	On Route	Dismount	Parcel or Accountable	Walk Flat
n.	On Route	Dismount	Walking	Walk Flat
o.	On Route	Park & Loop	Accountable	N/A
p.	On Route	Park & Loop	Del/Coll	Walk Flat
q.	On Route	Park & Loop	Del/Coll	N/A
r.	On Route	Park & Loop	Finger @ Delivery	Walk Flat
y.	Point of Delivery	Any Delivery Type (WT Codes)	N/A	N/A
z.	Point of Delivery	Central, Dismount or Park & Loop	Setup	Vehicle Code (K Codes)
aa.	Point of Delivery	Central	Travel B/t Dlvr.	Central Outside
bb.	Point of Delivery	Central	Walking	Central Inside or Outside

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cc.	Point of Delivery	Central	Walking	Walk Flat
gg.	Point of Delivery	Any Delivery Type (WT Codes)	Travel B/t Dlvr.	Walk or vehicle Codes (K Codes)
hh.	Point of Delivery	Curb	Travel B/t Dlvr.	Walk Flat
ii.	Point of Delivery	Dismount	Parcel or Accountable	Walk Codes (K Codes)
kk.	Point of Delivery	Dismount	Travel B/t Dlvr.	Any Receptacle Type (H Codes)
ll.	Point of Delivery	Any Delivery Type (WT Codes)	Del/Coll.	Walk Codes (K Codes)
mm.	Point of Delivery	Park & Loop	Travel B/t Dlvr.	1 Hand Slam
oo.	Vehicle	Central, Dismount or Park & Loop	Del/Coll or Finger @ Delivery	Receptacle Codes (H Codes)
pp.	Vehicle	Central, Dismount or Park & Loop	Del/Coll or Finger @ Delivery	Vehicle Codes (K Codes)
tt.	Vehicle	Dismount	Travel B/t Dlvr.	Drop to Customer

RESPONSE:

d. I can find only one tally in LR-I-163 containing the combination described. This tally is not assigned to load time. It is assigned to Route/Access (FAT). The record indicates the carrier's location as "On Route". The delivery type being serviced is central. These portions of the record are consistent with the definition of "FAT". The carrier is on a route that has residential inside central delivery points, providing further support for the classification of Route/Access (FAT).

Count	Site_Location	Personal	Non_Job_Ad	Job_Administra	Activities	Work_Type
1	On Route	N/A	Central	Resident Inside	N/A	Central Inside

e. For tallies with a carrier location of "On Route", the activities of "Del/Coll." (deliver or collect) or "Finger @ Delivery" (carrier sorting mail *at the delivery point*)(emphasis added) are consistent with the load time definition. Tallies with a carrier location of "Park Point" and an activity of "Finger @ Delivery"

are again consistent with the load time definition. In each case, the carrier is delivering mail, collecting mail, or sorting mail at a delivery point.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administrat	Activities	Work_Type
2	On Route	N/A	Central	Business Inside	Del/Coll.	Central Inside
1	On Route	N/A	Central	Business Outside	Del/Coll.	Central Outside
2	On Route	N/A	Central	Resident Inside	Del/Coll.	Central Inside
8	On Route	N/A	Central	Resident Outside	Del/Coll.	Central Outside
1	On Route	N/A	Curb	N/A	Del/Coll.	# 1 Box
10	On Route	N/A	Curb	Resident Outside	Del/Coll.	# 1 Box
1	On Route	N/A	Curb	Resident Outside	Del/Coll.	Drop to Cust
1	On Route	N/A	Curb	Resident Outside	Finger @ Deliver	# 2 Box
4	On Route	N/A	Dismount	Business Inside	Del/Coll.	Drop to Cust
1	On Route	N/A	Dismount	Business Outside	Del/Coll.	Drop to Cust
4	On Route	N/A	Dismount	Resident Outside	Del/Coll.	1 Hand Slam
1	On Route	N/A	Dismount	Resident Outside	Del/Coll.	Drop to Cust
3	On Route	N/A	Foot	Business Inside	Del/Coll.	Drop to Cust
1	On Route	N/A	Foot	Business Outside	Del/Coll.	1 Handed Slot
1	On Route	N/A	Foot	Business Outside	Del/Coll.	Drop to Cust
1	On Route	N/A	Foot	Resident Inside	Del/Coll.	Central Inside
1	On Route	N/A	Foot	Resident Outside	Del/Coll.	1 Hand Slam
3	On Route	N/A	Foot	Resident Outside	Del/Coll.	1 Handed Slot
3	On Route	N/A	Park & Loop	Business Inside	Del/Coll.	Drop to Cust
2	On Route	N/A	Park & Loop	Resident Inside	Del/Coll.	Central Inside
8	On Route	N/A	Park & Loop	Resident Outside	Del/Coll.	# 1 Box
9	On Route	N/A	Park & Loop	Resident Outside	Del/Coll.	1 Hand Slam
7	On Route	N/A	Park & Loop	Resident Outside	Del/Coll.	1 Handed Slot
1	On Route	N/A	Park & Loop	Resident Outside	Del/Coll.	2 Handed Slot
1	On Route	N/A	Park & Loop	Resident Outside	Del/Coll.	Drop to Cust
1	On Route	N/A	Park & Loop	Resident Outside	Del/Coll.	Flat Receptacle
1	On Route	N/A	Park & Loop	Resident Outside	Del/Coll.	Illegal Mail Box
2	On Route	N/A	Park & Loop	Resident Outside	Del/Coll.	N/A
1	On Route	N/A	Park & Loop	Resident Outside	Finger @ Deliver	1 Hand Slam
Count	Site_Location	Personal	Non_Job_Ad	Job_Administrat	Activities	Work_Type
1	Park Point	N/A	Park & Loop	Resident Outside	Del/Coll.	Central Outside

(i) I can find only one tally in LR-I-163 containing the combination described. The data points record the carrier location as "On Route". The activity of "Del/Coll" (deliver or collect), is consistent with the load time definition. The remaining information included in the record provides more detail as to exactly what work the carrier is performing. He/she is delivering to a curb type delivery point.

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Count	Site_Location	Personal	Non_Job_Ad	Job_Administra	Activities	Work_Type
1	On Route	N/A	Curb	Resident Outside	Del/Coll.	Walking

(l) I can find only one tally in LR-I-163 containing the combination described. The data points record the carrier location as "On Route. The activity of "Finger @ Deliver" is the activity of the carrier fingering the mail at the point of delivery. This is a load activity. The remaining information included in the record provides more detail as to exactly what work the carrier is performing. He or she is delivering to a dismount type delivery, and the activity detail of "Walk Flat" indicates he/she is walking on a flat surface.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administrati	Activities	Work_Type
1	On Route	N/A	Dismount	Business Outside	Finger @ Deliver	Walk Flat

(m) The tallies are not assigned to load time. It is assigned to Route/Access (FAT). The record indicates the carrier's location as "On Route". The delivery type being serviced is central. These portions of the record are consistent with the definition of "FAT". The carrier is on a route that has residential inside central delivery points, providing further support for the classification of Route/Access (FAT). Originally seven tallies with an activity of accountable were assigned to load time. These tallies have been corrected in LR-I-337.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administra	Activities	Work_Type
38	On Route	N/A	Dismount	Resident Outside	Accountable	Walk Flat
Count	**Site_Location**	**Personal**	**Non_Job_Ad**	**Job_Administra**	**Activities**	**Work_Type**
1	On Route	N/A	Dismount	Business Inside	Parcel	Walk Flat
1	On Route	N/A	Dismount	N/A	Parcel	Walk Flat
1	On Route	N/A	Dismount	Resident Inside	Parcel	Walk Flat
165	On Route	N/A	Dismount	Resident Outside	Parcel	Walk Flat

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(n) These tallies are assigned Route/Access (FAT) rather than to Load. The records indicate the carrier's location as "On Route". The delivery type being serviced is "dismount" and the carrier is walking. These portions of the record are consistent with the definition of "FAT". The remaining activity detail of "walking flat" indicates he/she is walking on a flat surface. Originally five tallies with the activity of "Walking" were assigned to load time. These tallies have been corrected in LR-I-337.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administra	Activities	Work_Type
34	On Route	N/A	Dismount	Business Inside	Walking	Walk Flat
3	On Route	N/A	Dismount	Business	Walking	Walk Flat
49	On Route	N/A	Dismount	Resident Outside	Walking	Walk Flat

(o) I can find only one tally in LR-I-163 containing the combination described. This record was originally assigned to load time. In LR-I-337 this one tally has been reassigned to Route/Access (FAT). The carrier is on a park and loop portion of the route delivering an accountable. Because the activity detail does not provide any supporting information the record must be changed.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administra	Activities	Work_Type
1	On Route	N/A	Park & Loop	Resident Outside	Accountable	N/A

(p) I can find only three tallies in LR-I-163 containing the combination described. The data points record the carrier location as "On Route". The activity of "Del/Coll." (deliver or collect) is consistent with the load time definition. The other supporting information included in the record provides more detail as to

exactly what work the carrier is performing. He/she is delivering on a park & loop type delivery, and is walking on a flat surface.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administra	Activities	Work_Type
3	On Route	N/A	Park & Loop	Resident Outside	Del/Coll.	Walk Flat

(q) I can find only two tallies in LR-I-163 containing the combination described. The data points record the carrier location as "On Route". The activity of "Del/Coll." (Deliver and collect) is consistent with the load time definition. The other supporting information included in the record provides more detail as to exactly what work the carrier is performing. He/she is delivering on a park & loop type delivery.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administra	Activities	Work_Type
2	On Route	N/A	Park & Loop	Resident Outside	Del/Coll.	N/A

(r) I can find only one tally in LR-I-163 containing the combination described. The data points record the carrier location as "On Route". The activity of "Finger @ Deliver" is the activity of the carrier fingering the mail *at the point of delivery*.(emphasis added) This is a load activity. The remaining information included in the record provides more detail as to exactly what work the carrier is performing. He/she is delivering to a park & loop type delivery, and is walking on a flat surface.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administra	Activities	Work_Type
1	On Route	N/A	Park & Loop	Resident Outside	Finger @	Walk Flat

(y) I can find only seven tallies in LR-I-163 containing the combination described. The data points record the carrier location as "Point of Deliver", which is

consistent with the load time definition. He is at the point of delivery, delivering to a central, dismount or park and loop type delivery, in a residential neighborhood of inside or outside delivery points.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administrat	Activities	Work_Type
1	Point of Deliver	Forms	Central	N/A	N/A	N/A
1	Point of Deliver	Forms	Central	Resident Outside	N/A	N/A
1	Point of Deliver	N/A	Central	Resident Inside	N/A	N/A
2	Point of Deliver	N/A	Dismount	Resident Outside	N/A	N/A
1	Point of Deliver	N/A	Park & Loop	N/A	N/A	N/A
1	Point of Deliver	N/A	Park & Loop	Resident Outside	N/A	N/A

(z) This tally should be assigned to street support time. The STS definition of street support time is "The part of street time spent on activities such as traveling to and from the route, to the carriers' station, obtaining and loading the vehicle, and preparing mail in bulk at the vehicle and at relay boxes." The carrier location is at the "Point of Deliver". On further examination the carrier activity of "Setup" is "relocating mail from the rear of the vehicle to the front or loading the satchel for a loop of a park and loop delivery". This is consistent with "preparing mail in bulk at the vehicle", which is a Street Support activity. The activity detail of LLV or Jeep confirms the carriers' location.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administrat	Activities	Work_Type
2	Point of Deliver	N/A	Central	Business Outside	Setup	LLV
4	Point of Deliver	N/A	Central	Resident Outside	Setup	LLV
3	Point of Deliver	N/A	Curb	Resident Outside	Setup	LLV
1	Point of Deliver	N/A	Dismount	Business Inside	Setup	LLV
1	Point of Deliver	N/A	Dismount	Business Outside	Setup	Jeep
3	Point of Deliver	N/A	Dismount	Resident Outside	Setup	LLV
1	Point of Deliver	N/A	Park & Loop	Business Outside	Setup	Jeep
1	Point of Deliver	N/A	Park & Loop	Business Outside	Setup	LLV
1	Point of Deliver	N/A	Park & Loop	Resident Outside	Setup	LLV

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(aa) I can find only one tally in LR-I-163 containing the combination described. The data points record the carrier location as "Point of Deliver". This is consistent with the load time definition. The activity of "Travel B/t Dlvr" is ignored. The remaining information included in the record provides more detail as to exactly what work the carrier is performing. He/she is delivering to a residential "Central" type delivery with central outside mailboxes.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administrat	Activities	Work_Type
1	Point of Deliver	N/A	Central	Resident Outside	Travel B/t Dlvr.	Central Outside

(bb) The tallies record the carrier location as "Point of Deliver". This is consistent with the load time definition. The activity of "Travel B/t Dlvr" is ignored. The remaining information included in the record provides more detail as to exactly what work the carrier is performing. He/she is delivering to a residential "Central" type delivery with central outside mailboxes. LR-I-163 has these tallies assigned to load time. This is the correct designation. The first record listed below was incorrectly changed in LR-I-337 to Route/Access (FAT).

Count	Site_Location	Personal	Non_Job_Ad	Job_Administrat	Activities	Work_Type
1	Point of Deliver	N/A	Central	Resident Inside	Walking	Central Outside
2	Point of Deliver	N/A	Central	Resident Outside	Walking	Central Inside
1	Point of Deliver	N/A	Central	Resident Outside	Walking	Central Outside

(cc) I can find only one tally in LR-I-163 containing the combination described. The data points record the carrier location as "Point of Deliver", which is consistent with the load time definition. The activity of walking is ignored. The other information included in the record provides more detail as to exactly

what work the carrier is performing. He/she is delivering to a central type delivery, in a residential neighborhood of inside delivery points.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administra	Activities	Work_Type
1	Point of Deliver	N/A	Central	Resident Inside	Walking	Walk Flat

(gg) Several STS Categories apply to this combination of codes described. The first grouping of nine tallies associated with "Curb" delivery should be classified as load time. The carrier is at the "Point of Deliver", the activity of "Travel B/t Deliver" (traveling between deliveries) is ignored, and the activity detail of "LLV" on a curb route define load time. The next two tallies should be reassigned to load time because of the above reasons. The next single tally, with the activity detail of "Walk Flat" should be reassigned to Route /Access (CAT). The next grouping of four tallies associated with the "Dismount" deliveries and an activity detail of some type of walking should be associated with the Route/Access (FAT) category because the carrier is walking on the dismount portion of the route. The other six tallies associated with "Dismount" and the activity detail of "LLV" and the location of "Point of Delivery" are assigned to load time because the carrier is not walking and is at the LLV at the point of delivery. The next grouping of four tallies associated with the "Park & Loop" delivery type and the STS category of Route/Access (FAT) are assigned this category because the activity detail is "Walk Flat". The remaining tally associated with "Park & Loop" is assigned the load time category due to the location (point of deliver) and activity detail (LLV).

Co	Site_Location	Pers	Non_Job_A	Job_Administrat	Activities	Work_Typ	STS Type

9	Point of Deliver	N/A	Curb	Resident Outside	Travel B/t Dlvr.	LLV	Load Time
2	Point of Deliver	N/A	Curb	Resident Outside	Travel B/t Dlvr.	LLV	Route/Access (CAT)
1	Point of Deliver	N/A	Curb	Resident Outside	Travel B/t Dlvr.	Walk Flat	Load Time
1	Point of Deliver	N/A	Dismount	Business Inside	Travel B/t Dlvr.	Walk Flat	Load Time
1	Point of Deliver	N/A	Dismount	Business Outside	Travel B/t Dlvr.	Walk Obst	Route/Access (FAT)
6	Point of Deliver	N/A	Dismount	Resident Outside	Travel B/t Dlvr.	LLV	Load Time
2	Point of Deliver	N/A	Dismount	Resident Outside	Travel B/t Dlvr.	Walk Flat	Route/Access (FAT)
2	Point of Deliver	N/A	Park & Loop	Business Inside	Travel B/t Dlvr.	Walk Flat	Route/Access (FAT)
1	Point of Deliver	N/A	Park & Loop	Business Outside	Travel B/t Dlvr.	LLV	Load Time
2	Point of Deliver	N/A	Park & Loop	Resident Outside	Travel B/t Dlvr.	Walk Flat	Route/Access (FAT)

(hh) Please refer to ADVO/USPS-T13-123 (gg).

(ii) The tallies record the carrier location as "Point of Deliver", which is consistent with the load time definition. The activity of "Parcel" is the activity of the carrier delivering a parcel, and the activity of "Accountable" indicates the carrier is delivering an accountable. Each of these are load time activities. The remaining information included in the record provides more detail as to exactly what work the carrier is performing. He/she is walking, delivering at a dismount type delivery.

Count	Site_Location	Personal	Non_Job_A	Job_Administrat	Activities	Work_Typ
2	Point of Deliver	N/A	Dismount	Resident Inside	Accountable	Walking
1	Point of Deliver	N/A	Dismount	Resident Outside	Accountable	Walk Flat
2	Point of Deliver	N/A	Dismount	Resident Outside	Parcel	Walk Flat
1	Point of Deliver	N/A	Dismount	Resident Outside	Parcel	Walking

(kk) I can find only three tallies in LR-I-163 containing the combination described. The data points record the carrier location as "Point of Deliver", which is consistent with the load time definition. The activity of "Travel B/t Dlvr" is ignored due to the activity detail recorded as a receptacle. The other

information included in the record provides more detail as to exactly what work the carrier is performing. He/she is delivering to a dismount type delivery point of residential outside or business inside delivery points.

Count	Site_Location	Personal	Non_Job_A	Job_Administrat	Activities	Work_Type
1	Point of Deliver	N/A	Dismount	Business Inside	Travel B/t	Drop to Cust
2	Point of Deliver	N/A	Dismount	Resident Outside	Travel B/t	# 1 Box

(ll) I can find only one tally in LR-I-163 containing the combination described. The data points record the carrier location as "Point of Deliver", which is consistent with the load time definition. The activity of "Del/Coll." (deliver or collect) is also consistent with the load time definition. The other information included in the record indicates the carrier is walking.

Count	Site_Location	Personal	Non_Job_A	Job_Administrat	Activities	Work_Type
1	Point of Deliver	N/A	Foot	Resident Inside	Del/Coll.	Walking

(mm) I can find only one tally in LR-I-163 containing the combination described. The data points record the carrier location as ""Point of Deliver" (point of delivery), which is consistent with the load time definition. The activity of "Travel B/t Deliver" is ignored. The remaining information included in the record provides more detail as to exactly what work the carrier is performing. He/she is delivering to a park and loop type delivery, on the residential outside delivery portion of a route to a 1-hand slam type mailbox.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administra	Activities	Work_Type
1	Point of Deliver	N/A	Park & Loop	Resident Outside	Travel B/t	Hand Slam

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(oo) The tallies record the carrier location as "Vehicle", which is not enough information to determine the category. The activities of "Del/Coll."(Deliver or collect) or "Finger @ Delivery" (the activity of the carrier fingering the mail *at the point of delivery*) are consistent with the load time definition. The delivery type is the final piece needed to verify what type of delivery point the carrier is delivering the mail to. The other information included in the record provides more detail as to exactly what work the carrier is performing. He/she is placing the mail into a receptacle or handing the mail to a customer at a central, dismount, or park & loop type delivery point.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administrat	Activities	Work_Type
21	Vehicle	N/A	Central	Resident Outside	Del/Coll.	Central Outside
1	Vehicle	N/A	Central	Resident Outside	Finger @ Deliver	Central Outside
4	Vehicle	N/A	Dismount	Business Inside	Del/Coll.	Drop to Cust
1	Vehicle	N/A	Dismount	Business Inside	Del/Coll.	N/A
1	Vehicle	N/A	Dismount	Business Outside	Del/Coll.	# 1-1/2 Box
1	Vehicle	N/A	Dismount	Business Outside	Del/Coll.	# 2 Box
1	Vehicle	N/A	Dismount	Business Outside	Del/Coll.	Drop to Cust
1	Vehicle	N/A	Dismount	Business Outside	Del/Coll.	N/A
1	Vehicle	N/A	Dismount	Resident Inside	Del/Coll.	N/A
5	Vehicle	N/A	Dismount	Resident Outside	Del/Coll.	# 1 Box
1	Vehicle	N/A	Dismount	Resident Outside	Del/Coll.	# 1-1/2 Box
3	Vehicle	N/A	Dismount	Resident Outside	Del/Coll.	1 Hand Slam
2	Vehicle	N/A	Dismount	Resident Outside	Del/Coll.	1 Handed Slot
5	Vehicle	N/A	Dismount	Resident Outside	Del/Coll.	Drop to Cust
2	Vehicle	N/A	Park & Loop	Resident Outside	Del/Coll.	# 1 Box
1	Vehicle	N/A	Park & Loop	Resident Outside	Del/Coll.	Illegal Mail Box

(pp) The tallies record the carrier location as "Vehicle", which is not enough information to determine the category. The activities of "Del/Coll." (Deliver or collect) or "Finger @ Delivery" (the activity of the carrier fingering the *mail at the point of delivery*) are consistent with the load time definition. The remaining information included in the record provides more detail as to

exactly what work the carrier is performing. He/she is delivering to a central, dismount, or park & loop type delivery.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administrat	Activities	Work_Type
1	Vehicle	N/A	Central	Business Inside	Del/Coll.	LLV
1	Vehicle	N/A	Central	Resident Inside	Finger @ Deliver	LLV
3	Vehicle	N/A	Central	Resident Outside	Del/Coll.	LLV
3	Vehicle	N/A	Central	Resident Outside	Finger @ Deliver	LLV
1	Vehicle	N/A	Dismount	Business Inside	Del/Coll.	LLV
2	Vehicle	N/A	Dismount	Business Inside	Finger @ Deliver	LLV
8	Vehicle	N/A	Dismount	Business Outside	Finger @ Deliver	LLV
20	Vehicle	N/A	Dismount	Resident Outside	Finger @ Deliver	LLV
1	Vehicle	N/A	Park & Loop	Resident Outside	Del/Coll.	LLV

(tt) The tallies record the carrier location as "Vehicle". The activity of "Travel B/t Dlvr" is ignored. The load time definition is supported by the "Drop to Cust" (drop to customer) activity detail, because the load time definition includes "incidental time for customer contacts". The remaining information included in the record provides more detail as to exactly what work the carrier is performing. He/she is delivering to a dismount type delivery.

Count	Site_Location	Personal	Non_Job_Ad	Job_Administrat	Activities	Work_Type
1	Vehicle	N/A	Dismount	Business Inside	Travel B/t Dlvr.	Drop to Cust
1	Vehicle	N/A	Dismount	N/A	Travel B/t Dlvr.	Drop to Cust

MPA/USPS-T13-127. MPA/USPS-T13-108 and your response were as follows:

> MPA/USPS-T13-108. There are a lot of vehicle location tallies for dismount deliveries with "setup" activity. Per Appendix D, you state that setup is "relocating mail form [sic] rear of vehicle to front, loading satchel." But, Appendix D also states that Dismount is serving one or more customers by dismounting and without use of a satchel. Please explain what specific activity the data collectors were observing when they took these tallies.
>
> RESPONSE: I cannot respond without references to the specific records in question, including CY code, route ID, date, etc. See Appendix A to USPS-LR-I-163 for relevant data fields.

1. Please confirm that Appendix D to your testimony defines "Setup" as "Relocating mail form [sic] rear of vehicle to front, loading satchel."
2. Please confirm that Appendix D to your testimony defines "Dismount" as "Serving one or more customers by dismounting and without use of a satchel."
3. For these tallies, please explain what the data collectors were observing (i.e., where the carrier was and what the carrier was doing) at that time, and how you can determine that from the tally information. If the explanation depends on other information in the tally that is not shown above, please identify that information.

RESPONSE:

The following responses are based on LR-I-337 developed to support my response to ADVO/USPS-T13-38 and 69.

1-2. Confirmed. "Setup" includes either or both of the activities listed in the definition. Appendix D was intended to provide general insight and was not intended to be a set of all-encompassing definitions.

3. During a "Dismount" the carrier has to get set up by obtaining the mail for one or more customers from the trays in the front of the vehicle and/or mail from the

back of the vehicle, hence the use of the Setup code with "Dismount." On rare occasions the "Setup", that is, organizing the mail the carrier has in his/her possession, may have to be redone at the "Point of Delivery" or "On Route" depending on the number of customers being served and/or volume of mail picked up at the delivery points. A carrier may actually take tubs of mail along and/or pick up tubs of mail as part of a dismount. There are 591 tallies where the activity is "Setup" and the type of delivery is "Dismount". These tallies can be divided into six categories based on the location of the carrier.

- In the majority of the tallies (556 tallies), the carrier is located at the Vehicle. The activity detail for these 556 tallies indicates the vehicle type (LLV, Jeep, etc.).
- The location of the carriers in the remaining tallies are Park Point (21 tallies). A carrier can serve both Park & Loop customers and Dismount customers from the same Park Point.
- Point of Delivery (7 tallies) where the carrier could have been preparing/rearranging mail in bulk to continue on with additional deliveries.
- Dock (5 tallies) on a few occasions would have been the customer's Dock where the carrier as part of a Dismount would have been setting up to deliver.
- On Route (1 tally) would indicate the carrier stopped to setup the mail being carried somewhere between the vehicle and reaching the Delivery Point.

- Collection Box (1 tally)

In all but three cases, the "Setup" activity is enough to put the tally in the STS street support category. The one tally with the "Collection Box" location is assigned to the STS Collection category. The two tallies with Dismount and Setup that were assigned to the STS Load category required additional research. The additional bar code Levels are very important for an understanding of these tallies. Identifying specific records with tally details including CY Code, route ID, date, etc. assists in understanding tallies in question for research purposes. Having tally details such as CY Code, route ID, and date is necessary when researching hard copy documentation associated with specific tallies. Also, having the specific tallies you were questioning would reduce my chances of providing a misleading response and reduce the effort required to query the database and possibly misidentify the requested information and associated tallies. These two tallies were queried and were researched through the manual records. Both are at "Point Of Delivery", and "Business Inside". In one case, the Activity Detail shows "Drop To Cust". The "Drop To Cust", along with the STS definition of Load Time as "delivering and collecting mail pieces at residential and business delivery points", placed this tally into Load. On rare occasions, the customer may arrive at the Point of Delivery and while the carrier is involved with various actions such as a setup ask the carrier for and take possession of the mail.

The one remaining tally assigned to Load shows "LLV". The Activity Detail scan of LLV was overruled and, based on the remaining scans and the STS definition of Load, as stated on page 35 of my testimony, the tally was placed in Load. And after researching the manual records, I have determined that this tally came from a "dismount route". The carrier was serving a string of Dismount customers and the "carrier did not use bag." The pattern on the route was a string of tallies of Point of Delivery, N/A, Dismount, Business Inside or Resident Outside, Delivery, Drop to Cust or Central Outside. Interlaced in this string were tallies of On Route with Travel B/t Dlvr. in a LLV. The particular tally fell between two On Routes with Travel B/t Dlvr. that occurred at 3:22 and 3:34 PM. Based on this review the tally should be placed in Street Support, "preparing mail in bulk at the vehicle." That is, the carrier was with the LLV, which is at the Point of Delivery, to perform a Dismount for a Business Inside and is preparing mail at or in the LLV.

Refer to my response to Presiding Officer's Information Request No. 8 which describes the general steps taken to classify each of the rows of data used by witness Baron, outlines the six STS category definitions used in the classification function, explains which of the tally fields played important roles for each of the six STS categories, explains general classification rules that were implicit in our tally-type by tally-type analysis, and provides tally-group by tally-group descriptions of the key considerations underlying the STS classifications for the 38,557 tallies in LR-I-337. See also LR-I-383.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO ADVO, INC. INFORMATION REQUEST MADE AT HEARING

At Tr. 18/8001, Counsel for Advo, Inc. stated:

> We had previously mentioned getting an electronic version of the witness's response to compelled interrogatory MPA-56.
>
> It just occurred to me that that was one of those Library References that had data for only the 844 route days that were in Baron's database. It did not include information for these additional routes, and I would ask that the information, the electronic information that is going to be provided would provide that as well, that additional information as well.

RESPONSE:

A table similar to that provided in response to interrogatory MPA/USPS-T13-56, containing the requested additional routes, is attached.

Date	Unit	Route	Tallies	First Scan	Last Scan	Total Time
22-May-97	CY02	1579	90	7:34:19	15:58:00	8:23:41
29-May-97	CY02	1579	1			
30-May-97	CY02	1579	1			
15-Oct-96	CY02	1595	135	6:37:31	18:22:28	11:44:57
12-Mar-98	CY04	4211	5	9:39:48	20:16:22	10:36:34
16-Nov-96	CY04	4214	75	6:33:01	13:46:35	7:13:34
28-Oct-96	CY04	4219	90	6:50:08	15:29:00	8:38:52
31-Oct-96	CY04	4223	88	8:11:20	17:00:09	8:48:49
29-Oct-96	CY04	4227	93	6:32:25	15:48:31	9:16:06
23-Aug-97	CY04	4234	43	7:21:57	12:54:08	5:32:11
21-Feb-98	CY04	4239	70	6:39:48	13:30:24	6:50:36
30-Oct-96	CY04	4242	87	6:32:38	14:59:46	8:27:08
3-Jul-97	CY04	4243	90	7:08:01	15:29:13	8:21:12
10-Mar-98	CY04	4265	13	10:56:46	12:08:11	1:11:25
11-Mar-98	CY04	4265	29	15:34:10	18:16:48	2:42:38
17-Dec-97	CY04	4906	119	8:04:06	19:21:57	11:17:51
14-Jan-98	CY04	4906	86	6:34:40	16:13:16	9:38:36
15-Jan-98	CY04	4906	75	6:37:57	13:59:36	7:21:39
15-Jan-98	CY04	4908	25	14:06:25	17:47:06	3:40:41
5-Feb-98	CY04	4908	99	6:40:56	15:31:08	8:50:12
9-Feb-98	CY04	4908	28	13:55:46	16:38:35	2:42:49
9-Dec-97	CY04	4909	91	6:42:27	17:08:07	10:25:40
17-Jan-98	CY04	4909	88	7:06:47	16:16:09	9:09:22
3-Feb-98	CY04	4909	78	7:09:04	15:43:02	8:33:58
10-Dec-97	CY04	4910	21	8:00:50	9:56:04	1:55:14
19-Dec-97	CY04	4910	98	5:41:32	19:29:17	13:47:45
28-Jan-98	CY04	4910	98	6:18:22	18:25:01	12:06:39
4-Feb-98	CY04	4910	105	6:38:30	16:59:10	10:20:40
23-Feb-98	CY04	4910	14	12:37:08	13:49:19	1:12:11
20-Dec-97	CY04	4915	87	6:34:29	15:58:03	9:23:34
23-Jan-98	CY04	4915	103	6:34:26	17:31:30	10:57:04
8-Dec-97	CY04	4917	109	6:14:28	17:59:15	11:44:47
21-Jan-98	CY04	4917	97	6:44:02	17:44:05	11:00:03
6-Feb-98	CY04	4917	98	6:31:01	16:43:16	10:12:15
20-Feb-98	CY04	4917	19	14:44:51	16:31:53	1:47:02
24-Jan-98	CY04	4920	38	11:30:01	15:07:16	3:37:15
26-Jan-98	CY04	4920	83	6:29:44	15:35:26	9:05:42
31-Jan-98	CY04	4920	95	6:17:19	16:52:24	10:35:05
13-Dec-97	CY04	4926	98	7:01:57	17:10:26	10:08:29
22-Jan-98	CY04	4926	107	6:06:21	18:02:54	11:56:33
20-Jan-98	CY04	4931	102	6:37:39	17:42:11	11:04:32
24-Jan-98	CY04	4940	47	6:55:18	11:21:04	4:25:46
2-Feb-98	CY04	4940	108	6:11:26	17:44:58	11:33:32
16-Dec-97	CY04	4944	108	6:33:28	17:28:34	10:55:06
12-Jan-98	CY04	4944	1			
29-Jan-98	CY04	4944	89	6:38:32	16:39:01	10:00:29
27-Jan-98	CY04	4945	83	6:42:43	16:11:38	9:28:55
25-Oct-96	CY06	7519	64	7:21:31	13:54:16	6:32:45
29-Oct-96	CY06	9302	69	7:38:30	14:40:27	7:01:57
26-Oct-96	CY06	9303	78	7:04:50	14:17:56	7:13:06
18-Oct-96	CY07	8061	115	6:01:20	17:07:00	11:05:40

31-Oct-96	CY11	4732	89	8:07:16	16:52:26	8:45:10
21-Oct-96	CY11	4811	97	7:35:31	17:03:22	9:27:51
5-Nov-96	CY14	3704	65	7:58:55	14:18:52	6:19:57
7-Nov-96	CY14	3705	86	7:03:04	15:23:59	8:20:55
4-Feb-97	CY14	3705	83	7:05:44	15:32:44	8:27:00
8-Nov-96	CY17	1906	95	7:31:48	17:01:50	9:30:02
9-Nov-96	CY17	1970	74	7:33:26	15:25:21	7:51:55
13-Nov-96	CY18	2912	92	7:03:23	15:29:56	8:26:33
6-Feb-97	CY18	2934	87	7:37:03	16:05:00	8:27:57
12-Nov-96	CY18	2947	95	7:01:38	16:18:18	9:16:40
16-Nov-96	CY19	4846	58	7:18:18	12:44:32	5:26:14
15-Nov-96	CY19	4876	76	6:49:44	14:15:39	7:25:55
9-Nov-96	CY20	5546	77	7:08:20	14:34:36	7:26:16
14-Nov-96	CY20	5553	82	7:01:13	16:07:36	9:06:23
4-Feb-97	CY20	5553	94	7:04:12	16:31:23	9:27:11
13-Nov-96	CY20	5566	103	7:04:54	16:59:46	9:54:52
15-Nov-96	CY21	6229	92	7:08:08	16:53:45	9:45:37
20-Nov-96	CY21	6234	82	7:04:04	15:36:45	8:32:41
18-Nov-96	CY21	6248	84	7:04:54	15:52:00	8:47:06
19-Nov-96	CY21	6288	79	7:08:38	15:15:24	8:06:46
4-Nov-96	CY22	5414	81	7:08:10	15:30:08	8:21:58
6-Nov-96	CY22	5416	92	7:07:18	16:29:03	9:21:45
5-Nov-96	CY22	5420	85	7:12:15	16:41:51	9:29:36
7-Nov-96	CY22	5433	77	7:06:57	14:50:11	7:43:14
6-Jan-97	CY23	0211	70	7:31:27	15:52:20	8:20:53
7-Jan-97	CY23	0218	82	7:31:53	15:52:28	8:20:35
8-Jan-97	CY23	0222	89	7:28:45	17:44:22	10:15:37
11-Jan-97	CY23	0401	85	7:33:44	16:13:33	8:39:49
10-Jan-97	CY23	0414	95	7:29:24	16:57:07	9:27:43
9-Jan-97	CY23	0433	91	7:33:44	16:42:56	9:09:12
5-Dec-96	CY32	3507	92	7:31:02	16:45:53	9:14:51
4-Dec-96	CY32	3522	80	7:33:43	15:18:36	7:44:53
6-Dec-96	CY32	3543	97	7:34:51	17:05:11	9:30:20
12-Feb-97	CY42	0429	65	3:07:42	9:45:56	6:38:14
11-Feb-97	CY43	0163	60	6:18:37	12:33:11	6:14:34
12-Feb-97	CY44	3127	55	6:05:09	11:25:53	5:20:44
13-Feb-97	CY44	3133	81	5:35:28	13:32:14	7:56:46
11-Feb-97	CY45	5405	81	7:07:13	15:49:36	8:42:23
5-May-97	CY46	1133	86	7:06:21	15:51:24	8:45:03
10-May-97	CY46	1133	74	6:35:36	15:24:46	8:49:10
12-May-97	CY46	1133	85	7:06:21	16:13:26	9:07:05
15-May-97	CY46	1133	90	7:01:32	15:54:42	8:53:10
17-May-97	CY46	1133	91	7:03:05	16:01:28	8:58:23
18-Jul-97	CY46	1145	35	7:06:21	10:12:59	3:06:38
19-Jul-97	CY46	1145	93	6:01:56	16:19:29	10:17:33
25-Jul-97	CY46	1145	90	7:05:20	16:33:15	9:27:55
3-Jun-97	CY46	1148	84	7:03:11	15:29:26	8:26:15
4-Jun-97	CY46	1148	89	6:55:23	15:32:36	8:37:13
11-Jun-97	CY46	1148	77	7:11:38	14:19:14	7:07:36
13-Jun-97	CY46	1148	66	7:08:16	14:40:43	7:32:27
14-Jun-97	CY46	1148	93	7:10:44	16:17:07	9:06:23
19-Jun-97	CY46	1148	94	7:10:42	17:16:18	10:05:36

5-May-97	CY47	1411	119	7:19:28	16:47:14	9:27:46
12-May-97	CY47	1411	85	7:24:20	14:53:01	7:28:41
13-May-97	CY47	1411	104	7:22:39	17:13:41	9:51:02
14-May-97	CY47	1411	105	7:22:35	17:07:42	9:45:07
15-May-97	CY47	1411	109	7:17:07	17:08:44	9:51:37
21-May-97	CY47	1411	92	7:19:31	16:30:59	9:11:28
23-May-97	CY47	1411	84	7:20:15	17:10:49	9:50:34
24-May-97	CY47	1411	93	7:19:24	17:07:36	9:48:12
27-May-97	CY47	1411	110	6:36:03	17:12:07	10:36:04
28-May-97	CY47	1411	103	7:18:54	17:57:13	10:38:19
29-May-97	CY47	1411	103	7:14:46	16:41:05	9:26:19
2-Jul-97	CY47	1475	1			
17-Jul-97	CY47	1475	109	7:00:46	18:23:39	11:22:53
24-Jul-97	CY47	1475	103	7:04:55	16:37:29	9:32:34
5-Sep-97	CY47	1507	83	7:03:42	15:24:27	8:20:45
12-Sep-97	CY47	1507	62	6:59:49	11:18:44	4:18:55
2-Jun-97	CY47	1508	102	7:17:03	17:21:17	10:04:14
3-Jun-97	CY47	1508	97	7:19:25	16:52:45	9:33:20
5-Jun-97	CY47	1508	83	7:23:49	17:19:02	9:55:13
6-Jun-97	CY47	1508	81	7:16:39	15:44:22	8:27:43
7-Jun-97	CY47	1508	77	7:28:57	15:01:36	7:32:39
9-Jun-97	CY47	1508	95	7:19:15	16:42:23	9:23:08
11-Jun-97	CY47	1508	66	7:23:14	14:07:51	6:44:37
12-Jun-97	CY47	1508	94	7:23:42	16:02:34	8:38:52
14-Jun-97	CY47	1508	94	7:06:29	15:37:02	8:30:33
19-Jun-97	CY47	1508	66	7:05:38	13:29:28	6:23:50
26-Jun-97	CY47	1508	110	7:13:18	17:04:44	9:51:26
27-Jun-97	CY47	1508	92	7:07:02	15:49:01	8:41:59
28-Jun-97	CY47	1508	74	6:36:48	13:51:25	7:14:37
18-Aug-97	CY47	1586	70	7:06:47	13:44:51	6:38:04
23-Aug-97	CY47	1586	84	7:24:17	16:28:34	9:04:17
17-May-97	CY48	0337	83	7:33:59	15:00:26	7:26:27
7-May-97	CY49	0101	89	7:05:28	17:30:53	10:25:25
2-Jun-97	CY50	8701	72	7:07:39	12:57:53	5:50:14
3-Jun-97	CY50	8701	1			
5-May-97	CY50	8717	96	7:03:52	16:24:35	9:20:43
6-May-97	CY50	8717	103	6:59:34	17:00:45	10:01:11
7-May-97	CY50	8717	84	6:49:31	14:25:34	7:36:03
19-May-97	CY50	8717	101	6:56:15	16:55:48	9:59:33
20-May-97	CY50	8717	52	7:05:34	11:36:00	4:30:26
28-May-97	CY50	8717	102	7:00:16	17:10:00	10:09:44
21-Jul-97	CY50	8735	109	7:11:18	16:44:29	9:33:11
22-Jul-97	CY50	8735	109	7:25:29	16:58:05	9:32:36
23-Jul-97	CY50	8735	106	7:08:52	16:18:09	9:09:17
30-Jul-97	CY50	8759	86	7:17:54	15:35:38	8:17:44
4-Aug-97	CY50	8759	105	7:21:36	16:42:38	9:21:02
18-Aug-97	CY50	8759	68	10:04:29	16:12:49	6:08:20
19-Aug-97	CY50	8759	91	7:09:23	15:07:25	7:58:02
30-May-97	CY51	6419	97	7:33:24	17:25:51	9:52:27
31-May-97	CY51	6419	91	7:57:11	18:03:10	10:05:59
6-Jun-97	CY52	1111	71	8:12:57	15:46:09	7:33:12
7-Jun-97	CY52	1111	89	6:39:25	15:23:33	8:44:08

14-Jun-97	CY52	1121	57	6:27:31	12:58:57	6:31:26
17-Dec-97	CY53	0374	25	14:03:47	16:21:57	2:18:10
28-Jun-97	CY53	2215	83	6:39:19	15:28:37	8:49:18
20-Jun-97	CY53	2227	83	6:33:22	15:06:15	8:32:53
14-Jul-97	CY58	8212	97	7:37:37	16:34:54	8:57:17
11-Jul-97	CY60	1917	93	7:34:42	16:11:30	8:36:48
14-Jul-97	CY61	4271	52	9:29:19	14:38:40	5:09:21
26-Jul-97	CY61	4273	86	7:05:58	15:27:02	8:21:04
11-Aug-97	CY63	0825	90	6:49:09	15:22:27	8:33:18
13-Nov-97	CY66	0106	90	7:48:10	16:08:58	8:20:48
14-Jan-98	CY66	0256	1			

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO QUESTIONS POSED AT HEARING

At Tr. 19/8042 Lines 3-4 ADVO Counsel asked: "Do you happen to have any copies of the original Phase 1 bar codes sheet?"

RESPONSE:

I have not been able to locate a set of the original Phase 1 bar code sheets. In discussions with my business associates it was pointed out to me that the Phase 1 sheets were destroyed so they could not inadvertently be used in Phase 2. Based on these discussions, however, I believe the following changes were made to the Phase 1 sheets to create the Phase 2 sheets:

1. Level 10 Location: we added the barcode "L24 Other Route". This code was to be used when the carrier deviated from his assigned route to deliver mail on another route or to assist with delivering mail on another route.
2. Level 11.2 Outside Delivery Type: we dropped the "WT00 N/A" code from the barcode sheet. This required the observer to assign a delivery type to each scan sequence.
3. Level 11.4 Outside Activities: we added "J12 Finger @ Deliver" to further define the actions of the carrier at the delivery point. In Phase 1 this activity fell under "J08 Del/Coll.". We also added "T05 Walking" to capture the "deadhead" time the carrier spends just walking. The final code added was "D10 Wait 4 Collection Box" to further define a delay that in Phase 1 required written observations that were under "D08 Other delay-Specify".
4. Level 11.4.1 Outside Activities – Details: we added "K12 Train/Subway" as a means of travel. We added "K13 Service Elevator" to supplement travel. In the delay codes we added "D11 NoCarAssnd" (No carrier assigned). The

final code added was "H16 Multiple Box Type" in the delivery details category. This code was used to capture, in the rare instances, the occurrence of more than one box type at a delivery point.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO QUESTIONS POSED AT HEARING

At Tr. 18/7961-7963 ADVO's counsel requested information pertaining to CY02 and CY04 routes that were included in Phase 1and/or Phase 2 of the ES study. In addition a request was made for information on routes that were studied for multiple days, and on some of the days of data that were not included in the data base presented in USPS-LR-I-163.

At Tr. 18/7971-7973 ADVO's counsel, Chairman Gleiman, and USPS counsel discussed obtaining a crosswalk between LR-I-163 and the overall ES data that was collected.

At Tr. 18/7981-7983 ADVO's counsel requested information on route days not included in LR-I-163.

RESPONSE:

I have completed research of the various manual and electronic records pertaining to the ES Study to compile the listing of routes that were not included in LR-I-163. Attached is a copy of an Excel® spreadsheet that identifies the CY code ("Unit"), Route code ("Route"), study date of the route day ("Date"), in which Phase the data was collected ("Phase"), and the reason why the route day was not included in LR-I-163 ("Comments"). LR-I-399 is the electronic version of the attached spreadsheet.

Please see my responses to ADVO/USPS-T13-32(ii) and ADVO/USPS-T13-63(v) for additional information on routes that were not included in LR-I-163. These routes are included in the attached spreadsheet and LR-I-399. Further descriptions of the more common reasons noted on the spreadsheet for routes not being included in LR-I-163 follow:

"Equipment Problems" include TimeWand® II malfunctions, computer related problems uploading data from the field, and/or video camera problems.

"Multiple Carriers on Route" refers to circumstances in which multiple carriers simultaneously delivered mail on sections of the route being studied. In such instances, it was not possible for the study team to collect information regarding the activities of all such carriers, and hence only partial results were obtained for the route.

"Partial Route" studies (routes less than 8 hours) occurred when carriers handed off parts of their routes such that the team could not collect sufficient data or when carriers had an atypical day (e.g. a "food drive" was being conducted, or the carrier took personal/medical leave time resulting in an incomplete (partial) route day).

"Partial Scans" refers to days in which the carrier worked a full day and the entire route was studied, but the work-sampling scans for some reason do not reflect the entire day observed.

"Missing Scans" refers to days in which no work-sampling scans exist in the database.

Regarding "Route Interference (Union)", the Union had the right to observe the study process and on occasion interacted with the carrier to the point where the data being collected was affected.

Support documentation in "Support Documentation Incomplete" includes, but is not limited to, observer comment logs, information collected/recorded manually that was not electronically uploaded, USPS form 3999X, and field generated reports. The documentation was considered incomplete due to a variety of circumstances, including, but not limited to, field data package getting

lost, damaged, or tampered with in the process of being sent in, damage to documentation resulting from adverse weather conditions, or information being possibly misplaced when being used/filed or during one of our moving processes.

Route Days not Included in LR-I-337

Unit	Route	Date	Phase	Comments
CY02	1579	22-May-97	2	Equipment Problems
CY02	1579	29-May-97	2	Missing Scans
CY02	1579	30-May-97	2	Missing Scans
CY02	1595	15-Oct-96	1	Support Documentation Incomplete
CY04	4211	12-Mar-98	2	Partial Scans and Multiple Carriers on Route
CY04	4214	16-Nov-96	1	Partial Route Less Than 8 Hours
CY04	4219	28-Oct-96	1	Support Documentation Incomplete
CY04	4223	31-Oct-96	1	Route Interference (Union)
CY04	4227	29-Oct-96	1	Support Documentation Incomplete
CY04	4234	23-Aug-97	2	Equipment Problems
CY04	4239	21-Feb-98	2	Multiple Carriers on Route
CY04	4242	30-Oct-96	1	Stand Up meeting by district manager
CY04	4243	3-Jul-97	2	Multiple Carriers on Route
CY04	4265	10-Mar-98	2	Multiple Carriers on Route
CY04	4265	11-Mar-98	2	Partial Scans and Multiple Carriers on Route
CY04	4906	17-Dec-97	2 After Implementation	Multiple Carriers on Route
CY04	4906	14-Jan-98	2 After Implementation	Incomplete Route - Carrier left route, deliveries not completed.
CY04	4906	15-Jan-98	2 After Implementation	Partial Scans and Multiple Carriers on Route
CY04	4908	15-Jan-98	2 After Implementation	Partial Scans
CY04	4908	5-Feb-98	2 After Implementation	Multiple Carriers on Route
CY04	4908	9-Feb-98	2 After Implementation	Partial Scans and Multiple Carriers on Route
CY04	4909	9-Dec-97	2 After Implementation	Equipment Problems
CY04	4909	17-Jan-98	2 After Implementation	Multiple Carriers on Route
CY04	4909	3-Feb-98	2 After Implementation	Equipment Problems
CY04	4910	10-Dec-97	2 After Implementation	Partial Scans
CY04	4910	19-Dec-97	2 After Implementation	Equipment Problems
CY04	4910	28-Jan-98	2 After Implementation	Partial Scans
CY04	4910	4-Feb-98	2 After Implementation	Multiple Carriers on Route
CY04	4910	23-Feb-98	2 After Implementation	Partial Scans and Multiple Carriers on Route
CY04	4915	20-Dec-97	2 After Implementation	Support Documentation Incomplete
CY04	4915	23-Jan-98	2 After Implementation	Equipment Problems
CY04	4917	8-Dec-97	2 After Implementation	Support Documentation Incomplete
CY04	4917	21-Jan-98	2 After Implementation	Support Documentation Incomplete
CY04	4917	6-Feb-98	2 After Implementation	Multiple Carriers on Route
CY04	4917	20-Feb-98	2 After Implementation	Partial Scans and Multiple Carriers on Route
CY04	4920	24-Jan-98	2 After Implementation	Partial Scans
CY04	4920	26-Jan-98	2 After Implementation	Test Site too many deliveries given away
CY04	4920	31-Jan-98	2 After Implementation	Route Interference (Union)
CY04	4926	13-Dec-97	2 After Implementation	Support Documentation Incomplete
CY04	4926	22-Jan-98	2 After Implementation	Test Site too many deliveries given away

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Route Days not Included in LR-I-337

Unit	Route	Date	Phase	Comments
CY04	4931	20-Jan-98	2 After Implementation	Multiple Carriers on Route
CY04	4940	24-Jan-98	2 After Implementation	Partial Scans
CY04	4940	2-Feb-98	2 After Implementation	Test Site too many deliveries given away
CY04	4944	16-Dec-97	2 After Implementation	Support Documentation Incomplete
CY04	4944	12-Jan-98	2 After Implementation	Partial Scans
CY04	4944	29-Jan-98	2 After Implementation	Test Site too many deliveries given away
CY04	4945	27-Jan-98	2 After Implementation	Multiple Carriers on Route
CY06	7519	25-Oct-96	1	Partial Scans
CY06	9302	29-Oct-96	1	Partial Scans
CY06	9303	26-Oct-96	1	Partial Scans
CY07	8061	18-Oct-96	1	Support Documentation Incomplete
CY11	4732	31-Oct-96	1	Support Documentation Incomplete
CY11	4811	21-Oct-96	1	Support Documentation Incomplete
CY14	3704	5-Nov-96	1	Partial Scans
CY14	3705	7-Nov-96	1	Multiple Carriers on Route
CY14	3705	4-Feb-97	1	Support Documentation Incomplete
CY17	1906	8-Nov-96	1	Support Documentation Incomplete
CY17	1970	9-Nov-96	1	Route Interference (Union)
CY18	2912	13-Nov-96	1	Excess travel carrier forgot parcels
CY18	2934	6-Feb-97	1	Excess travel due to handoff
CY18	2947	12-Nov-96	1	Route Interference (Union)
CY19	4846	16-Nov-96	1	Partial Scans
CY19	4876	15-Nov-96	1	Partial Scans
CY20	5546	9-Nov-96	1	Partial Scans
CY20	5553	14-Nov-96	1	Equipment Problems
CY20	5553	4-Feb-97	1	Route Interference (Union)
CY20	5566	13-Nov-96	1	Partial Scans
CY21	6229	15-Nov-96	1	Partial Route See Response to ADVO/USPS-T13-63 (v)
CY21	6234	20-Nov-96	1	Partial Route See Response to ADVO/USPS-T13-63 (v)
CY21	6248	18-Nov-96	1	Partial Route See Response to ADVO/USPS-T13-63 (v)
CY21	6288	19-Nov-96	1	Partial Route See Response to ADVO/USPS-T13-63 (v)
CY22	5414	4-Nov-96	1	Union Representatives interfering w/carrier and observers See Response to ADVO/USPS-T13-63 (v)
CY22	5416	6-Nov-96	1	Union Representatives interfering w/carrier and observers See Response to ADVO/USPS-T13-63 (v)
CY22	5420	5-Nov-96	1	Union Representatives interfering w/carrier and observers See Response to ADVO/USPS-T13-63 (v)
CY22	5433	7-Nov-96	1	Union Representatives interfering w/carrier and observers See Response to ADVO/USPS-T13-63 (v)
CY23	0211	6-Jan-97	1	Route Interference (Union)
CY23	0218	7-Jan-97	1	Route Interference (Union)
CY23	0222	8-Jan-97	1	Route Interference (Union)
CY23	0401	11-Jan-97	1	Equipment problems
CY23	0414	10-Jan-97	1	Support Documentation Incomplete

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Route Days not Included in LR-I-337

Unit	Route	Date	Phase	Comments
CY23	0433	9-Jan-97	1	Route Interference (Union)
CY32	3507	5-Dec-96	1	USPS 3999x and related study documents never received at central location See Response to ADVO/USPS-T13-63 (v)
CY32	3522	4-Dec-96	1	USPS 3999x and related study documents never received at central location See Response to ADVO/USPS-T13-63 (v)
CY32	3543	6-Dec-96	1	USPS 3999x and related study documents never received at central location See Response to ADVO/USPS-T13-63 (v)
CY42	0429	12-Feb-97	1	Unusual nature of site, Multiple carriers casing and delivering route See Response to ADVO/USPS-T13-63 (v)
CY43	0163	11-Feb-97	1	Unusual nature of site, Multiple carriers casing and delivering route See Response to ADVO/USPS-T13-63 (v)
CY44	3127	12-Feb-97	1	Unusual nature of site, Multiple carriers casing and delivering route See Response to ADVO/USPS-T13-63 (v)
CY44	3133	13-Feb-97	1	Unusual nature of site, Multiple carriers casing and delivering route See Response to ADVO/USPS-T13-63 (v)
CY45	5405	11-Feb-97	1	Equipment problems interfered w/data collection See Response to ADVO/USPS-T13-63 (v)
CY46	1133	5-May-97	2	Route Interference (Union)
CY46	1133	10-May-97	2	Carrier involved in tasks related to the "food drive" throughout the day.
CY46	1133	12-May-97	2	Equipment Problems
CY46	1133	15-May-97	2	Support Documentation Incomplete
CY46	1133	17-May-97	2	Support Documentation Incomplete
CY46	1145	18-Jul-97	2	Equipment Problems
CY46	1145	19-Jul-97	2	Multiple Carriers on Route
CY46	1145	25-Jul-97	2	Support Documentation Incomplete
CY46	1148	3-Jun-97	2	Equipment Problems
CY46	1148	4-Jun-97	2	Equipment Problems
CY46	1148	11-Jun-97	2	Partial Scans
CY46	1148	13-Jun-97	2	Partial Scans
CY46	1148	14-Jun-97	2	Support Documentation Incomplete
CY46	1148	19-Jun-97	2	Support Documentation Incomplete
CY47	1411	5-May-97	2	Support Documentation Incomplete
CY47	1411	12-May-97	2	Support Documentation Incomplete
CY47	1411	13-May-97	2	Support Documentation Incomplete
CY47	1411	14-May-97	2	Support Documentation Incomplete
CY47	1411	15-May-97	2	Support Documentation Incomplete
CY47	1411	21-May-97	2	Support Documentation Incomplete
CY47	1411	23-May-97	2	Partial Route Less Than 8 Hours
CY47	1411	24-May-97	2	Support Documentation Incomplete
CY47	1411	27-May-97	2	Support Documentation Incomplete
CY47	1411	28-May-97	2	Support Documentation Incomplete
CY47	1411	29-May-97	2	Support Documentation Incomplete
CY47	1475	2-Jul-97	2	Missing Scans
CY47	1475	17-Jul-97	2	Support Documentation Incomplete
CY47	1475	24-Jul-97	2	Support Documentation Incomplete
CY47	1507	5-Sep-97	2	Equipment Problems
CY47	1507	12-Sep-97	2	Partial Scans
CY47	1508	2-Jun-97	2	Support Documentation Incomplete

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Route Days not Included in LR-I-337

Unit	Route	Date	Phase	Comments
CY47	1508	3-Jun-97	2	Equipment Problems
CY47	1508	5-Jun-97	2	Support Documentation Incomplete
CY47	1508	6-Jun-97	2	Support Documentation Incomplete
CY47	1508	7-Jun-97	2	Support Documentation Incomplete
CY47	1508	9-Jun-97	2	Support Documentation Incomplete
CY47	1508	11-Jun-97	2	Partial Scans
CY47	1508	12-Jun-97	2	Support Documentation Incomplete
CY47	1508	14-Jun-97	2	Support Documentation Incomplete
CY47	1508	19-Jun-97	2	Equipment Problems
CY47	1508	26-Jun-97	2	Support Documentation Incomplete
CY47	1508	27-Jun-97	2	Support Documentation Incomplete
CY47	1508	28-Jun-97	2	Partial Scans
CY47	1586	18-Aug-97	2	Partial Scans
CY47	1586	23-Aug-97	2	Partial Route Less Than 8 Hours
CY48	0337	17-May-97	2	Partial Route Less Than 8 Hours
CY49	0101	7-May-97	2	Support Documentation Incomplete
CY50	8701	2-Jun-97	2	Equipment Problems, Partial Scans
CY50	8701	3-Jun-97	2	Missing Scans
CY50	8717	5-May-97	2	Support Documentation Incomplete
CY50	8717	6-May-97	2	Support Documentation Incomplete
CY50	8717	7-May-97	2	Partial Route Less Than 8 Hours
CY50	8717	19-May-97	2	Equipment Problems
CY50	8717	20-May-97	2	Equipment Problems
CY50	8717	28-May-97	2	Equipment Problems
CY50	8735	21-Jul-97	2	Partial Scans
CY50	8735	22-Jul-97	2	Equipment Problems
CY50	8735	23-Jul-97	2	Support Documentation Incomplete
CY50	8759	30-Jul-97	2	Equipment Problems
CY50	8759	4-Aug-97	2	Support Documentation Incomplete
CY50	8759	18-Aug-97	2	Partial Scans
CY50	8759	19-Aug-97	2	Support Documentation Incomplete
CY51	6419	30-May-97	2	Support Documentation Incomplete
CY51	6419	31-May-97	2	Support Documentation Incomplete
CY52	1111	6-Jun-97	2	Partial Scans
CY52	1111	7-Jun-97	2	Route Interference (Union)
CY52	1121	14-Jun-97	2	Equipment Problems
CY53	0374	17-Dec-97	2	Route does not exist in National Database.
CY53	2215	28-Jun-97	2	Incomplete data set
CY53	2227	20-Jun-97	2	Equipment Problems
CY58	8212	14-Jul-97	2	Multiple Carriers on Route

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Route Days not Included in LR-I-337

Unit	Route	Date	Phase	Comments
CY60	1917	11-Jul-97	2	Route Interference (Union)
CY61	4271	14-Jul-97	2	Partial Scans
CY61	4273	26-Jul-97	2	Support Documentation Incomplete
CY63	0825	11-Aug-97	2	Equipment Problems
CY66	0106	13-Nov-97	2	Carrier involved in non-route related activities
CY66	0256	14-Jan-98	2	Missing Scans

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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO QUESTIONS POSED AT HEARING

At Tr. 19/8101-8102 Commissioner Goldway asked for the average daily hours a city carrier worked and what proportion of time was spent in the office and on the street from the Engineered Study. She also requested variability information on the percentage of time carriers spent in the office and on the street.

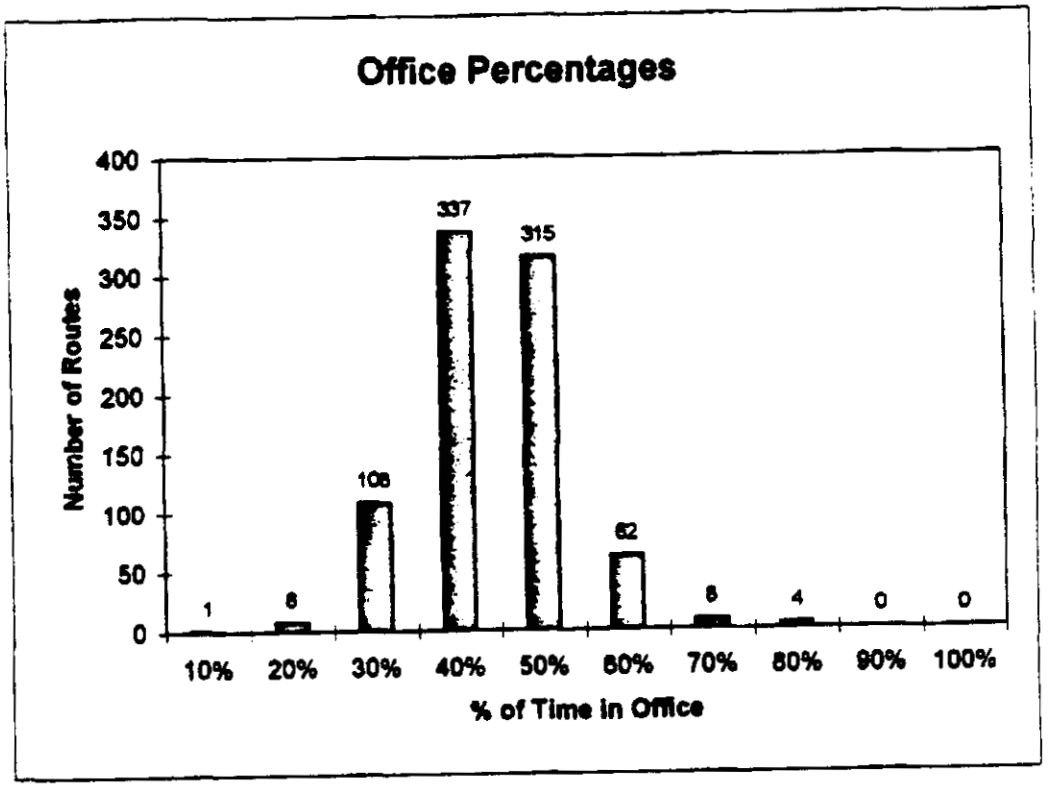
RESPONSE:

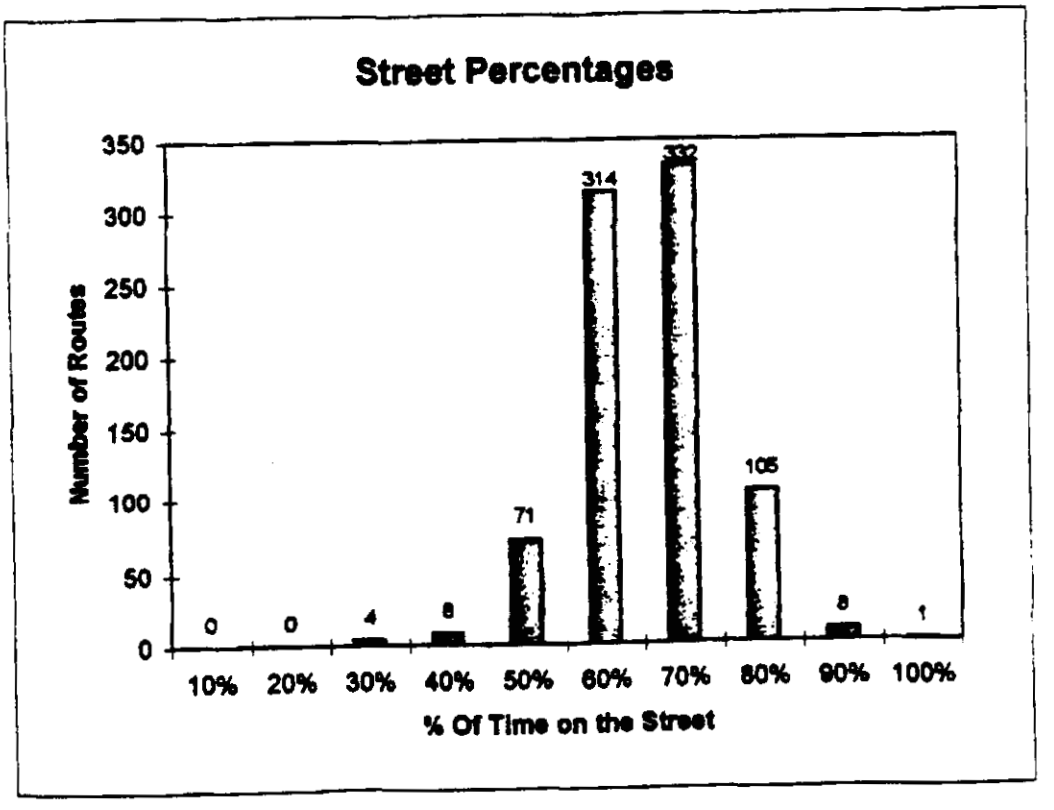
The average daily hours spent on a route from the Engineered Study was 8 hours and 22 minutes. Our focus was to collect route data and not carrier-specific data. Therefore, the observed time on a route may include assistance from other carriers on the route in instances in which it was possible for us to study the activities of these other carriers.

The following percentage Office and Street breakdown was developed from the various groupings of the routes:

	ES Random Sites		ES USPS Picked Sites		LR-I-163 Routes	
	Office	Street	Office	Street	Office	Street
Percentage	37.8	62.2	39.5	60.5	39.3	60.7

The following graphs and table illustrate the variability of Office and Street percentages based on LR-I-163.


Office Percentages
Number of Routes
400
350
300
250
200
150
100
50
0
1
8
108
337
315
62
8
4
0
0
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
% of Time in Office


Street Percentages
Number of Routes
350
300
250
200
150
100
50
0
0
0
4
8
71
314
332
105
8
1
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
% Of Time on the Street

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
2									
3						All ES Data		39.3%	60.7%
4						LR-I-163 Data		39.3%	60.7%
5									
6	10/15/96	CA	CY11	4712	99	24	75	24.2%	75.8%
7	10/15/96	FL	CY08	1638	85	30	55	35.3%	64.7%
8	10/15/96	TX	CY07	8035	107	55	52	51.4%	48.6%
9	10/16/96	CA	CY11	4811	95	41	54	43.2%	56.8%
10	10/16/96	FL	CY08	1632	78	29	49	37.2%	62.8%
11	10/16/96	OH	CY02	1595	104	38	66	36.5%	63.5%
12	10/16/96	TX	CY07	8045	75	32	43	42.7%	57.3%
13	10/17/96	CA	CY11	4732	80	34	46	42.5%	57.5%
14	10/17/96	FL	CY08	1620	74	25	49	33.8%	66.2%
15	10/17/96	OH	CY02	1569	84	30	54	35.7%	64.3%
16	10/17/96	TX	CY07	8028	105	64	41	61.0%	39.0%
17	10/21/96	OH	CY03	4126	95	32	63	33.7%	66.3%
18	10/21/96	TX	CY05	2535	79	32	47	40.5%	59.5%
19	10/22/96	CA	CY11	4731	78	30	48	38.5%	61.5%
20	10/22/96	FL	CY10	2160	99	37	62	37.4%	62.6%
21	10/22/96	OH	CY03	4114	84	32	52	38.1%	61.9%
22	10/22/96	TX	CY05	2822	75	33	42	44.0%	56.0%
23	10/23/96	CA	CY11	4910	83	27	56	32.5%	67.5%
24	10/23/96	FL	CY10	2167	83	39	44	47.0%	53.0%
25	10/23/96	OH	CY03	4106	99	38	61	38.4%	61.6%
26	10/23/96	TX	CY05	2806	86	27	59	31.4%	68.6%
27	10/24/96	CA	CY11	4725	84	39	45	46.4%	53.6%
28	10/24/96	FL	CY10	2169	78	28	50	35.9%	64.1%
29	10/24/96	OH	CY03	4104	84	26	58	31.0%	69.0%
30	10/24/96	TX	CY05	2814	84	28	56	33.3%	66.7%
31	10/25/96	CA	CY11	4708	82	30	52	36.6%	63.4%
32	10/25/96	FL	CY10	2155	86	35	51	40.7%	59.3%
33	10/26/96	CA	CY11	4817	85	41	44	48.2%	51.8%
34	10/28/96	CA	CY11	4921	84	35	49	41.7%	58.3%
35	10/28/96	FL	CY09	2469	88	40	48	45.5%	54.5%
36	10/28/96	TX	CY06	9302	78	34	44	43.6%	56.4%
37	10/29/96	CA	CY11	4814	94	31	63	33.0%	67.0%
38	10/29/96	FL	CY09	2451	101	31	70	30.7%	69.3%
39	10/30/96	CA	CY11	4719	91	30	61	33.0%	67.0%
40	10/30/96	FL	CY09	2465	89	37	52	41.6%	58.4%
41	11/01/96	CA	CY11	4726	91	35	56	38.5%	61.5%
42	11/05/96	NJ	CY17	1928	85	34	51	40.0%	60.0%
43	11/06/96	NJ	CY17	1906	81	32	49	39.5%	60.5%
44	11/06/96	WA	CY14	3703	71	27	44	38.0%	62.0%
45	11/07/96	NJ	CY17	1926	71	19	52	26.8%	73.2%
46	11/08/96	OH	CY02	1558	101	31	70	30.7%	69.3%
47	11/09/96	OH	CY02	1560	55	26	29	47.3%	52.7%
48	11/12/96	WA	CY14	3705	93	38	55	40.9%	59.1%
49	11/13/96	WA	CY16	1233	77	34	43	44.2%	55.8%
50	11/14/96	NJ	CY18	2934	83	33	50	39.8%	60.2%
51	11/14/96	WA	CY16	1237	79	26	53	32.9%	67.1%
52	11/15/96	OH	CY03	4111	85	33	52	38.8%	61.2%
53	11/18/96	NJ	CY19	4846	83	30	53	36.1%	63.9%
54	11/18/96	WA	CY16	1252	81	28	53	34.6%	65.4%
55	11/19/96	NJ	CY19	4880	85	40	45	47.1%	52.9%
56	11/19/96	WA	CY15	1061	81	34	47	42.0%	58.0%
57	11/20/96	WA	CY15	1024	99	35	64	35.4%	64.6%
58	12/03/96	PR	CY34	3125	86	22	64	25.6%	74.4%
59	12/04/96	IN	CY36	0326	79	24	55	30.4%	69.6%

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
60	12/04/96	PR	CY34	3104	82	36	46	43.9%	56.1%
61	12/05/96	IN	CY36	0480	86	30	56	34.9%	65.1%
62	12/05/96	PR	CY34	3141	98	30	68	30.6%	69.4%
63	12/06/96	IN	CY36	0310	80	22	58	27.5%	72.5%
64	12/09/96	MA	CY33	1842	97	30	67	30.9%	69.1%
65	12/09/96	MI	CY37	0211	95	43	52	45.3%	54.7%
66	12/09/96	TX	CY35	6742	100	31	69	31.0%	69.0%
67	12/10/96	MA	CY33	1612	89	24	65	27.0%	73.0%
68	12/10/96	MI	CY37	0321	72	25	47	34.7%	65.3%
69	12/10/96	TX	CY35	6703	92	32	60	34.8%	65.2%
70	12/11/96	MA	CY33	1618	83	12	71	14.5%	85.5%
71	12/11/96	MI	CY37	0134	79	25	54	31.6%	68.4%
72	12/11/96	TX	CY35	6739	84	36	48	42.9%	57.1%
73	12/13/96	MI	CY40	8404	79	34	45	43.0%	57.0%
74	12/13/96	PA	CY38	8008	99	32	67	32.3%	67.7%
75	12/14/96	KS	CY39	0908	71	30	41	42.3%	57.7%
76	12/14/96	MI	CY40	8405	76	18	58	23.7%	76.3%
77	12/16/96	KS	CY39	1205	94	34	60	36.2%	63.8%
78	12/16/96	MI	CY40	8408	80	24	56	30.0%	70.0%
79	12/16/96	PA	CY38	8229	86	23	63	26.7%	73.3%
80	12/17/96	KS	CY39	1206	80	32	48	40.0%	60.0%
81	12/17/96	PA	CY38	8044	68	27	41	39.7%	60.3%
82	01/06/97	MI	CY29	3549	91	32	59	35.2%	64.8%
83	01/06/97	WI	CY26	0818	93	31	62	33.3%	66.7%
84	01/07/97	MI	CY29	4506	83	33	50	39.8%	60.2%
85	01/07/97	WI	CY26	0828	96	24	72	25.0%	75.0%
86	01/08/97	MI	CY29	3656	81	46	35	56.8%	43.2%
87	01/08/97	WI	CY26	0849	78	25	53	32.1%	67.9%
88	01/09/97	MI	CY29	3618	84	41	43	48.8%	51.2%
89	01/09/97	WI	CY27	1428	91	27	64	29.7%	70.3%
90	01/10/97	MI	CY30	3655	75	28	47	37.3%	62.7%
91	01/10/97	WI	CY27	1430	81	28	53	34.6%	65.4%
92	01/11/97	MI	CY29	4310	88	38	50	43.2%	56.8%
93	01/11/97	WI	CY27	1435	87	25	62	28.7%	71.3%
94	01/13/97	MA	CY23	0603	74	15	59	20.3%	79.7%
95	01/13/97	MI	CY29	4515	95	38	57	40.0%	60.0%
96	01/13/97	WI	CY28	2374	88	48	40	54.5%	45.5%
97	01/14/97	MA	CY23	0623	84	15	69	17.9%	82.1%
98	01/14/97	WI	CY28	2385	94	35	59	37.2%	62.8%
99	01/15/97	MA	CY23	0607	71	14	57	19.7%	80.3%
100	01/15/97	MI	CY30	4442	65	36	29	55.4%	44.6%
101	01/15/97	WI	CY28	2375	65	28	37	43.1%	56.9%
102	02/04/97	NJ	CY18	2947	84	34	50	40.5%	59.5%
103	02/05/97	NJ	CY18	2912	83	28	55	33.7%	66.3%
104	02/05/97	VA	CY20	5546	76	25	51	32.9%	67.1%
105	02/05/97	WA	CY14	3707	70	27	43	38.6%	61.4%
106	02/06/97	VA	CY20	5566	85	31	54	36.5%	63.5%
107	02/06/97	WA	CY14	3706	53	17	36	32.1%	67.9%
108	02/11/97	IL	CY41	0610	84	62	22	73.8%	26.2%
109	02/12/97	IL	CY41	0628	85	58	27	68.2%	31.8%
110	02/13/97	IL	CY41	0626	89	53	36	59.6%	40.4%
111	02/13/97	NY	CY42	1946	78	36	42	46.2%	53.8%
112	05/05/97	AL	CY49	0101	85	26	59	30.6%	69.4%
113	05/05/97	MO	CY48	0164	104	46	58	44.2%	55.8%
114	05/05/97	OH	CY02	1579	88	33	55	37.5%	62.5%
115	05/06/97	AL	CY49	0101	83	28	55	33.7%	66.3%
116	05/06/97	MO	CY48	0164	82	35	47	42.7%	57.3%
117	05/06/97	NV	CY47	1411	93	37	56	39.8%	60.2
118	05/06/97	OH	CY02	1579	84	26	58	31.0%	69.0

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percen
119	05/06/97	WA	CY46	1133	90	29	61	32.2%	67.8%
120	05/07/97	MO	CY48	0164	77	36	41	46.8%	53.2%
121	05/07/97	NV	CY47	1411	90	25	65	27.8%	72.2%
122	05/07/97	OH	CY02	1579	96	27	69	28.1%	71.9%
123	05/07/97	WA	CY46	1133	77	28	49	36.4%	63.6%
124	05/08/97	AL	CY49	0711	82	34	48	41.5%	58.5%
125	05/08/97	GA	CY50	8717	86	38	48	44.2%	55.8%
126	05/08/97	MO	CY48	0105	64	30	34	46.9%	53.1%
127	05/08/97	NV	CY47	1411	77	18	59	23.4%	76.6%
128	05/08/97	WA	CY46	1133	91	35	56	38.5%	61.5%
129	05/09/97	AL	CY49	0711	73	25	48	34.2%	65.8%
130	05/09/97	GA	CY50	8717	85	33	52	38.8%	61.2%
131	05/09/97	MO	CY48	0105	76	36	40	47.4%	52.6%
132	05/09/97	NV	CY47	1411	87	22	65	25.3%	74.7%
133	05/09/97	OH	CY02	1579	78	20	58	25.6%	74.4%
134	05/09/97	WA	CY46	1133	83	35	48	42.2%	57.8%
135	05/10/97	AL	CY49	0711	96	33	63	34.4%	65.6%
136	05/10/97	GA	CY50	8717	82	34	48	41.5%	58.5%
137	05/10/97	MO	CY48	0105	59	32	27	54.2%	45.8%
138	05/10/97	NV	CY47	1411	90	25	65	27.8%	72.2%
139	05/10/97	OH	CY02	1579	100	36	64	36.0%	64.0%
140	05/12/97	AL	CY49	0716	93	38	55	40.9%	59.1%
141	05/12/97	GA	CY50	8717	89	37	52	41.6%	58.4%
142	05/12/97	MO	CY48	0146	74	21	53	28.4%	71.6%
143	05/12/97	OH	CY02	1579	101	40	61	39.6%	60.4%
144	05/13/97	AL	CY49	0716	84	37	47	44.0%	56.0%
145	05/13/97	GA	CY50	8717	91	37	54	40.7%	59.3%
146	05/13/97	MO	CY48	0146	75	21	54	28.0%	72.0%
147	05/13/97	OH	CY02	1579	99	30	69	30.3%	69.7%
148	05/13/97	WA	CY46	1133	78	29	49	37.2%	62.8%
149	05/14/97	AL	CY49	0716	85	37	48	43.5%	56.5%
150	05/14/97	GA	CY50	8717	85	35	50	41.2%	58.8%
151	05/14/97	MO	CY48	0146	69	24	45	34.8%	65.2%
152	05/14/97	OH	CY02	1579	81	25	56	30.9%	69.1%
153	05/14/97	WA	CY46	1133	80	36	44	45.0%	55.0%
154	05/15/97	AL	CY49	0102	85	28	57	32.9%	67.1%
155	05/15/97	GA	CY50	8717	88	41	47	46.6%	53.4%
156	05/15/97	MO	CY48	0337	72	30	42	41.7%	58.3%
157	05/15/97	OH	CY02	1579	89	26	63	29.2%	70.8%
158	05/16/97	AL	CY49	0102	83	20	63	24.1%	75.9%
159	05/16/97	GA	CY50	8717	89	39	50	43.8%	56.2%
160	05/16/97	MO	CY48	0337	74	31	43	41.9%	58.1%
161	05/16/97	NV	CY47	1411	84	24	60	28.6%	71.4%
162	05/16/97	OH	CY02	1579	83	25	58	30.1%	69.9%
163	05/16/97	WA	CY46	1133	74	33	41	44.6%	55.4%
164	05/17/97	AL	CY49	0102	55	25	30	45.5%	54.5%
165	05/17/97	GA	CY50	8717	79	31	48	39.2%	60.8%
166	05/17/97	NV	CY47	1411	100	36	64	36.0%	64.0%
167	05/17/97	OH	CY02	1579	75	22	53	29.3%	70.7%
168	05/19/97	CA	CY51	6156	88	39	49	44.3%	55.7%
169	05/19/97	GA	CY54	0411	84	19	65	22.6%	77.4%
170	05/19/97	NV	CY47	1411	92	30	62	32.6%	67.4%
171	05/19/97	OH	CY02	1579	90	28	62	31.1%	68.9%
172	05/19/97	WA	CY46	1133	96	47	49	49.0%	51.0%
173	05/20/97	CA	CY51	6156	48	24	24	50.0%	50.0%
174	05/20/97	GA	CY54	0411	85	23	62	27.1%	72.9%
175	05/20/97	OH	CY02	1579	91	30	61	33.0%	67.0%
176	05/20/97	WA	CY46	1133	83	29	54	34.9%	65.1%
177	05/21/97	CA	CY51	6156	68	30	38	44.1%	55.9%

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
178	05/21/97	GA	CY54	0411	88	18	70	20.5%	79.5%
179	05/21/97	OH	CY02	1579	89	29	60	32.6%	67.4%
180	05/21/97	WA	CY46	1133	84	28	56	33.3%	66.7%
181	05/22/97	CA	CY51	6157	53	21	32	39.6%	60.4%
182	05/22/97	GA	CY50	8717	88	38	50	43.2%	56.8%
183	05/22/97	GA	CY54	0424	70	29	41	41.4%	58.6%
184	05/22/97	NV	CY47	1411	79	22	57	27.8%	72.2%
185	05/22/97	WA	CY46	1133	72	29	43	40.3%	59.7%
186	05/23/97	CA	CY51	6157	74	35	39	47.3%	52.7%
187	05/23/97	GA	CY50	8717	83	36	47	43.4%	56.6%
188	05/23/97	GA	CY54	0424	67	31	36	46.3%	53.7%
189	05/23/97	OH	CY02	1579	66	31	35	47.0%	53.0%
190	05/23/97	WA	CY46	1133	66	24	42	36.4%	63.6%
191	05/24/97	GA	CY50	8717	82	36	46	43.9%	56.1%
192	05/24/97	GA	CY54	0424	53	22	31	41.5%	58.5%
193	05/24/97	OH	CY02	1579	82	28	54	34.1%	65.9%
194	05/24/97	WA	CY46	1133	74	26	48	35.1%	64.9%
195	05/27/97	CA	CY51	6410	86	36	50	41.9%	58.1%
196	05/27/97	GA	CY54	0432	96	24	72	25.0%	75.0%
197	05/27/97	OH	CY02	1579	95	33	62	34.7%	65.3%
198	05/27/97	WA	CY46	1133	100	44	56	44.0%	56.0%
199	05/28/97	CA	CY51	6410	79	27	52	34.2%	65.8%
200	05/28/97	GA	CY54	0432	87	24	63	27.6%	72.4%
201	05/28/97	WA	CY46	1133	85	45	40	52.9%	47.1%
202	05/29/97	CA	CY51	6419	93	28	65	30.1%	69.9%
203	05/29/97	GA	CY50	8717	77	30	47	39.0%	61.0%
204	05/29/97	GA	CY54	0474	85	28	57	32.9%	67.1%
205	05/29/97	WA	CY46	1133	79	35	44	44.3%	55.7%
206	05/30/97	GA	CY50	8717	88	36	52	40.9%	59.1%
207	05/30/97	GA	CY54	0474	86	29	57	33.7%	66.3%
208	05/30/97	NV	CY47	1411	100	36	64	36.0%	64.0%
209	05/30/97	WA	CY46	1133	75	33	42	44.0%	56.0%
210	05/31/97	GA	CY50	8717	43	8	35	18.6%	81.4%
211	05/31/97	GA	CY54	0474	75	24	51	32.0%	68.0%
212	05/31/97	NV	CY47	1411	98	35	63	35.7%	64.3%
213	05/31/97	OH	CY02	1579	89	35	54	39.3%	60.7%
214	05/31/97	WA	CY46	1133	71	26	45	36.6%	63.4%
215	06/02/97	CA	CY52	1101	62	26	36	41.9%	58.1%
216	06/02/97	MS	CY55	0621	96	28	68	29.2%	70.8%
217	06/02/97	WA	CY46	1148	74	36	38	48.6%	51.4%
218	06/03/97	CA	CY52	1101	85	32	53	37.6%	62.4%
219	06/03/97	MS	CY55	0621	81	24	57	29.6%	70.4%
220	06/04/97	CA	CY52	1101	84	32	52	38.1%	61.9%
221	06/04/97	GA	CY50	8701	90	42	48	46.7%	53.3%
222	06/04/97	MS	CY55	0621	83	20	63	24.1%	75.9%
223	06/04/97	NV	CY47	1508	86	25	61	29.1%	70.9%
224	06/04/97	OH	CY02	1581	90	26	64	28.9%	71.1%
225	06/05/97	CA	CY52	1111	82	31	51	37.8%	62.2%
226	06/05/97	GA	CY50	8701	83	40	43	48.2%	51.8%
227	06/05/97	MS	CY55	0611	92	19	73	20.7%	79.3%
228	06/05/97	OH	CY02	1581	101	36	65	35.6%	64.4%
229	06/05/97	WA	CY46	1148	74	38	36	51.4%	48.6%
230	06/06/97	GA	CY50	8701	83	38	45	45.8%	54.2%
231	06/06/97	MS	CY55	0611	83	16	67	19.3%	80.7%
232	06/06/97	OH	CY02	1581	88	33	55	37.5%	62.5%
233	06/06/97	WA	CY46	1148	75	38	37	50.7%	49.3%
234	06/07/97	GA	CY50	8701	82	42	40	51.2%	48.8%
235	06/07/97	MS	CY55	0611	86	20	66	23.3%	76.7%
236	06/07/97	OH	CY02	1581	84	33	51	39.3%	60.7%

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
237	06/07/97	WA	CY46	1148	38	28	10	73.7%	26.3%
238	06/09/97	CA	CY52	1131	84	38	46	45.2%	54.8%
239	06/09/97	GA	CY50	8701	101	48	53	47.5%	52.5%
240	06/09/97	MS	CY55	1605	79	36	43	45.6%	54.4%
241	06/09/97	OH	CY02	1581	84	30	54	35.7%	64.3%
242	06/09/97	WA	CY46	1148	78	35	43	44.9%	55.1%
243	06/10/97	CA	CY52	1131	83	39	44	47.0%	53.0%
244	06/10/97	GA	CY50	8701	86	41	45	47.7%	52.3%
245	06/10/97	MS	CY55	1605	62	32	30	51.6%	48.4%
246	06/10/97	NV	CY47	1508	93	27	66	29.0%	71.0%
247	06/10/97	OH	CY02	1581	84	27	57	32.1%	67.9%
248	06/10/97	WA	CY46	1148	78	28	50	35.9%	64.1%
249	06/11/97	GA	CY50	8701	79	36	43	45.6%	54.4%
250	06/11/97	MS	CY55	1605	79	36	43	45.6%	54.4%
251	06/11/97	OH	CY02	1581	81	31	50	38.3%	61.7%
252	06/12/97	CA	CY52	1121	61	27	34	44.3%	55.7%
253	06/12/97	GA	CY50	8701	85	38	47	44.7%	55.3%
254	06/12/97	MS	CY55	1606	77	29	48	37.7%	62.3%
255	06/12/97	OH	CY02	1581	94	24	70	25.5%	74.5%
256	06/12/97	WA	CY46	1148	79	31	48	39.2%	60.8%
257	06/13/97	CA	CY52	1121	71	30	41	42.3%	57.7%
258	06/13/97	GA	CY50	8701	84	38	46	45.2%	54.8%
259	06/13/97	MS	CY55	1606	83	30	53	36.1%	63.9%
260	06/13/97	NV	CY47	1508	85	23	62	27.1%	72.9%
261	06/13/97	OH	CY02	1581	103	44	59	42.7%	57.3%
262	06/14/97	GA	CY50	8701	65	28	37	43.1%	56.9%
263	06/14/97	MS	CY55	1606	67	28	39	41.8%	58.2%
264	06/14/97	OH	CY02	1581	91	28	63	30.8%	69.2%
265	06/16/97	CA	CY53	2219	83	42	41	50.6%	49.4%
266	06/16/97	GA	CY50	8701	110	71	39	64.5%	35.5%
267	06/16/97	NV	CY47	1508	88	22	66	25.0%	75.0%
268	06/16/97	OH	CY02	1581	102	29	73	28.4%	71.6%
269	06/16/97	WA	CY46	1148	73	28	45	38.4%	61.6%
270	06/17/97	CA	CY53	2219	82	41	41	50.0%	50.0%
271	06/17/97	FL	CY56	0467	79	27	52	34.2%	65.8%
272	06/17/97	GA	CY50	8701	98	52	46	53.1%	46.9%
273	06/17/97	NV	CY47	1508	96	31	65	32.3%	67.7%
274	06/17/97	OH	CY02	1581	82	31	51	37.8%	62.2%
275	06/17/97	WA	CY46	1148	81	47	34	58.0%	42.0%
276	06/18/97	CA	CY53	2219	75	36	39	48.0%	52.0%
277	06/18/97	FL	CY56	0467	65	21	44	32.3%	67.7%
278	06/18/97	GA	CY50	8701	84	42	42	50.0%	50.0%
279	06/18/97	NV	CY47	1508	90	36	54	40.0%	60.0%
280	06/18/97	OH	CY02	1581	106	32	74	30.2%	69.8%
281	06/18/97	WA	CY46	1148	82	37	45	45.1%	54.9%
282	06/19/97	CA	CY53	2227	74	29	45	39.2%	60.8%
283	06/19/97	FL	CY56	0498	89	31	58	34.8%	65.2%
284	06/19/97	GA	CY50	8701	74	44	30	59.5%	40.5%
285	06/19/97	OH	CY02	1581	91	41	50	45.1%	54.9%
286	06/20/97	FL	CY56	0498	106	42	64	39.6%	60.4%
287	06/20/97	GA	CY50	8701	76	38	38	50.0%	50.0%
288	06/20/97	OH	CY02	1581	79	35	44	44.3%	55.7%
289	06/20/97	WA	CY46	1148	71	25	46	35.2%	64.8%
290	06/21/97	CA	CY53	2227	72	38	34	52.8%	47.2%
291	06/21/97	FL	CY56	0498	67	29	38	43.3%	56.7%
292	06/21/97	GA	CY50	8701	62	30	32	48.4%	51.6%
293	06/21/97	NV	CY47	1508	70	19	51	27.1%	72.9%
294	06/21/97	OH	CY02	1581	90	38	52	42.2%	57.8%
295	06/21/97	WA	CY46	1148	74	34	40	45.9%	54.1%

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
296	06/23/97	CA	CY53	2214	91	45	46	49.5%	50.5%
297	06/23/97	FL	CY56	0405	81	34	47	42.0%	58.0%
298	06/23/97	GA	CY50	8701	91	44	47	48.4%	51.6%
299	06/23/97	NV	CY47	1508	93	28	65	30.1%	69.9%
300	06/23/97	OH	CY02	1581	99	43	56	43.4%	56.6%
301	06/23/97	WA	CY46	1148	69	30	39	43.5%	56.5%
302	06/24/97	CA	CY53	2214	69	34	35	49.3%	50.7%
303	06/24/97	FL	CY56	0405	70	22	48	31.4%	68.6%
304	06/24/97	GA	CY50	8701	98	47	51	48.0%	52.0%
305	06/24/97	NV	CY47	1508	85	25	60	29.4%	70.6%
306	06/24/97	OH	CY02	1581	70	26	44	37.1%	62.9%
307	06/24/97	WA	CY46	1148	85	37	48	43.5%	56.5%
308	06/25/97	CA	CY53	2214	84	39	45	46.4%	53.6%
309	06/25/97	FL	CY56	0405	89	35	54	39.3%	60.7%
310	06/25/97	GA	CY50	8701	85	37	48	43.5%	56.5%
311	06/25/97	NV	CY47	1508	91	30	61	33.0%	67.0%
312	06/25/97	OH	CY02	1581	101	42	59	41.6%	58.4%
313	06/25/97	WA	CY46	1148	78	28	50	35.9%	64.1%
314	06/26/97	FL	CY56	1049	80	27	53	33.8%	66.3%
315	06/26/97	GA	CY50	8701	85	44	41	51.8%	48.2%
316	06/26/97	OH	CY02	1581	104	37	67	35.6%	64.4%
317	06/26/97	WA	CY46	1148	89	39	50	43.8%	56.2%
318	06/27/97	CA	CY53	2215	88	43	45	48.9%	51.1%
319	06/27/97	FL	CY56	1049	72	24	48	33.3%	66.7%
320	06/27/97	GA	CY50	8701	84	37	47	44.0%	56.0%
321	06/27/97	OH	CY02	1581	98	45	53	45.9%	54.1%
322	06/27/97	WA	CY46	1148	71	38	33	53.5%	46.5%
323	06/28/97	FL	CY56	1049	78	30	48	38.5%	61.5%
324	06/28/97	GA	CY50	8701	84	46	38	54.8%	45.2%
325	06/28/97	OH	CY02	1581	87	34	53	39.1%	60.9%
326	06/28/97	WA	CY46	1148	34	24	10	70.6%	29.4%
327	06/30/97	GA	CY50	8735	95	48	47	50.5%	49.5%
328	06/30/97	MD	CY57	3716	84	29	55	34.5%	65.5%
329	06/30/97	NV	CY47	1475	101	31	70	30.7%	69.3%
330	06/30/97	OH	CY04	4243	96	46	50	47.9%	52.1%
331	06/30/97	TX	CY60	1929	85	20	65	23.5%	76.5%
332	06/30/97	WA	CY46	1145	76	32	44	42.1%	57.9%
333	07/01/97	GA	CY50	8735	94	43	51	45.7%	54.3%
334	07/01/97	MD	CY57	3716	57	25	32	43.9%	56.1%
335	07/01/97	NV	CY47	1475	100	28	72	28.0%	72.0%
336	07/01/97	OH	CY04	4243	81	32	49	39.5%	60.5%
337	07/01/97	TX	CY60	1929	97	24	73	24.7%	75.3%
338	07/01/97	WA	CY46	1145	72	35	37	48.6%	51.4%
339	07/02/97	GA	CY50	8735	83	35	48	42.2%	57.8%
340	07/02/97	MD	CY57	3716	76	28	48	36.8%	63.2%
341	07/02/97	OH	CY04	4243	72	30	42	41.7%	58.3%
342	07/02/97	WA	CY46	1145	89	45	44	50.6%	49.4%
343	07/03/97	GA	CY50	8735	85	36	49	42.4%	57.6%
344	07/03/97	MD	CY57	3709	77	25	52	32.5%	67.5%
345	07/03/97	NV	CY47	1475	90	30	60	33.3%	66.7%
346	07/03/97	TX	CY60	1913	80	24	56	30.0%	70.0%
347	07/03/97	WA	CY46	1145	77	27	50	35.1%	64.9%
348	07/05/97	GA	CY50	8735	92	53	39	57.6%	42.4%
349	07/05/97	MD	CY57	3709	84	35	49	41.7%	58.3%
350	07/05/97	NV	CY47	1475	102	35	67	34.3%	65.7%
351	07/05/97	OH	CY04	4243	105	53	52	50.5%	49.5%
352	07/05/97	TX	CY60	1913	88	31	57	35.2%	64.8%
353	07/05/97	WA	CY46	1145	83	36	47	43.4%	56.6%
354	07/07/97	GA	CY50	8735	104	49	55	47.1%	52.9%

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
355	07/07/97	MD	CY57	3707	87	32	55	36.8%	63.2%
356	07/07/97	NV	CY47	1475	88	33	55	37.5%	62.5%
357	07/07/97	OH	CY04	4243	93	42	51	45.2%	54.8%
358	07/07/97	TX	CY60	1901	91	22	69	24.2%	75.8%
359	07/07/97	WA	CY46	1145	86	35	51	40.7%	59.3%
360	07/08/97	GA	CY50	8735	93	43	50	46.2%	53.8%
361	07/08/97	MD	CY57	3707	84	29	55	34.5%	65.5%
362	07/08/97	NV	CY47	1475	91	27	64	29.7%	70.3%
363	07/08/97	OH	CY04	4243	76	36	40	47.4%	52.6%
364	07/08/97	TX	CY60	1901	90	21	69	23.3%	76.7%
365	07/08/97	WA	CY46	1145	87	29	58	33.3%	66.7%
366	07/09/97	GA	CY50	8735	85	42	43	49.4%	50.6%
367	07/09/97	MD	CY57	3707	80	24	56	30.0%	70.0%
368	07/09/97	NV	CY47	1475	99	32	67	32.3%	67.7%
369	07/09/97	OH	CY04	4243	85	36	49	42.4%	57.6%
370	07/09/97	TX	CY60	1901	89	23	66	25.8%	74.2%
371	07/09/97	WA	CY46	1145	84	36	48	42.9%	57.1%
372	07/10/97	GA	CY50	8735	84	39	45	46.4%	53.6%
373	07/10/97	MD	CY57	3704	87	33	54	37.9%	62.1%
374	07/10/97	NV	CY47	1475	97	26	71	26.8%	73.2%
375	07/10/97	OH	CY04	4243	82	34	48	41.5%	58.5%
376	07/10/97	TX	CY60	1917	81	25	56	30.9%	69.1%
377	07/10/97	WA	CY46	1145	82	31	51	37.8%	62.2%
378	07/11/97	GA	CY50	8735	82	36	46	43.9%	56.1%
379	07/11/97	MD	CY57	3704	83	28	55	33.7%	66.3%
380	07/11/97	NV	CY47	1475	83	29	54	34.9%	65.1%
381	07/11/97	OH	CY04	4243	83	36	47	43.4%	56.6%
382	07/11/97	WA	CY46	1145	71	22	49	31.0%	69.0%
383	07/12/97	GA	CY50	8735	84	44	40	52.4%	47.6%
384	07/12/97	MD	CY57	3704	81	23	58	28.4%	71.6%
385	07/12/97	NV	CY47	1475	92	35	57	38.0%	62.0%
386	07/12/97	OH	CY04	4243	71	36	35	50.7%	49.3%
387	07/12/97	TX	CY60	1917	76	31	45	40.8%	59.2%
388	07/12/97	WA	CY46	1145	77	34	43	44.2%	55.8%
389	07/14/97	GA	CY50	8735	73	32	41	43.8%	56.2%
390	07/14/97	NV	CY47	1475	102	39	63	38.2%	61.8%
391	07/14/97	OH	CY04	4243	90	42	48	46.7%	53.3%
392	07/14/97	WA	CY46	1145	78	29	49	37.2%	62.8%
393	07/15/97	GA	CY50	8735	85	36	49	42.4%	57.6%
394	07/15/97	MD	CY58	8212	84	32	52	38.1%	61.9%
395	07/15/97	NV	CY47	1475	84	24	60	28.6%	71.4%
396	07/15/97	OH	CY04	4243	82	34	48	41.5%	58.5%
397	07/15/97	TX	CY61	4271	73	23	50	31.5%	68.5%
398	07/15/97	WA	CY46	1145	92	38	54	41.3%	58.7%
399	07/16/97	GA	CY50	8735	88	42	46	47.7%	52.3%
400	07/16/97	MD	CY58	8212	97	28	69	28.9%	71.1%
401	07/16/97	NV	CY47	1475	91	23	68	25.3%	74.7%
402	07/16/97	OH	CY04	4243	81	35	46	43.2%	56.8%
403	07/16/97	TX	CY61	4271	73	27	46	37.0%	63.0%
404	07/16/97	WA	CY46	1145	84	26	58	31.0%	69.0%
405	07/17/97	GA	CY50	8735	10	4	6	40.0%	60.0%
406	07/17/97	MD	CY58	8217	75	35	40	46.7%	53.3%
407	07/17/97	OH	CY04	4243	82	33	49	40.2%	59.8%
408	07/17/97	TX	CY61	2717	81	23	58	28.4%	71.6%
409	07/17/97	WA	CY46	1145	95	48	47	50.5%	49.5%
410	07/18/97	GA	CY50	8735	84	41	43	48.8%	51.2%
411	07/18/97	MD	CY58	8217	86	35	51	40.7%	59.3%
412	07/18/97	NV	CY47	1475	87	32	55	36.8%	63.2%
413	07/18/97	OH	CY04	4243	81	34	47	42.0%	58.0%

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
414	07/18/97	TX	CY61	2717	75	21	54	28.0%	72.0%
415	07/19/97	GA	CY50	8735	84	41	43	48.8%	51.2%
416	07/19/97	MD	CY58	8217	69	30	39	43.5%	56.5%
417	07/19/97	NV	CY47	1475	88	34	54	38.6%	61.4%
418	07/19/97	OH	CY04	4243	64	29	35	45.3%	54.7%
419	07/19/97	TX	CY61	2717	57	19	38	33.3%	66.7%
420	07/21/97	MD	CY58	8218	95	26	69	27.4%	72.6%
421	07/21/97	NV	CY47	1475	96	31	65	32.3%	67.7%
422	07/21/97	OH	CY04	4243	99	46	53	46.5%	53.5%
423	07/21/97	TX	CY61	4275	87	32	55	36.8%	63.2%
424	07/21/97	WA	CY46	1145	102	51	51	50.0%	50.0%
425	07/22/97	MD	CY58	8218	85	28	57	32.9%	67.1%
426	07/22/97	NV	CY47	1475	90	24	66	26.7%	73.3%
427	07/22/97	OH	CY04	4243	76	37	39	48.7%	51.3%
428	07/22/97	TX	CY61	4275	89	30	59	33.7%	66.3%
429	07/22/97	WA	CY46	1145	99	48	51	48.5%	51.5%
430	07/23/97	MD	CY58	8218	83	25	58	30.1%	69.9%
431	07/23/97	NV	CY47	1475	89	23	66	25.8%	74.2%
432	07/23/97	OH	CY04	4243	81	35	46	43.2%	56.8%
433	07/23/97	TX	CY61	4275	86	32	54	37.2%	62.8%
434	07/23/97	WA	CY46	1145	81	30	51	37.0%	63.0%
435	07/24/97	GA	CY50	8735	83	37	46	44.6%	55.4%
436	07/24/97	MD	CY58	8221	47	24	23	51.1%	48.9%
437	07/24/97	OH	CY04	4243	84	37	47	44.0%	56.0%
438	07/24/97	TX	CY61	4273	83	29	54	34.9%	65.1%
439	07/24/97	WA	CY46	1145	82	43	39	52.4%	47.6%
440	07/25/97	GA	CY50	8735	80	37	43	46.3%	53.8%
441	07/25/97	MD	CY58	8221	48	24	24	50.0%	50.0%
442	07/25/97	NV	CY47	1475	86	34	52	39.5%	60.5%
443	07/25/97	OH	CY04	4243	80	34	46	42.5%	57.5%
444	07/25/97	TX	CY61	4273	79	33	46	41.8%	58.2%
445	07/26/97	MD	CY58	8221	49	25	24	51.0%	49.0%
446	07/26/97	NV	CY47	1475	96	30	66	31.3%	68.8%
447	07/26/97	OH	CY04	4243	82	39	43	47.6%	52.4%
448	07/26/97	WA	CY46	1145	71	21	50	29.6%	70.4%
449	07/28/97	AR	CY62	0406	96	33	63	34.4%	65.6%
450	07/28/97	DC	CY59	0320	90	29	61	32.2%	67.8%
451	07/28/97	GA	CY50	8759	97	39	58	40.2%	59.8%
452	07/28/97	NV	CY47	1586	84	32	52	38.1%	61.9%
453	07/28/97	OH	CY04	4234	84	35	49	41.7%	58.3%
454	07/28/97	WA	CY46	1132	94	44	50	46.8%	53.2%
455	07/29/97	AR	CY62	0406	94	31	63	33.0%	67.0%
456	07/29/97	DC	CY59	0320	84	28	56	33.3%	66.7%
457	07/29/97	GA	CY50	8759	95	42	53	44.2%	55.8%
458	07/29/97	NV	CY47	1586	86	23	63	26.7%	73.3%
459	07/29/97	OH	CY04	4234	82	35	47	42.7%	57.3%
460	07/29/97	WA	CY46	1132	89	37	52	41.6%	58.4%
461	07/30/97	AR	CY62	0406	46	29	17	63.0%	37.0%
462	07/30/97	DC	CY59	0320	85	27	58	31.8%	68.2%
463	07/30/97	NV	CY47	1586	68	18	50	26.5%	73.5%
464	07/30/97	OH	CY04	4234	85	36	49	42.4%	57.6%
465	07/30/97	WA	CY46	1132	76	26	50	34.2%	65.8%
466	07/31/97	AR	CY62	0415	101	25	76	24.8%	75.2%
467	07/31/97	DC	CY59	0305	76	36	40	47.4%	52.6%
468	07/31/97	GA	CY50	8739	84	37	47	44.0%	56.0%
469	07/31/97	NV	CY47	1586	84	25	59	29.8%	70.2%
470	07/31/97	OH	CY04	4234	79	31	48	39.2%	60.8%
471	07/31/97	WA	CY46	1132	76	29	47	38.2%	61.8%
472	08/01/97	AR	CY62	0415	97	23	74	23.7%	76.3%

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
473	08/01/97	DC	CY59	0305	88	44	44	50.0%	50.0%
474	08/01/97	GA	CY50	8759	88	43	45	48.9%	51.1%
475	08/01/97	NV	CY47	1586	83	23	60	27.7%	72.3%
476	08/01/97	OH	CY04	4234	83	33	50	39.8%	60.2%
477	08/01/97	WA	CY46	1132	73	28	45	38.4%	61.6%
478	08/02/97	AR	CY62	0415	87	22	65	25.3%	74.7%
479	08/02/97	DC	CY59	0305	82	45	37	54.9%	45.1%
480	08/02/97	GA	CY50	8759	84	37	47	44.0%	56.0%
481	08/02/97	NV	CY47	1586	78	21	57	26.9%	73.1%
482	08/02/97	OH	CY04	4234	84	32	52	38.1%	61.9%
483	08/02/97	WA	CY46	1132	70	24	46	34.3%	65.7%
484	08/04/97	AR	CY62	0424	96	24	72	25.0%	75.0%
485	08/04/97	DC	CY59	2417	82	34	48	41.5%	58.5%
486	08/04/97	NV	CY47	1586	84	23	61	27.4%	72.6%
487	08/04/97	OH	CY04	4234	92	40	52	43.5%	56.5%
488	08/04/97	WA	CY46	1132	73	28	45	38.4%	61.6%
489	08/05/97	AR	CY62	0424	93	35	58	37.6%	62.4%
490	08/05/97	DC	CY59	2417	74	32	42	43.2%	56.8%
491	08/05/97	GA	CY50	8759	85	35	50	41.2%	58.8%
492	08/05/97	NV	CY47	1586	86	27	59	31.4%	68.6%
493	08/05/97	OH	CY04	4234	86	32	54	37.2%	62.8%
494	08/05/97	WA	CY46	1132	83	31	52	37.3%	62.7%
495	08/06/97	AR	CY62	0424	83	26	57	31.3%	68.7%
496	08/06/97	DC	CY59	2417	81	31	50	38.3%	61.7%
497	08/06/97	GA	CY50	8759	93	37	56	39.8%	60.2%
498	08/06/97	NV	CY47	1586	76	22	54	28.9%	71.1%
499	08/06/97	OH	CY04	4234	84	33	51	39.3%	60.7%
500	08/06/97	WA	CY46	1132	83	34	49	41.0%	59.0%
501	08/07/97	AR	CY62	0426	84	26	58	31.0%	69.0%
502	08/07/97	DC	CY59	2402	69	38	31	55.1%	44.9%
503	08/07/97	GA	CY50	8759	94	41	53	43.6%	56.4%
504	08/07/97	NV	CY47	1586	64	12	52	18.8%	81.3%
505	08/07/97	OH	CY04	4234	83	37	46	44.6%	55.4%
506	08/07/97	WA	CY46	1132	76	24	52	31.6%	68.4%
507	08/08/97	AR	CY62	0426	76	29	47	38.2%	61.8%
508	08/08/97	DC	CY59	2402	64	33	31	51.6%	48.4%
509	08/08/97	GA	CY50	8759	88	39	49	44.3%	55.7%
510	08/08/97	NV	CY47	1586	74	22	52	29.7%	70.3%
511	08/08/97	OH	CY04	4234	83	38	45	45.8%	54.2%
512	08/08/97	WA	CY46	1132	71	26	45	36.6%	63.4%
513	08/09/97	AR	CY62	0426	73	22	51	30.1%	69.9%
514	08/09/97	DC	CY59	2402	64	31	33	48.4%	51.6%
515	08/09/97	GA	CY50	8759	83	34	49	41.0%	59.0%
516	08/09/97	NV	CY47	1586	67	20	47	29.9%	70.1%
517	08/09/97	OH	CY04	4234	81	38	43	46.9%	53.1%
518	08/09/97	WA	CY46	1132	74	28	46	37.8%	62.2%
519	08/11/97	GA	CY50	8759	99	40	59	40.4%	59.6%
520	08/11/97	NE	CY64	1401	81	21	60	25.9%	74.1%
521	08/11/97	NV	CY47	1586	85	26	59	30.6%	69.4%
522	08/11/97	OH	CY04	4234	99	43	56	43.4%	56.6%
523	08/11/97	WA	CY46	1132	83	31	52	37.3%	62.7%
524	08/12/97	GA	CY50	8759	95	44	51	46.3%	53.7%
525	08/12/97	NC	CY63	0825	85	31	54	36.5%	63.5%
526	08/12/97	NE	CY64	1401	83	22	61	26.5%	73.5%
527	08/12/97	NV	CY47	1586	82	21	61	25.6%	74.4%
528	08/12/97	OH	CY04	4234	84	39	45	46.4%	53.6%
529	08/12/97	WA	CY46	1132	85	30	55	35.3%	64.7%
530	08/13/97	GA	CY50	8759	92	40	52	43.5%	56.5%
531	08/13/97	NC	CY63	0825	85	35	50	41.2%	58.8%

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
532	08/13/97	NE	CY64	1401	80	21	59	26.3%	73.8%
533	08/13/97	NV	CY47	1586	67	18	49	26.9%	73.1%
534	08/13/97	OH	CY04	4234	74	34	40	45.9%	54.1%
535	08/13/97	WA	CY46	1132	72	30	42	41.7%	58.3%
536	08/14/97	GA	CY50	8759	88	39	49	44.3%	55.7%
537	08/14/97	NC	CY63	0825	78	29	49	37.2%	62.8%
538	08/14/97	NE	CY64	2407	65	19	46	29.2%	70.8%
539	08/14/97	NV	CY47	1586	86	28	58	32.6%	67.4%
540	08/14/97	OH	CY04	4234	88	37	51	42.0%	58.0%
541	08/14/97	WA	CY46	1132	83	34	49	41.0%	59.0%
542	08/15/97	NC	CY63	0825	70	23	47	32.9%	67.1%
543	08/15/97	NE	CY64	2407	68	22	46	32.4%	67.6%
544	08/15/97	NV	CY47	1586	82	25	57	30.5%	69.5%
545	08/15/97	OH	CY04	4234	99	39	60	39.4%	60.6%
546	08/15/97	WA	CY46	1132	76	34	42	44.7%	55.3%
547	08/16/97	GA	CY50	8759	82	36	46	43.9%	56.1%
548	08/16/97	NC	CY63	0825	67	22	45	32.8%	67.2%
549	08/16/97	NE	CY64	2407	85	30	55	35.3%	64.7%
550	08/16/97	NV	CY47	1586	72	21	51	29.2%	70.8%
551	08/16/97	OH	CY04	4234	83	30	53	36.1%	63.9%
552	08/16/97	WA	CY46	1132	69	25	44	36.2%	63.8%
553	08/18/97	NC	CY63	0825	88	29	59	33.0%	67.0%
554	08/18/97	NE	CY64	1457	81	31	50	38.3%	61.7%
555	08/18/97	OH	CY04	4234	107	44	63	41.1%	58.9%
556	08/18/97	WA	CY46	1132	82	27	55	32.9%	67.1%
557	08/19/97	NC	CY63	0825	74	26	48	35.1%	64.9%
558	08/19/97	NE	CY64	1457	84	30	54	35.7%	64.3%
559	08/19/97	NV	CY47	1586	70	23	47	32.9%	67.1%
560	08/19/97	OH	CY04	4234	81	32	49	39.5%	60.5%
561	08/19/97	WA	CY46	1132	85	32	53	37.6%	62.4%
562	08/20/97	GA	CY50	8759	90	35	55	38.9%	61.1%
563	08/20/97	NC	CY63	0825	77	25	52	32.5%	67.5%
564	08/20/97	NE	CY64	1457	86	33	53	38.4%	61.6%
565	08/20/97	NV	CY47	1586	55	13	42	23.6%	76.4%
566	08/20/97	OH	CY04	4234	81	30	51	37.0%	63.0%
567	08/20/97	WA	CY46	1132	83	33	50	39.8%	60.2%
568	08/21/97	NC	CY63	0827	86	23	63	26.7%	73.3%
569	08/21/97	NE	CY64	2411	70	22	48	31.4%	68.6%
570	08/21/97	NV	CY47	1586	53	9	44	17.0%	83.0%
571	08/21/97	OH	CY04	4234	84	33	51	39.3%	60.7%
572	08/21/97	WA	CY46	1132	83	32	51	38.6%	61.4%
573	08/22/97	GA	CY50	8759	68	31	37	45.6%	54.4%
574	08/22/97	NC	CY63	0827	82	20	62	24.4%	75.6%
575	08/22/97	NE	CY64	2411	77	23	54	29.9%	70.1%
576	08/22/97	NV	CY47	1586	55	15	40	27.3%	72.7%
577	08/22/97	OH	CY04	4234	89	31	58	34.8%	65.2%
578	08/22/97	WA	CY46	1132	75	30	45	40.0%	60.0%
579	08/23/97	GA	CY50	8759	68	37	31	54.4%	45.6%
580	08/23/97	NC	CY63	0827	80	23	57	28.8%	71.3%
581	08/23/97	NE	CY64	2411	84	31	53	36.9%	63.1%
582	08/23/97	WA	CY46	1132	72	28	44	38.9%	61.1%
583	08/25/97	GA	CY50	8744	86	34	52	39.5%	60.5%
584	08/25/97	NC	CY63	0822	89	28	61	31.5%	68.5%
585	08/25/97	NV	CY47	1507	91	32	59	35.2%	64.8%
586	08/25/97	OH	CY04	4234	103	40	63	38.8%	61.2%
587	08/25/97	WA	CY46	1142	92	42	50	45.7%	54.3%
588	08/26/97	GA	CY50	8744	93	34	59	36.6%	63.4%
589	08/26/97	NC	CY63	0822	83	32	51	38.6%	61.4%
590	08/26/97	NV	CY47	1507	87	30	57	34.5%	65.5%

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
591	08/26/97	OH	CY04	4254	88	36	52	40.9%	59.1%
592	08/26/97	WA	CY46	1142	73	30	43	41.1%	58.9%
593	08/27/97	GA	CY50	8744	68	38	30	55.9%	44.1%
594	08/27/97	NC	CY63	0822	85	34	51	40.0%	60.0%
595	08/27/97	NV	CY47	1507	77	26	51	33.8%	66.2%
596	08/27/97	OH	CY04	4254	104	27	77	26.0%	74.0%
597	08/27/97	WA	CY46	1142	91	33	58	36.3%	63.7%
598	08/28/97	GA	CY50	8744	88	36	52	40.9%	59.1%
599	08/28/97	NC	CY63	0831	84	36	48	42.9%	57.1%
600	08/28/97	NV	CY47	1507	77	19	58	24.7%	75.3%
601	08/28/97	OH	CY04	4254	83	30	53	36.1%	63.9%
602	08/28/97	WA	CY46	1142	82	31	51	37.8%	62.2%
603	08/29/97	GA	CY50	8744	88	33	55	37.5%	62.5%
604	08/29/97	NC	CY63	0831	104	45	59	43.3%	56.7%
605	08/29/97	NV	CY47	1507	91	29	62	31.9%	68.1%
606	08/29/97	OH	CY04	4254	83	32	51	38.6%	61.4%
607	08/29/97	WA	CY46	1142	77	32	45	41.6%	58.4%
608	08/30/97	GA	CY50	8744	89	33	56	37.1%	62.9%
609	08/30/97	NC	CY63	0831	84	41	43	48.8%	51.2%
610	08/30/97	NV	CY47	1507	84	25	59	29.8%	70.2%
611	08/30/97	OH	CY04	4254	83	40	43	48.2%	51.8%
612	08/30/97	WA	CY46	1142	94	31	63	33.0%	67.0%
613	09/02/97	GA	CY50	8744	95	36	59	37.9%	62.1%
614	09/02/97	NC	CY63	0828	89	21	68	23.6%	76.4%
615	09/02/97	NV	CY47	1507	107	39	68	36.4%	63.6%
616	09/02/97	OH	CY04	4254	120	46	74	38.3%	61.7%
617	09/02/97	WA	CY46	1142	101	40	61	39.6%	60.4%
618	09/03/97	GA	CY50	8744	102	45	57	44.1%	55.9%
619	09/03/97	NC	CY63	0828	95	33	62	34.7%	65.3%
620	09/03/97	NV	CY47	1507	75	47	28	62.7%	37.3%
621	09/03/97	OH	CY04	4254	102	45	57	44.1%	55.9%
622	09/03/97	WA	CY46	1142	85	41	44	48.2%	51.8%
623	09/04/97	GA	CY50	8744	93	38	55	40.9%	59.1%
624	09/04/97	NC	CY63	0807	84	38	46	45.2%	54.8%
625	09/04/97	NV	CY47	1507	87	43	44	49.4%	50.6%
626	09/04/97	OH	CY04	4254	97	39	58	40.2%	59.8%
627	09/04/97	WA	CY46	1142	85	35	50	41.2%	58.8%
628	09/05/97	GA	CY50	8744	101	40	61	39.6%	60.4%
629	09/05/97	NC	CY63	0807	83	33	50	39.8%	60.2%
630	09/05/97	OH	CY04	4254	102	36	66	35.3%	64.7%
631	09/05/97	WA	CY46	1142	87	48	39	55.2%	44.8%
632	09/06/97	GA	CY50	8744	83	37	46	44.6%	55.4%
633	09/06/97	NC	CY63	0807	82	27	55	32.9%	67.1%
634	09/06/97	NV	CY47	1507	39	18	21	46.2%	53.8%
635	09/06/97	OH	CY04	4254	91	27	64	29.7%	70.3%
636	09/06/97	WA	CY46	1142	103	44	59	42.7%	57.3%
637	09/08/97	GA	CY50	8744	91	35	56	38.5%	61.5%
638	09/08/97	NC	CY63	0830	96	26	70	27.1%	72.9%
639	09/08/97	NV	CY47	1507	97	34	63	35.1%	64.9%
640	09/08/97	OH	CY04	4254	84	44	40	52.4%	47.6%
641	09/08/97	WA	CY46	1142	94	36	58	38.3%	61.7%
642	09/09/97	GA	CY50	8744	98	41	57	41.8%	58.2%
643	09/09/97	NC	CY63	0830	97	35	62	36.1%	63.9%
644	09/09/97	OH	CY04	4254	94	57	37	60.6%	39.4%
645	09/09/97	WA	CY46	1142	88	38	50	43.2%	56.8%
646	09/10/97	GA	CY50	8744	91	41	50	45.1%	54.9%
647	09/10/97	NC	CY63	0830	92	25	67	27.2%	72.8%
648	09/10/97	NV	CY47	1507	85	28	57	32.9%	67.1%
649	09/10/97	OH	CY04	4254	102	43	59	42.2%	57.8%

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
650	09/10/97	WA	CY46	1142	95	41	54	43.2%	56.8%
651	09/11/97	GA	CY50	8744	97	42	55	43.3%	56.7%
652	09/11/97	NC	CY63	0824	75	25	50	33.3%	66.7%
653	09/11/97	NV	CY47	1507	98	35	63	35.7%	64.3%
654	09/11/97	OH	CY04	4254	82	32	50	39.0%	61.0%
655	09/11/97	WA	CY46	1142	81	36	45	44.4%	55.6%
656	09/12/97	GA	CY50	8744	80	42	38	52.5%	47.5%
657	09/12/97	NC	CY63	0824	83	27	56	32.5%	67.5%
658	09/12/97	OH	CY04	4254	78	29	49	37.2%	62.8%
659	09/12/97	WA	CY46	1142	98	42	56	42.9%	57.1%
660	09/13/97	GA	CY50	8744	75	39	36	52.0%	48.0%
661	09/13/97	NC	CY63	0824	79	26	53	32.9%	67.1%
662	09/13/97	NV	CY47	1507	92	28	64	30.4%	69.6%
663	09/13/97	OH	CY04	4254	79	28	51	35.4%	64.6%
664	09/13/97	WA	CY46	1142	94	39	55	41.5%	58.5%
665	09/15/97	GA	CY50	8744	88	36	52	40.9%	59.1%
666	09/15/97	NC	CY63	0820	85	31	54	36.5%	63.5%
667	09/15/97	WA	CY46	1142	94	35	59	37.2%	62.8%
668	09/16/97	GA	CY50	8744	100	48	52	48.0%	52.0%
669	09/16/97	NC	CY63	0820	76	23	53	30.3%	69.7%
670	09/16/97	WA	CY46	1142	98	46	52	46.9%	53.1%
671	09/17/97	GA	CY50	8744	101	38	63	37.6%	62.4%
672	09/17/97	NC	CY63	0820	71	28	43	39.4%	60.6%
673	09/17/97	WA	CY46	1142	84	40	44	47.6%	52.4%
674	09/18/97	GA	CY50	8744	90	39	51	43.3%	56.7%
675	09/18/97	NC	CY63	0811	86	25	61	29.1%	70.9%
676	09/18/97	WA	CY46	1142	84	40	44	47.6%	52.4%
677	09/19/97	GA	CY50	8744	86	35	51	40.7%	59.3%
678	09/19/97	NC	CY63	0811	82	28	54	34.1%	65.9%
679	09/19/97	WA	CY46	1142	82	34	48	41.5%	58.5%
680	09/20/97	GA	CY50	8744	67	37	30	55.2%	44.8%
681	09/20/97	NC	CY63	0811	84	39	45	46.4%	53.6%
682	09/20/97	WA	CY46	1142	64	19	45	29.7%	70.3%
683	10/07/97	OH	CY04	4945	102	35	67	34.3%	65.7%
684	10/08/97	OH	CY04	4931	73	29	44	39.7%	60.3%
685	10/09/97	OH	CY04	4940	100	37	63	37.0%	63.0%
686	10/10/97	OH	CY04	4908	85	33	52	38.8%	61.2%
687	10/15/97	OH	CY04	4912	96	33	63	34.4%	65.6%
688	10/16/97	OH	CY04	4944	90	49	41	54.4%	45.6%
689	10/20/97	GA	CY50	8705	97	52	45	53.6%	46.4%
690	10/20/97	OH	CY04	4920	100	46	54	46.0%	54.0%
691	10/21/97	GA	CY50	8714	100	46	54	46.0%	54.0%
692	10/21/97	OH	CY04	4917	85	39	46	45.9%	54.1%
693	10/22/97	GA	CY50	8703	83	32	51	38.6%	61.4%
694	10/22/97	OH	CY04	4909	69	23	46	33.3%	66.7%
695	10/22/97	OH	CY04	4916	86	30	56	34.9%	65.1%
696	10/23/97	GA	CY50	8726	96	40	56	41.7%	58.3%
697	10/23/97	OH	CY04	4910	100	48	52	48.0%	52.0%
698	10/23/97	OH	CY04	4926	87	36	51	41.4%	58.6%
699	10/24/97	GA	CY50	8736	87	36	51	41.4%	58.6%
700	10/24/97	OH	CY04	4915	102	43	59	42.2%	57.8%
701	10/25/97	GA	CY50	8702	92	36	56	39.1%	60.9%
702	10/25/97	OH	CY04	4906	86	36	50	41.9%	58.1%
703	10/27/97	CA	CY53	2201	88	57	31	64.8%	35.2%
704	10/27/97	GA	CY50	8727	100	41	59	41.0%	59.0%
705	10/28/97	CA	CY53	2202	88	39	49	44.3%	55.7%
706	10/28/97	GA	CY50	8748	89	45	44	50.6%	49.4%
707	10/29/97	CA	CY53	2203	80	38	42	47.5%	52.5%
708	10/29/97	GA	CY50	8770	55	37	18	67.3%	32.7%

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1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
709	10/30/97	CA	CY53	2206	101	47	54	46.5%	53.5%
710	10/30/97	GA	CY50	8747	68	26	42	38.2%	61.8%
711	10/31/97	CA	CY53	2207	91	43	48	47.3%	52.7%
712	10/31/97	GA	CY50	8729	90	40	50	44.4%	55.6%
713	11/01/97	CA	CY53	2211	83	43	40	51.8%	48.2%
714	11/01/97	GA	CY50	8711	96	49	47	51.0%	49.0%
715	11/03/97	CA	CY53	2205	94	53	41	56.4%	43.6%
716	11/04/97	CA	CY53	2212	73	36	37	49.3%	50.7%
717	11/04/97	GA	CY50	8756	104	48	56	46.2%	53.8%
718	11/05/97	CA	CY53	2210	76	28	48	36.8%	63.2%
719	11/05/97	GA	CY50	8717	90	43	47	47.8%	52.2%
720	11/06/97	CA	CY53	2213	77	34	43	44.2%	55.8%
721	11/06/97	GA	CY50	8744	96	52	44	54.2%	45.8%
722	11/07/97	CA	CY53	2214	87	43	44	49.4%	50.6%
723	11/07/97	GA	CY50	8735	93	42	51	45.2%	54.8%
724	11/08/97	CA	CY53	2215	94	36	58	38.3%	61.7%
725	11/08/97	GA	CY50	8701	83	63	20	75.9%	24.1%
726	11/10/97	CA	CY53	2216	88	49	39	55.7%	44.3%
727	11/10/97	GA	CY50	8759	105	42	63	40.0%	60.0%
728	11/12/97	CA	CY53	2219	85	48	37	56.5%	43.5%
729	11/12/97	CA	CY66	0129	84	35	49	41.7%	58.3%
730	11/12/97	GA	CY50	8702	96	35	61	36.5%	63.5%
731	11/12/97	NC	CY63	0823	84	42	42	50.0%	50.0%
732	11/13/97	CA	CY53	2221	93	50	43	53.8%	46.2%
733	11/13/97	NC	CY63	0821	82	33	49	40.2%	59.8%
734	11/14/97	CA	CY53	2224	82	32	50	39.0%	61.0%
735	11/14/97	CA	CY66	0130	85	40	45	47.1%	52.9%
736	11/14/97	NC	CY63	0803	98	32	66	32.7%	67.3%
737	11/15/97	CA	CY53	2225	57	32	25	56.1%	43.9%
738	11/15/97	CA	CY66	0131	34	15	19	44.1%	55.9%
739	11/15/97	NC	CY63	0806	84	30	54	35.7%	64.3%
740	11/17/97	NC	CY63	0832	104	47	57	45.2%	54.8%
741	11/18/97	NC	CY63	0817	79	30	49	38.0%	62.0%
742	11/19/97	NC	CY63	0815	70	19	51	27.1%	72.9%
743	11/20/97	NC	CY63	0816	78	21	57	26.9%	73.1%
744	11/21/97	NC	CY63	0809	89	27	62	30.3%	69.7%
745	11/22/97	NC	CY63	0808	92	29	63	31.5%	68.5%
746	11/24/97	NC	CY63	0801	93	40	53	43.0%	57.0%
747	11/24/97	NC	CY63	0802	107	28	79	26.2%	73.8%
748	11/24/97	OH	CY04	4945	114	49	65	43.0%	57.0%
749	11/25/97	NC	CY63	0819	107	35	72	32.7%	67.3%
750	11/25/97	OH	CY04	4931	110	64	46	58.2%	41.8%
751	12/11/97	CA	CY66	0242	83	34	49	41.0%	59.0%
752	12/12/97	OH	CY04	4920	114	57	57	50.0%	50.0%
753	12/13/97	CA	CY66	0251	80	34	46	42.5%	57.5%
754	12/15/97	CA	CY66	0249	122	48	74	39.3%	60.7%
755	12/15/97	OH	CY04	4940	120	67	53	55.8%	44.2%
756	12/16/97	CA	CY66	0244	81	36	45	44.4%	55.6%
757	12/16/97	CA	CY66	0370	91	29	62	31.9%	68.1%
758	12/17/97	CA	CY66	0374	67	25	42	37.3%	62.7%
759	12/17/97	CA	CY66	0382	93	32	61	34.4%	65.6%
760	12/18/97	CA	cy66	0377	82	31	51	37.8%	62.2%
761	12/18/97	CA	CY66	0384	84	20	64	23.8%	76.2%
762	12/18/97	OH	CY04	4908	93	38	55	40.9%	59.1%
763	12/19/97	CA	CY66	0255	78	26	52	33.3%	66.7%
764	12/19/97	CA	CY66	0257	85	35	50	41.2%	58.8%
765	12/20/97	CA	CY66	0114	59	16	43	27.1%	72.9%
766	12/20/97	CA	CY66	0115	70	18	52	25.7%	74.3%
767	12/29/97	CA	CY66	0106	100	38	62	38.0%	62.0%

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
768	12/30/97	CA	CY66	0111	86	30	56	34.9%	65.1%
769	01/02/98	CA	CY66	0116	86	35	51	40.7%	59.3%
770	01/02/98	CA	CY66	0373	102	44	58	43.1%	56.9%
771	01/03/98	CA	CY66	0246	85	36	49	42.4%	57.6%
772	01/05/98	CA	CY66	0245	78	24	54	30.8%	69.2%
773	01/05/98	CA	CY66	0247	86	35	51	40.7%	59.3%
774	01/06/98	CA	CY66	0252	74	27	47	36.5%	63.5%
775	01/06/98	CA	CY66	0375	83	46	37	55.4%	44.6%
776	01/07/98	CA	CY66	0124	82	31	51	37.8%	62.2%
777	01/08/98	CA	CY66	0112	81	29	52	35.8%	64.2%
778	01/08/98	CA	CY66	0126	62	26	36	41.9%	58.1%
779	01/09/98	CA	CY66	0119	89	33	56	37.1%	62.9%
780	01/09/98	CA	CY66	0244	84	32	52	38.1%	61.9%
781	01/09/98	CA	CY66	0376	69	36	33	52.2%	47.8%
782	01/10/98	CA	CY66	0117	96	39	57	40.6%	59.4%
783	01/10/98	CA	CY66	0248	89	33	56	37.1%	62.9%
784	01/10/98	CA	CY66	0378	89	35	54	39.3%	60.7%
785	01/12/98	CA	CY66	0102	93	41	52	44.1%	55.9%
786	01/12/98	CA	CY66	0254	90	38	52	42.2%	57.8%
787	01/12/98	CA	CY66	0379	83	40	43	48.2%	51.8%
788	01/13/98	CA	CY66	0101	78	34	44	43.6%	56.4%
789	01/13/98	CA	CY66	0120	84	27	57	32.1%	67.9%
790	01/13/98	CA	CY66	0281	68	24	44	35.3%	64.7%
791	01/14/98	CA	CY66	0123	89	27	62	30.3%	69.7%
792	01/20/98	CA	CY66	0110	92	54	38	58.7%	41.3%
793	01/20/98	CA	CY66	0380	109	45	64	41.3%	58.7%
794	01/20/98	CA	CY66	0383	103	38	65	36.9%	63.1%
795	01/21/98	CA	CY66	0103	99	45	54	45.5%	54.5%
796	01/21/98	CA	CY66	0107	98	43	55	43.9%	56.1%
797	01/21/98	CA	CY66	0128	102	59	43	57.8%	42.2%
798	01/22/98	CA	CY66	0254	65	37	28	56.9%	43.1%
799	01/22/98	CA	CY66	0372	85	41	44	48.2%	51.8%
800	01/26/98	OH	CY04	4233	90	24	66	26.7%	73.3%
801	01/27/98	OH	CY04	4285	71	22	49	31.0%	69.0%
802	01/28/98	CA	CY66	0105	74	33	41	44.6%	55.4%
803	01/28/98	CA	CY66	0250	85	40	45	47.1%	52.9%
804	01/28/98	OH	CY04	4238	79	31	48	39.2%	60.8%
805	01/29/98	CA	CY66	0240	85	37	48	43.5%	56.5%
806	01/29/98	CA	CY66	0253	91	46	45	50.5%	49.5%
807	01/29/98	OH	CY04	4214	88	46	42	52.3%	47.7%
808	01/30/98	OH	CY04	4235	77	34	43	44.2%	55.8%
809	01/30/98	OH	CY04	4999	42	25	17	59.5%	40.5%
810	01/31/98	OH	CY04	4241	86	35	51	40.7%	59.3%
811	02/02/98	OH	CY04	4249	78	31	47	39.7%	60.3%
812	02/03/98	OH	CY04	4219	89	46	43	51.7%	48.3%
813	02/04/98	CA	CY66	0241	83	32	51	38.6%	61.4%
814	02/04/98	CA	CY66	0371	83	29	54	34.9%	65.1%
815	02/04/98	OH	CY04	4242	72	32	40	44.4%	55.6%
816	02/05/98	CA	CY66	0102	78	27	51	34.6%	65.4%
817	02/05/98	CA	CY66	0113	84	36	48	42.9%	57.1%
818	02/05/98	OH	CY04	4229	81	24	57	29.6%	70.4%
819	02/05/98	OH	CY04	4237	84	26	58	31.0%	69.0%
820	02/06/98	CA	CY66	0108	96	38	58	39.6%	60.4%
821	02/06/98	CA	CY66	0110	87	32	55	36.8%	63.2%
822	02/06/98	OH	CY04	4213	77	33	44	42.9%	57.1%
823	02/07/98	CA	CY66	0111	85	26	59	30.6%	69.4%
824	02/07/98	CA	CY66	0130	66	25	41	37.9%	62.1%
825	02/07/98	OH	CY04	4230	78	37	41	47.4%	52.6%
826	02/09/98	CA	CY66	0104	85	48	37	56.5%	43.5%

	A	B	C	D	E	F	G	H	I
1	Date	StateCode	UnitCode	Route	Total Tallies	Inside Tallies	Outside Tallies	InsidePercent	Outside Percent
827	02/09/98	CA	CY66	0116	83	22	61	26.5%	73.5%
828	02/09/98	OH	CY04	4221	92	38	54	41.3%	58.7%
829	02/10/98	OH	CY04	4207	88	42	46	47.7%	52.3%
830	02/11/98	OH	CY04	4222	86	32	54	37.2%	62.8%
831	02/12/98	OH	CY04	4228	88	43	45	48.9%	51.1%
832	02/18/98	OH	CY04	4232	95	43	52	45.3%	54.7%
833	02/20/98	OH	CY04	4218	74	34	40	45.9%	54.1%
834	02/21/98	OH	CY04	4254	15	2	13	13.3%	86.7%
835	02/23/98	OH	CY04	4225	89	42	47	47.2%	52.8%
836	02/24/98	OH	CY04	4248	82	35	47	42.7%	57.3%
837	02/27/98	OH	CY04	4224	86	32	54	37.2%	62.8%
838	03/02/98	OH	CY04	4225	84	39	45	46.4%	53.6%
839	03/04/98	OH	CY04	4236	81	30	51	37.0%	63.0%
840	03/09/98	OH	CY04	4257	94	44	50	46.8%	53.2%
841	03/10/98	OH	CY04	4258	79	33	46	41.8%	58.2%
842	03/11/98	OH	CY04	4259	88	37	51	42.0%	58.0%
843	03/11/98	OH	CY04	4262	90	43	47	47.8%	52.2%
844	03/12/98	OH	CY04	4265	81	34	47	42.0%	58.0%
845	03/19/98	CA	CY66	0256	58	17	41	29.3%	70.7%
846	03/12/98	OH	CY04	4917	12	0	12	0.0%	100.0%
847	03/20/98	CA	CY66	0243	84	34	50	40.5%	59.5%
848	04/22/98	OH	CY04	4211	74	29	45	39.2%	60.8%
849	04/23/98	OH	CY04	4272	49	24	25	49.0%	51.0%

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO QUESTIONS POSED AT HEARING

At Tr. 19/8089,8090 Commissioner LeBlanc asked for the percentage of mail volume by accountables, flats, letters, parcels from the Engineered Study and a comparison of this information to the results of the city carrier cost system samples to determine consistency. He also requested variability information on the percentage of mail volume.

RESPONSE:

The following is the aggregate percentage data by mail type from the Engineered Study:

	ES Random Sites		ES USPS Picked Sites		LR-I-163 Routes	
Mail Types	Ave # Pieces/ Route Day	Percentages	Ave # Pieces/ Route Day	Percentages	Ave # Pieces/ Route Day	Percentages
Letters(including DPS)	1924.00	80.08	1925.00	77.15	1902.00	77.05
Letters	832.00	34.63	737.00	29.54	745.00	30.18
Flats	440.00	18.31	541.00	21.68	536.00	21.72
DPS	1092.00	45.45	1188.00	47.61	1157.00	46.87
Accountables	6.25	0.26	4.00	0.16	4.20	0.17
Parcels	32.40	1.35	25.30	1.01	26.10	1.06
Total	2402.65	100.00	2495.30	100.00	2468.30	100.00

The following CCS data was supplied to me by the United States Postal Service and the data compares very closely to the above ES data.

PIECES PER POSSIBLE DELIVERY AND PIECES PER ROUTE DAY FROM FY 1997 CCS

Mail Types	Avg # Pieces/Route Day	Percentages	Avg # Pieces/Possible Delivery	Percentages
Letters (including DPS)	1,619.0	73.74%	3.266	73.72%
Flats	544.4	24.80%	1.100	24.84%
DPS	N/A		N/A	
Accountables	4.4	0.20%	.008	0.18%
Parcels	27.7	1.26%	.055	1.25%
Total	2,195.4	100.00%	4.430	100.00%

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO QUESTIONS POSED AT HEARING

PIECES PER POSSIBLE DELIVERY AND PIECES PER ROUTE DAY FROM FY 1998 CCS

Mail Types	Avg # Pieces/Route Day	Percentages	Avg # Pieces/Possible Delivery	Percentages
Letters (including DPS)	1,706.4	73.39%	3.433	73.38%
Flats	586.2	25.21%	1.180	25.23%
DPS	N/A		N/A	
Accountables	4.4	0.19%	.008	0.17%
Parcels	28.3	1.22%	0.057	1.22%
Total	2,325.3	100.00%	4.679	100.00%

The following are examples showing the variation in piece volume and percentage change in mail mix from multiple day studies of the same route:

Unit Code	Route #	Date	Total Pieces	Letter %	Flat %	DPS %	Acct %	Parcel %
CY04	4243	Monday, June 30, 1997	3174	31.86	20.10	46.41	0.28	1.54
CY04	4243	Tuesday, July 01, 1997	2791	25.44	37.73	36.58	0.04	0.21
CY04	4243	Wednesday, July 02, 1997	2222	31.55	24.08	43.56	0.05	0.77
CY04	4243	Saturday, July 05, 1997	5180	37.08	23.05	38.90	0.02	0.95
CY04	4243	Monday, July 07, 1997	3832	30.40	25.16	43.97	0.05	0.42
CY04	4243	Tuesday, July 08, 1997	2756	32.11	30.44	37.34	0.07	0.04
CY04	4243	Wednesday, July 09, 1997	3661	40.34	25.92	33.38	0.08	0.27
CY04	4243	Thursday, July 10, 1997	3258	30.57	20.72	47.70	0.12	0.89
CY04	4243	Friday, July 11, 1997	3057	36.57	18.91	43.70	0.16	0.65
CY04	4243	Saturday, July 12, 1997	2885	31.09	21.14	46.76	0.07	0.94
CY04	4243	Monday, July 14, 1997	3235	32.15	26.34	40.96	0.12	0.43
CY04	4243	Tuesday, July 15, 1997	2897	25.23	34.66	39.42	0.24	0.45
CY04	4243	Wednesday, July 16, 1997	3325	34.20	26.05	39.26	0.09	0.39
CY04	4243	Thursday, July 17, 1997	2815	31.69	21.63	45.65	0.14	0.89
CY04	4243	Friday, July 18, 1997	2861	38.75	20.37	39.05	0.19	1.64
CY04	4243	Saturday, July 19, 1997	2577	34.69	16.30	48.00	0.08	0.93
CY04	4243	Monday, July 21, 1997	3356	32.15	32.39	34.54	0.15	0.77
CY04	4243	Tuesday, July 22, 1997	2567	26.37	40.40	32.80	0.12	0.31
CY04	4243	Wednesday, July 23, 1997	2671	44.14	23.17	32.09	0.11	0.49
CY04	4243	Thursday, July 24, 1997	2510	33.31	17.21	48.05	0.08	1.35
CY04	4243	Friday, July 25, 1997	2828	30.02	29.03	39.85	0.18	0.92
CY04	4243	Saturday, July 26, 1997	2962	29.20	29.78	40.41	0.03	0.57
CY46	1132	Monday, July 28, 1997	2364	27.45	12.69	57.61	0.04	2.20
CY46	1132	Tuesday, July 29, 1997	1925	42.29	19.06	36.42	0.05	2.18

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO QUESTIONS POSED AT HEARING

CY46	1132	Wednesday, July 30, 1997	1406	37.98	24.96	35.35	0.28	1.42
CY46	1132	Thursday, July 31, 1997	1510	18.48	20.79	58.61	0.00	2.12
CY46	1132	Friday, August 01, 1997	1827	16.53	19.54	60.97	0.22	2.74
CY46	1132	Saturday, August 02, 1997	1466	23.60	20.60	53.27	0.20	2.32
CY46	1132	Monday, August 04, 1997	1814	32.52	22.88	43.05	0.00	1.54
CY46	1132	Tuesday, August 05, 1997	1705	35.31	22.76	38.30	0.12	3.52
CY46	1132	Wednesday, August 06, 1997	1545	26.99	17.73	51.72	0.19	3.37
CY46	1132	Thursday, August 07, 1997	1484	21.36	14.82	61.86	0.00	1.95
CY46	1132	Friday, August 08, 1997	1607	26.76	20.04	51.90	0.12	1.18
CY46	1132	Saturday, August 09, 1997	1464	29.85	21.72	46.45	0.34	1.64
CY46	1132	Monday, August 11, 1997	2366	37.32	18.05	42.81	0.08	1.73
CY46	1132	Tuesday, August 12, 1997	1541	32.12	21.16	42.83	0.45	3.44
CY46	1132	Wednesday, August 13, 1997	2004	27.59	38.62	32.04	0.05	1.70
CY46	1132	Thursday, August 14, 1997	1596	15.16	19.61	64.16	0.00	1.07
CY46	1132	Friday, August 15, 1997	1484	19.74	25.94	52.36	0.13	1.82
CY46	1132	Saturday, August 16, 1997	1486	23.82	14.06	60.09	0.13	1.88
CY46	1132	Monday, August 18, 1997	2077	35.05	14.01	48.87	0.05	2.02
CY46	1132	Tuesday, August 19, 1997	1925	33.82	34.34	30.13	0.16	1.56
CY46	1132	Wednesday, August 20, 1997	1967	39.91	22.93	35.18	0.05	1.93
CY46	1132	Thursday, August 21, 1997	1375	24.87	26.91	44.73	0.44	3.05
CY46	1132	Friday, August 22, 1997	1343	25.61	21.44	50.34	0.07	2.53
CY46	1132	Saturday, August 23, 1997	1859	40.13	14.74	42.28	0.11	2.74
CY47	1475	Monday, June 30, 1997	3696	25.78	17.88	54.90	0.24	1.19
CY47	1475	Tuesday, July 01, 1997	2571	34.31	13.89	50.88	0.19	0.74
CY47	1475	Thursday, July 03, 1997	3457	31.79	12.29	53.92	0.14	1.85
CY47	1475	Saturday, July 05, 1997	4150	24.43	13.76	60.53	0.24	1.04
CY47	1475	Monday, July 07, 1997	3235	42.07	19.81	38.66	0.15	1.30
CY47	1475	Tuesday, July 08, 1997	2343	40.29	17.20	40.89	0.17	1.45
CY47	1475	Wednesday, July 09, 1997	3321	44.50	14.81	39.45	0.21	1.02
CY47	1475	Thursday, July 10, 1997	2744	33.49	8.27	56.89	0.26	1.09
CY47	1475	Friday, July 11, 1997	2827	29.54	14.01	56.21	0.14	0.11
CY47	1475	Saturday, July 12, 1997	3446	26.96	16.22	55.43	0.15	1.25
CY47	1475	Monday, July 14, 1997	4332	23.57	21.84	52.68	0.32	1.59
CY47	1475	Tuesday, July 15, 1997	2005	33.92	18.85	45.94	0.60	0.70
CY47	1475	Wednesday, July 16, 1997	2068	21.32	16.83	58.66	0.68	2.51
CY47	1475	Friday, July 18, 1997	2886	26.41	20.59	51.81	0.10	1.08
CY47	1475	Saturday, July 19, 1997	4601	45.60	11.00	42.45	0.22	0.74
CY47	1475	Monday, July 21, 1997	3910	27.47	16.60	54.71	0.10	1.13
CY47	1475	Tuesday, July 22, 1997	2129	37.20	16.87	45.28	0.33	0.52
CY47	1475	Wednesday, July 23, 1997	2435	22.71	15.89	59.88	0.25	1.27
CY47	1475	Friday, July 25, 1997	3302	34.31	16.47	47.79	0.30	1.12
CY47	1475	Saturday, July 26, 1997	2685	21.64	13.37	63.31	0.34	1.34
CY50	8744	Monday, August 25, 1997	2760	23.95	15.47	58.59	0.04	1.96
CY50	8744	Tuesday, August 26, 1997	2783	23.18	33.78	41.68	0.11	1.26
CY50	8744	Wednesday, August 27, 1997	1885	29.87	23.55	44.88	0.05	1.64
CY50	8744	Thursday, August 28, 1997	2970	24.85	31.68	42.53	0.07	0.88
CY50	8744	Friday, August 29, 1997	2637	26.05	22.18	51.04	0.15	0.57
CY50	8744	Saturday, August 30, 1997	2941	20.23	29.85	49.03	0.14	0.75

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CY50	8744	Tuesday, September 02, 1997	3282	23.80	23.22	50.79	0.12	2.07
CY50	8744	Wednesday, September 03, 1997	3596	27.36	28.11	42.83	0.06	1.64
CY50	8744	Thursday, September 04, 1997	2832	23.23	29.66	45.83	0.25	1.02
CY50	8744	Friday, September 05, 1997	2799	26.44	35.80	37.01	0.18	0.57
CY50	8744	Saturday, September 06, 1997	2204	26.54	28.09	44.46	0.05	0.86
CY50	8744	Monday, September 08, 1997	3015	26.40	20.73	50.98	0.13	1.76
CY50	8744	Tuesday, September 09, 1997	2624	14.29	33.04	51.33	0.08	1.26
CY50	8744	Wednesday, September 10, 1997	3112	34.00	29.05	36.15	0.13	0.67
CY50	8744	Thursday, September 11, 1997	3681	24.80	28.69	46.16	0.08	0.27
CY50	8744	Friday, September 12, 1997	3007	27.30	32.42	39.74	0.07	0.47
CY50	8744	Saturday, September 13, 1997	2561	14.53	39.67	45.06	0.16	0.59
CY50	8744	Monday, September 15, 1997	2747	28.87	13.61	55.62	0.07	1.82
CY50	8744	Tuesday, September 16, 1997	2827	18.96	30.99	49.38	0.07	0.60
CY50	8744	Wednesday, September 17, 1997	3385	14.95	43.66	40.15	0.15	1.09
CY50	8744	Thursday, September 18, 1997	2432	33.55	31.87	33.10	0.08	1.40
CY50	8744	Friday, September 19, 1997	2466	20.97	27.78	50.16	0.08	1.01
CY50	8744	Saturday, September 20, 1997	3078	37.00	14.00	48.12	0.13	0.75

Following is a summary of the above route days by route:

Unit Code	CY04		CY46	
Route Number	4243		1132	
Minimum Total Pieces	2222	Wednesday, July 02, 1997	1343	Friday, August 23, 1997
Maximum Total Pieces	5180	Saturday, July 05, 1997	2366	Monday, August 11, 1997
Average Total Pieces	3056.36		1714.17	
Minimum Letter %	25.23	Tuesday, July 15, 1997	15.16	Thursday, August 14, 1997
Maximum Letter %	44.14	Wednesday, July 23, 1997	42.29	Tuesday, July 29, 1997
Average Letter %	32.67		28.93	
Minimum Flat %	16.30	Saturday, July 19, 1997	12.69	Monday, July 28, 1997
Maximum Flat %	40.40	Tuesday, July 22, 1997	38.62	Wednesday, August 13, 1997
Average Flat %	25.66		21.23	
Minimum DPS%	32.09	Wednesday, July 23, 1997	30.13	Tuesday, August 19, 1997
Maximum DPS%	48.05	Thursday, July 24, 1997	64.16	Thursday, August 14, 1997
Average DPS%	40.84		47.56	
Minimum Accountable %	0.02	Saturday, July 05, 1997	0.00	4 days with 0 accountables
Maximum Accountable %	0.28	Monday, June 30, 1997	0.45	Tuesday, August 12, 1997
Average Accountable %	0.11		0.14	
Minimum Parcel %	0.04	Tuesday, July 08, 1997	1.07	Thursday, August 14, 1997
Maximum Parcel %	1.64	Friday, July 18, 1997	3.52	Tuesday, August 05, 1997
Average Parcel %	0.72		2.15	

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Unit Code	CY47		CY50	
Route Number	1475		8744	
Minimum Total Pieces	2005	Tuesday, July 15, 1997	1885	Wednesday, August 27, 1997
Maximum Total Pieces	4601	Saturday, July 19, 1997	3681	Thursday, September 11, 1997
Average Total Pieces	3106.15		2853.22	
Minimum Letter %	21.32	Wednesday, July 16, 1997	14.29	Tuesday, September 09, 1997
Maximum Letter %	45.60	Saturday, July 19, 1997	37.00	Saturday, September 20, 1997
Average Letter %	31.37		24.83	
Minimum Flat %	8.27	Thursday, July 10, 1997	13.31	Monday, August 15, 1997
Maximum Flat %	21.84	Monday, July 14, 1997	43.66	Wednesday, September 17, 1997
Average Flat %	15.81		28.13	
Minimum DPS%	36.66	Monday, July 07, 1997	33.10	Thursday, September 18, 1997
Maximum DPS%	63.31	Thursday, July 24, 1997	58.59	Monday, August 25, 1997
Average DPS%	51.41		45.85	
Minimum Accountable %	0.10	Monday, July 21, 1997	0.04	Monday, August 25, 1997
Maximum Accountable %	0.68	Wednesday, July 16, 1997	0.25	Thursday, September 04, 1997
Average Accountable %	0.26		0.11	
Minimum Parcel %	0.11	Friday, July 11, 1997	0.27	Thursday, September 11, 1997
Maximum Parcel %	2.51	Wednesday, July 16, 1997	2.07	Tuesday, September 2, 1997
Average Parcel %	1.15		1.06	

The following is a view of multiple route days that will assist in seeing the variability of pieces per possible delivery point from day to day on the same route:

Unit Code	Route Number	Date	Total Delivery Points	Total Mail Pieces	Pieces Per Possible Delivery
CY04	4243	Monday, June 30, 1997	372	3174	8.532258
CY04	4243	Tuesday, July 01, 1997	372	2791	7.502688
CY04	4243	Wednesday, July 02, 1997	372	2222	5.973118
CY04	4243	Saturday, July 05, 1997	372	5180	13.92473
CY04	4243	Monday, July 07, 1997	372	3832	10.30108
CY04	4243	Tuesday, July 08, 1997	372	2756	7.408602
CY04	4243	Wednesday, July 09, 1997	372	3661	9.841398
CY04	4243	Thursday, July 10, 1997	372	3258	8.758065
CY04	4243	Friday, July 11, 1997	372	3057	8.217742
CY04	4243	Saturday, July 12, 1997	372	2885	7.755376
CY04	4243	Monday, July 14, 1997	372	3235	8.696237
CY04	4243	Tuesday, July 15, 1997	372	2897	7.787634

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO QUESTIONS POSED AT HEARING

CY04	4243	Wednesday, July 16, 1997	372	3325	8.938172
CY04	4243	Thursday, July 17, 1997	372	2815	7.567204
CY04	4243	Friday, July 18, 1997	372	2681	7.206989
CY04	4243	Saturday, July 19, 1997	372	2577	6.927419
CY04	4243	Monday, July 21, 1997	372	3358	9.021505
CY04	4243	Tuesday, July 22, 1997	372	2567	6.900538
CY04	4243	Wednesday, July 23, 1997	372	2671	7.180108
CY04	4243	Thursday, July 24, 1997	372	2510	6.747312
CY04	4243	Friday, July 25, 1997	372	2828	7.602151
CY04	4243	Saturday, July 26, 1997	372	2962	7.962366
				Low # Pcs/DP	5.973118
				Ave # Pcs/DP	8.216031
				High #Pcs/DP	13.92473
CY46	1132	Monday, July 28, 1997	634	2364	3.728707
CY46	1132	Tuesday, July 29, 1997	634	1925	3.036278
CY46	1132	Wednesday, July 30, 1997	634	1406	2.217666
CY46	1132	Thursday, July 31, 1997	634	1510	2.381703
CY46	1132	Friday, August 01, 1997	634	1827	2.881703
CY46	1132	Saturday, August 02, 1997	634	1466	2.312303
CY46	1132	Monday, August 04, 1997	634	1814	2.861199
CY46	1132	Tuesday, August 05, 1997	634	1705	2.689274
CY46	1132	Wednesday, August 06, 1997	634	1545	2.436909
CY46	1132	Thursday, August 07, 1997	634	1484	2.340694
CY46	1132	Friday, August 08, 1997	634	1607	2.5347
CY46	1132	Saturday, August 09, 1997	634	1464	2.309148
CY46	1132	Monday, August 11, 1997	634	2366	3.731861
CY46	1132	Tuesday, August 12, 1997	634	1541	2.430599
CY46	1132	Wednesday, August 13, 1997	634	2004	3.160883
CY46	1132	Thursday, August 14, 1997	634	1596	2.51735
CY46	1132	Friday, August 15, 1997	634	1484	2.340694
CY46	1132	Saturday, August 16, 1997	634	1486	2.343849
CY46	1132	Monday, August 18, 1997	634	2077	3.276025
CY46	1132	Tuesday, August 19, 1997	634	1925	3.036278
CY46	1132	Wednesday, August 20, 1997	634	1967	3.102524
CY46	1132	Thursday, August 21, 1997	634	1375	2.16877
CY46	1132	Friday, August 22, 1997	634	1343	2.118297
CY46	1132	Saturday, August 23, 1997	634	1859	2.932177
				Low # Pcs/DP	2.118297
				Ave # Pcs/DP	2.703733
				High #Pcs/DP	3.731861
CY47	1475	Monday, June 30, 1997	848	3696	4.358491
CY47	1475	Tuesday, July 01, 1997	848	2571	3.03184
CY47	1475	Thursday, July 03, 1997	848	3457	4.076651
CY47	1475	Saturday, July 05, 1997	848	4150	4.893868
CY47	1475	Monday, July 07, 1997	848	3235	3.814858
CY47	1475	Tuesday, July 08, 1997	848	2343	2.762972
CY47	1475	Wednesday, July 09, 1997	848	3321	3.916274

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RAYMOND TO QUESTIONS POSED AT HEARING

CY47	1475	Thursday, July 10, 1997	848	- 2744	3.235849
CY47	1475	Friday, July 11, 1997	848	2827	3.333726
CY47	1475	Saturday, July 12, 1997	848	3446	4.063679
CY47	1475	Monday, July 14, 1997	848	4332	5.108491
CY47	1475	Tuesday, July 15, 1997	848	2005	2.364387
CY47	1475	Wednesday, July 16, 1997	848	2068	2.438679
CY47	1475	Friday, July 18, 1997	848	2866	3.379717
CY47	1475	Saturday, July 19, 1997	848	4601	5.425708
CY47	1475	Monday, July 21, 1997	848	3910	4.610849
CY47	1475	Tuesday, July 22, 1997	848	2129	2.510613
CY47	1475	Wednesday, July 23, 1997	848	2435	2.871462
CY47	1475	Friday, July 25, 1997	848	3302	3.893868
CY47	1475	Saturday, July 26, 1997	848	2685	3.166274
				Low # Pcs/DP	2.364387
				Ave # Pcs/DP	3.662913
				High #Pcs/DP	5.425708
CY50	8744	Monday, August 25, 1997	351	2760	7.863248
CY50	8744	Tuesday, August 26, 1997	351	2783	7.928775
CY50	8744	Wednesday, August 27, 1997	351	1885	5.37037
CY50	8744	Thursday, August 28, 1997	351	2970	8.461538
CY50	8744	Friday, August 29, 1997	351	2637	7.512821
CY50	8744	Saturday, August 30, 1997	351	2941	8.378917
CY50	8744	Tuesday, September 02, 1997	351	3282	9.350427
CY50	8744	Wednesday, September 03, 1997	351	3596	10.24501
CY50	8744	Thursday, September 04, 1997	351	2832	8.068376
CY50	8744	Friday, September 05, 1997	351	2799	7.974359
CY50	8744	Saturday, September 06, 1997	351	2204	6.279202
CY50	8744	Monday, September 08, 1997	351	3015	8.589744
CY50	8744	Tuesday, September 09, 1997	351	2624	7.475783
CY50	8744	Wednesday, September 10, 1997	351	3112	8.866097
CY50	8744	Thursday, September 11, 1997	351	3681	10.48718
CY50	8744	Friday, September 12, 1997	351	3007	8.566952
CY50	8744	Saturday, September 13, 1997	351	2561	7.296296
CY50	8744	Monday, September 15, 1997	351	2747	7.826211
CY50	8744	Tuesday, September 16, 1997	351	2827	8.054131
CY50	8744	Wednesday, September 17, 1997	351	3385	9.643875
CY50	8744	Thursday, September 18, 1997	351	2432	6.928775
CY50	8744	Friday, September 19, 1997	351	2466	7.025641
CY50	8744	Saturday, September 20, 1997	351	3078	8.769231
				Low # Pcs/DP	5.37037
				Ave # Pcs/DP	8.128824
				High #Pcs/DP	10.48718

United States Postal Service

Maura Robinson
(USPS-T-34)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF THE ASSOCIATION OF PRIORITY MAIL USERS

APMU/USPS-T34-37.

Please provide as a library reference a copy of the Inspector General's report, *Priority Mail Processing Center Network* (September 24, 1999) DA-AR-99-001.

Per ruling R2000-1/51: "[The Postal Service] shall respond to APMU/USPS-T34-37 by submitting as a library reference a copy of the September, 1999 report in the redacted from in which it was provided in response to the FOIA request to which the Service's pleading refers."

RESPONSE:

See USPS-LR-I-315 to be filed shortly.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF THE ASSOCIATION OF PRIORITY MAIL USERS

APMU/USPS-T34-38

Has the Postal Service negotiated a final calendar year 1999 network operations adjustment under the Supplemental Letter Agreement between the Postal Service and Emery? If so, please provide the amount of additional payment in excess of the original contract rate, and indicate separately the amount of the extra payment that arises from (i) increases in volume and (ii) changes in mail mix.

RESPONSE:

I am informed that the Postal Service has not negotiated a final calendar year 1999 network operations adjustment under the Supplemental Letter Agreement between the Postal Service and Emery.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON TO INTERROGATORIES OF THE ASSOCIATION OF PRIORITY MAIL USERS

APMU/USPS-T34-39

The Inspector General's report, *Priority Mail Processing Center Network* (September 24, 1999) DA-AR-99-001, states that the contractor paid commercial airlines a rate that was about $0.03 per pound higher than the USPS air system contract rate, and "[t]he contracting officer for the Air System Contracts indicated it would not be in USPS best interests to modify the contract to allow the contractor to use USPS commercial air rates" (p. 8, fn. 5). Please provide a detailed explanation why the Postal Service finds it beneficial for the PMPC contractor to pay a (reimbursable) rate to commercial airlines for Priority Mail that exceeds the rate paid under the USPS air system contract.

RESPONSE:

I am informed that the contracting officer for the Air System ("A-SYS") Contract denies that he said or made any determination such as the interrogatory seems to assume. I am further informed that the Postal Service does not make any findings, one way or the other, concerning whether it would be beneficial for the PMPC contractor to pay a rate to commercial airlines for Priority Mail that exceeds the rate paid under the A-SYS contract for transportation of a number of types of mail.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF THE ASSOCIATION OF PRIORITY MAIL USERS

APMU/USPS-T34-41

The Inspector General's report, *Priority Mail Processing Center Network* (September 24, 1999) DA-AR-99-001, states that "When all attributable costs are considered, the USPS paid . . . $101 million more than if the same volume had been processed in-house without a network."

a. Do you concur in this estimate of additional costs incurred by virtue of the PMPC network? Unless your answer is an unqualified affirmative, please explain why not, and provide your estimate of the additional costs incurred by virtue of having the PMPC network instead of doing the work in-house.

b. Please provide an estimate of the additional costs that will be attributed to Priority Mail during Test Year 2001 in excess of what would be attributed if the same volume were to be processed in-house without a network.

RESPONSE:

a. I have not made an independent estimate of the additional costs incurred by virtue of the PMPC network. However, I am informed that when comparing the costs for the PMPC Network with doing the work in-house without a network, the Inspector General's report's estimate of additional PMPC network costs is reasonable.

b. I am informed that the requested analysis is not available.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF THE ASSOCIATION OF PRIORITY MAIL USERS

APMU/USPS-T34-42

Please provide as a library reference copies of any audits or reports on Priority Mail by the Inspector General, other than *the Priority Mail Processing Center Network* report requested in APMU/USPS-T34-37, including those already released and any that may be released before the record in this Docket is closed.

Per Ruling R2000-1/51: ". . . APMU . . . states it is willing to narrow the request to reports subsequent to the September, 1999 report on the PMPC Network."

". . . produce any responsive material in a library reference to be filed with the Commission."

RESPONSE:

I understand that the Inspector General has released no audits or reports on

Priority Mail subsequent to the September, 1999 report on the PMPC network.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF THE ASSOCIATION OF PRIORITY MAIL USERS

APMU/USPS-T34-48. 21783

Please refer to your response to APMU/USPS-T-34-17.

a. Please provide comparable data for CY 1997.

b. Please provide complete data for CY 1999 as soon as available.

RESPONSE:

a. - b.

The following response has been updated to include complete data for CY 1999 and to reflect revised market share estimates for CY 1998.

See below for revised table including CY 1997 and complete data for CY 1999.

Priority Mail Market Share
Two- to Three-Day Market

Time Period	Market Share (pieces)	Market Share (revenue)
Calendar Year 1997	62.7%	45.2%
Calendar Year 1998	62.8%	45.3%
Calendar Year 1999	61.9%	45.8%

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF DAVID B. POPKIN
REDIRECTED FROM THE POSTAL SERVICE

DBP/USPS-5 [i] [7] The weight of the container without contents.

Per Ruling R2000-1/44: ". . . the Service is directed to provide the tare weights of each of the envelopes, boxes and tubes listed on page 1 of the Attachment to DBP/USPS-5 under "Supply Item Description" for Express Mail and Priority Mail."

RESPONSE:

[i] [7] One example of each of the envelopes, boxes and tubes listed below was weighed on a NCR POS-ONE retail terminal on May 3, 2000 at Postal Service Headquarters in Washington D.C. It is my understanding that the weight of these containers may vary depending on humidity.

Express Mail

Description	Item Number	Weight (ounces)
Window Envelope for Custom Design Express Mail Label	EP-13	0.3
8 oz. Standard Envelope - Cardboard	EP-13A	1.5
Customer Receipt Envelope	EP-13B	0.3
Tyvek Envelope - Large	EP-13C	0.5
International Envelope	EP-13E	0.9
Flat Rate Envelope - Cardboard	EP-13F	1.4
Box 12 1/4 x 15 1/2 x 3	0-1093	9.1
Tube 6 x 38 Express or Priority	0-1098	12.6

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF DAVID B. POPKIN
REDIRECTED FROM THE POSTAL SERVICE

Priority Mail

Description	PSIN/ Item Number	Weight (ounces)
Flat Rate Envelope - Cardboard 6 x 10	EP-14B	0.7
Tyvek Envelope - 12 x 15 1/2	EP-14	0.5
Flat Rate Envelope - Cardboard 12 1/2 x 9 1/2	EP-14F	1.4
Envelope - Cardboard 5 x 10 (Window)	EP-14 H	0.7
Box 7 x 7 x 6 (Box 04)	0-10100-04	4.4
Box 12 x 12 x 8 (Box 07)	0-10101-07	11.1
Box 12 1/4 x 15 1/2 x 3	0-1095	8.2
Box "Video" 9 1/4 x 6 1/4 x 2 (Large)	0-1096 (Large)	2.7
Box "Video" 8 5/8 x 5 3/8 x 1 5/8 (Small)	0-1096(Small)	2.1
Box 11 1/4 x 14 x 2 1/4	0-1097	6.1
Tube 6 x 38 Express or Priority	0-1098	12.6

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF DAVID B. POPKIN
REDIRECTED FROM THE POSTAL SERVICE

DBP/USPS-205: Please refer to your response to DBP/USPS-143. [a] Please describe how the Postal Service plans to distinguish between the two similar 9-1/2 by 12-1/2 inch cardboard envelopes, one being a flat-rate envelope and the other not being one. [b] Do you feel that this will introduce a level of confusion to the mailer and/or to postal employees? [c] If not, why not?

RESPONSE:

[a] While the Postal Service is considering offering an envelope with characteristics similar to the current flat-rate envelope, no final determination about the specific characteristics of the new envelope has been made. At a minimum, the new envelope would not include the endorsements "2 lb. Priority Mail postage rate required" and/or "2 lb. postage rate regardless of weight" or wording of similar intent.

[b] - [c] While there is always the possibility that some mailer or postal employee will be confused by any change in Postal Service provided packaging, I do not believe that this confusion would be significant. One of the objectives in developing the new envelope design will be to minimize any confusion through the use of appropriate graphical design including choice of appropriate colors, words and other distinguishing characteristics that are not yet finalized.

DFC/USPS-T34-24. Please refer to your response, filed on April 26,2000, to the question posed during oral cross-examination at Tr. 7/2897.

a. Please confirm that the service standard for mail sent from San Francisco to Los Angeles is two days for both Priority Mail and First-Class Mail.

b. Please confirm that any IBM and NCR retail terminals installed in San Francisco will indicate that the service standard for mail from San Francisco to Los Angeles is three days for First-Class Mail and two days for Priority Mail.

c. Please confirm that the service standard for mail sent from San Francisco to Seattle is two days for both Priority Mail and First-Class Mail.

d. Please confirm that any IBM and NCR retail terminals installed in San Francisco will indicate that the service standard for mail from San Francisco to Seattle is three days for First-Class Mail and two days for Priority Mail.

e. Please confirm that the service standard for mail sent from Washington, DC, to Boston is two days for both Priority Mail and First-Class Mail.

f. Please confirm that any IBM and NCR retail terminals installed in Washington will indicate that the service standard for mail from Washington to Boston is three days for First-Class Mail and two days for Priority Mail.

g. Please confirm that the information provided in (b), (d), and (f) may cause customers who would use First-Class Mail to send a one-ounce letter if they knew that the service standard was two days to use Priority Mail in the mistaken belief that Priority Mail would provide a faster service standard than First-Class Mail. If you do not confirm, please explain and provide all facts and information that support your answer.

Per Ruling POR R2000-1/79: "the Postal Service need not answer subparts (b), (d) and (f) regarding NCR terminals."

RESPONSE:

a. Confirmed that the service standards for both Priority Mail and First-Class Mail originating in San Francisco (ZIP Codes 940-941) and destinating in Los Angeles (ZIP Codes 900-901) are two days.

b. I am informed that no IBM retail terminals are installed in San Francisco.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF DOUGLAS F. CARLSON

c. Confirmed that the service standards for both Priority Mail and First-Class Mail originating in San Francisco (ZIP Codes 940-941) and destinating in Seattle (ZIP Codes 980-981) are two days.

d. I am informed that no IBM retail terminals are installed in San Francisco.

e. Confirmed that the service standards for both Priority Mail and First-Class Mail originating in Washington, DC (ZIP Codes 200, 202-205) and destinating in Boston MA (ZIP Codes 021-022) are two days.

f. I am informed that no IBM retail terminals are installed in Washington, DC.

g. Confirmed that it is possible that some customer, based solely on the service standard information displayed on the retail terminal screen, may choose to send a one-ounce letter using Priority Mail rather than First-Class Mail.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF DOUGLAS F. CARLSON

DFC/USPS-T34-25. Please refer to your response, filed on April 26, 2000, to the question posed during oral cross-examination at Tr. 7/2897. Please provide an estimate of the date on which NCR and IBM retail terminals will be programmed to provide correct service-standard information for First-Class Mail.

RESPONSE:

It is my understanding that there is no scheduled date for completion of this programming of the NCR and IBM retail terminals.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF DOUGLAS F. CARLSON

DFC/USPS-T34-26. Please refer to your response, filed on April 26, 2000, to the question posed during oral cross-examination at Tr. 7/2897. Please explain why the NCR and IBM retail terminals do not indicate a one-day service commitment for Priority Mail between destinations for which the service standard is one day.

RESPONSE:

It is my understanding that the office responsible for retail terminal programming was not aware until April 2000 that one-day Priority Mail service standards existed between any three-digit ZIP Code pairs.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-T34-30: Please refer to your response to DFC/USPS-T34-24. Please confirm that IBM retail terminals installed in Troy, Michigan, will indicate that the service standard for mail from Troy, Michigan, to Philadelphia, Pennsylvania, Saint Louis, Missouri, and New York, New York, is three days for First-Class Mail and two days for Priority Mail. If you do not confirm, please explain.

RESPONSE:

Confirmed that IBM retail terminals installed in Troy, MI (480) will indicate that the service standard for mail from Troy, MI (480) to Philadelphia, PA (191), Saint Louis, MO (631), and New York, NY (100), is three days for First-Class Mail and two days for Priority Mail.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 5

7. Please refer to the Response of United States Postal Service Witness Robinson to DFC/USPS-T34-4 where it is confirmed that the majority of priority flat rate envelopes weigh less than 1 pound, and DFC/USPS-T34-5(b) where she states, "Not confirmed that an appropriate rate for the flat-rate envelope is the one-pound rate." Please discuss the rationale for setting the rate for flat-rate envelopes at the two-pound rate.

RESPONSE:

The flat-rate envelope rate was set equal to the two-pound Priority Mail rate for several reasons.

First, the dimensions of the flat-rate envelope are such that material weighing over one pound can easily be enclosed in the envelope. If the flat-rate envelope rate were set at the one-pound rate, over time there would be upward pressure on the one-pound rate as price-sensitive customers mail heavier pieces using the flat-rate envelope to take advantage of the lower rate. As discussed in my testimony on pages 15-17, the $3.45, one-pound rate was proposed to bridge the "gap" between the maximum First-Class Mail rate and the $3.85, 2-pound Priority Mail rate. If the flat-rate envelope were priced at the one-pound rate and, as a result, attracted more, heavier-weight (over 1 pound) pieces, the upward pressure on the average weight of the combined rate category of "one-pound pieces and flat-rate envelopes" could result in larger future "gaps."

Second, the proposed one-pound rate will meet the needs of customers who are price-sensitive. Customers who are price sensitive will be able to choose between the flat-rate envelope and weight-rated Priority Mail and elect the rate option that provides the lowest price for their piece.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 5

Third, the Postal Service initially proposed the flat-rate envelope as a convenience product that "remove[d] the need for customers to weigh pieces, and may reduce the need for customers to travel to and stand in line at post offices to tender Priority Mail pieces." (Docket No. R90-1, USPS-T-18 at 126) The additional value of service, in part, justifies the higher two-pound rate.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 5

8. Please refer to L.R. I - 165.

a. Attachment I gives the number of on-call pickup stops for TYAR express mail as 351,049 and the number of scheduled stops for TYAR express mail as 249,893, and cites USPS-T-36, Attachment B as the source of these numbers. USPS-T-36, Attachment B gives the numbers as 352,638 and 251,024 (31,641 + 219,383) respectively. Please reconcile these numbers.

b. Attachment K gives the final adjustment for delivery confirmation for air transportation as 9,739 and for surface transportation as 5,718 and cites LR-I-127, Chapter XV as the source of these numbers. LR-I-127 has TYBR air transportation costs of 9,877 and surface costs of 5,800 (5,702 + 61 + 37). Please reconcile these numbers.

RESPONSE:

a. The number of on-call (351,049) and scheduled pickup stops (249,893) for Express Mail in USPS-T-34, Attachment I (electronic copy filed as USPS-LR-I-165) are correct. This information is consistent with the data presented in USPS-LR-I-62, Attachment B. I am informed that USPS-T-36, Attachment B incorporates preliminary data.

b. See response to UPS/USPS-T34-13.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 6

21795

6. In response to AMPU/USPS-T-39-1 (a), witness Mayo states that "there is no formalized use of Delivery Confirmation data to measure the quality of parcel delivery service." In responding to APMU/USPS-T39-1 (b)-(c), the Postal Service states that "[d]elivery confirmation data, ODIS data and PETE data are available to Headquarters and Field operations management." In response to APMU/USPS-T34-10 (b), which asked for Priority Mail delivery data available from the Delivery Confirmation system, witness Robinson stated: "I am informed that the requested data are not available."

a. Please describe in detail the Delivery Confirmation data that is collected for parcel post and Priority Mail.

b. For how long is this data retained?

c. What delivery confirmation data [have been], are made available to Headquarters and Field operations management?

RESPONSE:

At the time I prepared the response to APMU/USPS-T30-10(b), I understood that a service performance measure based on Delivery Confirmation data was under development and was not yet available. In the process of identifying information responsive to part (c) of this question, I determined that a service performance measure based on retail Delivery Confirmation data was available. This information has been provided in response to UPS/USPS-T34-33 and a revised response to APMU/USPS-T34-10(b) will be filed.

a. Date item was delivered, delivery was attempted, item was forwarded, or item was returned. If accepted over the retail counter, date of the acceptance scan. Electronic Delivery Confirmation customers provide the Postal Service with information on when and where a piece is expected to be entered.

b. One year.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 6

21796

c. Data needed to calculate scanning percentages, that is, the number of Delivery Confirmation pieces receiving a delivery scan within a certain area, divided by the total number of Delivery Confirmation pieces destined for that area. A service performance measure based on retail delivery confirmation scans is also provided.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 6

7. Please refer to interrogatories UPS/USPS-T34-11 and 12, Attachment A. Attachment A purports to be a compensation attachment to Contract Postal Unit Contract No. 363199-U-0158, relating to a two-year contract for operating a Contract Postal Unit for the Postal Service. The attachment states that the operator will be paid 20 percent of the postal funds it receives and remits for the sale of domestic Priority Mail and domestic Express Mail, and 5 percent of the postal funds it receives and remits for the sale of all other postal products and services subject to the contract.

a. Is UPS's characterization of this document accurate?

b. Please describe the cost-benefit analysis or other considerations that led to establishing this compensation schedule. If documentation exists supporting this arrangement, please provide it.

c. Are payments under these contracts treated as product specific costs, that is, are payments made as a result of the sale of Priority Mail treated as a product specific cost of Priority Mail?

d. What are the percentages of total revenue from Express Mail and Priority Mail sold at Postal Service retail offices? What are the percentages of total revenue from Express Mail and Priority Mail at contract units where compensation is computed in such fashion?

RESPONSE:

a. Yes. Contract 363199-U-0158 has an Attachment 4 containing such terms.

This contract is between the Postal Service and a Mailboxes, Etc. franchisee.

See USPS-LR-I-231.

b. I am informed that the deliberative processes involved in contracting for services on the terms described are not memorialized in documentation. I am further informed that, as with all procurements, the considerations underlying the compensation paid a supplier include providing fair compensation for service/goods received, and obtaining fair value for the consideration paid.

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c. I am not an expert on cost attribution; however I am informed that payments for Priority Mail under such contracts are recorded in account 52301, cost segment 13, component 111, and are not treated as product-specific costs for either Priority Mail or Express Mail.

d. The percentage of total revenue from Express Mail and Priority Mail sold at Postal Service retail offices is not known. I am informed that the percentage of the total postal funds generated from Express Mail and Priority Mail postage in contract postal units compensated as set forth in this question for FY 1999 through AP 2 of FY 2000 was 21%.

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11. In USPS-LR-I-196, in the Sales and Services Associate Training, Facilitator's Guide, NSN#7610 040008859, Course 23501-02 (September 1999) p. 111, reference is made to a Sommers Communication Video entitled "Priority Mail." Please supply a copy of the video.

RESPONSE:

The requested video will be filed shortly as USPS-LR-I-282.

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12. The Postal Service is proposing to eliminate the one pound minimum weight requirement for parcel post and charge the minimum rate in each category for all pieces weighing up to two pounds (USPS-T-36 at 12). For inter-BMC that proposed rate is $3.47. The Service is also proposing a new one pound Priority mail rate of $3.45 (USPS-T-34 at 16). Please explain the rationale for a one pound priority rate that is lower than the one pound rate in parcel post.

RESPONSE:

As the question notes, the proposed $3.47 inter-BMC rate is for material weighing no more than two pounds while the proposed $3.45 Priority Mail rate is for material weighing no more than one pound. Both the Priority Mail and the Parcel Post rates are based on the costs of providing these services and these rates reflect those costs plus the contingency proposed by witness Tayman and the cost coverages proposed by witness Mayes. The inter-BMC Parcel Post rate allows customers to mail heavier weight pieces (up to two pounds rather than only one pound). Therefore, by using the $3.47 inter-BMC Parcel Post rate, some customers will be able to mail two-pound packages at a lower rate than if they were to use the proposed $3.85 two-pound Priority Mail rate.

However, Parcel Post and Priority Mail have different rate structures, with Parcel Post offering opportunities for customers to workshare and thereby take advantage of discounts. Therefore, for many commercial customers, and some retail customers, the appropriate comparison is not between the one-pound Priority Mail rate and the two-pound inter-BMC rate, but rather between the one-pound Priority Mail rate and the two-pound, intra-BMC, DBMC, DSCF, or DDU rate. In each of these cases, the Priority Mail rate is greater than the corresponding Parcel Post rate. However, for some customers – those who mail

one-pound, inter-BMC pieces -- the lower Priority Mail rate would be more economical. Previously, customers mailing these pieces would have had no alternative but to use Priority Mail; this rate proposal does not penalize them for continuing to use Priority Mail.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 15

3. In the June 26th issue of the Business Mailers Review the article "USPS Works on Transition Plan for Priority Mail Processing" (at pages 3-4) asserts that the Postal Service is developing a transition plan for terminating its contract with Emery Worldwide to operate a dedicated Priority Mail system for the Northeast and Florida. If the contract is terminated, what impact would this have on Priority Mail's attributable cost for the test year and Fiscal Year 2002?

RESPONSE:

I am aware that there are ongoing internal discussions and planning for a transition from the current network. It is my understanding that a goal of these discussions is a reduction in Priority Mail costs; however, I am informed that cost estimates for any alternate network design have not been completed.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO QUESTIONS POSED DURING ORAL CROSS EXAMINATION

Tr. 7/2894: Provide all display information for post offices concerning Priority Mail for FY 1999 and FY 2000.

RESPONSE:

The requested material will be filed shortly as USPS-LR-I-320. It is my understanding that this information was developed on the national level, I am unable to determine what, if any, display information was developed on the local level. In addition, while I have attempted to locate all responsive information produced at the national level, there may be other materials produced at the national level that I am unaware of.

United States Postal Service

Marc A. Smith
(USPS-T-21)

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF THE AMERICAN BANKERS ASSOCIATION AND NATIONAL ASSOCIATION OF PRESORT MAILERS

ABA&NAPM/USPS-T21-37

In your LR-I-81, there are several files which list "BY 98" figures and also "TY 98" figures. For example, file mpshtynp.xls worksheet Total (4) references "TY 98" while worksheet Cost Pool Data in the same file references "BY 98". This is also true of worksheet Summary (2) and Summary from the same file. It is also true for various worksheets in files mpshapn.xls and mpshusty.xls.

a. Are the files TY 98 labeled correctly? If yes, does this refer to data taken from the R97-1 rate case test year 1998? If no, do these data refer to the test year in this case namely TY 2001?

b. If your answer to a. is yes, please explain what procedures you are using that relate base year 98 figures to test year figures from the last rate case, and why you are using them.

c. In file mpshusty.xls, worksheet Letters (4), does the table labeled "TY 98 USPS Version—Fully Reconciled" refer to test year 2001 in this case?

Response:

If you are referring to the cell "A1" of many of the sheets in all three of the spreadsheets listed above, then please disregard these titles. Instead use the "print preview" option to see the headers (both center and right side) used for the hard copy contained in USPS-LR-I-81. The abbreviations used in the right-side header are defined in at page v (contained in LR81.doc). Alternatively, use the hard copy of this library reference relying on the bold print headers in the center and right side.

a. No. Please disregard all such references in cell "A1" of the various sheets in these spreadsheets. No data has been used from the R97-1 test year

costs. Please see my testimony at pages 28 to 31 for a description of the calculations in this library reference. Also see pages ii to vi of USPS-LR-I-81.

b. Not applicable, see my response to part a.

c. Yes, these costs are for the test year, FY 2001. As indicated above, please disregard cell "A1." Instead rely on the right-side header which can be viewed using the Print Preview option or by using the corresponding hard copy of the USPS-LR-I-81 at page VI-31.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 4

1. The Table in Attachment 1 shows Segment 3 (Clerks and Mailhandlers, CAG A – J Offices) unit mail processing costs for Regular Rate Periodicals for the period FY 1989 through FY 1998. The unit cost data are adjusted by each year's productive hourly wage data to account for the effects of inflation. The cost data are taken from the Postal Service's annual CRA Reports. Prior to FY 1997, the mail processing costing methodology in the CRA reports has been basically constant. FY 1997 and FY 1998 CRA figures are adjusted to account for methodological differences in order to make them more consistent with the earlier reports.

While parties might disagree about the exact 1997 and 1998 adjustment procedure, the basic trend in unit cost since 1992 is up. Periodicals mail consists almost entirely of flat-shaped matter. The Service is requested to provide shape-related cost data for certain other subclasses to help ascertain if this upward trend in flat-shaped mail costs occurs for other mail categories and other shapes as well.

To provide the record with time series data that are comparable, the Postal Service is requested to provide a table containing unit mail processing costs and city carrier in-office costs for letters, flats, and parcels/IPPs for the years 1989 to 1999 for the following subclasses: (1) First-Class Letters and Sealed Parcels, (2) Periodicals-Regular Rate, (3) Standard A Regular, (4) Standard A ECR, (5) Standard A Nonprofit, and (6) Standard A Nonprofit ECR. Attachment 2 contains an example of what this table might look like.

The Postal Service should discuss the adequacy of the costs for analytical purposes and should provide a description of its methodology and any corresponding workpapers. The mail processing costing methodology reflected in the requested table must be as consistent as possible for each year of the analysis. It is recognized that some minor changes in data collection procedures occurred in the years 1989 to 1996, and a significant change in costing methodology was made in the CRA reports for 1997 and 1998. The Service should perform appropriate adjustments to account for the changes in methodology and fully explain the rationale underlying the adjustments. Preliminary 1999 data should be provided if final figures are not available. If no 1999 data are available, the table can be updated when the data become available. [There are two attachments with this question.]

Response:

The attached Tables 1 to 8 contain the requested unit costs for FY 1989 to FY 1999. Below I summarize the methodology used to do these calculations and then

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 4

comment on the adequacy of the costs for analytical purposes. The full calculations are contained in USPS LR-I-233.

In brief, the methods used were mostly as suggested by the Presiding Officer's Information Request. We have used mail processing labor costs directly from the FY 1989 to FY 1996 CRAs, except to dissaggregate these costs by shape, as requested. This method involves obtaining costs by shape from LIOCATT and applying the workpaper adjustments and premium pay adjustments to the costs by shape (as well as for subclass), in the same way the adjustments would be applied to costs by subclass.[1] In addition, we have applied the same methodology, as much as possible, to develop corresponding mail processing labor costs for FY97, FY98 and FY99.[2] For each of these years we developed LIOCATT costs and workpapers paralleling the process used in the FY 1996 CRA.

City carrier costs by shape were obtained from LIOCATT, as used in the CRAs for the years FY1989 to FY 1999. CRA costs for in-office (components 6.1) and in-office support (portion of component 6.2) were split by shape using LIOCATT carrier costs by shape.

Volumes by shape for First-Class and Standard A/third-class were obtained from current or previous rate filing and/or the best available data. FY 1989 to FY 1992

[1] The most recent example of this calculation of cost by shape is USPS LR-PCR-2, from Docket No. MC97-2.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 4

volumes by shape are based on combining the information developed for Docket No. R90-1 along with the more detailed FY 1993 volume data by shape. First-Class Mail volumes by shape and presort level for FY1993 to FY 1997 are based on ODIS. First-Class Mail volumes by shape and presort level for FY 1998 are based on the mailing statements and RPW as done in USPS-LR-I-102, and the same method is used for FY 1999. Standard A/third-class volumes by shape (and subclass) for FY 1993 and after are based on mailing statement data. FY 1998 volumes are from USPS-LR-I-102 and FY 1999 volumes are done in the same way.

These calculations use a fairly consistent mail processing cost methodology for the FY89 - FY99 period. Nevertheless, this method was replaced in Docket No. R97-1 by the Commission, which accepted much of the cost pool and distribution methodology proposed by the Postal Service. The new methods produce very different post-R97-1 unit costs by shape.[3] Also the new methods do have important implications for classes and subclasses. Using the pre-R97-1 methods to examine the cost trends for the FY89 to FY 99 period assumes that the direction and magnitude of these biases will be consistent over time. Given significant operational changes during this period, this may not be true.

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[2] This was done instead of the adjustment procedure suggested by the Presiding Officer's Information Request.

[3] See the unit costs by shape in USPS-LR-I-81 and USPS-LR-I-137. (Piggyback factors need to be removed for comparison, as done in Part VII of USPS-LR-I-81).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 4

In addition, significant changes in IOCS could also impact the cost results over this period. The IOCS has evolved over time, in an ongoing effort to collect the most accurate data possible. Since FY1989, the IOCS has advanced from a paper data collection system with numerous clerks performing manual consistency checks and edits on the raw data to a system in which data are recorded using CODES data collection software on laptop computers with automatic branching and quality control checks. Almost all of the error correction process is now automated. Furthermore, the methods of forming basic estimates have changed considerably. Weighting factors have evolved from a methodology which relied on two stages of "blow-up factors" to one designed to assign a dollar-denominated weight to tallies to facilitate production of cost estimates while incorporating selection probabilities appropriately. Although reading days have been selected with differential probabilities during this time period, the day selection probabilities are incorporated into the cost weighting factors only for FY 1998 and FY 1999. The instruction that data collectors should consider the reading as a "snapshot" of work activities (and not wait for employees to handle mail) was introduced in FY 1992. Prior to FY 1992, IOCS did not attempt to count the contents of mixed mail items not subject to the "top piece rule." Beginning with FY 1996, the "top piece rule" was extended to all observations of tray and bundle handling. Beginning with FY 1996, the "top piece rule" was further extended to observations of employees monitoring the operation of automated and mechanized sorting equipment. These

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 4

changes affect the relative amounts of "mixed-mail" and "not-handling" tallies in the IOCS data. The LIOCATT cost distribution process does not make use of the operation-specific cost pools or the data from IOCS question 21 on mixed-mail items and containers, the use of which was adopted by the Postal Service to reduce potential biases in the distribution of mixed-mail and not-handling tallies to subclass. As these changes have been incorporated, they have been documented in the corresponding Commission Proceedings. For example, the FY 1998 IOCS system is described by witness Ramage and in documentation contained in library references USPS-LR-I-12 through I-14 in docket No. R2000-1. Other descriptions of the IOCS system over this time period are provided in the testimony and associated library references of witness Bailey (R90-1), Steele (R94-1) and witness Degen (R97-1). Preferred alternative approaches of using the method accepted by the Commission in R97-1, the method proposed by the Postal Service in Docket No. R97-1, or the method proposed by the Postal Service in the current filing, were not feasible.[4]

The availability of volume data by shape have improved during this period, leading to the most accurate data for the most recent years. In the initial period, from FY 1989 to FY 1992, there were very limited mailing statement data available and ODIS did not contain subclass information. The shape information from ODIS for these years

[4] The fundamental obstacle to these approaches is the lack of comparable data on "identified" mixed-mail prior to FY 1992. An additional significant challenge is obtaining sufficiently detailed data to compute the

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 4

are for First-Class Mail as a whole (without information by presort level) and for Third-Class mail as a whole (without information for Regular and Nonprofit subclasses or information by presort level.) As a result the volumes by shape for these four years are obtained using information available for FY 1989 from Docket No. R90-1, along with the volumes by shape data for FY 1993 and the available ODIS data for these four years.[5] Since FY 1993, ODIS data have improved due to the collection of subclass and presort level for First-Class and third-class. Mailing statement data (used primarily for Standard A and third-Class volumes by shape) have improved, as the use of PERMIT has expanded to more offices over this period.

The issues discussed above suggests the need to carefully consider how the attached results should be used. Overall trends may obtainable from these costs. It is likely, however, that the true magnitude of changes over time will not be accurately captured by these costs, given the various discontinuities associated with the underlying data, and the inadequacies of the LIOCATT based costs.

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the "MODS-based" cost pool dollars prior to FY 1996 [actually, prior to FY 1994, on which the Docket No. R97-1 method was originally tested].

[5] Parcel volumes in First-Class may be the weakest for FY 1989 to FY 1992, and that may explain the unusual results for parcels unit costs shown in Tables 1 to 3.

Periodicals Regular Rate Unit Mail Processing Costs
Adjusted for Changes in Productive Hourly Wage Rate

	Volume (000)	Mail Proc. Costs Pre R97-1 USPS methodolgy (000)	Nominal Unit Mail Proc. Costs (cents)	Clerks and Mailhandlers Prod. Hourly Rate (Dollars per Hour)	Clerks and Mailhandlers Labor Cost Index base 1989=1.0	Adjusted Unit Mail Proc. Costs (cents)
	(1)	(2)	(3)=(2)/(1)	(4)	(5)	(6)=(3)/(5)
1989	6,523,394	358,944	5.50	19.48	1.0000	5.50
1990	6,831,400	396,540	5.83	20.86	1.0704	5.45
1991	6,995,944	418,941	5.99	22.03	1.1305	5.30
1992	6,640,122	379,751	5.72	22.86	1.1731	4.88
1993	6,858,147	404,140	5.89	23.06	1.1835	4.98
1994	6,872,470	429,994	6.26	23.54	1.2084	5.18
1995	6,939,596	454,120	6.54	23.83	1.2228	5.35
1996	6,984,301	476,857	6.83	23.96	1.2300	5.55
1997	7,254,321	509,610	7.02	24.67	1.2663	5.55
1998	7,195,006	549,855	7.64	25.10	1.2883	5.93

Sources:

col. (1) Cost and Revenue Analysis, FY 1989-98

col. (2) 1989-96: CRA, Cost Segments and Components Reports, USPS version
1997-98: mail proc. costs reflecting methodology proposed in R97-1 of 499,291 (1997) and 538,721 (1998)
from Cost Segments and Components Reports, USPS version,
times 1.021 which is = Pre R97-1 1996 costs divided by 1996 costs of 467,201 as proposed in R97-1 Exhibit USPS-5A, page 19

col. (4) total segment 3 costs, CRA, Cost Segments and Components Reports, USPS version, divided by segment 3 workhours from Natl. Payroll Summary Reports, AP 13

col. (5) annual productive hourly rate in col. (4) divided by 1989 productive hourly rate

SUMMARY OF UNIT COSTS FOR MAIL PROCESSING AND CITY CARRIER IN-OFFICE ACTIVITY
FOR THE YEARS 1989 TO 1999
(Costs in Cents per Piece)

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Standard A Regular Subclass – Unit Costs

	Mail Processing			City Carrier In-Office			Mail Processing + In-Office		
	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS
1989									
1990									
1991									
1992									
1993									
1994									
1995									
1996									
1997									
1998									
1999									

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RESPONSE OF POSTAL SERVICE WITNESS SMITH TO POIR NO. 4

SUMMARY OF UNIT COSTS FOR MAIL PROCESSING AND CITY CARRIER IN-OFFICE ACTIVITY FOR THE YEARS 1989 TO 1999
(Cents per Piece)

TABLE 1: FIRST-CLASS LETTERS AND SEALED PARCELS

	Mail Processing Unit Costs			City Carrier In-Office			Mail Processing + In-Office Carrier		
Year	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS
1989	8.02	18.42	22.10	2.34	2.73	1.11	10.36	21.15	23.21
1990	7.43	18.63	18.77	2.28	2.71	1.06	9.71	21.34	19.83
1991	7.27	17.64	20.53	2.24	2.42	1.02	9.51	20.06	21.55
1992	6.94	19.20	19.78	2.05	2.65	1.23	8.99	21.85	21.01
1993	6.81	19.14	19.30	2.05	2.51	1.29	8.86	21.65	20.58
1994	7.02	20.18	22.25	2.07	2.56	1.27	9.09	22.74	23.51
1995	7.42	21.16	20.00	2.04	2.41	1.23	9.46	23.57	21.23
1996	7.67	18.53	33.11	1.88	2.02	1.59	9.55	20.56	34.71
1997	7.37	17.54	32.71	1.71	2.17	1.96	9.08	19.72	34.67
1998	6.97	19.35	32.64	1.69	2.35	1.73	8.66	21.71	34.36
1999	6.61	19.86	32.65	1.69	2.57	1.81	8.30	22.43	34.46

Note: Costs in Cents per Piece, Wage Level Adjusted to FY 1989.

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SUMMARY OF UNIT COSTS FOR MAIL PROCESSING AND CITY CARRIER IN-OFFICE ACTIVITY FOR THE YEARS 1989 TO 1999
(Cents per Piece)

TABLE 2: FIRST-CLASS NON-CARRIER ROUTE PRESORT LETTERS AND SEALED PARCELS

	Mail Processing Unit Costs			City Carrier In-Office			Mail Processing + In-Office Carrier		
Year	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS
1989	3.33	6.78	1.87	2.13	1.65	0.28	5.46	8.43	2.16
1990	3.27	6.60	2.94	2.09	1.95	0.36	5.36	8.54	3.30
1991	3.21	6.56	2.19	2.08	1.71	0.41	5.28	8.27	2.60
1992	3.05	6.57	2.48	2.03	1.58	0.44	5.07	8.15	2.92
1993	3.06	7.45	9.16	1.96	1.58	0.58	5.02	9.03	9.74
1994	3.12	8.33	7.75	1.88	1.44	0.36	5.01	9.78	8.11
1995	2.74	8.86	10.06	1.63	1.79	1.36	4.37	10.66	11.42
1996	2.68	8.60	13.65	1.30	1.54	1.49	3.98	10.14	15.14
1997	2.40	15.73	17.16	1.08	2.39	0.67	3.48	18.12	17.82
1998	2.44	18.32	46.42	1.01	2.93	3.77	3.45	21.26	50.19
1999	2.38	19.62	35.63	1.01	2.97	2.81	3.39	22.59	38.44

Note: Costs in Cents per Piece, Wage Level Adjusted to FY 1989.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
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SUMMARY OF UNIT COSTS FOR MAIL PROCESSING AND CITY CARRIER IN-OFFICE ACTIVITY FOR THE YEARS 1989 TO 1999
(Cents per Piece)

TABLE 3: FIRST-CLASS CARRIER ROUTE PRESORT LETTERS AND SEALED PARCELS

	Mail Processing Unit Costs			City Carrier In-Office			Mail Processing • In-Office Carrier		
Year	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS
1989	1.04	1.23	-	2.41	1.03	-	3.45	2.25	-
1990	0.91	0.99	-	2.10	1.55	0.16	3.00	2.54	0.16
1991	0.85	1.19	0.41	1.93	1.51	-	2.78	2.69	0.41
1992	0.91	1.47	0.78	1.89	1.02	-	2.80	2.49	0.78
1993	1.01	0.87	-	1.72	0.73	0.41	2.74	1.60	0.41
1994	1.07	1.24	0.36	1.66	0.63	0.33	2.72	1.87	0.68
1995	1.10	2.41	-	1.41	1.22	0.26	2.52	3.63	0.26
1996	0.81	2.22	-	1.09	0.57	-	1.90	2.80	-
1997	3.27	12.27	-	1.66	1.11	-	4.93	13.38	-
1998	1.28	N/A	N/A	0.82	N/A	N/A	2.10	N/A	N/A
1999	1.02	N/A	N/A	0.62	N/A	N/A	1.65	N/A	N/A

Note: Costs in Cents per Piece, Wage Level Adjusted to FY 1989.

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SUMMARY OF UNIT COSTS FOR MAIL PROCESSING AND CITY CARRIER IN-OFFICE ACTIVITY
FOR THE YEARS 1989 TO 1999
(Cents per Piece)

TABLE 4: PERIODICAL REGULAR RATE

Year	Mail Processing Unit Costs	City Carrier In-Office	Mail Processing + In-Office Carrier
1989	5.50	1.82	7.32
1990	5.45	1.70	7.15
1991	5.30	1.68	6.98
1992	4.87	1.72	6.59
1993	4.98	1.51	6.49
1994	5.18	1.49	6.66
1995	5.35	1.48	6.83
1996	5.55	1.46	7.01
1997	5.58	1.59	7.16
1998	6.11	1.68	7.79
1999	6.25	1.50	7.74

Note: Costs in Cents per Piece, Wage Level Adjusted to FY 1989.

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**RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 4**

**SUMMARY OF UNIT COSTS FOR MAIL PROCESSING AND CITY CARRIER IN-OFFICE ACTIVITY
FOR THE YEARS 1989 TO 1999
(Cents per Piece)**

TABLE 5: STANDARD A REGULAR SUBCLASS

	Mail Processing Unit Costs			City Carrier In-Office			Mail Processing + In-Office Carrier		
Year	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS
1989	5.00	6.60	13.16	1.97	2.12	1.19	6.97	8.71	14.35
1990	4.34	6.16	12.67	1.67	1.94	1.59	6.01	8.10	14.26
1991	4.19	6.80	16.02	1.51	1.90	1.39	5.70	8.70	17.41
1992	3.52	6.60	19.24	1.32	1.83	1.91	4.84	8.43	21.15
1993	3.84	6.67	17.03	1.23	1.64	1.54	5.07	8.32	18.57
1994	3.47	6.24	13.87	1.21	1.60	1.53	4.68	7.85	15.40
1995	3.31	6.23	13.77	1.23	1.64	1.32	4.53	7.87	15.09
1996	3.20	5.70	16.14	1.08	1.60	1.65	4.28	7.30	17.79
1997	2.98	5.28	19.51	1.02	1.52	1.62	4.00	6.80	21.13
1998	3.07	6.05	21.94	1.02	1.79	2.06	4.10	7.84	24.00
1999	2.61	5.89	21.57	0.85	1.68	1.90	3.46	7.58	23.47

Note: Costs in Cents per Piece, Wage Level Adjusted to FY 1989.

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**RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 4**

**SUMMARY OF UNIT COSTS FOR MAIL PROCESSING AND CITY CARRIER IN-OFFICE ACTIVITY
FOR THE YEARS 1989 TO 1999
(Cents per Piece)**

TABLE 6: STANDARD A ECR SUBCLASS

	Mail Processing Unit Costs			City Carrier In-Office			Mail Processing + In-Office Carrier		
Year	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS
1989	0.99	0.44	1.53	1.78	0.93	3.79	2.77	1.36	5.32
1990	0.99	0.52	1.52	1.90	1.02	5.71	2.90	1.54	7.22
1991	0.71	0.62	2.45	1.32	1.12	5.35	2.02	1.73	7.80
1992	0.70	0.65	2.69	1.23	1.21	7.73	1.94	1.86	10.43
1993	0.65	0.67	3.44	1.25	1.05	6.22	1.91	1.72	9.66
1994	0.67	0.69	6.00	1.13	0.97	11.30	1.79	1.66	17.30
1995	0.69	0.68	4.08	1.09	0.94	8.84	1.78	1.62	12.93
1996	0.78	0.64	7.80	1.00	0.82	20.65	1.78	1.46	28.45
1997	0.71	0.64	12.00	0.81	0.69	24.33	1.52	1.33	36.34
1998	0.72	0.58	12.91	0.75	0.71	34.72	1.48	1.29	47.63
1999	0.72	0.70	44.16	0.74	0.69	64.19	1.46	1.39	108.35

Note: Costs in Cents per Piece, Wage Level Adjusted to FY 1989.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 4

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SUMMARY OF UNIT COSTS FOR MAIL PROCESSING AND CITY CARRIER IN-OFFICE ACTIVITY
FOR THE YEARS 1989 TO 1999
(Cents per Piece)

TABLE 7: STANDARD A NONPROFIT SUBCLASS

	Mail Processing Unit Costs			City Carrier In-Office			Mail Processing + In-Office Carrier		
Year	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS
1989	3.20	4.12	8.81	1.19	1.27	0.77	4.40	5.39	9.58
1990	3.17	4.20	10.81	1.15	1.32	0.66	4.31	5.52	11.47
1991	3.00	4.69	11.66	1.08	1.39	1.24	4.08	6.08	12.90
1992	2.99	4.84	12.04	1.09	1.45	2.10	4.07	6.29	14.14
1993	2.95	5.23	17.10	1.02	1.48	1.85	3.97	6.71	18.95
1994	2.72	5.09	14.79	0.97	1.20	1.63	3.69	6.29	16.41
1995	2.73	5.17	15.52	0.80	1.25	1.89	3.53	6.42	17.41
1996	2.84	5.92	21.30	0.87	1.37	1.69	3.71	7.29	22.99
1997	2.80	7.01	27.72	0.82	1.49	2.33	3.62	8.50	30.05
1998	2.57	5.94	29.98	0.75	1.61	2.79	3.33	7.55	32.76
1999	2.52	6.20	35.92	0.65	1.39	2.36	3.17	7.59	38.28

Note: Costs in Cents per Piece, Wage Level Adjusted to FY 1989.

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RESPONSE OF POSTAL SERVICE WITNESS SMITH TO POIR NO. 4

SUMMARY OF UNIT COSTS FOR MAIL PROCESSING AND CITY CARRIER IN-OFFICE ACTIVITY FOR THE YEARS 1989 TO 1999 (Cents per Piece)

TABLE 8: STANDARD A NONPROFIT ECR SUBCLASS

	Mail Processing Unit Costs			City Carrier In-Office			Mail Processing + In-Office Carrier		
Year	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS	Letters	Flats	Parcels/ IPPS
1989	0.83	0.38	2.52	1.36	0.68	-	2.19	1.06	2.52
1990	0.78	0.46	4.51	1.23	0.91	1.04	2.01	1.36	5.55
1991	0.75	0.61	1.92	1.13	0.95	0.70	1.87	1.56	2.62
1992	0.61	0.66	8.25	0.95	0.97	6.89	1.56	1.63	15.14
1993	0.74	0.69	2.71	0.99	0.98	3.75	1.72	1.67	6.46
1994	0.54	0.70	42.21	0.80	0.99	2.04	1.34	1.69	44.25
1995	0.57	0.91	0.10	0.66	0.95	2.06	1.23	1.86	2.16
1996	0.71	1.01	20.72	0.63	0.73	3.27	1.33	1.74	24.00
1997	1.03	0.97	109.17	0.67	0.82	9.76	1.70	1.79	118.93
1998	1.24	1.38	99.40	0.57	0.87	6.83	1.81	2.25	106.24
1999	1.28	0.95	151.61	0.57	0.78	16.80	1.84	1.73	168.41

Note: Costs in Cents per Piece, Wage Level Adjusted to FY 1989.

United States Postal Service

Dennis P. Stevens
(USPS-T-20)

RESPONSE OF POSTAL SERVICE WITNESS STEVENS
TO ORAL QUESTION OF COMMISSIONER GOLDWAY

Tr. 17/6699-700. "And we noticed that there was a vehicle that is still in service, purchased in 1944 at a cost of $1,998, with an accumulated depreciation of $1,899. So we were wondering what that vehicle might be. And there were a couple of others that struck us as well, the 1961 vehicle that cost $474, and the 1965 vehicle at $225. We were curious, in general, about some of these very old vehicles still in service. ... Would it be possible to get the information on those vehicles from 1944 to 1965, there are a total of six of them?"

RESPONSE: To clarify my response at the hearing, the Postal Service limits depreciation to acquisition cost less salvage value for vehicles. Therefore, many of the older vehicles on the list are fully depreciated. The value associated with them reflects their salvage value only. Also, the VMAS vehicle inventory includes both motorized and non-motorized vehicles, explaining the long service life of some of the vehicles. The table below provides information on the vehicles that you were interested in.

Year Acquired	Current Function	Make/Model
1944	Vehicle Maintenance	11'6" Mail Haul Trailer
1961	Disposed AP 07 - 1999	Vehicle Transport Trailer
1962 (vehicle1)	Transportation (MVS)	11'6" Mail Haul Trailer
1962 (vehicle2)	Disposed AP 10 - 1999	11'6" Mail Haul Trailer
1963	Delivery Operations	Non-road Use Storage Trailer
1965	Transportation (MVS)	Non-road Use Storage Trailer

United States Postal Service

Altaf H. Taufique
(USPS-T-38)

Revised June 2, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE TO PRESIDING OFFICER'S INFORMATION REQUEST NUMBER 1

5. See the electronic workpapers of witness Taufique, USPS-T-38, designated Library Reference I-167. (a) Sheet "Pound Data" cell C42 shows a multiplication by the RPW correction factor. Please explain why it would not be more appropriate to divide by the correction factor. (b) The same cell shows subtraction of TYBR fees. Please explain why it would not be more appropriate to subtract the TYAR fees. (c) Sheet "Piece Discounts" cell C2 shows a multiplication by the RPW correction factor and the subtraction of the TYBR fees. Please explain why it would not be more appropriate for the former to be a division and for the latter to use TYAR fees. (d) On sheet "Piece Discounts 2" cells C36-C49, please explain whether it would be more appropriate to calculate leakage estimates using rounded discounts. (e) Sheet "Discounts" cells D49-D54 shows a reference to USPS-T-24, p. 18. The figures shown on the sheet do not appear to come from referenced page 18. Please provide an explanation and, if needed, an appropriate reference. (f) Sheet "TYAR B.D." cell D37 and related after-rates revenue cells do not appear to contain RPW correction factors. Please explain the role that these correction factors should play in the calculation of after-rates revenues.

RESPONSE

a. It would be more appropriate to divide by the correction factor rather than multiplying by it. Since the adjustment factor is relatively small, the resulting rates would be minimally affected by this change.

b. It would be more appropriate to subtract TYAR fees. I subtracted TYBR fees in my rate design because I did not have the TYAR fees available at this stage of the rate design. Once the rates are developed, a new volume forecast is prepared. At that point the TYAR fees are estimated.

c. Please see my responses to a and b above.

d. It would be more appropriate to calculate leakage estimates using rounded discounts in cells C36-C49 in the sheet "Piece Discounts 2."

Revised June 2, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO PRESIDING OFFICER'S INFORMATION REQUEST NUMBER 1

Question 5, Page 2 of 2

e. The numbers in sheet "Discounts" cells D49-D54 are not directly shown in USPS-T-24, p. 18 because in that particular table witness Miller presents total unit mail processing costs, and combines mail processing and delivery costs to calculate worksharing-related savings. I calculate worksharing-related savings in my spreadsheet by combining the mail processing and delivery costs, and then use an additional shape-related saving estimate. The shape-related saving estimate is based on the difference between Basic Nonautomation Flat and Basic Nonautomation Letter. The worksharing-related mail processing costs used in my "Discount" sheet cells D49 and D54 are found in Appendix II, page II-1 of witness Miller's testimony. Errata will be filed correcting this reference.

f. The RPW correction factor should be used to adjust the TYAR revenues.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO PRESIDING OFFICER'S INFORMATION REQUEST NUMBER 1

6. Witness Taufique, USPS-T-38, page 9, line 19, indicates that 75 percent of a specific discount is to be provided through the piece rates. His electronic Library Reference I-167, sheet "Piece Discounts 2", cells D17-D18, and also the "Pound Data" sheet cells D51-D52, show that 70 percent of the discount was provided through the piece rates. Please reconcile these two references and explain which is the Postal Service's proposal.

RESPONSE

The Postal Service's proposal, in this regard, is accurately reflected in my electronic worksheets contained in LR-I-167. Errata will be filed to reflect the correct number in my testimony.

7. Witness Taufique, USPS-T-38, page 7, line 8, indicates that 60 percent of Outside County Periodicals revenue is to come from the piece rates. This is the same percentage used by the Commission in Docket No. R97-1. However, there are two changes in the Postal Service's proposal in this case. First, the Postal Service is proposing to combine Regular and Nonprofit and Classroom, and Nonprofit, the larger addition, did not have 60 percent of its revenue from the piece rates. Second, the Postal Service has presented new evidence on the effect of weight on costs in the testimony of witness Daniel, USPS-T-28, especially pages 18 through 19b. With references to these two changes, please provide a justification for the decision to propose that the 60-percent figure be used.

RESPONSE

Approximately 78 percent of the proposed Outside County subclass volume is Regular Periodicals, while Nonprofit and Classroom Periodicals combined make up only slightly over 22 percent of the volume. Given the volume and revenue proportions of Regular Periodicals, all of the rate design elements conform to the practice of determining rates for Regular Periodicals. Worksharing and dropshipment cost savings and discounts are exclusively based on studies conducted for Regular Periodicals. Per-piece editorial discounts are also developed from the existing discount for Regular Periodicals. The 60/40 split of revenue between the piece/pound elements is consistent with this approach.

Witness Daniel's (USPS-T-28, pp. 18 to 19b) study concludes that approximately 72 percent of Periodicals' costs are piece-related while the remaining 28 percent are pound-related. My proposal does not use the result of this study in order to mitigate the impact of the increase on a variety of piece rates. Even with 60 percent allocation of revenues to the piece rate, some of the piece rates are proposed to increase by 15 percent. The impact of this higher allocation to piece rate would have exacerbated these increases.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO PRESIDING OFFICER'S INFORMATION REQUEST NUMBER 2

21830

1. The Postal Service request includes proposed rates that have been developed to reflect the assumption that legislation will be enacted. Specifically, the rates proposed for Regular Periodicals, Nonprofit Periodicals and Classroom Publications; the rates for Standard A Nonprofit ECR; and the rates for Library Mail are all dependent on this assumption. In the absence of the passage of legislation, rates for mail in these subclasses would have to reflect existing applicable law, including the restrictions imposed by the Revenue Forgone Act of 1993.

Please provide the test year rates that the Postal Service would propose for these subclasses of mail if it is assumed that no new legislation is enacted. For purposes of this answer the Postal Service is to develop rates that reflect retention of the regular rate mark ups justified in the January 12, 2000 Request. Include exhibits tracing the development of these rates to cost and volume data contained in that Request.

RESPONSE

The requested rates are provided with this response (spreadsheets RR-L, NP-L, and CR-L). The underlying spreadsheets are provided in library reference I-203, in hardcopy and electronic form.

For the purpose of meeting the requirement of this Presiding Officer's Information Request (POIR), I have developed separate rate schedules for the three Periodicals' subclasses that were combined into one Outside County subclass in the Postal Service proposal filed on January 12, 2000. Unlike that proposal, which was approved by the Board of Governors, the schedules provided below were developed specifically in response to the POIR, and do not represent an alternate proposal by the Postal Service. As requested, the Regular starting mark-up of 1.0145, and the cost and volume data included in the January 12th filing were used to develop these rate schedules.

I have used the unrevised 2001 TYBR volume forecast (See response of witness Tolley (USPS-T-6) to POIR No. 1 question 1) to maintain consistency

with the TYBR volume-variable costs, which are based on the unrevised forecasts. As suggested in Question 5 of POIR No. 1 the following three changes have been made. First, the required revenue is divided by the RPW correction factor rather than multiplied. Second, since TYAR fees are now available to me, TYAR fees have been subtracted from the revenue requirements rather than TYBR fees. Third, the leakage estimate is calculated based on rounded discounts.

The revenue split between pieces and pounds for the Regular and Nonprofit subclasses reflects historical precedents established by the Commission, but Classroom rates are based on a slight deviation from the Commission recommended split in Docket No. R94-1. A major concern was to make sure that the rate increase in each rate cell should not exceed the overall increase in the subclass by more than two percent in order to mitigate the impact on customers. Another goal was to avoid rate anomalies. Given the overall cost increase for all subclasses, a Nonprofit cost increase exceeding the Regular increase, and changes in cost savings for automation and presort levels, I have succeeded on the first count using rather unconventional passthroughs, but was unable to accommodate the second goal.

It is important to note that there are significant anomalies present in the rate schedules for the three subclasses. For instance, comparing Regular to Nonprofit, the anomalies are not limited to piece rates alone. The unzoned editorial pound rate for Nonprofit Periodicals is higher than the corresponding

rate for Regular Periodicals. The difference in piece rates is not significant between the two schedules; therefore, combining these smaller differences with some of the larger differences in both dropshipment and editorial discounts would lead to anomalous results where Nonprofit mailers would find Regular rates more attractive. The anomaly issue is actually much worse than the one that led the Postal Service to file Docket No. MC99-3. The situation between Classroom and Regular is slightly better, but still leads to rate anomalies.

These anomalies cannot be resolved without either abandoning existing rate design conventions or altering the cost coverage for Regular Periodicals.

ATTACHMENT TO RESPONSE TO POIR #2, QUESTION 1, PAGE 1 OF 3

USPS T-38
Spreadsheet RR-L
Page 1
For POIR 2

21833

TYAR BILLING DETERMINANTS - AFTER RATES & VOLUME
REGULAR RATE PERIODICALS

Regular Rate Pounds	Pounds	POIR 2	Postage
	TYAR	Rates	Rate*Pounds
Delivery Unit	12,277,559	$ 0.169	$ 2,074,907
SCF	620,713,827	$ 0.199	$ 123,522,052
Zones 1&2	289,863,537	$ 0.233	$ 67,538,204
Zone 3	140,760,809	$ 0.248	$ 34,908,681
Zone 4	199,584,942	$ 0.287	$ 57,283,748
Zone 5	197,392,928	$ 0.345	$ 68,100,560
Zone 6	79,196,810	$ 0.406	$ 32,153,905
Zone 7	60,005,592	$ 0.480	$ 28,802,684
Zone 8	52,605,256	$ 0.544	$ 28,617,259
Nonadvertising	1,988,303,233	$ 0.175	$ 347,953,066
Science of Agriculture Pounds	**Pounds**	**POIR 2**	**Postage**
	TYAR	Rates	Rate*Pounds
SCI. OF AGRICULTURE DELIVERY OFFICE	32,721	$ 0.127	$ 4,156
SCI. OF AGRICULTURE SCF	2,409,420	$ 0.149	$ 359,004
SCI. OF AGRICULTURE ZONES 1&2	4,944,677	$ 0.175	$ 865,318
SCI. OF AGRICULTURE ZONE 3	1,752,553	$ 0.248	$ 434,633
SCI. OF AGRICULTURE ZONE 4	966,792	$ 0.287	$ 277,469
SCI. OF AGRICULTURE ZONE 5	506,498	$ 0.345	$ 174,742
SCI. OF AGRICULTURE ZONE 6	78,448	$ 0.406	$ 31,850
SCI. OF AGRICULTURE ZONE 7	62,018	$ 0.480	$ 29,769
SCI. OF AGRICULTURE ZONE 8	40,513	$ 0.544	$ 22,039
SCI. OF AGRICULTURE - NONADVERTISING	6,791,929	$ 0.175	$ 1,188,588
Science of Agriculture Commingled Pounds	**Pounds**	**Rate**	**Postage**
	TYAR		Rate*Pounds
SCI OF AGI COMMNGLD NONSBSCRBR SCF	4,141	$ 0.199	$ 824
SCI OF AGI COMMNGLD NONSBSCRBR ZONES 1&2	29,055	$ 0.233	$ 6,770
SCI OF AGI. COMMNGLD NONSBSCRBR NONADVERTISING	74,655	$ 0.175	$ 13,065
Regular Rate Pieces	**Pieces**	**Rate**	**Postage**
	TYAR		Rate*Pieces
BASIC NON-AUTOMATION	722,445,232	$ 0.335	$ 242,019,153
BASIC AUTOMATION LETTER	52,768,106	$ 0.264	$ 13,930,780
BASIC AUTOMATION FLAT	83,326,367	$ 0.284	$ 23,664,688
3-DIGIT NON-AUTOMATION	756,507,712	$ 0.290	$ 219,387,236
3-DIGIT AUTOMATION LETTER	41,090,463	$ 0.235	$ 9,656,259
3-DIGIT AUTOMATION FLAT	674,684,923	$ 0.246	$ 165,972,491
5-DIGIT NON-AUTOMATION	667,131,724	$ 0.226	$ 150,771,770
5-DIGIT AUTOMATION LETTER	1,457,917	$ 0.182	$ 265,341
5-DIGIT AUTOMATION FLAT	1,463,090,078	$ 0.193	$ 282,376,385
CARRIER ROUTE BASIC	2,817,115,394	$ 0.140	$ 394,396,155
CARRIER ROUTE HIGH DENSITY	20,720,916	$ 0.114	$ 2,362,185
CARRIER ROUTE SATURATION	18,177,744	$ 0.097	$ 1,763,241
PERCENTAGE EDITORIAL DISCOUNT	4,320,965,946	$ (0.065)	$ (280,862,786)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	43,749,191	$ (0.021)	$ (918,733)
WKSHARING DISCNT SCF ENTRY	2,531,187,889	$ (0.012)	$ (30,374,255)
Science of Agriculture - Pieces	**Pieces**	**Rate**	**Postage**
SCI. OF AGRICULTURE - Basic Nonautomation	1,242,244	$ 0.335	$ 416,152
SCI. OF AGRICULTURE - Basic Automation Letter	12,266	$ 0.264	$ 3,238
SCI. OF AGRICULTURE - Basic Automation Flat	936,826	$ 0.284	$ 266,059
SCI. OF AGRICULTURE - 3-Digit Nonautomation	2,218,078	$ 0.290	$ 643,243
SCI. OF AGRICULTURE - 3-Digit Automation Letter	13,388	$ 0.235	$ 3,146
SCI. OF AGRICULTURE - 3-Digit Automation Flat	1,493,676	$ 0.246	$ 367,444
SCI. OF AGRICULTURE - 5-Digit Nonautomation	4,498,115	$ 0.226	$ 1,016,574
SCI. OF AGRICULTURE - 5-Digit Automation Letter	0	$ 0.182	$ -
SCI. OF AGRICULTURE - 5-Digit Automation Flat	3,580,537	$ 0.193	$ 691,044
SCI. OF AGRICULTURE - Carrier Route	19,145,561	$ 0.140	$ 2,680,378
SCI. OF AGRICULTURE - High Density	471	$ 0.114	$ 54
SCI. OF AGRICULTURE - Saturation	0	$ 0.097	$ -
SCI OF AGRICULTURE - Editorial Discount	14,210,215	$ (0.065)	$ (923,664)
SCI. OF AGRICULTURE - Pc. Disc. Delivery Unit	961,200	$ (0.021)	$ (20,185)
SCI. OF AGRICULTURE - Pc. Disc. SCF	6,921,591	$ (0.012)	$ (83,059)
Science of Agriculture - Commingled Pieces	**Pieces**	**Rate**	**Postage**
SCI OF AGI COMMNGLD NONSBSCRBR PRESORT LEVEL A	150,384	$ 0.335	$ 50,379
SCI OF AGI COMMNGLD NONSBSCRBR EDITORIAL DISCOUN	14,965	$ (0.065)	$ (973)
SCI OF AGI COMMNGLD NONSBSCRBR SCF DISCOUNT	0		
Total Pieces & Calculated Revenue	7,351,808,127		$ 1,993,883,031
TYAR Fees			$ 15,429,000
Calculated Revenue+TYAR Fees			$ 2,009,312,031
Target Revenue+TYAR Fees			$ 2,062,048,209
Calculated Revenue as a Percent of Target Revenue			97.44%
TYAR Cost			$ 1,981,587,400
Cost Coverage after calculation of new rates			101%
Revenue per piece			0.27
Percent Increase from Base Year			12.47%

ATTACHMENT TO RESPONSE TO POIR #2, QUESTION 1, PAGE 20

USPS T-38
Spreadsheet NP-L
Page 1
For POIR 2

21834

TYAR BILLING DETERMINANTS - AFTER RATES & VOLUME
NONPROFIT PERIODICALS

Regular Rate Pounds	Pounds	POIR 2	Postage
	TYAR	Rates	Rate*Pounds
Delivery Unit	86,348	$ 0.169	$ 14,593
SCF	30,417,541	$ 0.199	$ 6,053,091
Zones 1&2	17,232,695	$ 0.233	$ 4,015,218
Zone 3	11,206,877	$ 0.248	$ 2,779,305
Zone 4	20,175,061	$ 0.287	$ 5,790,242
Zone 5	22,682,470	$ 0.345	$ 7,825,452
Zone 6	8,523,416	$ 0.406	$ 3,460,507
Zone 7	6,046,909	$ 0.480	$ 2,902,516
Zone 8	6,257,898	$ 0.544	$ 3,404,296
Nonadvertising	437,983,342	$ 0.182	$ 79,712,968
Commingled Pounds	**Pounds**	**POIR 2**	**Postage**
	TYAR	Rates	Rate*Pounds
Delivery Unit	5	$ 0.169	$ 1
SCF	5,259	$ 0.199	$ 1,046
Zones 1&2	46,720	$ 0.233	$ 10,886
Zone 3	62,657	$ 0.248	$ 15,539
Zone 4	117,423	$ 0.287	$ 33,700
Zone 5	343,965	$ 0.345	$ 118,668
Zone 6	79,123	$ 0.406	$ 32,124
Zone 7	153,612	$ 0.480	$ 73,734
Zone 8	2,858	$ 0.544	$ 1,555
Nonadvertising	481,041	$ 0.175	$ 84,182
Nonprofit (Regular) Pieces	**Pieces**	**Rate**	**Postage**
	TYAR		Rate*Pieces
BASIC NON-AUTOMATION	129,942,673	$ 0.277	$ 35,994,121
BASIC AUTOMATION LETTER	18,173,893	$ 0.224	$ 4,070,952
BASIC AUTOMATION FLAT	18,958,915	$ 0.244	$ 4,625,975
3-DIGIT NON-AUTOMATION	126,784,163	$ 0.247	$ 31,315,688
3-DIGIT AUTOMATION LETTER	30,240,250	$ 0.190	$ 5,745,648
3-DIGIT AUTOMATION FLAT	133,093,612	$ 0.219	$ 29,147,501
5-DIGIT NON-AUTOMATION	160,755,713	$ 0.215	$ 34,562,478
5-DIGIT AUTOMATION LETTER	3,320,486	$ 0.172	$ 571,124
5-DIGIT AUTOMATION FLAT	350,024,445	$ 0.193	$ 67,554,718
CARRIER ROUTE BASIC	1,020,378,992	$ 0.134	$ 136,730,785
CARRIER ROUTE HIGH DENSITY	50,382,360	$ 0.102	$ 5,139,001
CARRIER ROUTE SATURATION	7,172,532	$ 0.087	$ 624,010
PERCENTAGE EDITORIAL DISCOUNT	1,633,799,011	$ (0.051)	$ (83,323,750)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	2,515,053	$ (0.013)	$ (32,696)
WKSHARING DISCNT SCF ENTRY	437,749,500	$ (0.007)	$ (3,064,247)
Nonprofit - Commingled	**Pieces**	**Rate**	**Postage**
BASIC NON-AUTOMATION	1,021,027	$ 0.335	$ 342,044
BASIC AUTOMATION LETTER	0	$ 0.264	$ -
BASIC AUTOMATION FLAT	124	$ 0.284	$ 35
3-DIGIT NON-AUTOMATION	504,386	$ 0.290	$ 146,272
3-DIGIT AUTOMATION LETTER	0	$ 0.235	$ -
3-DIGIT AUTOMATION FLAT	2,278	$ 0.246	$ 560
5-DIGIT NON-AUTOMATION	825,624	$ 0.226	$ 186,591
5-DIGIT AUTOMATION LETTER	0	$ 0.182	$ -
5-DIGIT AUTOMATION FLAT	8,739	$ 0.193	$ 1,687
CARRIER ROUTE BASIC	616,345	$ 0.140	$ 86,288
CARRIER ROUTE HIGH DENSITY	1,400	$ 0.114	$ 160
CARRIER ROUTE SATURATION	0	$ 0.097	$ -
PERCENTAGE EDITORIAL DISCOUNT	1,261,056	$ (0.065)	$ (81,969)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	31	$ (0.021)	$ (1)
WKSHARING DISCNT SCF ENTRY	103,808	$ (0.012)	$ (1,246)
Total Pieces & Calculated Revenue	2,052,207,958		$ 386,671,356
TYAR Fees			$ 4,307,000
Calculated Revenue+TYAR Fees			$ 390,978,356
Target Revenue+TYAR Fees			$ 373,275,433
Calculated Revenue as a Percent of Target Revenue			104.74%
TYAR Cost			$ 388,570,325
Cost Coverage after calculation of new rates			101%
Revenue per piece			0.188417238
Percent Increase from Base Year			15.24%

ATTACHMENT TO RESPONSE TO POIR #2, QUESTION 1, PAGE 3 OF 3

21835

TYAR BILLING DETERMINANTS - AFTER RATES & VOLUME
CLASSROOM PERIODICALS

Regular Rate Pounds	Pounds	POIR 2	Postage
	TYAR	Rates	Rate*Pounds
Delivery Unit	6	$ 0.169	$ 1
SCF	80,086	$ 0.199	$ 15,937
Zones 1&2	415,860	$ 0.233	$ 96,895
Zone 3	542,074	$ 0.248	$ 134,434
Zone 4	889,779	$ 0.287	$ 255,367
Zone 5	859,951	$ 0.345	$ 296,683
Zone 6	182,490	$ 0.406	$ 74,091
Zone 7	218,919	$ 0.480	$ 105,081
Zone 8	269,273	$ 0.544	$ 146,484
Nonadvertising	25,252,321	$ 0.174	$ 4,393,904
Regular Rate Pieces	**Pieces**	**Rate**	**Postage**
	TYAR		Rate*Pieces
BASIC NON-AUTOMATION	11,744,629	$ 0.277	$ 3,253,262
BASIC AUTOMATION LETTER	69,841	$ 0.212	$ 14,806
BASIC AUTOMATION FLAT	668,527	$ 0.233	$ 155,767
3-DIGIT NON-AUTOMATION	10,516,934	$ 0.236	$ 2,481,996
3-DIGIT AUTOMATION LETTER	0	$ 0.180	$ -
3-DIGIT AUTOMATION FLAT	3,915,678	$ 0.208	$ 814,461
5-DIGIT NON-AUTOMATION	6,199,252	$ 0.206	$ 1,277,046
5-DIGIT AUTOMATION LETTER	0	$ 0.166	$ -
5-DIGIT AUTOMATION FLAT	5,916,567	$ 0.183	$ 1,082,732
CARRIER ROUTE BASIC	15,986,409	$ 0.127	$ 2,030,274
CARRIER ROUTE HIGH DENSITY	19,148	$ 0.101	$ 1,934
CARRIER ROUTE SATURATION	52,076	$ 0.083	$ 4,322
PERCENTAGE EDITORIAL DISCOUNT	50,944,695	$ (0.048)	$ (2,445,345)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	484	$ (0.013)	$ (6)
WKSHARING DISCNT SCF ENTRY	1,602,492	$ (0.007)	$ (11,217)
Total Pieces & Calculated Revenue	55,089,061		$ 14,178,909
TYAR Fees			$ 116,000
Calculated Revenue+TYAR Fees			$ 14,294,909
Target Revenue+TYAR Fees			$ 14,386,123
Calculated Revenue as a Percent of Target Revenue			99.37%
TYAR Cost			$ 14,034,300
Cost Coverage after calculation of new rates			101.86%
Revenue per piece			0.257381573
Percent Increase from Base Year			11.29%

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO PRESIDING OFFICER'S INFORMATION REQUEST NUMBER 2

2. Please refer to the workpapers of witness Taufique contained in Library Reference I-167, file OC1.xls, which draws from the workpapers of witness Crum contained in Library Reference I-175, files Attachment L.xls and Attachment M.xls. On his page "Summary Sheet" in Attachment L and Attachment M, witness Crum shows the savings for Regular Periodicals SCF mail to be 0.0346 cents/pound and for Nonprofit Periodicals SCF mail to be 0.0331 cents/pound. Using the pieces-per-pound densities of the specific subclasses, these convert into 0.0172 dollars/piece and 0.0091 dollars/piece, respectively. On his page "Discounts" in OC1 at cell C12, witness Taufique uses the Regular Periodicals figure of 0.0172 dollars/piece to develop rates for the proposed joint subclass which includes Regular, Nonprofit, and Classroom. Then in cell D12, witness Taufique develops a savings of 0.0385 cents/pound for the joint subclass using the pieces-per-pound density of the joint subclass. Please respond to the following questions.

a) Does the fact that the Regular and Nonprofit per-pound savings of $0.0346 and $0.0331 are very nearly the same, while the corresponding per-piece savings are quite different, suggest that these savings are pound oriented. If you consider these savings pound oriented, should they be recognized in the form of a pound-rate discount?

b) Why is it appropriate to use the Regular per-piece savings of $0.0172 for the joint subclass?

c) If the Regular per-piece savings of $0.0172 is used for the joint subclass, please explain why it is appropriate to convert it to per-pound basis in cell D12 using the density of the joint subclass?

d) Is it consistent to use the Regular density to develop the per-piece savings of $0.0172 and then to use the joint density to convert it back to a per-pound savings for the joint subclass?

RESPONSE

a) The mail processing cost savings (as modeled) due to Periodicals dropshipment found in witness Crum's testimony are specifically related to

avoided container (sack or pallet) handlings. Therefore, the savings are per container, rather than per-pound or per-piece. The savings are expressed on a per-piece basis by using the average number of pieces per container found in the Periodicals Mail Characteristics Survey (LR-I-87). Per-pound savings are determined by multiplying the per-piece savings by the pieces per pound from the FY 1998 RPW.

The similarity of the per-pound savings between Regular and Nonprofit may imply that Nonprofit and Regular containers weigh approximately the same. But, since Nonprofit pieces on average are lighter than Regular pieces, there are more Nonprofit pieces than Regular pieces in a container. Thus on a per-piece basis Nonprofit savings are lower than Regular savings.

The savings are container based and the Postal Service proposal uses these savings estimates to provide a meaningful dropshipment incentive on both a per-piece and per-pound basis . On the pound side the incentive effect is reduced because the discount only applies to advertising pounds. The piece discount, on the other hand, applies to the dropshipped pieces regardless of the advertising content.

b. Please see my response to Question 7 in POIR No. 1, which discusses my justification for using rate design parameters for the Regular subclass in developing Outside County rates.

c. The conversion to per-pound savings using the joint piece/pound ratio is reasonable for the combined class. It might have been better to derive per-piece savings based on combined densities (number of pieces per container) of Regular and Nonprofit containers. I suspect that the per-piece savings would not change significantly if derived jointly for Regular and Nonprofit because of the large volume proportion of Regular Periodicals.

d. Please see my response to subpart c above.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO PRESIDING OFFICER'S INFORMATION REQUEST NUMBER 2

3. Please refer to the workpapers of witness Taufique contained in Library Reference I-167, file OC1, on the "Discounts" page, cells F2 to J9. 21839

a) Please explain the decision to propose that the per-piece editorial benefit for the joint subclass be built from the current per-piece editorial benefit for the Regular subclass.
b) Please explain the decision to propose that the percentage increase in the per-piece editorial benefit be equal to two percentage points less than the average percentage rate increase for the joint subclass.

RESPONSE

a. Please see my response to Question 7 in POIR No. 1, which discusses my justification for using rate design parameters for the Regular subclass in developing Outside County rates.

b. The decision to propose that the percentage increase in the per-piece editorial benefit be equal to two percentage points less than the average percentage rate increase for the joint subclass was based on mitigating the impact of a relatively large increase for Outside County Periodicals. Editorial benefit is a leakage in the rate making process that adds to the final revenue requirement resulting in generally higher rates for all the cells.

5. This question relates to Spreadsheet NP2.xls in Postal Service Library Reference LR-I-203.
   a. On the sheet "Comparison" cell B30 shows a value of –0.051. However, sheet "TYAR B.D." cell 57 shows –0.065. Please explain whether both are correct. 21840
   b. On the sheet "Rates" cell E70 shows 16.43 percent and sheet "TYAR B.D." cell D68 shows 15.24 percent. Please explain the relationship between the volumes on the two sheets.

RESPONSE

a. Cell B30 on the sheet "Comparison" with a value of –0.051 refers to the editorial piece discount for Nonprofit publications; this discount is estimated in the NP2.xls spreadsheet. Cell 57 in the sheet "TYAR B.D." is the editorial discount for Regular pieces and applies to commingled pieces. Commingled pieces pay the rates developed for the Regular subclass. Both values are correct, but they apply to different volumes.

b. 16.43 percent on sheet "Rates" cell E70 calculates the percent change in revenue per piece based on proposed rates and TYBR volume from the revenue per piece based on current rates and TYBR volume. The revenue includes the fee estimate in both the numerator and the denominator. 15.24 percent on sheet "TYAR B.D." attempts to perform a similar calculation based on proposed rates and TYAR volumes. In the latter case the denominator includes the TYBR fee estimate, but the numerator revenue per piece inadvertently does not include the TYAR fee revenue.

The volume on sheet "Rates" reflects TYBR volume estimates while the volume on "TYAR B.D." reflects TYAR volume estimates.

United States Postal Service

William P. Tayman
(USPS-T-9)

Revised
4/5/00

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS

21842

ANM/USPS-T9-22. Please refer to LR-I-126, page 18.

a. Please explain why the section "Accelerate FSM Into 2001" shows a projected savings of 29,727.3 hours per machine, while the initial buy discussed on page 6 shows a projected savings of only 2,618.8 clerk hours per machine (see ANM/USPS-T9-20a).

   a. Have the additional 44 machines discussed in preceding part (a) been approved for purchase by the Governors?

   b. Are any of the projected savings discussed in preceding part (a) contained in a Decision Analysis report ("DAR") that has been submitted to management or the Governors? If so, please produce the DAR, along with any correspondence, memoranda or other documents relating to the DAR.

   c. Please explain why the section "Additional Advanced Flat Sorter Machine (AFSM) to Upper Bound" projects savings of 43,181.8 hours per machine, while the initial buy discussed on page 6 shows a projected savings of only 2,618.8 clerk hours per machine.

   d. Have the additional 44 machines discussed in preceding part (d) been approved for purchase by the Governors?

   e. Are any of the projected savings discussed in preceding part (d) contained in a Decision Analysis report ("DAR") that has been submitted to management or the Governors? If so, please produce the DAR, along with any correspondence, memoranda or other documents relating to the DAR.

   f. Explain why a second buy of an additional 44 machines should save 45 percent more work hours (43,181.8/29,727.3) than the immediately preceding buy.

RESPONSE:

a. Please note that the savings per the AFSM 100 for clerks was revised in errata filed on February 18 to page 6 of LR-I-126; clerk savings per machine is 15,694 hours. Savings differences still exist since the Phase I purchase is to supplement current FSM capacity (thereby reducing manual flat volumes) and the Phase II purchase will be to replace existing FSM 881s.

For comparison purposes, the total savings for Phase I should be compared to the total savings for Phase II. For this comparison, please refer to Table I that accompanies the response to DMA/USPS-T9-49. Total Phase I savings through FY 2001 are 16,439 + 10,000 = 26,439.

b. No.

c. Information pertaining to Phase I was filed in USPS-LR-I-261, "DAR Materials Produced Under Protective Conditions Pursuant to Presiding Officer's Ruling No. R2000-1/22 (March 29, 2000). A DAR has not been prepared for Phase II.

d. The referenced savings of 2,618.8 clerk hours per machine is not contained on page 6 of LR-I-126. This amount was apparently calculated by summing the clerk savings in FY 2000 and FY 2001. As explained in my response to part a) of this question, errata filed to page 6 on February 18 modified the per machine savings. The initial savings were based on an established ROI and competitive testing. Given the additional experience with the pre-production AFSM and an additional challenge to the field to increase productivity, we have increased the test year savings on the 44 additional AFSM purchases to the equipment's maximum throughput specifications.

Furthermore, errata filed to page 18 on April 5, 2000 explains how the savings were derived from both Phase I and Phase II for "Additional Savings Potential for Automated Flat Sorter Machine (AFSM) 100." As can be seen on Table I that

accompanies the response to DMA/USPS-T9-49, the additional Phase II savings in FY 2001 are 3,864 average hours per machine for the equivalent of 44 machines. The additional savings in FY 2000 and 2001 are 10,000 average hours per machine for all of the 173 Phase I machines deployed.

e. No.

f. A DAR has not been prepared for Phase II.

g. Please refer to the errata filed April 5, 2000 for the revision to page 18 of USPS-LR-I-126. The paragraph titled "Additional Savings Potential for Automated Flat Sorter Machine (AFSM) 100" describes the calculation of the 1,900,000 clerk hours of savings. There is no longer a comparison of 43,181.8 to 29,727.3.

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF ASSOCIATION OF PRIORITY MAIL USERS, INC.

APMU/USPS-T-9-6.
For fiscal year 1998, please provide,

c. The total number of Postal Service annuitants categorized by year of separation from the Postal Service (i.e., the number who left in 1998, 1997, 1996 and so forth); and

RESPONSE:

The Postal Service does not have this information for the FY 98 COLA billing. The number of Postal CSRS annuitants in the FY 99 billing, broken out by the year of separation from the Postal Service, is reflected in the table below. Please note that the FY 99 COLA billing includes annuitants as of the previous calendar year.

FY	Annuitants	FY	Annuitants	FY	Annuitants	FY	Annuitants	FY	Annuitants
99	1,285	92	14,078	85	16,914	78	10,436	72	3,317
98	12,033	91	16,509	84	16,073	77	10,019		
97	11,694	90	18,148	83	13,340	76	2,412		
96	9,768	89	18,549	82	10,694	TQ	7,346		
95	7,973	88	17,471	81	14,048	75	5,390		
94	5,145	87	16,959	80	13,819	74	5,652		
93	41,918	86	16,835	79	11,487	73	12,040		

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF ASSOCIATION OF PRIORITY MAIL USERS, INC.

APMU/USPS-T-9-8. Please provide the number of current CSRS-covered employees who were employed by the Postal Service in each of the years 1972 through 1998.

RESPONSE:

The Postal Service does not have the specific information requested. However, the following is provided as a substitute. The number of current Postal Service CSRS employees with service computation dates in each year (and the years prior to it) is reflected in the table below. Service computation date reflects all time employed by the Postal Service, service with other Government Agencies, and military service.

FY	# of Employees	FY	# of Employees	FY	# of Employees	FY	# of Employees
Prior	95,125	79	225,484	87	282,678	95	283,227
72	105,630	80	243,756	88	282,809	96	283,268
73	124,629	81	258,846	89	282,892	97	283,314
74	139,522	82	267,931	90	282,950	98	283,375
75	152,644	83	281,633	91	282,990	99	283,414
76	167,269	84	282,165	92	283,023		
77	184,788	85	282,362	93	283,120		
78	205,121	86	282,526	94	283,188		

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF ASSOCIATION OF PRIORITY MAIL USERS, INC.

APMU/USPS-T-9-24.
Table 1998 in worksheet liability in workbook CSRS_00.xls in Postal Service Library Reference I-127 lists expense payments for CSRS unfunded retirement liability, that were set in the years 1972 through 1997. Please provide documentation in the form of that contained in CSRS_00.xls in USPS-LR-I-127 that describes how the deferred CSRS liability expense was set in the years 1972 through 1997.

RESPONSE:

a. Please see the responses to APMU/USPS-T-9-9c-e. The basic methodology has been the same since the mid 1970's.

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF ASSOCIATION OF PRIORITY MAIL USERS, INC.

APMU/USPS T-9-25.
Section 5 of Worksheet "Input" of workbook ACOLA_00.xls in LR-I-127 lists the number of CSRS retired annuitants in the base year 1998. How many (a) men and (b) women were added to the role of CSRS annuitants in each of the years 1971 through 1998.

RESPONSE:

Section 5 of the Input workbook reflects the number of USPS employees covered by CSRS who retired in FY 98, not the number of annuitants. The Postal Service does not have the number of employees who retired for years prior to FY 80. The number of men and women covered by CSRS who retired each year during the period FY 80-98 is reflected in the table below.

Year	Male	Female	Year	Male	Female	Year	Male	Female
79			87	18,117	3,615	95	6,723	2,102
80	24,696	3,193	88	18,526	3,742	96	7,741	2,408
81	16,721	3,016	89	21,314	4,636	97	9,011	3,096
82	16,611	3,001	90	20,306	4,663	98	9,252	3,394
83	19,066	3,090	91	7,088	2,147			
84	20,962	3,163	92	38,722	13,211			
85	19,448	3,345	93	5,485	1,556			
86	19,294	3,680	94	4,775	1,489			

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF ASSOCIATION OF PRIORITY MAIL USERS, INC.

APMU/USPS T-9-28. Section 10 of worksheet Input of workbook ACOLA_00.xls of LR-I-127 lists the number of annuitants and the total number of years of Post 1971 Civilian Service (USPS) for both "retired annuitants" and "survivor annuitants."

c. Please provide an estimate of the average number of years of service for all retired annuitants and an estimate of the average number of years of service for all survivor annuitants for the cohort of retired and survivor annuitants in the years 1971 through 1997.
d. Please provide an estimate of the average number of years of service for all retired annuitants and an estimate of the average number of years of service for all survivor annuitants for the new retired and survivor annuitants in the years 1971 through 1997.

RESPONSE:

c. The Postal Service does not have this information prior to the FY 95 COLA billing. The requested information from the FY's FY 95 98 billings is listed in the table below. These data reflect total average years of service, including military and other Government service. Additional data may be available from the Office of Personnel Management Requests for additional data should be made directly to the Office of Actuaries at 1900 E St. NW, Washington DC 20415. The telephone number is 202-606-0722.

	FY 95	FY 96	FY 97	FY98
Annuitants	28.37	28.36	28.37	28.41
Survivors	25.74	25.93	26.15	26.34

d. The Postal Service does not have this information. This data may be available from the Office of Personnel Management Requests for additional data should be made directly to the Office of Actuaries at 1900 E St. NW, Washington DC 20415. The telephone number is 202-606-0722.

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF DIRECT MARKETING ASSOCIATION, INC.

DMA/USPS-T9-19. Please refer to page 44 of your testimony where you state, "I am convinced that variance analysis cannot be relied upon in a vacuum as the basis for determining an appropriate contingency level. Variance analysis can only show us what happened in the past, and should not be relied upon exclusively to determine the prudent amount of cushion against unforeseen events in the Test Year." Do these two sentences mean that variance analysis does have a role to play in determining the size of the contingency? If not, please reconcile this view with these two sentences.

RESPONSE:

These two sentences, which can be found on page 45 of my testimony, mean that management may choose to review past performance when determining the appropriate size of the contingency. However, past performance would play a very minor role, if any, "cannot be relied upon in a vacuum", and "should not be relied upon exclusively", in determining the size of the contingency. As I also state on page 45 of my testimony, "no matter what results an historical variance analysis produces, it is not appropriate to use historical data to determine the size of the contingency in lieu of management's judgment about the future".

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7

1. Recently, the Postal Service and the National Rural Letter Carriers Association (NRLCA) reached an agreement to extend the 1995-1999 National Agreement one year to expire November 20, 2000. Please provide the changes to LR-I-127 that would occur due to the ratification of this extension to the National Agreement.

RESPONSE:

The recent agreement between the Postal Service and the National Rural Letter Carriers Association (NRLCA) to extend the labor contract for one year to November 20, 2000 would impact LR I-127 as follows:

a) The March 2000 and September 2000 COLAs changed from $62 and $292 to $374 and $291, respectively. This is because the base period reverted back to October 1995 from the assumed October 1999 base period.

b) The COLA change impacted the residual ECI-1 calculation in the test year. The amount available for new wages, assuming a November 18, 2000 effective date, decreased from $792.88 to $640.70 for career employees, and from $495.25 to $337.32 for rural carrier reliefs and associates.

c) Rural carrier reliefs and associates will receive the accumulated COLA on a delayed basis (i.e., the February following the expiration of the contract – or in this case, the contract extension period). The March 2000 and September 2000 COLAs will be effective for rural reliefs and associates on February 10, 2001.

d) The pay and COLA changes described in parts (a)-(c) also impact the CSRS Unfunded Liability and Repricing of Annual Leave calculations.

e) Rural equipment maintenance allowance was also increased by an additional ½ cent effective July, 1, 2000.

The electronic workbooks which require updated inputs as a result of these changes are: sptdc_00.xls, Uncst_est.xls, Input_00.xls, CSRS_00.xls, and Repal_00.xls. Uncst_est is not linked to other files and its relevant data changes were manually input into three of the other four files. The updated workbooks are provided as LR I-306. The input changes are highlighted in light turquoise. The substitution of the updated linked files into a directory containing the LR I-127 files results in the calculation of updated rollforward cost level factors for rural carrier personnel costs and equipment maintenance allowance (components 72 and 73) and other program factors for CSRS unfunded liability costs and repricing of annual leave (components 201, 202, and 199). All files in the directory must be open in order for the links to update. The updated rollforward factors are reflected in rffac_00.xls.

The calculation of FY 2000 and test year rural carrier workyears is not impacted by the updated personnel cost level change factors. However the workyear calculation model (WKYRC_00.XLS) requires that each of the personnel cost sources of change from the rollforward model be manually entered. Without re-running the rollforward model, these data are not available. As a result, the rural carrier average personnel cost and source of change data in the model will be incorrect until the source of change output from a rollforward can be entered for rural carriers in component 72 in WKRC_00.xls. The entry of these data will result in an automatic update of the workyear calculations. This should result in the same number of workyears calculated by the model before the update of the rural carrier cost level factor changes.

Rural carrier productive hourly rate calculations are also impacted by the updated cost level factors. Until the data discussed in the previous paragraph are created in WKYRC_00.xls, the rural carrier average personnel costs and productive hourly rates reflected in PRHR_00.xls are not updated.

The mail mix final adjustment would also be impacted by the change in rural carrier costs. However, the final adjustment calculation utilizes cost by class of mail from the rollforward model.

2. The Postal Service and the National Association of Letter Carriers (NALC) recently concluded negotiations on the procedures regarding the upgrade of NALC represented grade 5 employees resulting from the arbitration decision. Please provide all changes that would be needed to LR-I-127 to reflect the execution of the Memorandum of Understanding between the USPS and the NALC.

RESPONSE:

The impact of the upgrade for city carriers from level 5 to 6 is already reflected in LR I-127. Please refer to page 379 of LR I-127; the response to OCA/USPS-T9-2; page 19 of USPS –T-9; and USPS-T-9 Exhibit 9O.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 13

1. In his March 20, 2000 speech "Breaking Through to a New Golden Age of Mail" Postmaster General Henderson announced a plan to reduce expenses by at least 4 billion dollars between the year 2000 and the year 2004. He specified that overhead costs will be reduced by about $100 million a year. An additional $100 million a year is to come from reducing transportation costs. More efficient paperwork and purchasing will reduce costs by $100 million a year. Finally, $700 million a year will come from improved productivity in mail processing. To what extent are the reductions in expenses announced by the Postmaster General already incorporated in rate case projections?

a. Please identify interim year (FY 2000) reductions in expenses, by segment and component, related to savings in overhead; transportation; more efficient paperwork and purchasing; and mail processing.
b. To the extent that the reductions in expenses identified by Postmaster General Henderson for 2000 are not included in the rate case forecast, please set out by segment and component the additional reductions in expenses planned for each of these four areas that will allow the Postal Service to achieve the target set by the Postmaster General.
c. Please identify test year (FY 2001) reductions in expenses, by segment and component, related to savings in overhead; transportation; more efficient paperwork and purchasing; and mail processing.
d. To the extent that the reductions in expenses identified by Postmaster General Henderson for 2001 are not included in the rate case forecast, please set out by segment and component the additional reductions in expenses planned for each of these four areas that will allow the Postal Service to achieve the target set by the Postmaster General.

RESPONSE:

Please refer to the response to the Postal Service's response to interrogatory OCA/USPS-99. As stated in that response, some of the cost reductions programs reflected in FY 2000, such as local management initiatives, absorb inflation, and transportation cost reductions, would be considered part of the "affordability challenge." Additionally, some of the cost reductions reflected in the test year (FY 2001) are early estimates of "the affordability challenge" or breakthrough productivity savings.

It should be noted that total test year savings for breakthrough productivity is about $550 million, rather the $1 billion specified in the question. The Postal Service's revenue requirement includes about $181 million in test year cost reductions that are

considered breakthrough productivity. Further cost savings opportunities are currently under consideration for inclusion in the FY 2001 Operating Budget. However, the 2001 Budget has not been finalized.

The Postal Service expects to better define the breakthrough productivity savings during its ongoing budget development. We will incorporate available information relating to these savings as part of the Postal Service's test year update in response to Commission Order No. 1294. Additionally, a schedule pertaining to the availability of the breakthrough productivity information requested Commissioner Goldway during my oral cross-examination will also be provided in the update.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 13

2. In the response to Presiding Officer's Information Request No. 9, Question 1, it is reported that Postal Service Total Factor Productivity improved in FY 2000, quarters 1 and 2, by 1.7%, and 2.7% respectively. Please identify, by segment and component, the extent to which savings resulting from these productivity gains were included in the interim year (FY 2000) cost projections.

RESPONSE:

The calculation of Total Factor Productivity does not result in cost savings by cost segment and component. However, a reasonable frame of reference can be obtained from the FY 2000 cost reduction estimates. Please refer to the response to ABA&NAPM/USPS-6. As stated in that response, the Total Factor Productivity implicit in the rate filing for FY 2000 is 3.0%. Year-to-date total volume and revenue are tracking well with the rate case forecast for FY 2000. Accordingly, the actual cost reduction savings being realized for FY 2000 are probably somewhat less than the savings reflected in the filing for FY 2000 by cost segment and component.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO QUESTIONS POSED DURING ORAL CROSS-EXAMINATION

Tr. 2/95

Counsel for the Direct Marketing Association requested that its interrogatory DMA/USPS-T9-58 be confirmed or corrected. The question was: "Please confirm that 475 L'Enfant Plaza, SW has a current assessed value of $76,779,000. If you do not confirm, please supply the correct value."

RESPONSE:

Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO QUESTIONS POSED DURING ORAL CROSS-EXAMINATION

Tr. 2/445-46

Counsel for the Alliance of Nonprofit Mailers asked:

(a) "The two examples you give, the mail cartridge system and the tray management system, the implementation problems for those two programs cause what share of the shortfall between planned commitments and actual commitments in 1997?"

(b) "Other than the Mail Cartridge System and the Tray Management System, which programs were not – investment programs were not performing as intended, and, therefore, were cut back?

RESPONSE:

(a) *These two programs accounted for 34.6 percent of the shortfall between planned and actual commitments in FY 1997.*

(b) *The following are programs for which significant commitments were planned in Fiscal Year 1997, but for which funds were either not committed or were reduced:*

PROGRAM	COMMITMENT
Street Management System (Enhanced Street Performance)	$400 million
BMC Overhaul	$100 million
Load Sleeve/Strapping Tray System	$120 million
Field Material Handling System	$113 million
Tray Management System	$482 million
Mail Cartridge System	$495 million

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO QUESTIONS POSED DURING ORAL CROSS-EXAMINATION

Tr. 2/473

Counsel for the Alliance of Nonprofit Mailers asked for any workpapers of the independent auditors concerning Postal Service asset lives.

RESPONSE:

Our independent auditors, Ernest & Young, have provided the following information. Specific workpapers do not exist because no material issues or exceptions have been identified as a result of the audit procedures. The auditors have indicated that they perform a relatively high level review in relation to asset service lives. Their tests include review of the property code book to determine if any changes have been made to the various categories of personal property as well as review the categories for reasonableness of the service life estimates. In addition, the level of depreciation is evaluated and the gains and losses on disposition of assets is reviewed to determine unusual levels of either gains or losses that might indicate a need to refine service life estimates.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO QUESTIONS POSED DURING ORAL CROSS-EXAMINATION

Tr. 2/491

Counsel for the Association for Postal Commerce requested a citation in the Decision Analysis Report (DAR) backing up 491,000 maintenance hours included in response to ANM/USPS-T9-19.

RESPONSE:

The 491,000 maintenance hours referred to in my response to ANM/USPS-T9-19(e) are an input to the calculation of two costs used in the cash flow labeled as Attachment 1 in the DAR. For the line item "Installation - Postal Labor," an expense of $36,000 is shown for the year 2001. For the line item "Postal Maintenance Labor," an expense of $17,620,000 is shown for the same year. Dividing the sum of those two figures ($17,656,000) by the hourly maintenance labor wage rate assumed for 2001 ($35.98) yields (after rounding) 491,000 hours.

Tr. 2/ 493-94

Counsel for the Association for Postal Commerce asked for the assumption for FY 2000 for the deployment of AFSM-100's.

RESPONSE:

Please see Revised Attachment to Response of United States Postal Service Witness Kingsley to Interrogatory of Alliance of Nonprofit Mailers (ANM/USPS-TI0-10) – Errata, filed on March 10, 2000.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO QUESTIONS POSED DURING ORAL CROSS-EXAMINATION

Tr. 2/570

Chairman Gleiman asked, "I would like someone to point out to me in Library Reference I-179, where it says what the electronic diversion number is for the test year."

RESPONSE:

I am informed that USPS-LR I-179, Forecasting Spreadsheet Provided to GAO and Requested in OCA/USPS-2, includes accelerated electronic diversion that begins in FY 2003. Accordingly, it is my understanding that forecasts pertaining to Fiscal Years prior to FY 2003 do not have explicit numbers which represent electronic diversion. Rather, diversion is implied by the trend variables in the equations used to develop the volume forecast.

United States Postal Service

Thomas E. Thress
(USPS-T-7)

RESPONSE OF POSTAL SERVICE WITNESS THRESS TO REQUEST OF THE PRESIDING OFFICER (Tr. 35/16864-65)

Q. Can you provide us with the "2001 forecast [you made] using 2000 DRI data," along with the underlying model and equations?

RESPONSE:

The requested forecast is attached. Explanation and documentation of the forecast is provided in USPS-LR-I-447. When compared with the test year forecast filed with the case, the relatively minor differences shown on the attached pages provide further support for the conclusion I reached in USPS-ST-46, that under the present circumstances, no update of the forecast used in this proceeding is warranted.

Attachment 1
Updated Forecast for GFY 2001 Requested at Tr. 35/16864-65
No New Rates

	Before-Rates Forecast	Updated Forecast	Difference Pieces	Percentage
FIRST-CLASS MAIL				
First-Class Letters & Flats	100,261.726	100,293.039	31.313	0.03%
-- Single-Piece	53,213.828	52,968.049	(245.779)	-0.46%
-- Workshared	47,047.898	47,324.989	277.091	0.59%
(Nonautomated Presort)	2,930.521	4,015.058	1,084.537	37.02%
(Automated)	44,117.377	43,309.932	(807.445)	-1.83%
First-Class Cards	5,584.931	5,695.192	110.261	1.97%
Stamped Cards	445.823	443.315	(2.508)	-0.67%
Private Cards	5,139.108	5,251.877	112.769	2.20%
-- Single-Piece Cards	2,405.027	2,392.911	(12.116)	-0.50%
-- Workshared Cards	2,734.081	2,858.966	124.885	4.57%
(Nonautomated Presort Cards)	400.483	656.123	255.640	63.92%
(Automated Cards)	2,333.598	2,202.843	(130.755)	-5.61%
TOTAL FIRST-CLASS MAIL	105,846.657	105,988.230	141.573	0.13%
Priority Mail	1,331.105	1,343.119	12.014	0.90%
Express Mail	71.641	78.519	6.878	9.77%
Mailgrams	3.340	3.060	(0.280)	0.00%
PERIODICAL MAIL				
Within County	872.194	872.953	0.759	0.11%
Nonprofit	2,095.809	2,154.558	58.749	2.82%
Classroom	56.415	61.517	5.102	8.86%
Regular Rate	7,410.104	7,332.268	(77.836)	-1.05%
TOTAL PERIODICAL MAIL	10,434.523	10,421.297	(13.226)	-0.12%
STANDARD A MAIL				
Regular Rate Bulk	76,414.291	76,469.941	55.650	0.07%
Regular	42,783.773	40,680.102	(2,103.671)	-4.92%
-- Nonautomated	5,520.725	5,571.614	50.889	0.92%
-- Automated	37,263.048	35,108.489	(2,154.559)	-5.78%
Enhanced Carrier-Route	33,630.517	35,789.839	2,159.322	6.42%
Nonprofit Rate Bulk	14,418.001	14,550.866	132.865	0.92%
Nonprofit	11,510.795	11,750.144	239.349	2.08%
-- Nonautomated	2,923.601	2,622.147	(301.454)	-10.30%
-- Automated	8,587.194	9,127.997	540.803	6.30%
Nonprofit ECR	2,907.206	2,800.722	(106.484)	-3.65%
TOTAL STANDARD A MAIL	90,832.291	91,020.807	188.516	0.21%

Attachment 1 (cont.)
Updated Forecast for GFY 2001 Requested at Tr. 35/16864-65
No New Rates

	Before-Rates Forecast	Updated Forecast	Difference Pieces	Percentage
STANDARD B MAIL				
Parcel Post	378.447	360.346	(18.101)	-4.76%
Bound Printed Matter	541.976	562.284	20.308	3.69%
Special Rate	208.687	224.367	15.680	7.67%
Library Rate	29.009	28.579	(0.430)	0.00%
TOTAL STANDARD B MAIL	1,158.118	1,175.575	17.457	1.47%
Postal Penalty	348.543	331.672	(16.871)	-4.88%
Free-for-the-Blind	56.675	51.482	(5.193)	-8.82%
TOTAL DOMESTIC MAIL	210,082.894	210,413.762	330.868	0.16%
SPECIAL SERVICES				
Registry	11.563	12.093	0.530	8.65%
Insurance	45.610	54.376	8.766	19.73%
Certified	295.742	281.570	(14.172)	-4.73%
Collect-on-Delivery	3.576	3.631	0.055	0.00%
Return Receipts	252.559	239.667	(12.892)	-5.15%
Money Orders	234.993	252.032	17.039	7.23%
TOTAL SPECIAL SERVICES	844.043	843.368	(0.675)	-0.12%

Attachment 2
Updated Forecast for GFY 2001 Requested at Tr. 35/16864-65
R2000-1 Rates as Proposed by the Postal Service Implemented October 1, 2000

	After-Rates Forecast	Updated Forecast	Difference Pieces	Percentage
FIRST-CLASS MAIL				
First-Class Letters & Flats	99,857.394	99,888.490	31.096	0.03%
-- Single-Piece	52,877.658	52,745.775	(131.883)	-0.25%
-- Workshared	46,979.736	47,142.716	162.980	0.35%
(Nonautomated Presort)	2,586.288	3,513.816	927.528	35.88%
(Automated)	44,393.448	43,628.900	(764.548)	-1.72%
First-Class Cards	5,440.951	5,540.309	99.358	1.82%
Stamped Cards	415.873	411.258	(4.615)	-1.20%
Private Cards	5,025.078	5,129.051	103.973	2.07%
-- Single-Piece Cards	2,354.910	2,340.424	(14.486)	-0.59%
-- Workshared Cards	2,670.168	2,788.628	118.460	4.42%
(Nonautomated Presort Cards)	383.715	628.925	245.210	63.85%
(Automated Cards)	2,286.453	2,159.703	(126.750)	-5.55%
TOTAL FIRST-CLASS MAIL	105,298.345	105,428.800	130.455	0.12%
Priority Mail	1,226.160	1,242.855	16.695	1.39%
Express Mail	72.301	78.623	6.322	8.30%
Mailgrams	3.340	3.060	(0.280)	0.00%
PERIODICAL MAIL				
Within County	862.061	863.009	0.948	0.12%
Nonprofit	2,052.208	2,111.541	59.333	2.88%
Classroom	55.089	60.133	5.044	9.08%
Regular Rate	7,351.808	7,275.734	(76.074)	-1.03%
TOTAL PERIODICAL MAIL	10,321.166	10,310.417	(10.749)	-0.11%
STANDARD A MAIL				
Regular Rate Bulk	73,826.867	73,914.082	87.215	0.12%
Regular	40,998.656	38,984.692	(2,013.964)	-4.91%
-- Nonautomated	5,304.047	5,222.780	(81.267)	-1.53%
-- Automated	35,694.609	33,761.912	(1,932.697)	-5.42%
Enhanced Carrier-Route	32,828.211	34,929.390	2,101.179	6.40%
Nonprofit Rate Bulk	14,277.455	14,402.283	124.828	0.88%
Nonprofit	11,425.579	11,657.895	232.316	2.03%
-- Nonautomated	3,040.715	2,760.588	(280.127)	-9.21%
-- Automated	8,384.865	8,897.307	512.442	6.11%
Nonprofit ECR	2,851.875	2,744.388	(107.487)	-3.75%
TOTAL STANDARD A MAIL	88,104.322	88,316.365	212.043	0.24%

Attachment 2 (cont.)
Updated Forecast for GFY 2001 Requested at Tr. 35/16864-65
R2000-1 Rates as Proposed by the Postal Service Implemented October 1, 2000

	After-Rates Forecast	Updated Forecast	Difference Pieces	Percentage
STANDARD B MAIL				
Parcel Post	374.096	357.752	(16.344)	-4.28%
Bound Printed Matter	524.743	538.826	14.083	2.67%
Special Rate	205.789	221.109	15.320	7.29%
Library Rate	28.432	28.014	(0.418)	0.00%
TOTAL STANDARD B MAIL	1,133.060	1,145.702	12.642	1.15%
Postal Penalty	348.543	331.672	(16.871)	-4.88%
Free-for-the-Blind	56.675	51.482	(5.193)	-8.82%
TOTAL DOMESTIC MAIL	206,563.911	206,908.976	345.065	0.17%
SPECIAL SERVICES				
Registry	10.966	11.747	0.781	9.12%
Insurance	44.680	53.478	8.798	20.14%
Certified	274.934	263.604	(11.330)	-4.00%
Collect-on-Delivery	3.544	3.602	0.058	0.00%
Return Receipts	220.088	216.590	(3.498)	-1.36%
Money Orders	226.435	231.499	5.064	2.21%
TOTAL SPECIAL SERVICES	780.646	780.519	(0.127)	0.00%

United States Postal Service

George S. Tolley
(USPS-T-6)

RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1

1. Refer to LR-I-121 "Before and After-Rates Volume Forecasting Spreadsheets":

a. Please explain why the Postal Service shows two different before rates volume forecasts for Periodical nonprofit, classroom, and regular rate subclasses. The two forecasts are presented below (pieces in thousands):

2001 TYBR Volume

	First Forecast	Second Forecast
Nonprofit	2,095,809	1,954,453
Classroom	56,415	56,153
Regular Rate	7,410,104	7,545,945

The "First Forecast" is developed in file VF_BR.WK4 and is presented in USPS-T-6 "Direct Testimony of Postal Service witness Tolley." The "Second Forecast" is calculated in file VF_BRO.WK4 and is used by Postal Service witness Kashani in the before-rates rollforward of costs and witness Taufique in LR-I-167 "Periodicals Pricing Spreadsheets."

b. Please provide the source of the following 1999Q4 volumes for Periodical nonprofit, classroom, and regular rate mail, used in file VF_BRO.WK4:

	1999Q4 (Thousands)
Nonprofit	474,289
Classroom	15,807
Regular Rate	2,287,483

c. Depending on your determination of the correct before-rates volume forecast for Periodical nonprofit, classroom, and regular rate subclasses, please show the effect, if any, on the after-rates volume forecasts of these subclasses.

RESPONSE:

a. The preliminary 1999Q4 RPW volumes for Periodical nonprofit, classroom, and regular rate mail were those presented in VF_BRO.WK4 in LR-I-121, and shown above in part b of your question. Originally, the before-rates volume forecast was made using these preliminary numbers (the "Second Forecast" above).

RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1

The 1999Q4 RPW was subsequently revised for these three mail categories, and these revised volumes were incorporated into my before-rates volume forecast ("First Forecast"). Before the revised TYBR forecast became available, however, witness Kashani apparently had already used the unrevised TYBR forecast ("Second Forecast") in developing the before-rates rollforward.

b. Please see the response of witness Hunter to Item 2 of this POIR.

c. The correct volume forecasts ("First Forecast") are those presented in my testimony, which are made using the spreadsheets VF_BR.WK4 and VF_AR.WK4 in LR-I-121.

United States Postal Service

David G. Yacobucci
(USPS-T-25)

RESPONSE OF U.S. POSTAL SERVICE WITNESS YACOBUCCI TO INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-T25-8. Please refer to LR-I-90. In particular, refer to Worksheet "Scenario Costs" and the tables entitled "Periodicals Regular Cost Averages - *Actual" and "Periodicals Regular Cost Averages – Normalized Auto-Related Cost* Savings" on Worksheet "Cost Averaging." Please also refer to your response to PostCom/USPS-T25-3b, where you confirmed that: "The unit costs for 3/5-digit, nonautomation flats are the weighted averages of the unit costs of eligible 3-digit, nonautomation flats and eligible 5-digit, nonautomation flats."

a. Please confirm that the unit cost for 5-digit, nonautomation flats is the weighted average of the unit costs of eligible 5-digit, nonautomation flats on 5-digit pallets and the unit costs of eligible 5-digit, nonautomation flats not on 5-digit pallets.

b. Please confirm that the unit cost for 5-digit, automation flats is the weighted average of the unit costs of eligible 5-digit, automation flats on 5-digit pallets and the unit costs of eligible 5-digit, automation flats not on 5-digit pallets.

c. Please confirm that the unit cost for carrier route flats is the weighted average of the unit costs of eligible carrier route flats on 5-digit pallets and the unit costs of eligible carrier route flats not on 5-digit pallets.

d. Please explain in detail how to modify LR-I-90 to deaverage the unit costs for Periodicals Regular flats on 5-digit pallets from unit costs for Periodicals Regular flats on 5-digit pallets [sic] to provide actual cost averages and normalized cost averages for ten types of Periodicals Regular flats: (1) basic nonautomation; (2) basic automation; (3) 3-digit nonautomation; (4) 3-digit automation; (5) 5-digit nonautomation (not on 5-digit pallet); (6) 5- digit nonautomation (on 5-digit pallet): (7) 5-digit automation (not on 5-digit pallet); (8) 5-digit automation (on 5-digit pallet); (9) carrier route (not on 5-digit pallet); and (10) carrier route (on 5-digit pallet).

e. Please confirm that LR-I-90 does not explicitly model container sorting costs (i.e., container sorting costs are simply taken into account using CRA adjustment factors). If not confirmed, please explain your response.

f. Please confirm that the following differentials would be different if container sorting costs were explicitly modeled:

(i) Unit cost of 5-digit nonautomation flats not on 5-digit pallets minus unit cost of 5-digit nonautomation flats on 5-digit pallets
(ii) Unit cost of 5-digit automation flats not on 5-digit pallets minus unit cost of 5-digit automation flats on 5-digit pallets
(iii) Unit cost of carrier route flats not on 5-digit pallets minus unit cost of carrier route flats on 5-digit pallets

RESPONSE OF U.S. POSTAL SERVICE WITNESS YACOBUCCI TO INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA

RESPONSE:

a. Confirmed.

b. Confirmed.

c. Confirmed.

d. All modifications to USPS LR-I-90 occur in the worksheet entitled *'Cost Averaging.'* For the first and second steps, please refer to Attachment 1 to this subpart which depicts part of the worksheet with row and column headings after modifications are made.

For the first step, enter the following in cells: T6:T7, U2:U5, W6:W7, and X2:X5.

Cells T6:T7 and W6:W7:
5= 5-Digit, Nonautomation (non 5D pallet)
6= 5-Digit, Automation (non 5D pallet)

Cells U2:U5 and X2:X5:
7= 5-Digit, Nonautomation (5D pallet)
8= 5-Digit, Automation (5D pallet)
9= Carrier Route (non 5D pallet)
10= Carrier Route (5D pallet)

For the second step, enter either a blank or one of the numbers from one through ten into cells: T9:U55 and W9:X55 as depicted in Attachment 1.

For the third step, select row 65 and insert three new rows.

For the fourth step, modify the formulae in cells: A65:A68, C65:C68, E65:E68, H65:H66, and K65:K66 as follows.

Cell A65:
=IF(AND($A$1="PERIODICALS",$A$2="REGULAR"),U2,IF(AND($A$1="PERIODICALS",$A$2="NONPROFIT"),AA2,""))

Cell A66:
=IF(AND($A$1="PERIODICALS",$A$2="REGULAR"),U3,"")

Cell A67:
=IF(AND($A$1="PERIODICALS",$A$2="REGULAR"),U4,"")

RESPONSE OF U.S. POSTAL SERVICE WITNESS YACOBUCCI TO INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA

Cell A68:

```
=IF(AND($A$1="PERIODICALS",$A$2="REGULAR"),U5,"")
```

Cell C65:

```
=IF(A65="","",IF($A$1="FIRST
CLASS",SUMIF($N$9:$O$55,7,$D$9:$E$55)/SUMIF($N$9:$O$55,7,$B$9:$C$55),IF(AN
D($A$1="PERIODICALS",$A$2="REGULAR"),SUMIF($T$9:$U$55,7,$D$9:$E$55)/SUMI
F($T$9:$U$55,7,$B$9:$C$55),IF(AND($A$1="PERIODICALS",$A$2="NONPROFIT"),SU
MIF($Z$9:$AA$55,7,$D$9:$E$55)/SUMIF($Z$9:$AA$55,7,$B$9:$C$55),IF(AND($A$1="
STANDARD
(A)",$A$2="REGULAR"),SUMIF($AF$9:$AG$55,7,$D$9:$E$55)/SUMIF($AF$9:$AG$55,
7,$B$9:$C$55),IF(AND($A$1="STANDARD
(A)",$A$2="NONPROFIT"),SUMIF($AL$9:$AM$55,7,$D$9:$E$55)/SUMIF($AL$9:$AM$5
5,7,$B$9:$C$55),""))))))
```

Cell C66:

```
=IF(A66="","",IF($A$1="FIRST
CLASS",SUMIF($N$9:$O$55,8,$D$9:$E$55)/SUMIF($N$9:$O$55,8,$B$9:$C$55),IF(AN
D($A$1="PERIODICALS",$A$2="REGULAR"),SUMIF($T$9:$U$55,8,$D$9:$E$55)/SUMI
F($T$9:$U$55,8,$B$9:$C$55),IF(AND($A$1="PERIODICALS",$A$2="NONPROFIT"),SU
MIF($Z$9:$AA$55,8,$D$9:$E$55)/SUMIF($Z$9:$AA$55,8,$B$9:$C$55),IF(AND($A$1="
STANDARD
(A)",$A$2="REGULAR"),SUMIF($AF$9:$AG$55,8,$D$9:$E$55)/SUMIF($AF$9:$AG$55,
8,$B$9:$C$55),IF(AND($A$1="STANDARD
(A)",$A$2="NONPROFIT"),SUMIF($AL$9:$AM$55,8,$D$9:$E$55)/SUMIF($AL$9:$AM$5
5,8,$B$9:$C$55),""))))))
```

Cell C67:

```
=IF(A67="","",IF($A$1="FIRST
CLASS",SUMIF($N$9:$O$55,9,$D$9:$E$55)/SUMIF($N$9:$O$55,9,$B$9:$C$55),IF(AN
D($A$1="PERIODICALS",$A$2="REGULAR"),SUMIF($T$9:$U$55,9,$D$9:$E$55)/SUMI
F($T$9:$U$55,9,$B$9:$C$55),IF(AND($A$1="PERIODICALS",$A$2="NONPROFIT"),SU
MIF($Z$9:$AA$55,9,$D$9:$E$55)/SUMIF($Z$9:$AA$55,9,$B$9:$C$55),IF(AND($A$1="
STANDARD
(A)",$A$2="REGULAR"),SUMIF($AF$9:$AG$55,9,$D$9:$E$55)/SUMIF($AF$9:$AG$55,
9,$B$9:$C$55),IF(AND($A$1="STANDARD
(A)",$A$2="NONPROFIT"),SUMIF($AL$9:$AM$55,9,$D$9:$E$55)/SUMIF($AL$9:$AM$5
5,9,$B$9:$C$55),""))))))
```

Cell C68:

```
=IF(A68="","",IF($A$1="FIRST
CLASS",SUMIF($N$9:$O$55,10,$D$9:$E$55)/SUMIF($N$9:$O$55,10,$B$9:$C$55),IF(
AND($A$1="PERIODICALS",$A$2="REGULAR"),SUMIF($T$9:$U$55,10,$D$9:$E$55)/
SUMIF($T$9:$U$55,10,$B$9:$C$55),IF(AND($A$1="PERIODICALS",$A$2="NONPROF
IT"),SUMIF($Z$9:$AA$55,10,$D$9:$E$55)/SUMIF($Z$9:$AA$55,10,$B$9:$C$55),IF(AN
D($A$1="STANDARD
(A)",$A$2="REGULAR"),SUMIF($AF$9:$AG$55,10,$D$9:$E$55)/SUMIF($AF$9:$AG$55
,10,$B$9:$C$55),IF(AND($A$1="STANDARD
(A)",$A$2="NONPROFIT"),SUMIF($AL$9:$AM$55,10,$D$9:$E$55)/SUMIF($AL$9:$AM$
55,10,$B$9:$C$55),""))))))
```

RESPONSE OF U.S. POSTAL SERVICE WITNESS YACOBUCCI TO INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA

Cell E65:

```
=IF(A65="","",IF($A$1="FIRST
CLASS",SUMIF($N$9:$O$55,7,$B$9:$C$55),IF(AND($A$1="PERIODICALS",$A$2="RE
GULAR"),SUMIF($T$9:$U$55,7,$B$9:$C$55),IF(AND($A$1="PERIODICALS",$A$2="N
ONPROFIT"),SUMIF($Z$9:$AA$55,7,$B$9:$C$55),IF(AND($A$1="STANDARD
(A)",$A$2="REGULAR"),SUMIF($AF$9:$AG$55,7,$B$9:$C$55),IF(AND($A$1="STAND
ARD (A)",$A$2="NONPROFIT"),SUMIF($AL$9:$AM$55,7,$B$9:$C$55),""))))))
```

Cell E66:

```
=IF(A66="","",IF($A$1="FIRST
CLASS",SUMIF($N$9:$O$55,8,$B$9:$C$55),IF(AND($A$1="PERIODICALS",$A$2="RE
GULAR"),SUMIF($T$9:$U$55,8,$B$9:$C$55),IF(AND($A$1="PERIODICALS",$A$2="N
ONPROFIT"),SUMIF($Z$9:$AA$55,8,$B$9:$C$55),IF(AND($A$1="STANDARD
(A)",$A$2="REGULAR"),SUMIF($AF$9:$AG$55,8,$B$9:$C$55),IF(AND($A$1="STAND
ARD (A)",$A$2="NONPROFIT"),SUMIF($AL$9:$AM$55,8,$B$9:$C$55),""))))))
```

Cell E67:

```
=IF(A67="","",IF($A$1="FIRST
CLASS",SUMIF($N$9:$O$55,9,$B$9:$C$55),IF(AND($A$1="PERIODICALS",$A$2="RE
GULAR"),SUMIF($T$9:$U$55,9,$B$9:$C$55),IF(AND($A$1="PERIODICALS",$A$2="N
ONPROFIT"),SUMIF($Z$9:$AA$55,9,$B$9:$C$55),IF(AND($A$1="STANDARD
(A)",$A$2="REGULAR"),SUMIF($AF$9:$AG$55,9,$B$9:$C$55),IF(AND($A$1="STAND
ARD (A)",$A$2="NONPROFIT"),SUMIF($AL$9:$AM$55,9,$B$9:$C$55),""))))))
```

Cell E68:

```
=IF(A68="","",IF($A$1="FIRST
CLASS",SUMIF($N$9:$O$55,10,$B$9:$C$55),IF(AND($A$1="PERIODICALS",$A$2="R
EGULAR"),SUMIF($T$9:$U$55,10,$B$9:$C$55),IF(AND($A$1="PERIODICALS",$A$2="
NONPROFIT"),SUMIF($Z$9:$AA$55,10,$B$9:$C$55),IF(AND($A$1="STANDARD
(A)",$A$2="REGULAR"),SUMIF($AF$9:$AG$55,10,$B$9:$C$55),IF(AND($A$1="STAND
ARD (A)",$A$2="NONPROFIT"),SUMIF($AL$9:$AM$55,10,$B$9:$C$55),""))))))
```

Cell H65:

```
=IF(AND($A$1="PERIODICALS",$A$2="REGULAR"),A65,"")
```

Cell H66:

```
=A66
```

Cell K65:

```
=IF(A65="","",IF(AND($A$1="PERIODICALS",$A$2="REGULAR"),SUMIF($W$9:$X$55,7
,$K$9:$L$55)/SUMIF($W$9:$X$55,7,$I$9:$J$55),""))
```

Cell K66:

```
=IF(A66="","",IF(AND($A$1="PERIODICALS",$A$2="REGULAR"),SUMIF($W$9:$X$55,8
,$K$9:$L$55)/SUMIF($W$9:$X$55,8,$I$9:$J$55),""))
```

e. Confirmed. Though USPS LR-I-90 does not explicitly decompose container handling activities, it does adjust modeled unit costs using CRA costs that comprise *all* flats mail processing costs.

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f. In all likelihood, confirmed. It is possible that there could be an unanticipated instance where the differentials would not be different.

	T	U	V	W	X
1	PERIODICALS REGULAR			PERIODICALS REGULAR - NORMALIZED AUTO-RELATED SAVINGS	
2	1= Basic, Nonautomation	7= 5-Digit, Nonautomation (5D pallet)		1= Basic, Nonautomation	7= 5-Digit, Nonautomation (5D pallet)
3	2= Basic, Automation	8= 5-Digit, Automation (5D pallet)		2= Basic, Automation	8= 5-Digit, Automation (5D pallet)
4	3= 3-Digit, Nonautomation	9= Carrier Route (non 5D pallet)		3= 3-Digit, Nonautomation	9= Carrier Route (non 5D pallet)
5	4= 3-Digit, Automation	10= Carrier Route (5D pallet)		4= 3-Digit, Automation	10= Carrier Route (5D pallet)
6	5= 5-Digit, Nonautomation (non 5D pallet)			5= 5-Digit, Nonautomation (non 5D pallet)	
7	6= 5-Digit, Automation (non 5D pallet)			6= 5-Digit, Automation (non 5D pallet)	
8	Sacked: Rate Eligibility	Non-Sacked: Rate Eligibility		Sacked: Rate Eligibility	Non-Sacked: Rate Eligibility
9	1	1		1	1
10	1	1		1	1
11	2	2		2	2
12	2	2		2	2
13	1	1		1	1
14	1	1		1	1
15	2	2		2	2
16	2	2		2	2
17	1	3			3
18	1	3			3
19	4	4			4
20	4	4			4
21	1	5			5
22	1	5			5
23	6	6			6
24	6	6			6
25	1	1		1	1
26	1	1		1	1
27	2	2		2	2
28	2	2		2	2
29	1	3			3
30	1	3			3
31	4	4			4
32	4	4			4
33	1	5			5
34	1	5			5
35	6	6			6
36	6	6			6
37	9	9			
38	9	9			
39	3	3		3	3
40	3	3		3	3
41	4	4		4	4
42	4	4		4	4
43	3	5			5
44	3	5			5
45	6	6			6
46	6	6			6
47	9	9			
48	9	9			
49	5	7		5	7
50	5	7		5	7
51	6	8		6	8
52	6	8		6	8
53	9	10			
54	9	10			
55	9	9			

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Question 4. In response to POIR No. 5, question 4, witness Miller stated, using First-Class as an example, that witness Yacobucci's cost savings relied on only one CRA unit cost for First-Class flats. For this reason, witness Miller concluded that "[as] a result of this fact, the flats worksharing related savings results would not have changed had witness Yacobucci used a third cost pool classification similar to that in my testimony."

In Standard A Regular Subclass, witness Moeller calculates a rate differential between letters and flats based on witness Miller's mail processing cost for letters and witness Yacobucci's mail processing cost for flats. Both the letter and flat costs include nonworksharing-related costs. Excluding nonworksharing-related costs from both letters and flats, would affect the size of the cost differential unless, by coincidence, the per-piece nonworksharing-related cost for letters and flats are equal.

a. Please provide actual average and normalized automation-related cost savings for flats that reflect worksharing-related costs only, i.e., excluding nonworksharing-related costs.

b. Please provide revised pages 34, 35, and 36 of USPS LR-I-90 reflecting three columns (1) worksharing related – proportional, (2) worksharing related – fixed per piece, and (3) not worksharing related – fixed per piece.

c. Please provide revised electronic spreadsheets for USPS LR-I-90 incorporating the changes described in (a) and (b).

RESPONSE:

This response considers the modifications described in subparts (a) and (b) jointly.

The following modifications are made to USPS LR-I-90, Flats Mail Processing Cost Model. The modified model is filed as USPS LR-I-382, Modified Flats Mail Processing Cost Model in Response to POIR No. 12, Question 4.

Worksheet	Modification
All worksheets	Header modified to reflect POIR No. 12, Question 4.
'Control Sheet'	Option added to exclude Not Worksharing-Related (Fixed) costs. A 1 in cell D17 *excludes* Not Worksharing-Related

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	(Fixed) costs. A 0 in cell D17 *includes* Not Worksharing-Related (Fixed) costs.
'Cost Averaging'	Cell D68 modified to note if Not Worksharing-Related (Fixed) costs are excluded.
'Scenario Costs'	CRA-adjustment methodology modified to reflect Worksharing-Related (Proportional), Worksharing-Related (Fixed), and Not Worksharing-Related (Fixed) CRA costs. Cell I58 modified to note if Not Worksharing-Related (Fixed) costs are excluded.
'CRA Cost Pools'	CRA cost calculations modified to reflect Worksharing-Related (Proportional), Worksharing-Related (Fixed), and Not Worksharing-Related (Fixed) CRA costs.

(a) The following tables present "*cost averages-actual*" and "*cost averages-normalized auto-related savings*" that reflect worksharing-related costs only, i.e., exclude Not Worksharing-Related (Fixed) costs. These numbers were developed using USPS LR-I-382 and entering a 1 in cell D17 in the worksheet entitled '*Control Sheet.*'

Subtracting one *cost average-actual* from another when holding automation/nonautomation characteristics constant yields presortation-related mail processing cost differences. Subtracting one *cost average-normalized auto-related savings* from another when holding the presort category constant yields isolated barcode-related savings.

Please note that presortation-related mail processing cost differences and isolated barcode-related savings do not change merely by the inclusion or exclusion of Not Worksharing-Related (Fixed) costs. The nature of Not Worksharing-Related (Fixed) costs is that they do not affect worksharing-

related savings. As the reclassification of CRA mail processing costs in response to subpart (b) of this request has no impact, the presortation-related mail processing cost differences and isolated barcode-related savings remain unchanged between this response and USPS-T-25. For example, the isolated barcode-related savings for Periodicals Regular 3-Digit flats is 1.514 cents based upon this response (14.409 cents minus 12.895 cents) and 1.514 cents based upon USPS-T-25 (19.269 cents minus 17.755 cents; USPS-T-25, p. 4, Table II-2).

It is my understanding that there is merit in using total CRA mail processing costs to develop a shape-based cost differential between letters and flats. If one were to consider only worksharing-related costs in computing a shape-based cost differential, then certain shape-based cost differences would be ignored. For example, platform costs are considered to be Not Worksharing-Related (Fixed) in regards to presortation or barcoding. However, platform costs do vary with respect to shape. Flats, being larger than letters, may require more containers and, therefore, more container handlings on the platform. A shape-based cost differential based upon total CRA mail processing costs, then, appropriately captures all shape-based cost differences.

FIRST-CLASS

	Cost Averages – Actual	Cost Averages – Normalized Auto-Related Savings
Basic, Nonautomation	29.495 (cents)	43.942 (cents)
Basic, Automation	36.655	38.841
3-Digit, Automation	32.774	29.560
5-Digit, Automation	18.907	18.938

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PERIODICALS REGULAR

	Cost Averages – Actual	Cost Averages – Normalized Auto-Related Savings
Basic, Nonautomation	17.921 (cents)	19.255 (cents)
Basic, Automation	16.633	17.132
3-Digit, Nonautomation	13.472	14.409
3-Digit, Automation	13.038	12.895
5-Digit, Nonautomation	8.273	8.860
5-Digit, Automation	8.712	8.605
Carrier Route	3.780	n/a

PERIODICALS NONPROFIT

	Cost Averages – Actual	Cost Averages – Normalized Auto-Related Savings
Basic, Nonautomation	11.224 (cents)	11.465 (cents)
Basic, Automation	9.056	10.159
3-Digit, Nonautomation	8.504	8.800
3-Digit, Automation	7.590	7.761
5-Digit, Nonautomation	5.022	5.208
5-Digit, Automation	5.106	5.024
Carrier Route	2.075	n/a

STANDARD MAIL (A) REGULAR

	Cost Averages – Actual	Cost Averages – Normalized Auto-Related Savings
Basic, Nonautomation	14.282 (cents)	16.341 (cents)
Basic, Automation	13.975	14.431
3/5-Digit, Nonautomation	8.668	8.520
3/5-Digit, Automation	8.181	7.973

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STANDARD MAIL (A) NONPROFIT

	Cost Averages – Actual	Cost Averages – Normalized Auto-Related Savings
Basic, Nonautomation	13.740 (cents)	16.066 (cents)
Basic, Automation	13.748	14.218
3/5-Digit, Nonautomation	6.830	7.579
3/5-Digit, Automation	8.259	7.101

(b) Please refer to Attachment 1 to this subpart which depicts the worksheet entitled '*CRA Cost Pools*' (pages 34, 35, and 36 of USPS LR-I-90) as *modified to reflect three columns* (1) Worksharing-Related (Proportional), (2) Worksharing-Related (Fixed), and (3) Not Worksharing-Related (Fixed).

USPS LR-I-382, though providing the structural capability of classifying CRA mail processing costs as above, does not classify any CRA mail processing unit costs as Worksharing-Related (Fixed).

Witness Miller has distinct automation and nonautomation CRA mail processing unit cost categories ("CRA cost categories" or distinct CRA mail processing unit costs for *specific groupings of mail*). *Witness Miller, then,* develops presortation-related savings *within* the CRA cost categories and automation-related savings *across* certain CRA cost categories. For example, witness Miller develops presortation-related savings for Standard Mail (A) Regular nonautomation letters by comparing rate category costs within the nonautomation presort CRA cost category. Witness Miller develops automation-related savings for Standard Mail (A) Regular letters by comparing rate category costs across nonautomation presort and automation, non-carrier route CRA cost categories.

By contrast, USPS LR-I-90 does not have separate automation and *nonautomation* CRA cost categories. Instead, it develops presortation-related savings and automation-related savings *within* the CRA cost

categories. For example, USPS LR-I-90 develops presortation-related savings and automation-related savings for Standard Mail (A) Regular flats within the Standard Mail (A) Regular CRA cost category.

Worksharing-Related (Proportional) costs vary with respect to the particular worksharing activity or activities under consideration within and across CRA cost categories. These costs proportionally affect the savings related to the particular worksharing activity or activities under consideration. For example, witness Miller treats the MODS BCS/ cost pool and USPS LR-I-90 treats the MODS FSM/ cost pool as Worksharing-Related (Proportional) because these costs vary with respect to presortation and automation.

Worksharing-Related (Fixed) costs vary with respect to the particular worksharing activity under consideration across CRA cost categories but not to the particular worksharing activity under consideration within the CRA cost category. These costs are added equally to the particular worksharing activity within the CRA cost category, so any cost differences, or worksharing-related savings, of the particular worksharing activity under consideration within the CRA cost category are not affected by these costs. However, these costs affect the worksharing-related savings across the CRA cost categories. Any difference of these costs across the CRA cost categories will be considered in the savings related to the particular worksharing activity under consideration across CRA cost categories.

For example, witness Miller treats the MODS SPBS OTH cost pool as Worksharing-Related (Fixed) within the Standard Mail (A) Regular automation, non-carrier route presort CRA cost category because these costs do not vary with respect to presortation within automation mail. However, these costs do vary with respect to automation. Any difference of these costs across the Standard Mail (A) Regular nonautomation presort and automation,

non-carrier route presort cost categories will be considered in the automation-related savings.

USPS LR-I-90 does not treat any cost pool as Worksharing-Related (Fixed) because it does not develop any worksharing-related savings across distinct CRA cost categories. Each cost pool either does or does not vary with respect to presortation and/or automation.

Not Worksharing-Related (Fixed) costs do not vary with respect to any particular worksharing activities under consideration within and across CRA cost categories. These costs are added equally to all particular worksharing activities under consideration, so any cost differences, or worksharing-related savings, between all particular worksharing activities under consideration are not affected by these costs. For example, witness Miller and USPS LR-I-90 treat MODS 1PLATFRM costs as Not Worksharing-Related (Fixed) because these costs do not vary with respect to presortation or automation.

(c) Please refer to USPS LR-I-382 for the electronic file that incorporates the changes described in this response.

POIR No. 12, Question 4 part (b)
Attachment 1

Mail Processing CRA Costs Calculations
(USPS-LR-I-81 Mail Processing Unit Costs by Shape)

USPS METHODOLOGY						PRC METHODOLOGY				
No.	Location	Cost Pool	Worksharing-Related (Proportional)	Worksharing-Related (Fixed)	Not Worksharing-Related (Fixed)	No.	Location	Cost Pool	Worksharing-Related (Proportional)	Worksharing-Related (Fixed)	Not Worksharing-Related (Fixed)
1	BMCS	NMO			X						
2	BMCS	OTHR			X						
3	BMCS	PLA			X						
4	BMCS	PSM			X						
5	BMCS	SPB	X								
6	BMCS	SSM			X						
7	MODS 11	BCS/			X						
8	MODS 11	OCR/			X						
9	MODS 12	FSM/	X								
10	MODS 12	LSM/			X						
11	MODS 13	MECPARC			X						
12	MODS 13	SPBS OTH	X								
13	MODS 13	SPBSPRIO	X								
14	MODS 13	1SACKS_M			X						
15	MODS 14	MANF	X								
16	MODS 14	MANL			X						
17	MODS 14	MANP			X						
18	MODS 14	PRIORITY			X						
19	MODS 15	LD15			X						
20	MODS 17	1BULK PR	X								
21	MODS 17	1CANCMPP			X						
22	MODS 17	1OPBULK	X								
23	MODS 17	1OPPREF	X								
24	MODS 17	1PLATFRM			X						
25	MODS 17	1POUCHING	X								
26	MODS 17	1SACKS_H			X						
27	MODS 17	1SCAN			X						
28	MODS 18	BUSREPLY			X						
29	MODS 18	EXPRESS			X						
30	MODS 18	MAILGRAM			X						
31	MODS 18	REGISTRY			X						
32	MODS 18	REWRAP			X						
33	MODS 18	1EECMT			X						
34	MODS 19	INTL			X						
35	MODS 41	LD41			X						
36	MODS 42	LD42	X								
37	MODS 43	LD43	X								
38	MODS 44	LD44	X								
39	MODS 48	LD48 EXP			X						
40	MODS 48	LD48_SSV			X						
41	MODS 49	LD49			X						
42	MODS 79	LD79	X								
43	MODS 99	1SUPP_F1			X						
44	MODS 99	1SUPP_F4			X						
45	NON MODS	ALLIED			X						
46	NON MODS	AUTOMEC	X								
47	NON MODS	EXPRESS			X						
48	NON MODS	MANF	X								
49	NON MODS	MANL			X						
50	NON MODS	MANP			X						
51	NON MODS	MISC			X						
52	NON MODS	REGISTRY			X						
											Total

POIR No. 12, Question 4 part (b)
Attachment 1

From USPS LR-I-382
CRA Cost Pools
Page 2 of 4

First-Class (2-2 LTR P NC RT)					Periodicals Regular (8-2 PER.REGULR)				
Cost w/ USPS Meth.	Cost w/ PRC Meth.	Worksharing-Related (Proportional)	Worksharing-Related (Fixed)	Not Worksharing-Related (Fixed)	Cost w/ USPS Meth.	Cost w/ PRC Meth.	Worksharing-Related (Proportional)	Worksharing-Related (Fixed)	Not Worksharing-Related (Fixed)
0.000				0.000	0.001				0.001
0.000				0.000	0.327				0.327
0.000				0.000	0.244				0.244
0.000				0.000	0.002				0.002
0.000		0.000			0.082		0.082		
0.000				0.000	0.111				0.111
0.183				0.183	0.005				0.005
0.049				0.049	0.001				0.001
12.587		12.587			1.884		1.884		
0.000				0.000	0.000				0.000
0.001				0.001	0.014				0.014
0.488		0.488			0.510		0.510		
0.215		0.215			0.056		0.056		
0.298				0.298	0.132				0.132
3.076		3.076			0.968		0.968		
0.444				0.444	0.122				0.122
0.070				0.070	0.024				0.024
0.004				0.004	0.012				0.012
0.000				0.000	0.000				0.000
0.153		0.153			0.010		0.010		
0.794				0.794	0.021				0.021
1.178		1.178			0.403		0.403		
2.088		2.088			1.189		1.189		
3.917				3.917	1.430				1.430
1.435		1.435			0.574		0.574		
0.405				0.405	0.369				0.369
0.210				0.210	0.043				0.043
0.058				0.058	0.001				0.001
0.008				0.008	0.003				0.003
0.000				0.000	0.000				0.000
0.004				0.004	0.002				0.002
0.004				0.004	0.003				0.003
0.114				0.114	0.056				0.056
0.253				0.253	0.006				0.006
0.002				0.002	0.001				0.001
0.001		0.001			0.001		0.001		
1.191		1.191			0.808		0.808		
0.213		0.213			0.106		0.106		
0.000				0.000	0.000				0.000
0.082				0.082	0.014				0.014
1.384				1.384	0.524				0.524
0.097		0.097			0.015		0.015		
0.435				0.435	0.126				0.126
0.402				0.402	0.178				0.178
1.445				1.445	0.779				0.779
0.173		0.173			0.024		0.024		
0.000				0.000	0.000				0.000
3.223		3.223			1.236		1.236		
0.181				0.181	0.111				0.111
0.001				0.001	0.026				0.026
0.335				0.335	0.180				0.180
0.034				0.034	0.008				0.008
37.213		26.118	0.000	11.096	12.510		7.580	0.000	4.930

POIR No. 12, Question 4 part (b)
Attachment 1

Periodicals Nonprofit (6-3 PER.NONPRF)					Standard Mail (A) Regular (11--(A) REG/OTHR)				
Cost w/ USPS Meth.	Cost w/ PRC Meth.	Worksharing-Related (Proportional)	Worksharing-Related (Fixed)	Not Worksharing-Related (Fixed)	Cost w/ USPS Meth.	Cost w/ PRC Meth.	Worksharing-Related (Proportional)	Worksharing-Related (Fixed)	Not Worksharing-Related (Fixed)
0.001				0.001	0.010				0.010
0.193				0.193	0.402				0.402
0.192				0.192	0.306				0.306
0.015				0.015	0.016				0.016
0.011		0.011			0.328		0.328		
0.099				0.099	0.073				0.073
0.006				0.006	0.036				0.036
0.001				0.001	0.002				0.002
1.024		1.024			3.611		3.611		
0.000				0.000	0.000				0.000
0.007				0.007	0.002				0.002
0.258		0.258			0.833		0.833		
0.042		0.042			0.016		0.016		
0.041				0.041	0.070				0.070
0.478		0.478			0.744		0.744		
0.036				0.036	0.104				0.104
0.014				0.014	0.019				0.019
0.008				0.008	0.010				0.010
0.000				0.000	0.000				0.000
0.004		0.004			0.008		0.008		
0.016				0.016	0.019				0.019
0.174		0.174			0.491		0.491		
0.479		0.479			0.560		0.560		
0.678				0.678	0.969				0.969
0.309		0.309			0.371		0.371		
0.167				0.167	0.189				0.189
0.020				0.020	0.034				0.034
0.001				0.001	0.001				0.001
0.003				0.003	0.003				0.003
0.000				0.000	0.003				0.003
0.001				0.001	0.001				0.001
0.000				0.000	0.005				0.005
0.061				0.061	0.037				0.037
0.002				0.002	0.007				0.007
0.026				0.026	0.001				0.001
0.001		0.001			0.002		0.002		
0.305		0.305			0.490		0.490		
0.051		0.051			0.088		0.088		
0.000				0.000	0.000				0.000
0.002				0.002	0.007				0.007
0.808				0.808	0.106				0.106
0.034		0.034			0.036		0.036		
0.062				0.062	0.122				0.122
0.132				0.132	0.105				0.105
0.465				0.465	0.814				0.814
0.002		0.002			0.030		0.030		
0.000				0.000	0.000				0.000
0.566		0.566			1.384		1.384		
0.002				0.002	0.084				0.084
0.005				0.005	0.001				0.001
0.071				0.071	0.146				0.146
0.000				0.000	0.001				0.001
6.791		3.766	0.000	2.953	12.258		8.774	0.000	3.484

Standard Mail (A) Nonprofit (13)—(A) NPRF/OTH				
Cost w/ USPS Meth.	Cost w/ PRC Meth.	Worksharing-Related (Proportional)	Worksharing-Related (Fixed)	Net Worksharing-Related (Fixed)
0.012				0.012
0.338				0.338
0.278				0.278
0.000				0.000
0.314		0.314		
0.124				0.124
0.000				0.000
0.000				0.000
3.686		3.686		
0.000				0.000
0.001				0.001
0.582		0.582		
0.003		0.003		
0.040				0.040
1.050		1.050		
0.145				0.145
0.003				0.003
0.002				0.002
0.000				0.000
0.006		0.006		
0.036				0.036
0.504		0.504		
0.525		0.525		
0.941				0.941
0.356		0.356		
0.202				0.202
0.036				0.036
0.002				0.002
0.001				0.001
0.000				0.000
0.006				0.006
0.001				0.001
0.040				0.040
0.017				0.017
0.001				0.001
0.000		0.000		
0.483		0.483		
0.080		0.080		
0.000				0.000
0.003				0.003
0.166				0.166
0.166		0.166		
0.130				0.130
0.112				0.112
0.461				0.461
0.033		0.033		
0.000				0.000
1.210		1.210		
0.082				0.082
0.010				0.010
0.106				0.106
0.000				0.000
12.261		8.983	0.000	3.278