

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
Docket No. R97-1

POSTAL RATE AND FEE CHANGES, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS DANIEL TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T29-1-3)

The United States Postal Service hereby provides responses of witness Daniel to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T29-1-3, filed on August 22, 1997.

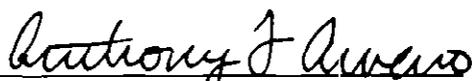
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Anthony F. Alverno

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September 5, 1997

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

**OCA/USPS-T29-1.** Please refer to USPS-29C. Please provide citations to page and line number for each of the footnotes in that exhibit. If you are referring to a spreadsheet, please provide the sheet name, row and column.

**RESPONSE:**

**USPS-29C Page 1 of 6 First-Class Unit Cost Estimates**

Mail Processing Costs

*Letters*

Single Piece	USPS LR-H-106 Page II-5, file name "CSTSHAPE.XLS" worksheet name "TY Lett Pgbk" Cell Reference "C59"
Bulk Metered	USPS LR-H-106 Page II-10, file name "CSTSHAPE.XLS" worksheet name "METER" Cell Reference "K60"
Presort	USPS-T-25 Exhibit USPS-25A page 1 of 3, file name "1C Pricing" worksheet name "Exhibit A 1" cell reference "F8"
Automation, Basic	USPS-T-25 Exhibit USPS-25A page 1 of 3, file name "1C Pricing" worksheet name "Exhibit A 1" cell reference "F9"
Automation, 3-Digit	USPS-T-25 Exhibit USPS-25A page 1 of 3, file name "1C Pricing" worksheet name "Exhibit A 1" cell reference "F10"
Automation, 5-Digit	USPS-T-25 Exhibit USPS-25A page 1 of 3, file name "1C Pricing" worksheet name "Exhibit A 1" cell reference "F11"
Automation, Carrier Route	USPS-T-25 Exhibit USPS-25A page 1 of 3, file name "1C Pricing" worksheet name "Exhibit A 1" cell reference "F13"

*Cards*

Single Piece	USPS LR-H-106 Page II-9, file name "CSTSHAPE.XLS" worksheet name "FCM Cards" Cell Reference "W38"
Presort	USPS-T-25 Exhibit USPS-25A page 1 of 3, file name "1C Pricing" worksheet name "Exhibit A 1" cell reference "F20"
Automation, Basic	USPS-T-25 Exhibit USPS-25A page 1 of 3, file name "1C Pricing" worksheet name "Exhibit A 1" cell reference "F21"
Automation, 3-Digit	USPS-T-25 Exhibit USPS-25A page 1 of 3, file name "1C Pricing" worksheet name "Exhibit A 1" cell reference "F22"
Automation, 5-Digit	USPS-T-25 Exhibit USPS-25A page 1 of 3, file name "1C Pricing" worksheet name "Exhibit A 1" cell reference "F23"
Automation, Carrier Route	USPS-T-25 Exhibit USPS-25A page 1 of 3, file name "1C Pricing" worksheet name "Exhibit A 1" cell reference "F25"

*Flats and Parcels*

Single Piece	The formula for calculating this weighted average uses the cost from USPS LR-H-106 Page III-5, file name
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**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

	“CSTSHAPE. XLS” worksheet name “TY Flats Pgbk” Cell Reference “C59” times the volume in cell “C62” plus the cost from Page IV-5, worksheet name “TY Parcel Pgbk” cell “C59” times the volume in cell “C62.”
Presort	USPS-T-26 page 5 Table III-1 First-Class Flats Volume Variable Mail Processing Costs line 3
Automation, Basic	USPS-T-26 page 5 Table III-1 First-Class Flats Volume Variable Mail Processing Costs line 1
Automation, 3/5-Digit	USPS-T-26 page 5 Table III-1 First-Class Flats Volume Variable Mail Processing Costs line 2

Delivery Costs (some number are slightly different - a corrected page will be filed)

*Letters*

Single Piece	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR. WK3” worksheet name “O” Cell Reference “I12”
Bulk Metered	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR.WK3” worksheet name “O” Cell Reference “I16”
Presort	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR.WK3” worksheet name “O” Cell Reference “I16”
Automation, Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR.WK3” worksheet name “O” Cell Reference “I21”
Automation, 3-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR.WK3” worksheet name “O” Cell Reference “I27”
Automation, 5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR.WK3” worksheet name “O” Cell Reference “I31”
Automation, Carrier Route	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR.WK3” worksheet name “O” Cell Reference “I35”

*Cards*

Single Piece	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR.WK3” worksheet name “O” Cell Reference “I14”
Presort	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR.WK3” worksheet name “O” Cell Reference “I18”
Automation, Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR.WK3” worksheet name “O” Cell Reference “I25”
Automation, 3-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR.WK3” worksheet name “O” Cell Reference “I29”
Automation, 5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR.WK3” worksheet name “O” Cell Reference “I33”
Automation, Carrier Route	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename “DISAGRR.WK3” worksheet name “O” Cell Reference “I37”

*Flats and Parcels*

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

Single Piece	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I12"
Presort	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I23"
Automation, Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I23"
Automation, 3/5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I23"

**USPS-29C Page 2 of 6 Standard Regular & ECR Unit Cost Estimates (for discounts)**

Mail Processing Costs

*Letters Regular*

Basic	USPS-T-29 Exhibit USPS-29A page 1 of 1 filename "APP1_RR.XLS" worksheet name "Summary" Cell Reference "I15"
3/5-Digit	USPS-T-29 Exhibit USPS-29A page 1 of 1 filename "APP1_RR.XLS" worksheet name "Summary" Cell Reference "I20"
Automation Basic	USPS-T-29 Exhibit USPS-29A page 1 of 1 filename "APP1_RR.XLS" worksheet name "Summary" Cell Reference "I6"
Automation 3-Digit	USPS-T-29 Exhibit USPS-29A page 1 of 1 filename "APP1_RR.XLS" worksheet name "Summary" Cell Reference "I8"
Automation 5-Digit	USPS-T-29 Exhibit USPS-29A page 1 of 1 filename "APP1_RR.XLS" worksheet name "Summary" Cell Reference "I10"

*Letters Enhanced Carrier Route*

Automation Basic	Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD RR MIG'!H18 plus Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR Drpshp Adj"!G17"
Basic	Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD RR MIG'!H19 plus Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR Drpshp Adj"!G17"
High Density	Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD RR MIG'!H20 plus Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR Drpshp Adj"!G18"
Saturation	Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD RR MIG'!H21 plus Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR Drpshp Adj"!G18"

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

*Flats or Nonletters Regular*

Basic	USPS-T-26 Page 8 Table III-4 Standard Mail (A) Regular Flats Unit Volume Variable Mail Processing Costs Row 7
3/5-Digit	USPS-T-26 Page 8 Table III-4 Standard Mail (A) Regular Flats Unit Volume Variable Mail Processing Costs Row 8
Automation Basic	USPS-T-26 Page 8 Table III-4 Standard Mail (A) Regular Flats Unit Volume Variable Mail Processing Costs Row 5
Automation 3/5-Digit	USPS-T-26 Page 8 Table III-4 Standard Mail (A) Regular Flats Unit Volume Variable Mail Processing Costs Row 6

*Flats or Nonletters Enhanced Carrier Route*

Basic	Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD RR MIG'!H34 plus Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR Drpshp Adj"!G29"
High Density	Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD RR MIG'!H35 plus Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR Drpshp Adj"!G30"
Saturation	Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD RR MIG'!H36 plus Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR Drpshp Adj"!G30"

Delivery (some numbers are slightly different - a corrected page will be filed)

*Letters Regular*

Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGR.R.WK3" worksheet name "O" Cell Reference "I95"
3/5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGR.R.WK3" worksheet name "O" Cell Reference "I97"
Automation Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGR.R.WK3" worksheet name "O" Cell Reference "I69"
Automation 3-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGR.R.WK3" worksheet name "O" Cell Reference "I73"
Automation 5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGR.R.WK3" worksheet name "O" Cell Reference "I77"

*Letters Enhanced Carrier Route*

Automation Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGR.R.WK3" worksheet name "O" Cell Reference "I79"
Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGR.R.WK3" worksheet name "O" Cell Reference "I82"
High Density	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGR.R.WK3" worksheet name "O" Cell Reference "I86"
Saturation	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

"DISAGRR.WK3" worksheet name "O" Cell Reference "I90"

*Flats or Nonletters Regular*

Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I99"
3/5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I99"
Automation Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I70"
Automation 3/5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I75"

*Flats or Nonletters Enhanced Carrier Route*

Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I84"
High Density	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I88"
Saturation	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I92"

**USPS-29C Page 3 of 6 Standard Regular & ECR Unit Cost Estimates (for  
Migrating Mail)**

Mail Processing Costs

*Letters Regular*

Automation Basic	USPS-T-29 Exhibit USPS-29A page 1 of 1 filename "APP1_RR.XLS" worksheet name "Summary" Cell Reference "I6"
Automation 3-Digit	USPS-T-29 Exhibit USPS-29A page 1 of 1 filename "APP1_RR.XLS" worksheet name "Summary" Cell Reference "I8"
Automation 5-Digit	USPS-T-29 Exhibit USPS-29A page 1 of 1 filename "APP1_RR.XLS" worksheet name "Summary" Cell Reference "I10"
100% DBCS dropship like ECR	Total mail processing model costs from USPS-T-29 Appendix I page 7 (3.372) minus the figure in Exhibit USPS-29D file name "USPS29D.XLS" worksheet and cell "RR Migration!G20."
Basic	USPS-T-29 Exhibit USPS-29A page 1 of 1 filename "APP1_RR.XLS" worksheet name "Summary" Cell Reference "I15"
3/5-Digit	USPS-T-29 Exhibit USPS-29A page 1 of 1 filename "APP1_RR.XLS" worksheet name "Summary" Cell Reference "I20"

*Letters Enhanced Carrier Route*

Automation Basic	Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR TY!M7"
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**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

Basic	Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR TY!M8"
High Density	Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR TY!M9"
Saturation	Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR TY!M10"

*Flats or Nonletters Regular*

Automation Basic	USPS-T-26 Page 8 Table III-4 Standard Mail (A) Regular Flats Unit Volume Variable Mail Processing Costs Row 1
Automation 3/5-Digit	USPS-T-26 Page 8 Table III-4 Standard Mail (A) Regular Flats Unit Volume Variable Mail Processing Costs Row 2
Basic	USPS-T-26 Page 8 Table III-4 Standard Mail (A) Regular Flats Unit Volume Variable Mail Processing Costs Row 3
3/5-Digit	USPS-T-26 Page 8 Table III-4 Standard Mail (A) Regular Flats Unit Volume Variable Mail Processing Costs Row 4

*Flats or Nonletters Enhanced Carrier Route*

Basic	Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR TY!M12"
High Density	Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR TY!M13"
Saturation	Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "RR ECR TY!M14"

Delivery (some numbers are slightly different - a corrected page will be filed)

*Letters Regular*

Automation Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I69"
Automation 3-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I73"
Automation 5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I77"
100% DBCS dropship like ECR	USPS-T-29 Appendix I page 7 filename "APPI_RR.XLS" worksheet name "Automation 5-Digit 100% DBCS Costs" cell reference "C53"
Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I95"
3/5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I97"

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

*Letters Enhanced Carrier Route*

Automation Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I79"
Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I82"
High Density	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I86"
Saturation	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I90"

*Flats or Nonletters Regular*

Automation Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I70"
Automation 3/5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I75"
Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I99"
3/5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I99"

*Flats or Nonletters Enhanced Carrier Route*

Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I84"
High Density	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I88"
Saturation	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGRR.WK3" worksheet name "O" Cell Reference "I92"

Transportation      The figures in footnote 5 are from USPS-29C Page 6 of 6 filename  
"USPS29C.XLS" worksheet "Other" cell reference "L10" times 100  
plus "L11" times 100 divided by the sum of cell reference "E10" and  
"E11"

Other                      The figures in footnote 6 are from USPS-29C Page 6 of 6 filename  
"USPS29C.XLS" worksheet "Other" cell reference "M10" times 100  
plus "M11" times 100 divided by the sum of cell reference "E10"  
and "E11"

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

**USPS-29C Page 4 of 6 Standard Nonprofit & NPECR Unit Cost Estimates (for discounts)**

Mail Processing Costs

*Letters Nonprofit*

Basic	USPS-T-29 Exhibit USPS-29B page 1 of 1 filename "APIII_NP.XLS" worksheet name "Summary" Cell Reference "I15"
3/5-Digit	USPS-T-29 Exhibit USPS-29B page 1 of 1 filename "APIII_NP.XLS" worksheet name "Summary" Cell Reference "I20"
Automation Basic	USPS-T-29 Exhibit USPS-29B page 1 of 1 filename "APIII_NP.XLS" worksheet name "Summary" Cell Reference "I6"
Automation 3-Digit	USPS-T-29 Exhibit USPS-29B page 1 of 1 filename "APIII_NP.XLS" worksheet name "Summary" Cell Reference "I8"
Automation 5-Digit	USPS-T-29 Exhibit USPS-29B page 1 of 1 filename "APIII_NP.XLS" worksheet name "Summary" Cell Reference "I10"

*Letters NP Enhanced Carrier Route*

Automation Basic	Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD NP MIG'!H18 plus Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "NP ECR Drpshp Adj"!G17"
Basic	Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD NP MIG'!H19 plus Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "NP ECR Drpshp Adj"!G17"
High Density	Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD NP MIG'!H20 plus Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "NP ECR Drpshp Adj"!G18"
Saturation	Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD NP MIG'!H21 plus Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "NP ECR Drpshp Adj"!G18"

*Flats or Nonletters Nonprofit*

Basic	USPS-T-26 Page 9 Table III-5 Standard Mail (A) Nonprofit Flats Unit Volume Variable Mail Processing Costs Row 7
3/5-Digit	USPS-T-26 Page 9 Table III-5 Standard Mail (A) Nonprofit Flats Unit Volume Variable Mail Processing Costs Row 8
Automation Basic	USPS-T-26 Page 9 Table III-5 Standard Mail (A) Nonprofit Flats Unit Volume Variable Mail Processing Costs Row 5
Automation 3/5-Digit	USPS-T-26 Page 9 Table III-5 Standard Mail (A) Nonprofit Flats Unit Volume Variable Mail Processing Costs Row 6

*Flats or Nonletters NP Enhanced Carrier Route*

Basic	Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD NP MIG'!H34 plus Exhibit USPS-29D filename
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**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

High Density	"USPS29D.XLS" worksheet and cell "NP ECR Drpshp Adj!G29" Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD NP MIG!H35 plus Exhibit USPS-29D filename
Saturation	"USPS29D.XLS" worksheet and cell "NP ECR Drpshp Adj!G30" Formula using figures from Exhibit USPS-29C worksheet and cell 'STANDARD NP MIG!H36 plus Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "NP ECR Drpshp Adj!G30"

Delivery (some numbers are slightly different - a corrected page will be filed)

*Letters Nonprofit*

Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I38"
3/5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I40"
Automation Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I12"
Automation 3-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I16"
Automation 5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I20"

*Letters Nonprofit Enhanced Carrier Route*

Automation Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I22"
Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I25"
High Density	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I29"
Saturation	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I33"

*Flats or Nonletters Nonprofit*

Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I42"
3/5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I42"
Automation Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I14"
Automation 3/5-Digit	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I18"

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

*Flats or Nonletters NP Enhanced Carrier Route*

Basic	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I27"
High Density	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I31"
Saturation	USPS-T-18 Exhibit USPS-18A page 6 of 6 filename "DISAGNP.WK3" worksheet name "I" Cell Reference "I35"

**USPS-29C Page 5 of 6 Standard Nonprofit & NPECR Unit Cost Estimates (for  
Migrating Mail)**

Mail Processing Costs

*Letters Nonprofit*

Basic	USPS-T-29 Exhibit USPS-29B page 1 of 1 filename "APP1_NP.XLS" worksheet name "Summary" Cell Reference "I15"
3/5-Digit	USPS-T-29 Exhibit USPS-29B page 1 of 1 filename "APP1_NP.XLS" worksheet name "Summary" Cell Reference "I20"
Automation Basic	USPS-T-29 Exhibit USPS-29B page 1 of 1 filename "APP1_NP.XLS" worksheet name "Summary" Cell Reference "I6"
Automation 3-Digit	USPS-T-29 Exhibit USPS-29B page 1 of 1 filename "APP1_NP.XLS" worksheet name "Summary" Cell Reference "I8"
Automation 5-Digit	USPS-T-29 Exhibit USPS-29B page 1 of 1 filename "APP1_NP.XLS" worksheet name "Summary" Cell Reference "I10"

100% DBCS dropship like NPECR Total mail processing model costs from USPS-T-29 Appendix III page 7 (2.61) minus the figure in Exhibit USPS-29D file name "USPS29D.XLS" worksheet and cell "NP Migration"!G20."

*Letters NP Enhanced Carrier Route*

Automation Basic	Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "NP ECR TY"!M7"
Basic	Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "NP ECR TY"!M8"
High Density	Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "NP ECR TY"!M9"
Saturation	Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell "NP ECR TY"!M10"

*Flats or Nonletters Nonprofit*

Automation Basic	USPS-T-26 Page 9 Table III-5 Standard Mail (A) Nonprofit Flats Unit Volume Variable Mail Processing Costs Row 1
Automation 3/5-Digit	USPS-T-26 Page 9 Table III-5 Standard Mail (A) Nonprofit Flats Unit Volume Variable Mail Processing Costs Row 2

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
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Basic USPS-T-26 Page 9 Table III-5 Standard Mail (A) Nonprofit Flats  
Unit Volume Variable Mail Processing Costs Row 3  
3/5-Digit USPS-T-26 Page 9 Table III-5 Standard Mail (A) Nonprofit Flats  
Unit Volume Variable Mail Processing Costs Row 4

*Flats or Nonletters NP Enhanced Carrier Route*

Basic Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell  
"NP ECR TY!M12"  
High Density Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell  
"NP ECR TY!M13"  
Saturation Exhibit USPS-29D filename "USPS29D.XLS" worksheet and cell  
"NP ECR TY!M14"

Delivery (some numbers are slightly different - a corrected page will be filed)

*Letters Nonprofit*

Basic USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "I95"  
3/5-Digit USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "I97"  
Automation Basic USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "I69"  
Automation 3-Digit USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "I73"  
Automation 5-Digit USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "I77"  
100% DBCS dropship like ECR USPS-T-29 Appendix III page 7 filename "APIII\_NP.XLS"  
worksheet name "Automation 5-Digit 100% DBCS Costs" cell  
reference "C53"

*Letters NP Enhanced Carrier Route*

Automation Basic USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "I79"  
Basic USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "I82"  
High Density USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "I86"  
Saturation USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "I90"

*Flats or Nonletters Nonprofit*

Basic USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "I99"

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
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3/5-Digit USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "199"  
Automation Basic USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "170"  
Automation 3/5-Digit USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "175"

*Flats or Nonletters NP Enhanced Carrier Route*

Basic USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "184"  
High Density USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "188"  
Saturation USPS-T-18 Exhibit USPS-18A page 6 of 6 filename  
"DISAGRR.WK3" worksheet name "O" Cell Reference "192"

Transportation The figures in footnote 5 are from USPS-29C Page 6 of 6 filename  
"USPS29C.XLS" worksheet "Other" cell reference "L13" times 100  
plus "L14" times 100 divided by the sum of cell reference "E13" and  
"E14"

Other The figures in footnote 6 should be from USPS-29C Page 6 of 6  
filename "USPS29C.XLS" worksheet "Other" cell reference "M13"  
times 100 plus "M14" times 100 divided by the sum of cell  
reference "E13" and "E14" (see response to ANM/USPS-T29-6)

**USPS-29C Page 6 of 6 Development of "Other" Costs**

Total Attributable Costs [1] Exhibit USPS-15F "FINAL ADJUSTMENTS TEST  
YEAR 1998 CURRENT RATES WITH WORKYEAR  
MIX ADJUSTMENT" Page 1, Column 3, Rows 16,  
15, 19 and 18

Volumes [2] Exhibit USPS-15G "COST AND REVENUE  
ANALYSIS TEST YEAR 1998 CURRENT RATES  
WITH WORKYEAR MIX ADJUSTMENT" Page 18,  
Columns 3 and 2, Row 7 and Page 19 Columns 3  
and 2, Row 7

Mail Processing Direct Labor [3] Exhibit USPS-15E "COST SEGMENTS AND  
COMPONENTS TEST YEAR 1998 CURRENT  
RATES WITH WORKYEAR MIX ADJUSTMENT"  
Page 19, Column 1, Rows 16, 15, 19 and 18

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
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Mail Processing Piggyback [4] USPS LR-H-77 Page 41 lines 18, 17, 21, and 20.

Delivery C/S 6&7 [5] Exhibit USPS-15E "COST SEGMENTS AND  
COMPONENTS TEST YEAR 1998 CURRENT  
RATES WITH WORKYEAR MIX ADJUSTMENT"  
Page 1, Column 5, Rows 16, 15, 19 and 18

Delivery Piggyback [6] USPS LR-H-77 Page 87 lines 18, 17, 21, and 20.

Delivery C/S 10 [7] Exhibit USPS-15E "COST SEGMENTS AND  
COMPONENTS TEST YEAR 1998 CURRENT  
RATES WITH WORKYEAR MIX ADJUSTMENT"  
Page 3, Column 2, Rows 16, 15, 19 and 18

Delivery Piggyback [8] USPS LR-H-77 Page 138 lines 18, 17, 21, and 20.

Transportation [9] Exhibit USPS-15E "COST SEGMENTS AND  
COMPONENTS TEST YEAR 1998 CURRENT  
RATES WITH WORKYEAR MIX ADJUSTMENT"  
Page 3, Column 6, Rows 16, 15, 19 and 18

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
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**OCA/USPS-T29-2.** Please refer to Appendices I and III, page 43, footnotes 1-4.

- a. Please confirm that in each formula in footnotes 2 - 4 the operation should be division and not multiplication. If you do not confirm, please explain fully.
- b. Please fully define the term "Realization Factor" and explain its significance to your analysis. What is the economic interpretation of this term?
- c. Please provide the sources for the "Realization Factor" of 85 percent and each of the "Volume Variability" figures in the footnotes.
- d. Would substitution of 100 for each of the volume variability figures on those pages result in unit cost estimates comparable to those obtained in MC95-1. Please explain fully.

**RESPONSE:**

- a. Confirmed.
- b-c. The term "Realization Factor" was used in this instance to convey that an adjustment had been made. The underlying reason for the adjustment is described in Witness Hatfield's testimony on page 9 of Appendix I lines 3-6. The source of the "volume variability" figures is USPS-T-12, Table 4.
- d. Substitution of 100 percent, or one, for each of the volume variability figure would result in the same *productivity* used in Docket No. MC95-1, but the change in these variabilities alone would not result in unit cost estimates directly comparable to those obtained in MC95-1 because many other factors have changed (for instance volume variable percentages different from one have been used for the other productivities as well). There also have been other changes in methodology since MC95-1. Please see my responses to ANM/USPS-T29-10 - 11.

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
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**OCA/USPS-T29-3.** Please refer to your exhibits 29A and 29B, page 2.

- a. Please define fully the terms "Total," "Proportional," and "Fixed."
- b. Please provide the citations to spreadsheet title, column, and row of Library Reference H-106 for each of the numbers on these pages. If these numbers are calculated, please show all calculations.

**RESPONSE:**

- a. "Total" includes the costs for each of the CRA cost pools found in LR-H-106. "Proportional" includes those cost pools which have been deemed related to presort and prebarcoding (worksharing) activities. "Fixed" includes those cost pools which are not expected to vary with prebarcoding or presorting. As an equation, "Total" = "Proportional" + "Fixed".
- b. The source of the figures in USPS LR-H-106 is the file entitled "CSTSHAPE.XLS" worksheet entitled "TY Lett Pgbk" column J for Regular (Exhibit USPS-29A) and L for nonprofit (Exhibit USPS-29B), rows 9-59. The figures reported in Exhibits USPS-29A and USPS-29B, however, differ slightly from those reported in USPS LR-H-106. A correction to my exhibits will be filed.

**DECLARATION**

I, Sharon Daniel, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
SHARON DANIEL

Dated: September 5, 1997

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

  
Anthony F. Alverno

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
September 5, 1997