

**ORIGINAL**

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF NASHUA PHOTO, INC., MYSTIC COLOR LAB, AND  
SEATTLE FILM WORKS, INC.  
(NMS/USPS-77-82)

The United States Postal Service hereby provides responses to the following interrogatories of Nashua Photo, Inc., Mystic Color Lab, and Seattle Film Works, Inc.: NMS/USPS-77-82, filed on September 17, 1996.

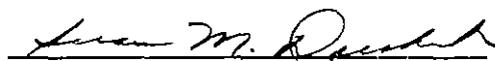
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

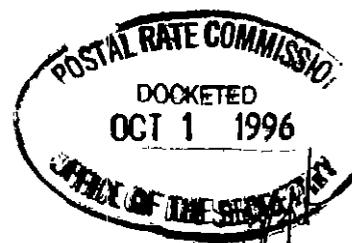
UNITED STATES POSTAL SERVICE

By its attorneys:

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October 1, 1996



RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATIVES OF NASHUA PHOTO INC., MYSTIC COLOR LAB,  
AND SEATTLE FILM WORKS, INC.

NMS/USPS-77  
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**NMS/USPS-77.** For Base Year 1995, what is the average annual salary of a clerk/mailhandler:

- a. without fringe benefits?
- b. including all fringe benefits?

**NMS/USPS-77 RESPONSE:**

a. For Base Year 1995, the average annual salary (per workyear) of a clerk/mailhandler, without fringe benefits was \$35,442.71. This figure excludes costs for benefits, travel and relocation for accounts shown in Library Reference SSR-11, Section IIc, Base Year Personnel Costs, Worksheet Seg 3.

b. For Base Year 1995, the average annual personnel cost of a clerk/mailhandler, including fringe benefits, travel, and relocation was \$42,833.94. This amount includes salary, benefits, travel and relocation costs shown in Library Reference SSR-11, Section IIc, Base Year Personnel Costs, Worksheet Seg 3. The calculation of this figure can be found in Library Reference SSR-11, Section IIg, Personnel Cost Level Factor Calculations, Worksheet Average Annual Salaries. This amount excludes Corporate-wide personnel costs shown in Library Reference SSR-11, Section IIc, Base Year Personnel Costs, Worksheet Seg 18. These Corporate-wide costs are not distributed to individual cost segments.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
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NMS/USPS-78  
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Personnel Cost Level Factor Calculations, Worksheet Average Annual Salaries. This amount excludes Corporate-wide personnel costs shown in Library Reference SSR-11, Section IIc, Base Year Personnel Costs, Worksheet Seg 18. These Corporate-wide costs are not distributed to individual cost segments.

For information on Test Year 1996 assumptions on the various components of salary and benefits and how they differ from Base Year 1995, please see Library Reference SSR-11, Section IIc, Unit Cost Calculations, Section IIe, Unit Cost Summaries, Section IIh, Rollups & Unit Cost Adjustments and Sections IIIb. and IIIc., Workyear Mix Adjustment Calculations. .

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**NMS/USPS-78.** For Test Year 1996, what is the average salary of a clerk/mailhandler that is assumed in exhibit USPS-T-5H:

- a. without fringe benefits?
- b. including fringe benefits?

To the extent that Test Year assumptions for various components of the pay package (e.g., overtime, holiday leave, repriced annual leave, etc.) differ from the actual outcome in 1995, please indicate those assumptions and how they differ from actual experience in Base Year 1995.

**NMS/USPS-78 RESPONSE:**

a. For Test Year 1996, the average annual salary (per workyear) of a clerk/mailhandler, without fringe benefits was estimated to be \$35,635.85. This figure excludes costs for benefits, travel and relocation for accounts shown in Library Reference SSR-11, Section IIc, Base Year Personnel Costs, Worksheet Seg 3.

b. For Test Year 1996, the average annual personnel cost of a clerk/mailhandler, including fringe benefits was estimated to be \$43,297.62. This amount includes salary, benefits, travel and relocation costs for accounts shown in Library Reference SSR-11, Section IIc, Base Year Personnel Costs, Worksheet Seg 3. The calculation of this figure can be found in Library Reference SSR-11, Section IIg,

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
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NMS/USPS-79

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**NMS/USPS-79.**

- a. For a clerk/mailhandler, what was the average number of productive hours worked in Base Year 1995?
- b. For a clerk/mailhandler, (1) what was the average productive hourly wage rate in Base Year 1995, and (2) what is the projected average productive hourly wage rate in test year 1996?

**NMS/USPS-79 RESPONSE:**

- a. As reflected in Chapter III.d., page 140 of Library Reference SSR-11, the average number of productive hours worked per workyear by a clerk/mailhandler during FY 1995 was 1,796.
- b. As reflected in Chapter II.j., page 112 of Library Reference SSR-11, the average clerk/mailhandler productive hourly rate for FY 1995 was \$23.8496. The projected rate for the test year is \$23.939 on a before rates basis, and \$23.952 on an after rates basis.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
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NMS/USPS-80.

For Base Year 1995, what is the appropriate piggyback factor to apply to the salary of a mail clerk assigned full-time to a plant-load facility?

NMS/USPS-80 Response:

If "plant-load facility" means detached mail unit at the mailer's plant, then the answer is that we do not have a specific piggyback factor for this. The closest available piggyback factor is the Bulk Mail Acceptance Unit piggyback factor of 1.717276 from USPS LR-MCR-9, page II-2, from Docket No. MC95-1. A special study would be needed to develop the piggyback factor for clerks at a detached mail unit. Also, depending on the activities to which the piggyback factor would apply, other possible piggyback factors are Platform-BMC or Platform-Non-BMC which are 1.979788 and 1.916132, respectively.

Answer of United States Postal Service to  
Interrogatories of  
Nashua Photo Inc., Mystic Color Lab,  
and Seattle Filmworks Inc.

NMS/USPS-81.

Please provide a responsive answer to NM/USPS-1(c)(ii). That is, please indicate specifically where within the JCRA revenues derived from the fee for merchandise return services are reported. For base year 1995, please indicate whether such fees were part of third-class regular rate mail, fourth-class parcel post, fourth-class special rate, or fourth-class bound printed matter.

NMS/USPS-81 Response.

The revenues in the 1993 CRA that were derived from fees for merchandise return services were reported with the revenue for the class of mail associated with the return service. For example, if the piece of mail was First Class, the fee for the merchandise return service would have been reported as First Class revenue. For base year 1995, such fees were reported as revenue for the following classes: First Class, Priority, third-class, and fourth-class.

Answer of United States Postal Service to  
Interrogatories of  
Nashua Photo Inc., Mystic Color Lab  
and Seattle Filmworks Inc.

NMS/USPS-82.

The response to NM/USPS-3 states:

For instance, the 130,358 for return receipts and the 7,472 for restricted delivery are included in the special service that caused their existence; for example, the return receipts associated with certified mail are in the certified revenue.

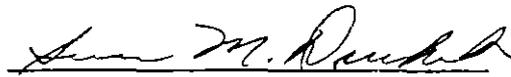
Please refer to the attachment to NM/USPS-1 and note that the \$130,358(000) is for **registry, not return receipts**. Please clarify the response. Was the intent to say that revenues from **registry** are included elsewhere, or was the intent to say that the \$186,938(000) of revenues for **return receipts** are included in the certified mail revenue of \$414,999(000)?

NMS/USPS-82 Response.

The intent of the response was to state that the 186,938 for return receipts and the 7,472 for restricted delivery are included in the special service that caused their existence. Thus, the total revenue of 194,410 from return receipts and restricted delivery are included in the registry, certified and insured special service amounts.

**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.

A handwritten signature in cursive script, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
October 1, 1996