

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

RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF NASHUA/MYSTIC/SEATTLE  
(NMS/USPS-93-98)

The United States Postal Service hereby provides responses to the following  
interrogatories of Nashua/Mystic/Seattle, filed on November 15, 1996:

NM/USPS-93 through 98.

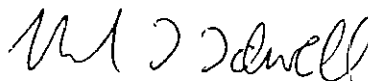
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



Michael T Tidwell

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November 29, 1996



NMS/USPS-93.

- (a) Based on the results of your recent surveys/studies and the best information available to the Postal Service, please provide your best estimate for the Base Year of:
  - (i) the number of mailers that have "reverse manifest" systems approved by the Postal Service for estimating BRM postage and fees;
  - (ii) the lines of business of these mailers;
  - (iii) the number of postal facilities that administer these "reverse manifest" agreements; and
  - (iv) the percentage of all BRM for which "reverse manifest" systems are used to compute postage and fees due on BRM.
- (b) See the Postal Service's response to NM-USPS-27, and please identify the "customers," "plants" and "agreements" referenced therein.

RESPONSE:

(a) & (b)

The Postal Service does not maintain a centralized directory of customers or postal plants which have entered into agreements for alternative BRM accounting methods, such as reverse manifests and weight averaging. Review of the response to NM/USPS-27 suggests that the reference to "reverse manifest procedures" should read "reverse manifest and weight averaging procedures". The Postal Service, as part of the ongoing internal management review of non-letter size BRM, has begun customer research which is expected to identify mailers and postal facilities which have made such alternate arrangements. The only BRM recipient

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(RESPONSE to NMS/USPS-93 continued)

currently known to the task force to employ the reverse manifest method is Nashua. It is expected that the survey will identify many more weight averaging arrangements than reverse manifest arrangements.

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NMS/USPS-94.

Based on the results of your recent surveys/studies and the best information available to the Postal Service, please provide the Postal Service's best estimate for the Base Year of:

- (i) the number of mailers for which "weight conversion" or weight averaging is used to compute postage and fees due on BRM mail;
- (ii) the lines of business of these mailers;
- (iii) the number of postal facilities that administer these "weight conversion" weight averaging systems; and
- (iv) the percentage of all BRM for which "weight conversion" or weight averaging is used to compute postage and fees due on BRM in the Base Year.

RESPONSE:

See the response to NMS/USPS-93. The use of weight averaging for Business Reply Mail accounting has been a decision made by local post offices. The Postal Service does not maintain any centralized records which contain information which would indicate the number of BRM recipients for whom weight averaging is employed or their lines of business. The Postal Service does not know the number of facilities at which weight averaging is utilized. Nor does it know the percentage of BRM for which weight averaging is employed. The Business Reply Mail task force has only recently begun to survey the Postal Service's thousands of Business Reply Mail recipients to collect information of the type sought by this interrogatory. The task force intends to conduct market research which could provide information responsive to these interrogatories.

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NMS/USPS-95.

Please provide as a library reference a copy of all data and surveys (including but not limited to plants, accounts, customers, volume received, seasonality of volume flows and usage) pertaining to Business Reply Mail completed thus far during 1996. For such information as is proprietary/confidential, please provide this information pursuant to a non-disclosure agreement.

RESPONSE:

See the response to NMS/USPS-96.

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NMS/USPS-96.

- (a) Please identify all cost studies pertaining to Business Reply Mail, including BRMAS, which have been undertaken, but which are not yet completed, along with target completion dates.
- (b) Please identify all cost studies pertaining to Business Reply Mail, including BRMAS, which have been undertaken and completed thus far during 1996, and provide as a library reference copies of such studies.

RESPONSE:

The Postal Service has undertaken a limited cost study pertaining to non-letter size BRM received by Nashua, Mystic, and Seattle. That study has not been completed, but is expected to be completed by the end of the calendar year.

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NMS/USPS-97.

Based on the results of your recent studies and the best information available to the Postal Service, what is the Postal Service's best estimate of the average unit cost both in Base Year 1996 and Test Year 1996 to process: (i) BRMAS mail on automation; (ii) individual pieces of BRM manually; and (iii) individual pieces of BRMAS manually?

RESPONSE:

The study described in response to NMS/USPS-97 does not address the cost of (i) BRMAS accounted for on automation, (ii) other than non-letter size BRM received by Nashua/Mystic/Seattle, individual pieces of BRM accounted for manually; or (iii) individual pieces of BRMAS accounted for manually.

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NMS/USPS-98.

Please provide any supplemental or revised information learned or generated since responses were previously filed by the Postal Service that would be responsive to all Nashua/Mystic and Nashua/Mystic/Seattle Interrogatories, specifically including NM/USPS-28, 29, 30, 32, 33 and 35.

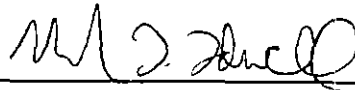
RESPONSE:

The Postal Service has filed revised responses to NM/USPS-8 and 27 today. Except insofar as the responses to NMS/USPS-93, 94, or 95 may be deemed to do so, the Postal Service presently has no basis for supplementing its responses to NM/USPS-28, 29, 30, 32, 33, or 35. The Postal Service is mindful of its obligation to seasonably amend previously filed responses and will do so as circumstances require.



## 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 black ink, appearing to read "Michael T Tidwell", written over a horizontal line.

Michael T Tidwell

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