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

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS DEGEN TO INTERROGATORIES OF
THE DIRECT MARKETING ASSOCIATION, INC.
(DMA/USPS-T16-1-3)

The United States Postal Service hereby provides the responses of witness Degen to the following interrogatories of the Direct Marketing Association, Inc.: DMA/USPS-T16-1-3, filed on February 14, 2000.

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



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February 28, 2000

Interrogatories of Direct Marketing Association
To United States Postal Service Witness Degen

DMA/USPS-T16-1. Please refer to Appendix A of LR-I-115 and Table 8 on page 66 of your testimony.

- (a) Please confirm that the 1995 platform survey collected information about single-piece handlings and item handlings as well as information on container handlings. If not confirmed, please explain.
- (b) Individually for each shape of mail, please provide (using data from the 1995 platform study) a subclass profile of single pieces being handled at the platform. Please provide the profile in an electronic spreadsheet in a form similar to Table 8 of your testimony.
- (c) Individually for each item type, please provide a subclass profile (using data from the 1995 platform study) of single items being handled at the platform. Please provide the profile in an electronic spreadsheet in a form similar to Table 8 of your testimony.
- (d) Individually for each item type and mail shape, please provide a subclass profile (using data from the 1995 platform study) of items and loose pieces in identical containers being handled at the platform. Please provide the profile in an electronic spreadsheet in a form similar to Table 8 of your testimony.
- (e) Individually for each item type and mail shape, please provide a subclass profile (using data from the 1995 platform study) of items and loose pieces in non-identical containers being handled at the platform. Please provide the profile in an electronic spreadsheet in a form similar to Table 8 of your testimony.
- (f) What percentage of container tallies in the 1995 platform study was for identical containers?

DMA/USPS-T16-1 Response.

- (a) Confirmed.
- (b) See Spreadsheet 1b in LR-I-204.
- (c) See Spreadsheet 1c in LR-I-204.

Response of United States Postal Service Witness Degen
To Interrogatories of the Office of the Consumer Advocate

- (d) See Spreadsheet 1d in LR-I-204.
- (e) See Spreadsheet 1e in LR-I-204.
- (f) There were 719 container tallies of which 53 were for identical containers.
Identical containers represent 6% of the weighted container tallies.

Response of United States Postal Service Witness Degen
To Interrogatories of the Office of the Consumer Advocate

DMA/USPS-T16-2. Please refer to question 4a on page 8 of Appendix A of LR-I-115.

- (a) For tallies where the employee was working "inbound transportation", in what percentage of handling tallies was the mail or equipment being handled "staying within the operation"? In what percentage of handling tallies was the mail or equipment proceeding to another operation within the facility? Please provide an operation profile of where the mail or equipment is going after the handling.
- (b) For tallies where the employee was working "outbound transportation", in what percentage of handling tallies was the mail or equipment being handled coming from another operation within the facility? Please provide an operation profile of where the mail or equipment came from.

DMA/USPS-T16-2 Response.

- (a) There were 1004 tallies collected where mail or empty equipment were being "handled." Of those, 157 tallies were recorded for employees working inbound transportation and 164 tallies were recorded for employees working outbound transportation. The remaining tallies were not associated with a vehicle. For tallies where the employee was working "inbound transportation", 29% of the weighted handling tallies represented mail or equipment where the next operation recorded was "staying within the operation." For tallies where the employee was working "inbound transportation", 57% of weighted handling tallies represented mail or equipment where the next operation recorded was "another operation." For the remaining tallies where the employee was working "inbound transportation", the next operation was not recorded. A profile of the destination operation for employees working inbound transportation is provided in Spreadsheet 2a of LR-I-204.

Response of United States Postal Service Witness Degen
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- (b) Of the 164 handling tallies recorded for employees working outbound transportation, 41% of the weighted tallies represented mail from another operation within the facility. A profile of those prior operations in which the mail came from is provided in Spreadsheet 2b in LR-I-204.

Response of United States Postal Service Witness Degen
To Interrogatories of the Office of the Consumer Advocate

DMA/USPS-T16-3. Please refer to Table 8 on Page 66 of your testimony.

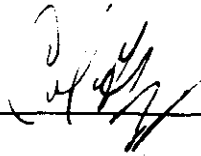
- (a) Were the percentages in the column labeled "FY95 Platform Study Distribution" developed using all container handling data from the platform study or just data for non-identical containers? If the figures were developed using data for all container handlings, please provide a revised version of Table 8 that is developed using only data for non-identical containers.
- (b) To develop the figures in the column labeled "FY95 IOCS Platform Dist. Key" did you use the same method as witness Van-Ty-Smith is using to develop a distribution key for identified containers at the MODS platform cost pool? If not, please describe in detail the method you used to develop the figures in the column labeled "FY95 IOCS Platform Dist. Key."

DMA/USPS-T16-3 Response.

- (a) The percentages in the column labeled "FY95 Platform Study Distribution" were developed using weighted data for all items in all of the container handling tallies collected from the platform study. A revised version of that column using only data for non-identical containers is provided in the Spreadsheet 3a in LR-I-204.
- (b) The percentages in the column labeled "FY95 IOCS Platform Dist. Key" were generated using the cost distribution methodology proposed in R97-1 (LR-H-146), which is similar to Witness Van-Ty-Smith's proposed methodology in R2000-1. Please refer to the testimonies of Witness Degen (USPS-T-16) in Section III, Part G and Witness Van-Ty-Smith (USPS-T-17) in Sections II.A and II.B for detailed descriptions of the differences between the R97-1 and R2000-1 cost distribution methodologies.

DECLARATION

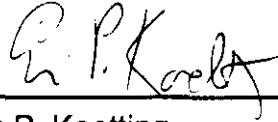
I, Carl G. Degen, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information and belief.



Dated: 2-28-00

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.



Eric P. Koetting

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