

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS HUNTER TO INTERROGATORIES OF  
THE NATIONAL NEWSPAPER ASSOCIATION  
(NNA/USPS-T5-12-25)  
(March 1, 2000)

The United States Postal Service hereby provides the responses of witness Hunter to the following interrogatories of the National Newspaper Association: NNA/USPS-T5-12-25, filed on February 16, 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

*K. N. Hollies*

Kenneth N. Hollies

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

**NNA/USPS-T5-12.** Please confirm that BRPW captures PERMIT-based office data by use of a sample of PERMIT-based post offices, rather than a total census of mailing statements from PERMIT offices. If your answer is negative, please explain the statements on p. 3 of your testimony, lines 4-5.

**RESPONSE.** Not confirmed. My testimony discusses a panel that includes in part the offices under the PERMIT System. All PERMIT System postage statements for the mail categories of interest are captured with certainty. See also USPS-LR-I-25/R2000-1, page 1.

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

**NNA/USPS-T5-13.** Please provide the sampling framework for the PERMIT offices.

- a. When was this sampling system first designed?
- b. When was it last updated?
- c. How frequently is it updated?

**RESPONSE.** The PERMIT System is not a sampling system. See the response to NNA/USPS-T5-12.

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

**NNA/USPS-T5-14.** Please answer the question with respect to volumes entered through additional entry offices.

- a. Are volumes recorded in PERMIT through the original entry office or the additional entry office, or neither or both?
- b. Is it possible for a mailing to escape PERMIT entry completely, either because of noncompliance with guidance given to post offices in use of PERMIT or through other human error?
- c. If your answer to b is no, please explain what mechanism or procedure in PERMIT avoids such error.

**RESPONSE.** This response is based on discussions with other postal officials since the premise for the question is not pertinent to my testimony.

- a. The volume is recorded through the additional entry office.
- b-c. The additional entry status of a mailing is irrelevant to the PERMIT System which does not and need not record that information in order to report volumes for the BRPW. Of importance to BRPW is where the postage is credited since this information determines where the volume information can be found. While at some theoretical level it must be possible for a mailing to escape being recorded, I understand there is no recognition that this occurs with any regularity (and it is possible it may not happen at all). The systemic, legal, and economic checks and incentives all work in the direction of assuring the proper entry of bulk mailings. The mailer (or agent) and the Postal Service must both account for and agree as to the applicable postage category, volume counts, and the tender/acceptance of funds via trust funds and postmaster accounts.

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

Noncompliance by a mailer risks loss of entry privileges, and civil or even criminal charges. A postal employee risks loss of livelihood, and civil or criminal penalties.

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

**NNA/USPS-T5-15.** Please answer the question with respect to volumes entered for authorized exceptional dispatch.

- a. Are volumes recorded in PERMIT through the original entry office or the exceptional dispatch office, or neither or both?
- b. Is it possible for an exceptional dispatch mailing to escape PERMIT entry completely, either because of noncompliance with guidance given to post offices in use of PERMIT or through other human error?
- c. If your answer to b is no, please explain what mechanism or procedure in PERMIT avoids such error.

**RESPONSE.** See the response to NNA/USPS-T5-14.

- a. The volume is recorded through the original entry office.
- b-c. The response to NNA/USPS-T5-14(b-c) pertaining to additional entry also applies to exceptional dispatch.

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

**NNA/USPS-T5-16.** Please answer the question with respect to non[-]automated offices whose volume and revenue data are gathered through a sampling system where additional entry is involved.

- a. Are volumes collected on mailing statements through the inclusion of the original entry office or the additional entry office, or neither or both?
- b. Is it possible for a mailing to escape sampling completely, either because of noncompliance with guidance given to post offices or through other human error?
- c. If your answer to b is no, please explain what mechanism or procedure in the sampling system avoids such error.

**RESPONSE.** See the response to NNA/USPS-T5-14.

- a. The volume is recorded through the office where it is entered into the mailstream.
- b-c. A clarification is necessary to respond to this interrogatory, since no sampling of mailings at the BRPW panel offices occurs; all mailings are recorded (see USPS-LR-I-26, page 1). The response to NNA/USPS-T5-14(b-c) pertaining to the PERMIT System's recordation of volume entered through additional entry offices also applies to non-automated offices.

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

**NNA/USPS-T5-17.** Please answer the question with respect to non[-]automated offices whose volume and revenue data are gathered through a sampling system where exceptional dispatch is involved.

- a. Are volumes collected on mailing statements through the inclusion of the original entry office or the exceptional dispatch office, or neither or both?
- b. Is it possible for a mailing to escape sampling completely, either because of noncompliance with guidance given to post offices or through other human error?
- c. If your answer to b is no, please explain what mechanism or procedure in the sampling system avoids such error.

**RESPONSE.** See the response to NNA/USPS-T5-14.

- a. The volume is recorded at the original entry office.
- b-c. The response to NNA/USPS-T5-15(b-c) pertaining to the PERMIT System's recordation of volume entered through exceptional dispatch offices also applies to non-automated offices. In addition, see the response to NNA/USPS-T5-16(b-c) pertaining to the clarification required to answer this interrogatory.



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

**NNA/USPS-T5-18.** If volumes entered in an entry office were authorized for exceptional dispatch, please explain how under both PERMIT and the non-automated sample how the BPRW would determine whether these volumes were eligible for the In-County rate.

**RESPONSE.** The BRPW does not determine eligibility for the In-County rate.

See also the response to NNA/USPS-T5-15.

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

**NNA/USPS-T5-19.** If a post office that formerly appeared in the non[-]automated sample migrates to the PERMIT system, is it replaced in the non[-]automated sample by another post office?

**RESPONSE.** No. A non-automated office may become automated upon its selection to the panel in order to ease the BRPW processing workload, or it may migrate naturally. In either case, the office is retained in the BRPW panel. This is discussed on page 3 of USPS-LR-I-25.

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-T5-22.** Please confirm that exceptional dispatch set up permits Postal Service to track how many copies the mailer intends to enter. If your answer is yes, please provide an estimate of the volumes of [I]n-[C]ounty mail entered for delivery through exceptional dispatch? [sic] If you cannot, please explain in detail why the data are not available.

**RESPONSE.** It is my understanding that this statement is true. See the response to NNA/USPS-T5-14. I am unable to provide an estimate of this intended or actual volume because this extraneous information is unnecessary to the construction of the BRPW volume estimates and is not routinely collected. See also the responses to NNA/USPS-T5-14 and NNA/USPS-T5-18.

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

**NNA/USPS-T5-23.** Please refer to LR I-44, the Periodicals System User Guide, Section 1.14. Explain what "marked copies" was intended for and why unavailable [sic].

**RESPONSE.** I understand that because the workscreen referenced in Section 1.14 appears not to be in current usage, the intent of the term "marked copies" is unknown.

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.

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

**NNA/USPS-T5-25.** Please confirm that sections 1.2 and 1.3 in LR I-44 direct the entry post office to set up screens listing additional entry offices as well as exceptional dispatch offices as appropriate for the periodical's intended distribution. If the steps required for additional entry differ from exceptional dispatch in any manner other than the setting up of a postage account and the collection of an entry fee, please explain them.

**RESPONSE.** Not confirmed. It is my understanding that these PERMIT System sections and their associated workscreens are appropriate only for the original entry office for the purposes of tracking other offices where the mail may be entered, and storage of data pertinent to the authorization. Neither workscreen will set up a postage account for other offices where the mail will be entered; this process is reserved for the Application/Additional Entry/Exceptional Dispatch workscreen shown in Section 1.1 of USPS-LR-I-44, and it must be performed at the office where the mail is to be entered.



DECLARATION

I, Herbert B. Hunter III, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.

  
Herbert B. Hunter III

Date: 3/1/20

## 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.

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