

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 CAMPBELL TO KEYSpan ENERGY  
INTERROGATORY KE/USPS-T29-18

The United States Postal Service hereby provides the response of witness Campbell to the following interrogatory of KeySpan Energy: KE/USPS-T29-18(b), filed on February 14, 2000.

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

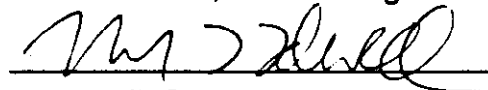
Interrogatory KE/USPS-T29-18 contains two parts, (a) and (b). Witness Campbell responded to part (a) on February 28th. That response is repeated here. For administrative convenience, the Commission and the parties should substitute the complete response (to parts (a) and (b)) filed today for the partial response (to part (a)) filed on February 28th.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



Michael T. Tidwell

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March 2, 2000

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
WITNESS CAMPBELL TO  
INTERROGATORY OF KEYSpan ENERGY**

**KE/USPS-T29-18.**

Please refer to LR-I-160, Section L, pp. 2 and 3, where you estimate unit costs for processing QBRM and handwritten letters through the incoming primary operation.

- (a) Please confirm that the unit costs to process QBRM and handwritten letters through the incoming primary operations are 1.5382 cents (.3693+.1578+.7602+.2509 cents) and .9576 cents (.1902+.1644+.4002+.2028 cents), respectively. If you cannot confirm, please provide the correct unit costs and an explanation of how they are derived.
- (b) Why do your analyses show that the costs to process handwritten letters are so much lower than costs to process QBRM letters in the incoming primary operations? In your answer, please explain why, compared to QBRM letters, so many handwritten letters can bypass this operation.

**RESPONSE:**

- (a) Confirmed.
- (b) Please examine the mail flow models for both handwritten and QBRM mail pieces (see USPS LR-I-160, Section L, pp. 4 and 5), in conjunction with the mail flow densities (see USPS LR-I-160, Section L, pp. 7 and 8). Please observe that handwritten mail pieces generally receive their first sortation in the outgoing RBCS operation. The assumed mail flow densities show about one-third of the handwritten mail pieces flowing to an incoming SCF/primary operation, about one-third flowing to an incoming secondary operation, and about 10 percent to a Managed Mail operation.

Next, please observe that QBRM pieces generally begin in the outgoing primary operation for their first sortation. The mail flow

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**(Response to KE/USPS-T29-18 continued)**

densities reveal that over half of these mail pieces flow directly to an incoming primary operation and about one-third to a managed mail operation. For many QBRM pieces (*i.e.*, larger accounts), the incoming primary operation is the last and final sortation. With over 85 percent of QBRM pieces receiving a sortation in the incoming primary and less than half of handwritten pieces receiving a sortation in the incoming primary, it is no wonder that the unit cost for QBRM pieces is higher than for handwritten pieces in the incoming primary operation.

**DECLARATION**


I, Chris F. Campbell, declare under penalty of perjury that the foregoing answers are true to the best of my knowledge, information and belief.

  
Chris F. Campbell

Dated: 3/2/00

**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.

  
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Michael T. Tidwell

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