

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

RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS CAMPBELL TO INTERROGATORIES OF
KEYSPAN ENERGY

The United States Postal Service hereby provides the response of witness Campbell to the following interrogatories of KeySpan Energy: KE/USPS-T29-23(a)-(i), filed on February 25, 2000.

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

An objection to subpart (j) of KE/USPS-T29-23 was filed on March 6, 2000.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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March 13, 2000

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KE/USPS-T29-23.

According to USPS witness Mayo, in the test year after rates the Postal Service expects to sort and count about 154 million QBRM letters to "high volume" recipients and about 306 million QBRM letters to "low volume" recipients. See USPS-T-39, WP-5. According to USPS witness Campbell, 45.9% will be distributed manually and 66.5% will be counted manually at 951 pieces per hour. See USPS LR-I-160, pages 2 and 3.

- (a) Please confirm that the Postal Service expects to hand count approximately 462 million pre-approved, prebarcoded automation-compatible QBRM letters in the test year. If you cannot confirm, please provide the correct number of pre-approved, prebarcoded automation-compatible QBRM letters the Postal Service expects to hand count in the test year, and provide copies of all source documents or references to relevant portions of the record.
- (b) Please confirm that the Postal Service expects to spend about 465,000 man-hours hand counting pre-approved, prebarcoded automation-compatible QBRM letters in the test year. $[462,000,000 / 951 = 485,804]$. If you cannot please provide the correct number of man-hours and provide copies of all source documents or references to the relevant portions of the record that were used to derive the number.
- (c) What is the productivity for manually distributing (and not counting) QBRM letters?
- (d) What is the productivity for manually counting (and not distributing) QBRM letters?
- (e) Please state at which of the following average daily volume levels (pieces per day) the Postal Service can be confident that an individual QBRM recipients reply letters will consistently receive some form of automated counting or bulk counting (such as weight conversion techniques) rather than manual counting in postal facilities where QBRM is processed:

- 1. 1000;
- 2. 1500;
- 3. 2000;
- 4. 2500;
- 5. 3000;
- 6. 3500;
- 7. 4000;
- 8. 4500;

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KE/USPS-T29-23 (continued)

- 9. 5000;
- 10. 5000+

- (f) How does the Postal Service categorize the processing method used to distribute the QBRM reply letters of Brooklyn Union Gas Company that are processed at the Postal Service's mail facility located at 1050 Forbell St., Brooklyn, New York?
- (g) How does the Postal Service categorize the processing method used to count the QBRM reply letters of Brooklyn Union Gas Company that are processed at the Postal Service's mail facility located at 1050 Forbell St. Brooklyn, New York?
- (h) Please identify at least 10 specific post office facilities where Postal Service employees routinely count manually the reply letters of QBRM recipients who receive "high" volumes? If possible, please include in the list of such Postal facilities at least three which are within 100 miles of Washington, DC, and the mail facility identified in part (f), if applicable.
- (i) Please identify at least 10 specific post office facilities where Postal Service employees routinely count manually the reply letters of QBRM recipients who receive "low" volumes? If possible, please include in the list of such Postal facilities at least three which are within 100 miles of Washington, DC., and the mail facility identified in part (f), if applicable.
- (j) Please arrange for counsel for the Postal Service to confer with counsel for KeySpan Energy to arrange mutually convenient times and procedures for the inspection and video taping of QBRM mail processing methods at the post office facilities identified in response to parts (h) and (i) of this interrogatory and video taping of interviews with, or depositions of, the field and management personnel responsible for processing QBRM at such facilities.

RESPONSE:

- (a) Not confirmed. Based on the volume estimates provided at USPS-T-39, WP-5, the Postal Service expects to manually sort and count 218.1 million QBRM pieces in the test year. The calculation is as follows:

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Response to KE/USPS-T29-23 (continued)

462 million QBRM pcs * 47.2%¹ = 218.1 million QBRM pcs

(b) Not confirmed. Based on the volume estimates provided at USPS-T-39, WP-5, the Postal Service expects to spend approximately 229,338 work-hours manually sorting and counting QBRM pieces in the test year. The calculation is as follows:

218.1 million QBRM pcs / 951 pcs per hr = 229,338 hrs

(c) (d)

The productivity for manual distribution is based on a 1989 study (see Docket No. R90-1, USPS-T-23, Exhibit USPS-23F) which inextricably integrates the manual sorting and counting activities.² Therefore, it is not possible to provide a productivity for manual distribution without including the counting activity. Similarly, it is not possible to separate the manual counting productivity from the distribution productivity.

(e) There is no standard formula that determines when a particular QBRM account receives automated processing or bulk counting as opposed to manual counting. This decision is site-specific and many times customer-specific. Among several factors considered by each

¹ 47.5% (manual) + 19.3% (other) = 66.5%

² Please note that the term "manual distribution", as employed in my testimony, encompasses both manual sorting and counting activities. In an effort to clarify any confusion regarding the use of the term "manual distribution", I am filing errata to correct inconsistent uses of the term in my testimony and supporting documentation (e.g., in Campbell Workpaper 2, Calculation of Manual BRM Postage Due Unit Productivities, the first work element should simply read "Distribution").

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Response to KE/USPS-T29-23 (continued)

BRM processing site are automation capacity/availability, processing window times, and the degree of commitment to utilizing BRMAS and other programs for counting, rating, and billing BRM pieces.

The primary factor in determining a processing method, however, appears to be a site's daily BRM volume. Many sites receive inconsistent volumes for individual QBRM accounts on a day-to-day basis. Some days a particular account may receive relatively few QBRM pieces, while other days the same account may receive QBRM in large volumes. Because of such volume fluctuations, some processing sites must resort to manual QBRM sorting and counting in the postage due unit. Other sites resort to alternative methods such as bulk weighing and end-of-run counts, particularly for higher volume accounts. It makes little sense to tie up an entire BCS to process a few pieces on a given day. Even if a site could predict daily BRM volumes, the BRMAS sort plan would require daily revision.

Conversely, some QBRM processing sites may receive high QBRM volumes consistently on a day-to-day basis. In this scenario, the site may be able to justify a dedicated BCS for processing both high and low volume BRM accounts.

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Response to KE/USPS-T29-23 (continued)

(f), (g)

The Postal Service implements a weight averaging method to distribute the QBRM reply letters of Brooklyn Union Gas Company processed at the Brooklyn Processing and Distribution Center located at 1050 Forbell St., Brooklyn, NY.

(h), (i)

I have identified 10 QBRM processing sites where postal employees routinely hand count QBRM pieces received by "high" and "low" volume QBRM accounts. Please see the attached list for specific sites.

(j) Objection filed.

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Attachment

**QBRM Manual Processing Sites
"High" and "Low" Volume**

Austin P&DC
Carol Stream (IL) P&DC
Colorado Springs P&DC
Fremont, MI Post Office
Grand Rapids, MI (Main Office)
Grand Rapids, MI (Northwest Branch)
Paramus, NJ Post Office
San Diego, CA (Sorrento Valley Station)
San Francisco P&DC
Springfield, VA Main Post Office

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: 3-13-00

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.

A handwritten signature in black ink, appearing to read "Michael T. Tidwell", is written over a horizontal line.

Michael T. Tidwell

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