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| POSTAL RATE AND FEE CHANGES, 2000 | Docket No. R2000–1 |

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER TO INTERROGATORIES OF UNITED PARCEL SERVICE (UPS/USPS–T5–18–19)

The United States Postal Service hereby provides the responses of witness

Hunter to the following interrogatories of United Parcel Service: UPS/USPS–T5–18–19,

filed on February 25, 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

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.

K. N. Hollies

Kenneth N. Hollies

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February 25, 2000

UPS/USPS-T5-18. Library reference USPS-LR-I-25, file LR-I-25.DOC at 1.
General, the second paragraph, states that BRPW estimates of RPW totals are
constructed from financial revenue accounts information and mailer-provided
postage statement data.
(a) Are all mailer-provided postage statements hand-typed into the PERMIT
    System? If not, what proportion is hand-entered?
(b) What proportion of Parcel Post statements are hand-entered?
(c) Identify what data on the mailer-provided postage statements are entered
    into the PERMIT System and ultimately used in the BRPW system (i) for
    Parcel Post, and (ii) separately, for all other mail categories.
(d) Identify what data on the mailer-provided postage statements are not entered
    into the PERMIT System and therefore not used in the BRPW system (i) for
    Parcel Post, and (ii) separately, for all other categories, and indicate why
    such data is not entered into the PERMIT System.
(e) Are postage. revenue, and weight information for each mail piece entered
    into the PERMIT System for every piece that is covered by a mailer-provided
    postage statement? If not, why not?
(f) Are postage, revenue, and weight information for each Parcel Post piece all
    entered into the PERMIT System for every piece that is covered by a mailer-
    provided postage statement? If not, why not?

RESPONSE.

a-b.   No. The number of hand-typed postage statements is unknown and is

        irrelevant to the BRPW which does not and need not record this

        information in order to construct estimates of revenue and volume totals.

c.   The data from postage statements used in the BRPW are identified in the

        CBCIS input data fields found in the Job 1 programming code provided in

        USPS-LR-I-25, Appendix A.

d.   This response is based on my understanding of discussions with other

        postal officials.

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(i). The "Statement Sequence No." and "Receipt No." information from the postage statements are not keyed since this information is irrelevant to the trust fund accounting and data reporting functions performed by the system. The preparation option in the field labeled "If Sacked or Bundled, Based On" is not keyed since this information is relevant only to the acceptance of the mailing but not to the trust fund accounting and data reporting functions. The "Signature of Permit Holder or Agent" is not keyed since it would be prohibitively costly to purchase system components to scan, digitize, and store a signature when there is no compelling business reason to do so. The "Telephone" number of the individual signing the postage statement is not keyed since this information is personal.

(ii). The "Statement Sequence No.", "Receipt No.", "Signature of Permit Holder or Agent", "Telephone", "Mailer's Printed Name and Signature", "Publisher's Printed Name and Telephone Number", and "If Sacked or Bundled, Based On" information is not keyed from the postage statements for the reasons listed in the response to subpart (i). The PERMIT System does not distinguish among the types of trays under the label "Number of Containers", but captures instead the total number of trays since this information is sufficient for mail acceptance purposes. The preparation option under "Prepared Under DMM" is not keyed since this information is

relevant only to the acceptance of the mailing and not to the trust fund

accounting and data reporting functions. The PERMIT System does not

distinguish between flats and automation flats under "Processing

Category", but captures the total number of flats instead since the

determination of automation compatibility is not relevant to the trust fund

accounting and data reporting processes. The system does not capture

"Rate at Which Postage Affixed" information from the Form 3600-P since

this information is relevant only to the acceptance of the mail. In addition,

the certification statement information found above the signature blocks

on Forms 3602 and 3541 is not captured since it would be meaningless if

stored in the absence of a signature.

e-f.   This response is based on my understanding of discussions with other

postal officials. At post offices where the PERMIT System has been

installed, all bulk mail transactions are entered into the system. All pieces

in a mailing must be reported, by regulation, on the postage statement.

All piece information for each transaction is then entered into the PERMIT

System. Individual pieces are not listed on a postage statement; rather

the pieces are aggregated by the rate category line item detail found on

the postage statement. This information is then entered into the PERMIT

System.

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UPS/USPS-T5-19.
(a) What verification checks are performed to be sure that postage statement information is correctly entered into the PERMIT System and, ultimately, into the BRPW system?
(b) What verification checks are performed to be sure that postage statement information for Parcel Post mailings are correctly entered into the PERMIT System and, ultimately, into the BRPW system?
(c) If the verification processes described in the responses to (a) or (b), above, are done through sampling, explain in detail how the process is performed, including a description of how the sample is selected. Explain the process separately for Parcel Post and for all other mail categories, to the extent there are any differences.
(d) If input errors are discovered in the verification process, are they corrected? How? Explain in detail. If they are not corrected, explain why.
(e) If input errors are discovered in the verification process in the case of Parcel Post, are they corrected? How? Explain in detail. If they are not corrected, explain why.

RESPONSE. This response is based on my understanding of discussions with other postal officials.

a-b.   The edit checks written into the PERMIT System code appear in the data entry workscreens to help ensure the integrity of the data entered. All revenue, volume and weight fields are checked against the appropriate minimum and maximum values. The data format for the revenue and volume fields is restricted to numeric positive whole or mixed numbers as appropriate. Empty piece or weight entries are not accepted. The rate category piece counts are totaled and then compared to the total number of pieces entered for the mailing. Before a transaction is finalized, the data entry operator makes a final visual comparison of the PERMIT workscreen(s) and postage statement information. The data entry
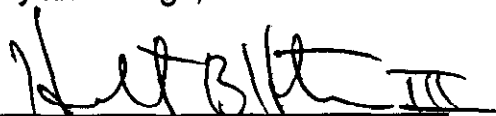
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process itself is performed by employees who have been fully trained in the use of the system and in all matters related to the entry of business mail. As part of their mandatory training, and before they can assume their bulk mail acceptance responsibilities, these employees must also pass both a written test and an on-the-job evaluation. Once in the position, the employee is subject to regular Employee Skills Assessments.

c.   The verification of postage statements is not done through sampling.

d-e. If an error is made during the input or verification process, an error message is displayed and the error must be corrected before the operator can continue data entry. Should the operator detect an incorrect entry during the visual confirmation process, the system allows the operator to backtrack and make any necessary changes. Should an error be detected after the transaction is filed, the system provides for the reversal of the transaction, allowing it to be re-entered correctly.

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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

Herbert B. Hunter III

Date: _March 14, 2000_