

BEFORE THE POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

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POSTAL RATE AND FEE CHANGES


Docket No. R2000-1

SECOND SET OF INTERROGATORIES OF THE
CONTINUITY SHIPPERS ASSOCIATION
TO USPS WITNESS EGGLESTON (CSA/USPS-T26-18-34)

Pursuant to section 20 of the Commission's Rules of Practice, the Continuity Shippers Association submits the attached interrogatories and document requests to USPS witness Egelston (USPS-T-26) or to such other USPS witness who can respond to them.

Dated: March 16, 2000

Respectfully Submitted,



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Attorney for the Continuity
Shippers Association

CSA/USPS-T26-18. Please refer to line 19 on page 35 through line 2 on page 36 of your testimony, where you state: "Seven out of the eight BPRS recipients receive returns on a national basis. Rather than incur the costs of collecting Origin-Destination (O-D) specific information for a product still in its infancy, an assumption was used for the intra/inter mix of BPRS. Since there are twenty-one BMCs across the country, it is assumed that BPRS parcels will use the intra-BMC mailstream 1/21 or 4.8 percent of the time." Please also refer to lines 7 through 9 on page 37 of your testimony, where you state: "Even if it were assumed that 100 percent of BPRS parcels use the inter-BMC network, the estimated cost would rise from 42.3 cents to 43.7 cents, a difference of only 1.3 cents. If instead it were assumed that 100 percent of BPRS parcels use the intra-BMC mailstream, the estimated unit cost of transportation would decline to 16.1 cents."

- a. What percentage of BPRS parcels in the cost study were returned to the seven BPRS recipients that receive returns on a national basis?
- b. Please confirm that the assumption that only 4.8 percent of BPRS volume uses the intra-BMC mailstream is not an accurate assumption for a non-national BPRS recipient. If not confirmed, please explain your logic.
- c. Please provide the zone distribution and intra-BMC/inter-BMC split for the non-national BPRS recipient.
- d. Please confirm that, according to the BPRS Study, the unit transportation cost for an inter-BMC BPRS parcel is 43.7 cents and the unit transportation cost for an intra-BMC BPRS parcel is 16.1 cents. If not confirmed, please provide the unit transportation costs for inter-BMC BPRS parcels and intra-BMC BPRS parcels.
- e. What is the intra-BMC mail processing cost avoidance for BPRS parcels?
- f. What percentage of total BPRS volume is returned to national BPRS recipients?

CSA/USPS-T26-19. Please refer to your response to CSA/USPS-T26-11.

- a. What percent of BPRS parcels were returned to recipients that are located in an area that will rarely use zones above zone 6?
- b. What percent of BPRS parcels were returned to recipients that are located in an area that will rarely use zones above zone 7?
- c. What percent of BPRS parcels were returned to recipients that are located in an area that will rarely use zones above zone 8?

CSA/USPS-T26-20. Please refer to your response to CSA/USPS-T26-8, where you state: "The average cube of BPRS parcels is used to calculate conversion factors, the average number of parcels that fit into each type of container."

- a. Please confirm that if you had used the average cube of Special Standard parcels to calculate conversion factors (rather than the average cube of BPRS parcels), modeled BPRS mail processing costs would have been higher than those you estimated. If not confirmed, please explain.
- b. If you confirmed part (a), how much higher would mail processing costs have been if the Special Standard average cube were used to determine the conversion factors?
- c. Please also confirm that it is appropriate to use the BPRS-specific average cube to calculate the BPRS-specific conversion factors. If not confirmed, please explain.

CSA/USPS-T26-21. Please refer to your Attachment P, page 2 of 14 of your testimony.

- a. Please confirm that you have classified 41 mail processing cost pools as fixed.
- b. If you do not confirm, how many are fixed?

CSA/USPS-T26-22. Please confirm that you did not model costs for special standard mail in the mail processing cost pools classified as fixed.

CSA/USPS-T26-23. For each of the Cost Pools that you classify as fixed, please provide a brief operational description of the activities undertaken for special standard mail in that cost pool.

CSA/USPS-T26-24. Please explain why there are costs for special standard mail in the BCS cost pool.

CSA/USPS-T26-25. Please explain why there are costs for special standard mail in the MODS registry cost pool.

CSA/USPS-T26-26. Please explain why there are costs for special standard mail in the non-MODS registry cost pool.

CSA/USPS-T26-27. Please explain why there is cost for special standard mail in the SPBS priority cost pool.

CSA/USPS-T26-28. Please explain why there is cost for special standard mail in the FSM cost pool.

CSA/USPS-T26-29. Please explain why there is cost for special standard mail in the business reply cost pool.

CSA/USPS-T26-30. Please explain why there is cost for special standard mail in the express priority cost pool.

CSA/USPS-T26-31. Please explain why there are costs for special standard mail in the preferential opening unit.

CSA/USPS-T26-32. Does your BPRS mail processing cost model reflect any costs for non-machineable parcels?

CSA/USPS-T26-33. Please confirm that the only window acceptance activities performed under the Merchandise Return Service is picking up the parcel, looking for the merchandise return service permit and placing the parcel in the proper receptacle.

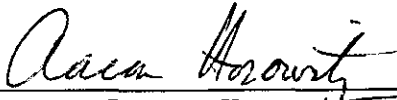
- a. If you do not confirm, please state what other activities are performed.
- b. Please confirm that these window acceptance activities are performed by a window clerk.

CSA/USPS-T26-34. For Mailer #1, the postage due costs shown in Attachment W, page 3 shows \$0.018 cost per piece of simple postage due. However, the BPRS cost study issued in October 1998 shows \$0.0058 cost per piece of simple postage due for Mailer #1. Please reconcile the two numbers.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing interrogatories on all participants in this proceeding who requested service of all discovery in accordance with section 12 of the Rules of Practice.

Dated: March 16, 2000



Aaron Horowitz