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

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-68 THROUGH 74)

The United States Postal Service hereby provides its responses to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-68 through 74, filed on March 6, 2000.

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

Responses to OCA/USPS-75 through 80 are forthcoming. An objection to OCA/USPS-81 was filed on March 16, 2000.

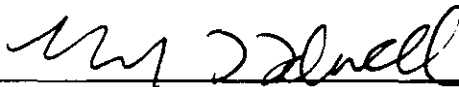
Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.

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March 20, 2000

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-68

Refer to OCA/USPS-20 and the response thereto filed on February 10, 2000, where the Postal Service stated that "some local post offices deliver rate increase notices to businesses and households right before implementation of new rates." Estimate the number of businesses and/or households which were so notified before the January 1999 rate increase. Does the Postal Service provide guidelines to local post offices on how, when and whether to provide such notices? How is the cost of such notices recorded. Provide an estimate of the cost of all such notices provided before the January 1999 rate increase.

RESPONSE:

There was no centrally directed effort to deliver rate increase notices to businesses and households in anticipation of the January 1999 rate increase. Local postmasters and managers in postal districts are encouraged to take initiative to inform their customers concerning changes in postal programs and policies. Many did so in connection with the January 1999 rate increase. There is no national tracking system established to determine the number of such notices that were issued or the aggregate costs of the numerous local initiatives.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-69.

Refer to OCA/USPS-23 through OCA/USPS-27 and OCA/USPS-33 and the response thereto filed on February 10, 2000. Provide the amount of, or an estimate of the amount of, the total underpayment of postage and the total overpayment of postage. Identify the period to which the amounts or estimates pertain (e.g., PFY99). Provide any available breakdown or estimate of breakdown of the underpayment and/or overpayments amounts. Provide related documents, including reports, estimates, or studies relating to incorrect postage payments.

RESPONSE:

See attached spreadsheets.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**FIRST CLASS SINGLE-PIECE LETTERS, FLATS AND IPPS
GFY 1999**

Short Paid Amount/Pc	GFY 1999 Volume	Short Paid Revenue
\$0.010	262,718,501	2,627,185
\$0.110	27,271,757	2,999,893
\$0.120	8,327,650	999,318
\$0.130	9,764,630	1,269,402
\$0.220	180,853,624	39,787,797
\$0.230	88,862,948	20,438,478
\$0.320	16,613,216	5,316,229
\$0.330	26,165,548	8,634,631
\$0.440	11,492,652	5,056,767
\$0.460	4,730,288	2,175,933
\$0.660	3,821,298	2,522,057
\$0.690	1,585,640	1,094,091
\$0.880	1,674,906	1,473,917
\$0.920	740,472	681,234
Varies	129,506,662	32,393,554
	774,129,792	127,470,486

Over Paid Amount/Pc	GFY 1999 Volume	Over Paid Revenue
\$0.090	89,242,421	8,031,818
\$0.110	167,204,328	18,392,476
\$0.220	343,497,248	75,569,395
\$0.230	162,482,042	37,370,870
\$0.310	45,361,067	14,061,931
\$0.320	54,315,001	17,380,800
\$0.330	94,048,204	31,035,907
\$0.440	38,667,299	17,013,612
\$0.460	9,241,240	4,250,970
\$0.660	10,279,789	6,784,661
\$0.690	2,410,999	1,663,589
\$0.880	3,059,372	2,692,248
\$0.920	1,518,861	1,397,353
Varies	372,766,498	95,400,731
	1,394,094,369	331,046,361

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE**

**FIRST CLASS SINGLE-PIECE NONSTANDARD LETTERS, FLATS AND IPPS
GFY 1999**

Short Paid Amount/Pc	GFY 1999 Volume	Short Paid Revenue
\$0.110	41,503,531	4,565,388
Varies	7,993,048	505,349
	49,496,579	5,070,737

Over Paid Amount/Pc	GFY 1999 Volume	Over Paid Revenue
\$0.110	53,090,962	5,840,006
\$0.120	23,514,328	2,821,719
\$0.210	6,213,431	1,304,821
\$0.220	12,742,630	2,803,379
Varies	29,006,559	13,809,491
	124,567,910	26,579,416

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

FIRST CLASS SINGLE-PIECE CARDS
GFY 1999

Short Paid Amount/Pc	GFY 1999 Volume	Short Paid Revenue
\$0.200	1,857,901	371,580
Varies	1,713,065	92,933
	3,570,966	464,513

Over Paid Amount/Pc	GFY 1999 Volume	Over Paid Revenue
\$0.120	51,253,092	6,150,371
\$0.130	80,125,365	10,416,297
Varies	4,050	1,661,530
	131,382,507	18,228,198

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-70. Refer to OCA/USPS-48 and the response thereto filed on February 14, 2000. Provide the Postal Service's estimate of postage in the hands of the public. Provide all documents related to the estimate.

RESPONSE:

Postage in the hands of the public (PIHOP) for FY's 98 (\$1.628 billion) and 99 (\$1.673 billion) can be found on page 59 of 1999 Annual Report. Estimated changes in PIHOP for FY's 2000 and 2001 can be found on page 232 of LR-I-127. These amounts (\$53.495 million for FY 2000, \$39.200 million for FY 2000 before rates, and \$109.235 million after rates) were estimated by multiplying the estimated increase in revenue by the previous year's PIHOP estimate. The calculations are located in the electronic spreadsheet note_int_.xls in LR-I-127.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-71.

Refer to OCA/USPS-50 and the response thereto filed on February 10, 2000, where the Postal Service stated that "window time or collection of postage due costs associated only with the change in First-Class Mail single piece rates cannot be isolated." Provide total incremental costs associated with the changeover to new rates in January 1999 for window time, overtime, and collection of postage due. Provide related documents.

RESPONSE:

The Postal Service does not have data which isolate incremental costs associated with the changeover to new rates in January 1999 for window time, overtime, and collection of postage due.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-72

Refer to OCA/USPS-51 and the responses thereto filed on February 16, 2000. Has the Postal Service developed, or is the Postal Service developing a "timeline for future rate implementations" as recommended by the March 1999 Retail Assessment Meeting? If so, provide a copy of the timeline. Is the Postal Service planning a "Nationally developed postcard sent to all residential addresses" as recommended by the March 1999 Retail Assessment meeting? If so, provide a summary of the plans for such a mailing, including estimated costs.

RESPONSE:

As stated in the February 16th response, the recommendations listed in the bulleted notes from the March 1999 meeting represent a compilation of suggestions flowing out of brainstorming session designed to review past processes and to identify improvement opportunities for implementation of new rates. When a recommended decision in Docket No. R2000-1 is deemed to be close at hand, these notes will likely be revisited for ideas on improving the implementation process. At this point, there has been no concentrated effort to evaluate the feasibility of the suggestions resulting from the meeting. If such an evaluation takes place, it is not likely to occur until late summer or early fall of 2000.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-73. Refer to OCA/USPS-10 and OCA/USPS-59 and the responses thereto filed on February 7 and 24, 2000. Provide (or estimate) the "TY volume variable unit cost of Standard A Mail Saturation ECR."

RESPONSE:

The estimated TY volume variable unit cost of an average Standard Mail (A) Saturation ECR piece (letter, flat and parcels combined) at the average level of dropshipping is 5.1 cents. This estimate was derived using several assumptions, such as Saturation mail incurs the same window, transportation, vehicle service and other costs as the rest of ECR mail. Applying this average to a specific situation could be misleading.

Response of United States Postal Service
to
Interrogatories of Office of the Consumer Advocate

OCA/USPS-74. Provide or refer to documents (including studies and analyses) showing the composition of, or breakdown of, window clerk activities, including the number of transactions in each category.

Response:

Docket No. R97-1, LR-H-167 contains the results of a window service time study and econometric analysis. It includes number of transactions and transaction times for the purchase of stamps and other window activities.

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 cursive script, appearing to read "Michael T. Tidwell", is written over a horizontal line.

Michael T. Tidwell

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