

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 KEYSpan INTERROGATORIES REDIRECTED FROM WITNESS MAYO  
(KE/USPS-T39-8(a,b,d,e), 10(i) and 11(b-e))

The United States Postal Service hereby provides the responses of witness Campbell to the following interrogatories of KeySpan Energy which have been redirected from witness Mayo: KE/USPS-T39-8(a,b,d,e), 10(i) and 11(b-e).

The interrogatories were filed on March 20, 2000. Interrogatory T39-11 contained subparts (a) through (d) and (f). For purposes of responding, subpart (f) has been redesignated as subpart (e).

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

  
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April 7, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS CAMPBELL  
TO INTERROGATORY OF KEYSpan ENERGY  
REDIRECTED FROM WITNESS MAYO**

**KE/USPS-T39-8.**

Please refer to your answer to Interrogatory KE/USPS-T39-1 (g). In that response you rely on USPS witness Campbell's cost study to conclude that it is less expensive to count 10,000 non-uniform, bulky small parcels than it is to count 10,000 clean, barcoded machinable letters.

- (a) Please confirm that 10,000 clean, barcoded machinable letters will take up more sacks (or trays) than 10,000 non-uniform, bulky small parcels, thereby requiring more sacks (or trays) to weigh and more time for postal service to derive an estimated quantity. If you cannot confirm, please draw upon your expertise to explain your answer.
- (b) Please confirm that 10,000 clean, barcoded machinable letters will require more sampling time to derive a weight-to-quantity conversion factor than the sampling time required for 10,000 non-uniform, bulky small parcels, thereby requiring more time to derive an estimate of the quantity. If you cannot confirm, please draw upon your expertise to explain your answer.
- (c) If you cannot confirm either situation in parts (a) and (b), how does charging a 3-cent BRM fee for the letters, which is three times the BRM fee for the small parcels, consistent with criterion 7 of the Act? (Criterion 7 of the Act calls for simple, identifiable relationships between the rates or fees charged.) Please explain your answer.
- (d) Please confirm that it is less costly to hand count 10,000 clean, barcoded machinable letters to obtain an estimated count than it is to weigh 10,000 clean, barcoded machinable letters to obtain an estimated count. If you cannot confirm, please draw upon your expertise to explain your answer.
- (e) Please confirm that it is more costly to hand count 10,000 non-uniform, bulky small parcels to obtain an estimated count than it is to weigh 10,000 non-uniform, bulky small parcels to obtain an estimated count. If you cannot confirm, please draw upon your expertise to explain your answer.

**RESPONSE:**

- (a) Not confirmed. Assuming the same size container, my experience leads me to believe that 10,000 non-uniform, bulky small parcels will require more sacks (or trays) than 10,000 clean, barcoded machinable letters. However,

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**Response to KE/USPS-T39-8 (continued)**

my experience also leads me to believe that letters and small parcels are not placed in the same type of container, particularly in the context of BRM vs. nonletter-size BRM pieces. My understanding is that clean, barcoded machinable letters are typically contained in trays, while non-uniform, bulky small parcels are often contained in sacks. Given these realities, I do not know whether or not 10,000 letters would require more trays than 10,000 small parcels in sacks.

- (b) Not confirmed. Assuming less weight variation among uniform letters than non-uniform, bulky small parcels, one would expect it to take less time to develop weight-to-quantity conversion factors for 10,000 letters than for 10,000 parcels.
- (c) Response filed on April 4, 2000 by witness Mayo.
- (d) Not confirmed. For this response, I am assuming that the term "weigh" means the same as "weigh in bulk." One would expect that it takes less time to weigh 10,000 clean, barcoded machinable letters (in bulk) than to hand count 10,000 clean, barcoded machinable letters.
- (e) Confirmed. For this response, I am assuming that the term "weigh" means the same as "weigh in bulk." One would expect that it is more costly to hand count 10,000 non-uniform, bulky small parcels than it is to weigh 10,000 non-uniform, bulky small parcels.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS CAMPBELL  
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**KE/USPS-T39-10.**

Please refer to your answer to Interrogatory KE/USPS-T39-2 (b) where you state that you are not concerned that QBRM letters are more costly to count than nonletter-size BRM "since each one employs a different method for rating purposes."

- (a) Please define "rating" as you have used that term.
- (b) Please describe the differences in the rating methods employed for QBRM and for nonletter-size BRM.
- (c) Please explain how the method of rating is relevant to the cost of counting.
- (d) Does the postal service count and rate BRM using the most efficient manner possible? Please support your answer.
- (e) Why does the apparently higher cost of counting clean, barcoded machinable letters, as compared to non-uniform, bulky small parcels, not concern you even if different methods are employed for rating purposes?
- (f) Are you aware that USPS witness Campbell did not attempt to study possible differences in the methods used to count QBRM received in high volumes and QBRM received in low volumes? See witness Campbell's response to Interrogatory KE/USPS-T29-2 (f) and KEJUSPS-T29-1 1.
- (g) Does USPS witness Campbell's failure to study the possible differences in methods used to count QBRM received in high volumes and QBRM received in low volumes concern *you*? Please explain fully the reasons why it does or does not concern you.
- (h) In your opinion, why is it appropriate to propose different per piece fees for QBRM letters depending upon whether they are received in high or low volumes, without knowing whether or not there are different methods for counting these pieces?
- (i) In your opinion, is volume the primary factor in determining the method of counting BRM?

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS CAMPBELL  
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**RESPONSE TO KE/USPS-T39-10:**

(a)-(h) Filed on April 4, 2000 by witness Mayo.

(i) Yes. In my opinion, a processing site's total BRM volume, not necessarily an individual customer's volume, appears to be a primary factor in determining a processing method for counting (and sorting) BRM at that site. Other factors include automation capacity/availability, processing window times, and the degree of commitment to utilizing BRMAS and other programs for counting, rating, and billing BRM pieces. Please see my response to KE/USPS-T29-23 (e) for further explanation.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS CAMPBELL  
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**KE/USPS-T39-11.**

Please refer to your answer to Interrogatory KE/USPS-T39-3 (f) where you state that your proposed \$850 quarterly fee for high volume QBRM was finalized when the Board of Governors approved the filing for Docket No. R2000-1.

- (a) Please confirm that three items, namely (1) the quarterly fee, (2) the associated per piece fee, and (3) the alternative per piece fee, all determine the "breakeven" volume necessary to make the proposed new QBRM category attractive to perspective recipients who receive high volumes. If you cannot confirm, please explain.
- (b) Please confirm that when USPS witness Campbell performed his cost analyses for QBRM received in high volumes and for QBRM received in low volumes (see USPS LR-I-162, Schedule B, pages 2 and 3), he did not have, at that time, the benefit of knowing what your proposed quarterly fee would be for OBRM received in high volumes. If you cannot confirm, please explain.
- (c) Please confirm that when USPS witness Campbell performed his cost analyses for QBRM received in high volumes and for OBRM received in low volumes (see USPS LR-I-162, Schedule B, pages 2 and 3), he did not have, at that time, the benefit of knowing what your proposed per piece fee would be for OBRM received in high volumes. If you cannot confirm, please explain.
- (d) Please confirm that when USPS witness Campbell performed his cost analyses for QBRM received in high volumes and for QBRM received in low volumes (see USPS LR-I-162, Schedule 81 pages 2 and 3), he did not have, at that time, the benefit of knowing what your proposed per piece fee would be for QBRM received in low volumes. If you cannot confirm, please explain.
- (e) Please confirm that when USPS witness Campbell performed his cost analyses for OBRM received in high volumes and for QBRM received in low volumes (see USPS LR-I-162, Schedule B, pages 2 and 3), he did not have, at that time, the benefit of knowing what the proposed "breakeven" volume for QBRM received in high volumes was going to be. If you cannot confirm, please explain.

**RESPONSE:**

- (a) Response filed on April 4, 2000 by witness Mayo.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS CAMPBELL  
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**Response to KE/USPS-T39-11 (continued)**

(b) Confirmed.

(c) Confirmed.

(d) Confirmed.

(e) Confirmed.

**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.

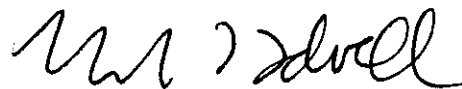
Chris F. Campbell  
Chris F. Campbell

Dated: 4-7-00



## 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", written over a horizontal line.

Michael T. Tidwell

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April 7, 2000