

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

**UNITED STATES POSTAL SERVICE NOTICE OF FILING REVISIONS TO
RESPONSES OF WITNESS DANIEL TO INTERROGATORIES
AAPS/USPS-T28—6, ADVO/USPS-T28—14, VP-CW/USPS-T28—9(b)
[ERRATUM]**

The United States Postal Service gives notice of the filing of errata to the responses of witness Daniel to interrogatories of Association of Alternate Postal Systems (AAPS), Advo, Inc. (ADVO), and Val-Pak Direct Marketing Systems, Inc., Val-Pak Dealers' Association, Inc., and Carol Wright Promotions, Inc (VP-CW). The changes are as follows:

- AAPS/USPS-T28—6: Replace "There are no data to suggest that the cost of window service or street delivery would be different for saturation ECR mail" with the following:

Based on analyses provided in response to ADVO/USPS-T28-13, window service and street delivery costs have been calculated for Basic and HD/Saturation letters and flats. The results for window service are very similar for saturation and basic. The results for street delivery are influenced by the difference in the average weight per piece of each category.

(in cents)	Window	Street Delivery
Basic Letter	0.043	2.15
HD/Sat Letter	0.037	2.61
Basic Flat	0.037	2.71
HD/Sat Flat	0.035	2.45

- ADVO/USPS-T28—14(a) Change "tranportation" to "transportation"
- ADVO/USPS-T28—14(b) change "servoce" to "service"
- ADVO/USPS-T28—14(c): Replace "Data are not available to determine if or how these costs vary by density level" with the following: "Analyses have been provided in response to ADVO/USPS-T28-13 which show

window service, vehicle service drivers and transportation cost separately by shape and by Basic and High Density/Saturation."

- VP-CW/USPS-T28—9(b): Change "is" to "are" and change "Single-Piece" to "Presort"

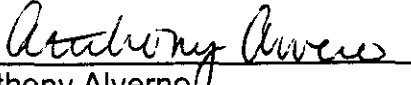
Copies of revised interrogatory responses are attached to this notice.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Anthony Alverno
Attorney

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO
INTERROGATORY OF THE ASSOCIATION OF ALTERNATE POSTAL

Revised 4/11/00

AAPS/USPS-T28-6. In response to AAPS/USPS-T35-4 (redirected from witness Moeller), you state that you cannot provide the requested information "at the requested rate category," which was saturation ECR, but you do provide information for ECR mail in general. For each of the cost segments identified in that response, please estimate whether the cost differential would be the same, smaller, or larger if you were to respond with respect only to saturation ECR mail, and explain why. (For example, if as you state the difference in city delivery in-office cost for two 4-ounce is 1.14 cents greater than for one 8-ounce piece, would that difference be the same, larger, or smaller for saturation mail, and why?)

RESPONSE:

Mail processing costs are lower for saturation mail as seen in Table 6 of USPS-T-28, as are rural and city in-office carrier costs according to USPS LR-I-95; however, a cost study of weight by ECR rate category has not been conducted.

Based on analyses provided in response to ADVO/USPS-T28-13, window service and street delivery costs have been calculated for Basic and HD/Saturation letters and flats. The results for window service are very similar for saturation and basic. The results for street delivery are influenced by the difference in the average weight per piece of each category.

(in cents)	Window	Street Delivery
Basic Letter	0.043	2.15
HD/Sat Letter	0.037	2.61
Basic Flat	0.037	2.71
HD/Sat Flat	0.035	2.45

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO
INTERROGATORIES OF ADVO, INC.**

REVISED 4/11/00

ADVO/USPS-T28-14. Please refer to Table 7 on page 29 of your testimony.

- (a) Please identify the test year attributable costs, by cost component, that are not included in those figures.
- (b) Please provide a unit estimate of those excluded attributable costs by shape and density level.
- (c) If those excluded attributable costs do not vary by shape or density level, please so state.

RESPONSE:

- a. These costs do not include:
 - window service (Cost Segment 3.2) or related indirect costs, and
 - vehicle service drivers (Cost Segment 8) or related indirect costs,
 - transportation (Cost Segment 14)
- b. Using the data in USPS LR-I-98, but changing the window service piggyback to 1.459 for window service and 1.371 for vehicle service drivers, the costs by shape are:

<u>ECR</u>	<u>Window Service</u>	<u>Vehicle Service</u>	<u>Transportation</u>
	<u>C/S 3.2</u>	<u>Drivers C/S 8</u>	<u>C/S 14</u>
Letters	0.042	0.060	0.050
Flats	0.036	0.323	0.268
Parcels	0.035	0.802	0.656

- c. Analyses have been provided in response to ADVO/USPS-T28-13 which show window service, vehicle service drivers and transportation cost separately by shape and by Basic and High Density/Saturation.

RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO
INTERROGATORIES OF VAL-PAK AND CAROL WRIGHT PROMOTIONS

Revised 4/11/00

VP-CW/USPS-T28-9. Please refer to Table 2 at page 14 of your testimony.

- a. Do the data in the first three rows reflect volume, pounds and cubic feet for the Test Year? If not, what time period do they represent?
- a. Please provide specific citations to the page(s) and table(s) in USPS-LR-I-91 which support each entry in the first three rows of Table 2.
- b. For the points plotted in the diagram at the bottom of the page, did you compute a regression line similar to that which you computed for Tables 4a and 4b?
- c. If so, please provide the intercept and slope.
- e. If not, please explain why not.

RESPONSE:

- (a). Data in the first three rows are Base Year volumes, weight and cubic feet inflated by a Test Year to Base Year volume ratio. This is consistent with volume, weight and cubic feet distribution assumptions in the roll-forward in witness Kashani's testimony (USPS-T-14).
- (b). First-Class Presort Base Year volume and weight data are converted to Test Year volume and weight on pages 8 and 9 of Section 2 in USPS LR-I-91. First-Class Mail Presort Test Year cubic feet data are calculated and distributed to weight increment on pages 10 and 11 of Section 2 in USPS LR-I-91.
- (c). No, not with final data.
- (d). N/A
- (e). This type of analysis was not required by the First-Class rate design witness.

DECLARATION

I, Sharon Daniel, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


SHARON DANIEL

Dated: 4/11/00

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.


Anthony Alverno

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April 11, 2000