

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

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HUNTER TO INTERROGATORIES OF
UNITED PARCEL SERVICE
(UPS/USPS-T5-67-69)

The United States Postal Service hereby provides the responses of witness Hunter to the following interrogatories of United Parcel Service: UPS/USPS-T5-67-69, filed on March 23, 2000. Parts UPS/USPS-67(c, f) were redirected to witness Pafford.

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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April 14, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER TO
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UPS/USPS-T5-67. Refer to USPS-LR-I-194 and USPS-LR-I-25. For Parcel Post, it appears that in the final estimates of R, P, and W (Output from Job 3), the program excludes records that do not have RPW Codes. Is that correct? If so, why are those records excluded? If not, why do these records not appear in Job 3, and what happens to them? Explain in detail.

- (a) Explain in detail why a record would not have an RPW code.
- (b) Provide a list of the RPW Codes that should be included in the Parcel Post category.
- (c) Explain in detail how these codes were developed.
- (d) What do the records with no RPW Code represent?
- (e) Explain in detail under what circumstances an RPW code would or would not be assigned to a record.
- (f) Provide copies of all analyses and supporting documents in electronic and hard copy format used to develop RPW Codes and the requirements for assigning them to a particular record.
- (g) If the decision to assign a record an RPW Code is made subjectively, explain the process by which the decision is made.

RESPONSE. The Job 3 output file excludes office empty value placeholder and grand total VIP Code records which are no longer used at this point in the jobstream. It is not possible to map a placeholder or grand total VIP Code to an RPWCODE. The unused records are eliminated from the Job 3 file to conserve space, but are kept in the Job 2 output file.

- a. See my response to the body of this interrogatory.
- b. The Parcel Post RPWCODES are provided in USPS-LR-I-194 in the files labeled BRPW63-64.TXT for VIP Code second and third position values 44-46.
- c. Redirected to witness Pafford.
- d. See my response to the body of this interrogatory and witness Pafford's response to part (c).

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- e. The BRPW VIP Codes are assigned to RPWCODEs in the master rate files labeled BRPW57-64.TXT which are provided in USPS-LR-I-194. See also my response to the body of this interrogatory.
- f. Redirected to witness Pafford.
- g. The RPWCODE assignment is not a subjective process

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UPS/USPS-T5-68. Refer to USPS-LR-I-25, Job 2. Reference is made to inserting a year end fix. Explain in detail how this fix works.

(a) How does this fix affect Parcel Post records?

(b) Does this section of code treat Parcel Post records differently than other mail classes? If so, explain in detail how.

(c) How were the factors developed that are listed on page 12 of Job 2?

RESPONSE. The referenced code is obsolete and was not used to develop the RPW estimates for the base year. The factors are believed to have been constructed prior to FY 1995 to obtain weight measures related only to foreign Periodicals records with a January 1995 rate date value.

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UPS/USPS-T5-69. Refer to page 3 of your testimony and USPS-LR-I-26, Appendix A. Identify exactly which boxes or input sections on PS Form 3605 are used (i) in the Permit System, and, separately, (ii) in the BRPW system.

- (a) Explain which inputs on PS 3605 correspond to the R, W, and P variables used in the BRPW System for Parcel Post.
- (b) If any inputs into Job 1 are calculated inputs (Other than summed data) and are not directly obtained from the postage statement, identify which ones they are and explain how the input is calculated.
- (c) For Parcel Post, is the W input variable obtained from the Permit System? If so, explain how this variable is derived. If not, what source does it come from? Explain fully.

RESPONSE. My response to this interrogatory is based in part on my understanding of discussions with other postal officials. The revenue and volume information, P and R variables, respectively, are found in Sections B and C on the reverse side of Form 3605 in the "Number of Pieces" and in the non-total postage columns, respectively, for each zone. Because Parcel Post rates are piece-based, detailed weight information is not required to compute postage on the postage statement. For identical piece mailings, the PERMIT System computes the weight, W, for a zone by multiplying the number of pieces for the zone by the single piece weight obtained from the Single-Piece Weight box found at the bottom front of the postage statement. For non-identical piece mailings, the PERMIT System computes the weight for a zone by multiplying the pieces for the zone by the average weight for the mailing, the latter determined by dividing the total weight for the mailing obtained from the Total Weight box found at the bottom front of the postage statement by the total number of pieces from the Total Pieces box also at the bottom front of the postage statement. These same postage statement data are input to the PERMIT System and unchanged for input to the BRPW.

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

Date: April 14 2000