

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  
TO INTERROGATORIES OF  
ADVO, INC.  
(ADVO/USPS-9-10)

The United States Postal Service hereby provides its responses to the following interrogatories of Advo, Inc.: ADVO/USPS-9-10, filed on April 17, 2000.

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



Susan M. Duchek

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2990 Fax -5402  
May 5, 2000

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

**ADVO/USPS-9** At page 27 of her testimony (USPS-T-10), witness Kingsley stated that "flats volume has grown" during the period from FY 1988 to FY 1998. During oral cross examination concerning this statement, she stated that:

"Again, the comparison was more '88 we didn't have -- of all our volume we didn't have as much flat volume as a portion of letters back then as we do in '98 or '99." Tr. 5/2111-2112.

However, the witness was unable to provide supporting data for these statements. Tr. 5/2112-2114. Please provide, from the Carrier Cost System (CCS) or other sources, the following information:

- (a) Total city carrier delivered volumes of (i) letters and (ii) flats in FY 1988, FY 1998, and FY 1999.
- (b) The percentages which (i) letters and (ii) flats represented of total city carrier delivered volumes in FY 1988, FY 1998, and FY 1999.
- (c) The average volume of city carrier delivered (i) letters and (ii) flats per actual delivery in FY 1988, FY 1998, and FY 1999.
- (d) If the information requested in part (c) is not available on an "actual delivery" basis, please provide the average volume information per possible delivery in FY 1988, FY 1998, and FY 1999.

If any of the above information comes from sources other than the CCS, please identify the sources and describe specifically what the volume information represents.

**Response:**

- a. Information for FY 98 is provided in USPS-LR-I-300. Similar information for FY 88 and FY 99 is not available. However, the response to ADVO/USPS-10, which includes information for FY 86, FY 89, and FY 98, strongly suggests that there have been material increases in total flats over the relevant period.

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- b. Information for FY 88 and FY 99 is not available. However, the response to ADVO/USPS-10, which includes information for FY 86, FY 88, and FY 98, suggests, while there may or may not have been a slight decline, that there have not been any substantial changes in the proportion of residential delivery volumes which were flats, over the relevant period. It does support that the volume of flats, as a whole and as well as per stop, has increased.
- c. – d. The available information is presented in response to ADVO/USPS-10.

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**ADVO/USPS-10.** Please confirm that the following tables accurately present data on city delivery carrier pieces per actual stop for BY 1986 (from the LTV), BY 1989 (from the CCS), and BY 1998 (from the CCS). If you cannot confirm, please provide the correct information and specifically identify its sources.

**SINGLE DELIVERY RESIDENTIAL – Pieces Per Actual Stop**

	<b>LTV BY 1986</b>	<b>CCS BY 1989</b>	<b>CCS BY 1998</b>	<b>Increase 98 v 96</b>	<b>Increase 98 v 89</b>
<b>Letters</b>	<b>3.405</b>	<b>3.552</b>	<b>3.979</b>	<b>16.9%</b>	<b>12.0%</b>
<b>Flats</b>	<b>1.248</b>	<b>1.249</b>	<b>1.386</b>	<b>11.1%</b>	<b>11.0%</b>
<b>Parcels</b>	<b>0.042</b>	<b>0.042</b>	<b>0.064</b>	<b>52.4%</b>	<b>52.4%</b>
<b>Accountables</b>	<b>0.006</b>	<b>0.008</b>	<b>0.008</b>	<b>33.3%</b>	<b>0.0%</b>
<b>Flats as a % of Letters</b>	<b>36.7%</b>	<b>35.2%</b>	<b>34.8%</b>		

**MULTIPLE DELIVERY RESIDENTIAL – Pieces Per Actual Stop**

	<b>LTV BY 1986</b>	<b>CCS BY 1989</b>	<b>CCS BY 1998</b>	<b>Increase 98 v 96</b>	<b>Increase 98 v 89</b>
<b>Letters</b>	<b>10.188</b>	<b>12.469</b>	<b>15.889</b>	<b>56.0%</b>	<b>27.4%</b>
<b>Flats</b>	<b>4.016</b>	<b>4.729</b>	<b>5.555</b>	<b>38.3%</b>	<b>17.5%</b>
<b>Parcels</b>	<b>0.108</b>	<b>0.138</b>	<b>0.258</b>	<b>138.9%</b>	<b>89.7%</b>
<b>Accountables</b>	<b>0.028</b>	<b>0.037</b>	<b>0.037</b>	<b>32.1%</b>	<b>0.0%</b>
<b>Flats as a % of Letters</b>	<b>39.4%</b>	<b>37.9%</b>	<b>35.0%</b>		

**RESPONSE:**

Confirmed, with the following exceptions. SDR accountable pieces per stop equaled 0.009 in BY 1989 and 0.006 in BY 1998. Also, in BY 1998, MDR flats per stop equaled 5.554, MDR parcels per stop equaled 0.257, and MDR accountables per stop equaled 0.028.

Furthermore, the BY 1986 CCS is a more appropriate data source for BY 1986 pieces per stop than is the 1985 LTV data, since CCS 1986 data are

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directly comparable with the CCS 1989 and CCS 1998 data presented in the above tables. The new SDR and MDR tables that substitute 1986 CCS pieces per stop for the LTV-based pieces per stop are presented below. These tables also incorporate the corrections made to some of the pieces per stop measures, as noted in the previous paragraph.

**SINGLE DELIVERY RESIDENTIAL – Pieces Per Actual Stop**

	CCS BY 1986	CCS BY 1989	CCS BY 1998	Increase 98 v 86	Increase 98 v 89
Letters	3.791	3.552	3.979	5.0%	12.0%
Flats	1.180	1.249	1.386	17.5%	10.9%
Parcels	0.047	0.042	0.064	37.3%	51.8%
Accountables	0.0091	0.0090	0.0064	-30.5%	-29.6%
Flats as a % of Letters	31.1%	35.2%	34.8%		

**MULTIPLE DELIVERY RESIDENTIAL – Pieces Per Actual Stop**

	CCS BY 1986	CCS BY 1989	CCS BY 1998	Increase 98 v 86	Increase 98 v 89
Letters	11.760	12.469	15.889	35.1%	27.4%
Flats	4.209	4.729	5.554	32.0%	17.5%
Parcels	0.132	0.138	0.257	95.3%	86.8%
Accountables	0.0339	0.0368	0.0279	-17.5%	-24.1%
Flats as a % of Letters	35.8%	37.9%	35.0%		

## 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 dark ink, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2990 Fax -5402  
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