

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 PARTS OF KEYSpan ENERGY INTERROGATORY KE/USPS-T29-53

The United States Postal Service hereby provides the response of witness Campbell to the following interrogatories of KeySpan Energy interrogatory filed on April 25, 2000: KE/USPS-T29-53(a) through (e), (f)(1) through (f)(4), and (i).

KeySpan has withdrawn its request for the information specified in subparts (f)(5) through (f)(9), as well as subparts (g) and (h).

Interrogatory KE/USPS-T29-53 is stated verbatim and is followed by the responses to subparts (a) through (e), (f)(1) through (f)(4), and (i).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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May 5, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS CAMPBELL TO
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KE/USPS-T29-53.

Please refer to your latest revised response to Interrogatory **KE/USPS-T29-49** (dated April 24, 2000) and USPS witness Susan W. Mayo's response to Interrogatory **KE/USPS-T39-12 (d) and (f)**. In your response to Interrogatory **KE/USPS-T29-49, parts (a) and (b)**, you furnished certain limited information about the top (i.e. highest volume) 75 QBRM accounts using the database and search capabilities available through the PERMIT system. In her response to Interrogatory **KE/USPS-T39-12 (d)**, witness Mayo indicated that, according to a centralized Postal Service database known as the Corporate Business Customer Information System ("CBCIS"), "at least 486 BRM mailers [sic] have reported annual volumes for one ounce pieces exceeding the breakeven volume that would make the proposed QBRM with the quarterly fee attractive,"

- a. Please list, compare, and contrast the QBRM recipient information that is contained in the PERMIT and CBCIS databases.
- b. Please explain fully the purposes for which the Postal Service uses the PERMIT and CBCIS systems.
- c. Please state the date that the PERMIT system came online.
- d. Please state the date that the CBCIS system came online.
- e. To the extent not already furnished and fully explained in connection with the above parts of this interrogatory, please state and explain what information about QBRM recipients, if any, is contained in the PERMIT system but not the CBCIS system or in the CBCIS system but not the PERMIT system.
- f. Using whichever database system is more comprehensive (i.e. contains information about the greatest number of QBRM recipients), please provide, for the base year and the most recent twelve month period for which data are available, a list of all QBRM recipients who received more QBRM reply mail pieces than the breakeven volume of 113,000 pieces per year ("high volume QBRM recipients"). For each of the high volume QBRM recipients, please provide, in tabular form, the following information from the PERMIT or CBCIS database, if available, or other sources if the referenced databases do not include the requested information:
 - (1) the location of the postal facility where such QBRM recipient receives its reply mail;
 - (2) the total volumes of QBRM received during the relevant twelve month period;

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KE/USPS-T29-53 (continued)

- (3) how many different addresses the QBRM recipient maintains for QBRM at such postal facility;
 - (4) if a listed QBRM recipient maintains more than one QBRM address at that facility, the volumes of QBRM delivered to each of the recipient's addresses during the relevant periods;
 - (5) if a listed account holder receives QBRM reply mail pieces for others, the number of different QBRM recipients for which the listed recipient receives such reply mail pieces;
 - (6) whether the address printed on each of the QBRM recipient's reply piece is a post office box or a physical street address;
 - (7) for recipients whose reply mail pieces are addressed to post office boxes, whether the QBRM recipient's reply mail pieces are picked up by the recipient or its designated representatives from the post office box or through firm holdout procedures, or whether postal service personnel routinely deliver the recipient's QBRM volumes to the recipient's place of business;
 - (8) the method customarily used to sort such recipient's QBRM to the recipient and the processing step (e.g. incoming primary, incoming secondary) and the location where the final sort to that recipient occurs (e.g. at another postal facility, outside the postage due unit in the destination facility, or within the postage due unit in the destination facility; and
 - (9) if the QBRM recipient received BRM at such facility in 1989, please furnish the information requested in subpart (8) for 1989.
- g. For customer 2 at Postal Facility 17, for which you show total volumes of 30,017,809 and 38,382,839 pieces on Attachments 1 and 2, respectively, to your response to Interrogatory KE/USPS-T29-49:
- (1) Please confirm that customer 2 receives QBRM reply mail pieces on behalf of many other QBRM recipients and state how many.
 - (2) Please state how these pieces (i) sorted in the last sort when the pieces are separated to the recipient, and (ii) counted.
- h. For each of the Post Offices included in Attachment 1 and/or 2 of your response to Interrogatory KE/USPS-T29-49, please state and identify by

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geographic location, which ones were included in study performed by USPS witness Pham in Docket No. R90-1 (USPS-T-23).

- i. For the periods for which you furnish information in response to this interrogatory, please provide the total volumes of QBRM reported in the PERMIT system, the CBCIS system, and the RPW system.

RESPONSE:

- a. My understanding is that the PERMIT system's BRM module contains millions of transaction-level data records with the following elements:

- (i) Postal site finance number
- (ii) Customer QBRM permit number
- (iii) Sequence number for customers with multiple accounts
- (iv) QBRM volume for specific transaction
- (v) Revenue for specific transaction.

The CBCIS database simply rolls up individual transactions by permit number and matches the permit number to a customer name. Thus, the CBCIS database contains customer-specific QBRM volumes and revenues on an aggregated basis. In addition, CBCIS matches a Postal finance number with the site name.

- b. The Permit System is an accounting based system at the local office level that was developed to compute bulk mail postage, update mailers' trust fund accounts, and aid the postmaster in reporting end of period statement of account activity. The PERMIT system is a well-established system that was first deployed in 1985 (see the response to NNA/USPS-4(a)) and which gradually replaced the initial predecessor automated

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RESPONSE TO KE/USPS-T29-53 (continued)

financial systems known as BAARS and BRAVIS. No information is available to determine when the PERMIT System was first used in the RPW model. However, it is known that BAARS and BRAVIS were used as far back as 1984 in the RPW model to replace the old manual form process of reporting RPW data, and it is believed that PERMIT was phased in beginning shortly thereafter. Information on the PERMIT System is documented and available in library reference Nos. USPS LR-I-44 through LR-I-48.

It should be stressed that the Postal Service's RPW estimates for the BRM category are constructed from the Domestic RPW (DRPW) sampling system, and not from the PERMIT System-based Bulk RPW (BRPW).

The CBCIS database is primarily used as a marketing tool to identify Postal customers with specific volume and revenue characteristics. For example, CBCIS is often utilized as a resource when identifying the sampling universe for marketing studies. CBCIS is not relied upon for financial data.

It should be stressed that CBCIS simply "rolls up" raw transactional data from the PERMIT System. In other words, CBCIS data is not "cleaned" and thus has inherent limitations. My understanding is that CBCIS may actually overstate QBRM volumes and revenues because adjustments are not made to data for transaction reversals.

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RESPONSE TO KE/USPS-T29-53 (continued)

- c. The PERMIT System came online in 1985.
- d. The CBCIS system came online in 1993.
- e. As stated in part (a), with respect to QBRM, the CBCIS database contains the same data housed in the PERMIT System, only on an aggregated level. CBCIS matches a permit number from PERMIT with a customer name and matches a Postal finance number with a Postal site name. Thus, CBCIS contains customer names and Postal site names, while PERMIT only contains permit numbers and finance numbers for individual customers and postal sites.
- f. Data responses to parts (1) through (4) are being filed in USPS LR-I-331 under protective conditions. Two diskettes (FY98.zip) contain FY98 QBRM volumes for quarters 1 through 3 from the PERMIT system. A third diskette (FY99-00.zip) contains QBRM volumes for FY99 (AP6) through FY00 (AP6) from CBCIS.
- i. The QBRM volumes for the period FY99 (AP6) through FY2000 (AP6) from CBCIS are as follows:
 - 1 oz letters – 387,581,098 pieces
 - 2 oz letters – 3,397,207 pieces
 - cards – 83,290,599 pieces

Because CBCIS volumes are taken directly from PERMIT, it is assumed that the PERMIT volumes are the same as those listed above.

The QBRM volumes for the FY98 (AP's 1-9) are as follows:

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1 oz letters -- 209,493,374 pieces

2 oz letters -- 1,907,487 pieces

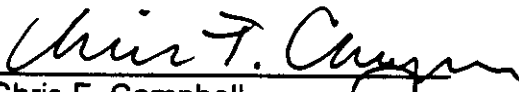
cards -- 52,840,136 pieces

These volumes were taken from the PERMIT system and are assumed to be the same as those in CBCIS.

The RPW QBRM volume estimates for the period FY99 (AP6) through FY2000 (AP6) is 441,450,000 pieces. The 95% confidence relative error band around this estimate is plus or minus 17%.

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

Dated: 5-5-00

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", is written over a horizontal line.

Michael T. Tidwell

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