

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 KINGSLEY TO INTERROGATORY OF
THE MCGRAW-HILL COMPANIES, INC.
(MH/USPS-T10-22)

The United States Postal Service hereby provides the response of witness Kingsley to the following interrogatory of The McGraw-Hill Companies, Inc.:
MH/USPS-T10-22, filed on April 28, 2000.

The 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

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May 12, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO FOLLOW UP INTERROGATORIES OF McGRAW-HILL COMPANIES INC.**

MH/USPS-T10-22 With reference to your written response on April 20, 2000 to Hearing Question 2 of MH at Tr. 5/2059, lines 11-13:

- (a) Please confirm that the Postal Service has no utilization indicators (similar to the attachment to ANM/USPS-T10-16) for FY 1997 or FY 1998 that would be responsive to the request made at the hearing. If you do not confirm, please produce all such utilization indicators for that period;
- (b) Please explain why your response indicates an average FSM 1000 utilization rate of 1,688 TPH for AP 5/FY 00, while your response to ANM/USPS-T10-16 indicates an average FSM 1000 utilization rate of 1,576.5 TPH for AP 5/FY 00;
- (c) Please explain why your response indicates an average FSM 881 utilization rate of 1,693 TPH for AP 5/FY 00, while your response to ANM/USPS-T10-16 indicates an average FSM 881 utilization rate of 1,624.5 in AP 5/ FY 00;
- (d) Please explain fully all of the reasons for the steep decline in FSM utilization in AP 4, both in FY 99 and FY 00, both for the FSM 881 and the FSM 1000;
- (e) Please explain fully all of the reasons why the average FSM 881 utilization rate declined from 1,756 TPH in AP 8/FY 99 to 1,468 TPH in AP 11/FY 99.
- (f) Please explain fully all of the reasons why FSM 881 utilization has been lower in FY 00 than in FY 99.

Response:

- (a) It is my understanding that we are not able to reconstruct similar FSM utilization indicators for FY97 or 98 since we would not know the exact number of FSMs by type per location that reported MODS volume.
- (b) There is a continuous effort to improve data integrity and reporting accuracy. The latest report included any adjustments to MODS volumes, which inevitably occur if there were data transmission problems from a site to the San Mateo data site (can be daily or weekly data that is not completely transmitted until the following AP), updates to site FSM inventories, and to

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reflect the movement of a handfull of FSM 881s in anticipation of AFSM 100 installation.

- (c) See (b) above.
- (d) There is a below average volume of flats and Dropship arrivals in AP 4 (approximately the 3 weeks prior and one week after Christmas). This is the lull between the catalogs for Holiday items and the January white sales and clearance sales.
- (e) AP 9-12 is a period with lower than average flat volume which coincides with the summer volume lull before the fall mailing season begins. Therefore, there is less demand on the FSMs during AP 11 than in AP 8.
- (f) Please see response to MH/USPS-T10-13 and Tr5/2053 line 14 through 2054 line 16.

DECLARATION

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

Linda A. Kingsley

Date: 5-12-2000

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.


Susan M. Duchek

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