

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 THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-137 AND 138)

The United States Postal Service hereby provides its responses to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-137 and 138, filed on May 3, 2000.

Each interrogatory is stated verbatim and is followed by the response.

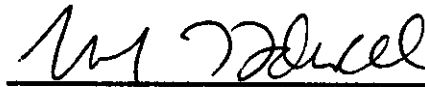
An objection to OCA/USPS-136 was filed on May 15, 2000.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

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May 17, 2000

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-137. Please refer to Docket No. R97-1, USPS-LR-H-130 at page 10, Tables 5.1, 5.2 and 5.3, revised 10/6/97. In Table 5.2, "OSS Reject Rates," please confirm that the "reject rates" for "Handwritten First-Class collection mail" result from a calculation and are actually the product of a reject rate and a downflow density.

- (a) Please provide a narrative explanation of the derivation and interpretation of these "reject rates" that is more extensive than is provided at page 2 of LR-H-130.
- (b) If you do confirm, please provide the "reject rates" and downflow densities used to calculate the figures for "Handwritten First-Class collection mail." Please show all calculations and provide citations to all figures used.
- (c) If you do not confirm, please explain in detail the derivation of these figures for "Handwritten First-Class collection mail." Please show all calculations and provide citations to all figures used.

RESPONSE:

Not confirmed.

a. b. c. The accept and upgrade rates were calculated using data that were taken directly from the End-Of-Run (EOR) reports at participating sites (see Appendix B for samples). Input files were then created using the raw data. The "DATA.SAS" program described in Appendix C was then used to perform the calculations. See Appendix C for further details.

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OCA/USPS-138. Please refer to LR-I-160, section L, page 2 of 15, and LR-I-162, tab BMM LTR CRA. The OCA is attempting to derive an estimate of the unit cost of handwritten low-aspect-ratio First Class letter-shaped pieces. Please state whether it is appropriate to use the spreadsheet from LR-I-160 for this purpose, and if not, why not. The OCA's specific concern is the lack of CRA fixed adjustment factors in the LR-I-160 spreadsheet.

RESPONSE:

It is not appropriate. Witness Campbell (USPS-T-29) relied on witness Miller's (USPS-T-24) cost model in developing the mail processing cost estimate for handwritten letters. This cost model contains average data inputs for all letters (regardless of class and/or presort level). As witness Miller stated in his response to OCA/USPS-T24-6(f), data were not separately collected for mail pieces that do not meet the standard letter aspect ratio (between 1.3 and 2.5, inclusive) requirement. Therefore, it would not be appropriate to use the model referenced above to estimate the costs for handwritten low-aspect-ratio First-Class letter-shaped mail pieces.

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", written over a horizontal line.

Michael T. Tidwell

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