

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 PAFFORD TO INTERROGATORIES OF
UNITED PARCEL SERVICE
REDIRECTED FROM WITNESS USPS
UPS/USPS-44, 47-48

The United States Postal Service hereby provides the responses of witness Pafford to the following interrogatories of United Parcel Service: UPS/USPS-44, 47-48, filed on July 26, 2000, and redirected from the Postal Service.

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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August 9, 2000

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UPS/USPS-44. Confirm that in FY1998, Postal Service Handbook F-75, entitled "Data Collection Users Guide for Revenue, Volume, and Performance Measurement Systems" and filed as Library Reference USPS-LR-I-37, instructed data collectors as follows: "If you find a Standard Mail (A) mailpiece that has been paid at the Standard Mail (B) rate, record this mailpiece as Standard Mail (A) Single Piece." See USPS-LR-I-37, pages 3-83, 3-95, 3-149, and 3-156, attached hereto.

RESPONSE. Confirmed for all four pages, subject to the understanding that these references imply the mailpieces are endorsed Standard Mail (A) as described in the response to UPS/USPS-47(a).

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UPS/USPS-47.

(a) In FY1999, did DRPW data collectors record Standard Mail (A) mailpieces that paid Standard Mail (B) rates as Standard Mail (A) pieces or as Standard Mail (B) pieces?

(b) Provide copies of any directives, training materials, instructions, manuals, handbooks, or other type of documents indicating how DRPW data collectors were instructed to record in FY 1999 (or in any part thereof) Standard Mail (A) mailpieces that paid Standard (B) rates.

RESPONSE.

(a) Up until the Docket No. R97-1 implementation (January 10, 1999), DRPW data collectors recorded Standard Mail (A) mailpieces paid at Standard Mail (B) rates as Standard Mail (A), *assuming that such pieces were endorsed as Standard Mail (A)*. Section 3.15, Part 11 of USPS-LR-I-37 explains this emphasis on endorsements. Starting with that implementation, Standard Mail (A) mailpieces paid at Standard Mail (B) rates were recorded as Standard Mail (B).

(b) USPS-LR-I-37 contains the DRPW data collector instructions applicable until the January 10, 1999 implementation date. Concurrent with the rate implementation, *instructions were developed that revised procedures for recording Standard Mail (A) paid at Standard Mail (B) rates*. The relevant information is attached.

RPW 8.0: Rate Change Update

4.0 Standard Mail (B)

Standard Mail (B): This mailpiece is not marked First-Class, Priority, or Periodicals. With the exception of Library Mail and Special Standard Mail, Standard Mail (B) weighs 16 ounces or more. It has the following dimensions and weight limitations: each piece may not exceed 70 Lbs., except matter at bound printed matter (BPM) rates (which may not exceed 15 pounds). The combined length and girth of a piece may not exceed 108 inches.

Note the following exceptions:

- **Bound Printed Matter (BPM) Permit Imprint:** BPM Permit Imprint mailpieces are not countable in the RPW test.
- **Unendorsed mail over 16 ounces:** With one exception, always record unendorsed mail weighing 16 ounces or greater as Standard Mail (B) zone rated parcel post mail. The only exception to this rule is when the mailpiece bears metered or stamped postage greater than or equal to what the mailpiece's Priority rate *would be* based upon the mailpiece's zone and weight. If the unendorsed mailpiece weighs more than 16 ounces and the metered or stamped postage is greater than or equal to the Priority rate consistent with the mailpiece's zone and weight, record the mailpiece as Priority Mail.
- **Standard Mail (A) paid at Standard Mail (B) rates:** When the postage computed at the bulk (presort) Standard Mail (A) rate is higher than a Standard Mail (B) rate for which the matter and mailing could qualify except for its weight, the Standard Mail (B) rate can be paid without adding needless weight. When the Standard Mail (B) rate is paid, the pieces must bear the rate marking appropriate for the Standard Mail (B) rate at which postage is paid. Standard Mail (A) pieces that are endorsed Standard Mail (B) must be recorded as Standard Mail (B).

As you enter data into the CODES software, a record of your entries for your current mailpiece displays in the upper left field of the CODES Laptop screen.

- 1 From your *Main Options Menu*, select option <5> *Standard Mail (B)*.
- 2 Select one of the options given in the *Standard Mail (B) Main Options Menu*.

CODES displays the *Standard Mail (B) Main Options Menu* (Figure 32). Type the number of the appropriate option and press <Enter>: Parcel Post Zone-Rated; Special Standard (B): Single Piece and Presorted, PRSRT; Bound Printed Matter: Single Piece, Bulk Rate, Blk. Rt., Presorted, PRSRT, and CAR-RT Presort, CAR-RT Sort; and Library Mail: Single Piece and Presorted.

*Attachment to Response to
OAS/USPS-47, page 1 of 2.*

RPW 8.0: Rate Change Update

Example 2:

#BZSE8BZ	Optional Endorsement Line
#125L449DS14929#	Keyline (12.5 pounds, rate code "L")
JOHN L SMITH	
123 S MAIN ST	
MEMPHIS TN 38103-3600	

Rate Codes:

P = Single Piece Bound Printed Matter
 B = Basic Presorted Bound Printed Matter
 R = CR Presorted Bound Printed Matter
 A = Intra-BMC Parcel Post
 D = Destinating BMC Parcel Post
 M = Inter-BMC Machinable Parcel Post
 S = Special Standard Mail
 L = Library Mail

D Recording Forwarded or Returned SPF Mailpieces

Forwarded or returned SPF mailpieces are currently countable in RPW. Record these mailpieces on their forwarded (or returned) leg as being fully paid at their applicable single-piece First-Class or Priority Mail rate (Standard Mail [A]), or at their appropriate single-piece Standard Mail (B) rate. Do not include the electronic ACS change notification fee of 20 cents in your recording.

12 Standard Mail (A) Paid for at Standard Mail (B) Rates

When the postage computed at the bulk (presort) Standard Mail (A) rate is higher than a Standard Mail (B) rate for which the matter and mailing could qualify except for its weight, the Standard Mail (B) rate can be paid without adding needless weight. When the Standard Mail (B) rate is paid, the pieces must bear the rate marking appropriate for the Standard Mail (B) rate at which postage is paid. Standard Mail (A) pieces that are endorsed Standard Mail (B) must be recorded as Standard Mail (B).

For example, a mailer has flat-size printed matter pieces that meet the qualifications for BPM, except that the pieces each weigh less than one pound and the applicable BPM rates are less than the applicable Standard Mail (A) rates. Then, the mailer can presort the pieces as Standard Mail (A) flats and claim basic presorted BPM rates. These pieces are presorted according to the Presorted Standard Mail (A) requirements, and must also be marked "Presorted," or "Presorted Standard," and "Bound Printed Matter."

13 Returned Standard Mail (A) Requiring a Weighted Fee

Standard Mail (A) showing the endorsements, "Address Service Requested" or "Forwarding Service Requested," regardless of any other endorsements, requires a weighted fee upon being returned. Record this mail as single-piece First-Class or

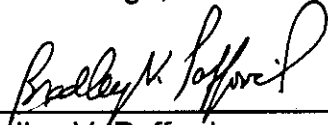
RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO
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UPS/USPS-48. In FY1999, did DRPW data collectors record pieces weighing less than one pound that would qualify for Standard Mail (A) which paid Standard Mail (B) rates as Standard Mail (A) pieces or as Standard Mail (B) pieces?

RESPONSE. Prior to the Docket No. R97-1 implementation (January 10, 1999), Standard Mail (A) paid at Standard Mail (B) rates was recorded as Standard Mail (A). After this date, it was recorded as Standard Mail (B).

DECLARATION

I, Bradley V. Pafford, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.



Bradley V. Pafford

Date: 8/9/00