BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001

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Docket No. R2000-1

Answer of KeySpan Energy To USPS Motion For Inclusion of Statement By Witness Campbell Into The Evidentiary Record And Request To Reopen The Record Or Other Appropriate Relief

Pursuant to Presiding Officer's Ruling No. R2000-1/131, issued August 23, 2000 ("POR 131"), KeySpan Energy ("KeySpan") hereby submits the following answer in response to the Postal Service's September 6, 2000 Motion For Inclusion Of Statement by Witness Campbell Into The Evidentiary Record ("September 6 Motion"). Since the September 6 Motion was granted by POR 142 and the record was closed by POR 144, both issued September 8, 2000, KeySpan requests, as necessary, limited reconsideration of those rulings in order to have the attached affidavit of KeySpan employee Michael Finnegan, Jr. incorporated into the evidentiary record.¹

During cross examination, Mr. Campbell was requested to accept, subject to check, that at the July 12, 2000 Mailers' Technical Advisory Committee ("MTAC") meeting at which he was present, certain statements regarding QBRM processing were made by Postal Service employees. Specifically, a statement was made indicating that when a QBRM recipient received about 200 to 300 *pieces* in a given day, it made more sense to hand count the pieces. Mr. Campbell's statement, which was attached to the September 6 Motion indicates that he does not remember such a discussion and that he checked with *three* Postal Service personnel who attended that meeting and confirmed that they did not make such a statement but that one of them may have made a different statement that used the figure 200-300 *accounts*.

KeySpan does not oppose the Postal Service's motion to include Mr. Campbell's statement, on condition that the affidavit of Michael Finnegan, Jr., who attended the same MTAC meeting on behalf of KeySpan, also is included in the evidentiary record. KeySpan agrees with the Postal Service that the "record should be clear and accurate

¹ POR 131 provides (at 1) that "consistent with due process participants will have seven days to respond to requests for designations." The relief KeySpan requests is consistent with the letter and spirit of that ruling.

about what was and was not said at the July 12th meeting." September 6 Motion at 2. For these very reasons, the evidentiary record should include the affidavit of Mr. Finnegan as well as the statement of Mr. Campbell.

Mr. Finnegan is the liaison between his company and the Postal Service regarding all aspects of the KeySpan's QBRM mailing program. Mr. Finnegan's affidavit confirms Mr. Campbell's statement regarding a discussion of 200-300 *accounts*. However, his affidavit relates the context in which a *different* statement about hand counting 200-300 *pieces* arose. Specifically, toward the end of that meeting, *which was attended by over 20 postal personnel*, Mr. Finnegan raised questions about counting nonletter-size BRM by weighing techniques, which led to a short discussion of counting QBRM by weighing techniques. During the discussion, a postal employee indicated that "in general, it would make more sense to hand count QBRM when daily volumes were under 200 to 300 pieces, rather than using a weighing method." Affidavit at 1-2. Mr. Finnegan also explains why this statement left such an impression on him and the fact that he related it to KeySpan witness Richard E. Bentley the next day.

For these reasons, KeySpan respectfully requests that the evidentiary record in this proceeding include both the affidavit of Michael Finnegan, Jr. and the statement of Mr. Campbell

Respectfully submitted,

KeySpan Energy

By: M

Michael W. Hall 34693 Bloomfield Road Round Hill, Virginia 20141 540-554-8880 Attorney for KeySpan Energy

Dated: Round Hill, Virginia September 12, 2000

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties to this case in compliance with Rule 12 of the Commission's Rules of Practice.

Dated this 12th day of September 2000 2

Postal Rate and Fee Changes Docket R2000-1

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Affidavit Of Michael Finnegan, Jr. On Behalf Of KeySpan Energy

State Of New York

County Of Kings

Michael Finnegan, Jr., being duly sworn, deposes and says:

1. My name is Michael Finnegan, Jr. I am employed by KeySpan Energy ("KeySpan") as Manager of Public Affairs Operations. Among other responsibilities, I act as the liaison between KeySpan and the Postal Service regarding all aspects of the KeySpan's QBRM reply mail program. I am also a designated representative of KeySpan in this proceeding and am responsible for supervising KeySpan's participation in the proceeding. In addition, I consulted with KeySpan witness Richard E. Bentley on the design of his studies of productivities for counting QBRM manually and by weighing techniques, and assisted in conducting those studies, which are shown on a videotape that has been filed as Library Reference KE-LR-2.

2. On July 12, 2000, I attended a Mailers' Technical Advisory Committee (MTAC) meeting held in Washington, D.C. I recently re-joined MTAC specifically because I was advised by KeySpan's counsel that, during oral testimony on May 11, 2000, USPS witness Chris Campbells indicated that the Postal Service would be studying ways to improve QBRM processing efficiencies as part of a joint effort with MTAC.

3. I have reviewed the statement of Mr. Campbell regarding statements that were made at the July 12, 2000 MTAC meeting. The purpose of my affidavit is to recount a statement made by a postal employee at that meeting and explain the context of that statement.

4. USPS witnesses Campbell and Susan Mayo attended the July 12 MTAC meeting along with 20 other Postal Service employees, most of whom I am not familiar with.

5. Toward the end of the July 12 MTAC meeting, I raised an issue with respect to counting nonletter-size BRM by weighing techniques. It is my understanding that the Postal Service is now charging a one-cent per piece fee to process such pieces and is proposing to charge three times as much to process QBRM, which are prebarcoded and automation compatible by definition. I raised the issue to point out that while nonletter-size BRM must be handled manually, QBRM can be processed by automation, particularly when volumes received on a given day are "large."

6. During the ensuing discussion, a postal employee, whom I did not know and cannot identify, indicated that, in general, it would make more sense to hand count QBRM when daily

volumes were under 200 to 300 pieces per day, rather than counting by weighing techniques.

7. This statement was important to me for several reasons. First, I helped Mr. Bentley with his study of productivities for counting QBRM manually and by weighing techniques, so I have an understanding of the operations involved. Second, I knew that Mr. Bentley used 400 pieces per day as the cut off figure for manual processing of QBRM. Finally, the 200 to 300 pieces per day mentioned by the Postal Service employee made a lot of sense to me. For example, during our productivity studies we found that with respect to simply counting mail pieces by hand, an untrained clerk could count approximately 4,600 pieces per hour. Therefore, 200 to 300 letters would take between 2 ½ and 4 minutes to count by hand. Our studies also showed that a clerk could weigh four trays of letters in under 3 minutes. Since I know 200 to 300 letters would fit in one tray, we could count such letters in a minute or less by weight conversion. Thus, the postal employee's statement that it would still make sense to count 200 to 300 pieces manually, if anything, seemed high. However, since there are some other functions that must be performed in conjunction with counting, the 200 to 300 piece range certainly seemed reasonable to me.

8. Since I knew that Mr. Bentley was scheduled to testify for KeySpan within a few days, I called him the next day to recount what I had heard at the July 12 meeting.

9. Mr. Campbell's statement indicated that one of the Postal Service's operations personnel may have indicated that "sites having 200 to 300 accounts that manually count QBRM pieces may find it more efficient to count QBRM pieces for one large account using an automated method." I do remember such a comment but note that the 200 to 300 number range was used in both contexts.

Subscribed and sworn before me this 11th day of September, 2000.

Notary Public

