Postal Rate and Fee Changes, 2001   )   Docket No. R2001-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
(OCA/USPS-106-113)
October 19, 2001

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate

Commission, the Office of the Consumer Advocate hereby submits interrogatories and

requests for production of documents. Instructions included with OCA interrogatories

OCA/USPS-1-21 dated September 28, 2001, are hereby incorporated by reference.

Respectfully submitted,

SHELLEY S. DREIFUSS
Acting Director
Office of the Consumer Advocate


EMMETT RAND COSTICH
Attorney

1333 H Street, N.W.
Washington, D.C. 20268-0001
(202) 789-6830; Fax (202) 789-6819

OCA/USPS-106.   Please refer to the table and the graph below.

LETTER-SHAPED MAIL PROCESSING COSTS
BY OUNCE INCREMENT, 0 to 3 ozs.
Single-Piece, Presorted, Standard Regular
Test Year

Single-Piece	0 to 1	1 to 2	2 to 3
volume	40,831,219,813	1,777,163,946	294,578,927
all mp (3.1) tally ($000)	4,698,665	438,490	118,329
MP Unit Cost	$0.1151	$0.2467	$0.4017
Marginal Cost Difference		$0.1317	$0.1550
Percentage Change		114.41%	62.80%

Presort	0 to 1	1 to 2	2 to 3
volume	49,102,814,768	1,203,209,191	126,940,877
all mp (3.1) tally ($000)	2,085,986	172,253	28,018
MP Unit Cost	$0.0425	$0.1432	$0.2207
Marginal Cost Difference		$0.1007	$0.0776
Percentage Change		236.99%	54.17%

Standard Regular	0 to 1	1 to 2	2 to 3
volume	33,010,451,919	7,106,016,427	1,504,667,741
all mp (3.1) tally ($000)	1,642,169	329,152	95,961
MP Unit Cost	$0.0497	$0.0463	$0.0638
Marginal Cost Difference		($0.0034)	$0.0175
Percentage Change		-6.89%	37.68%

SOURCE: First-Class Single-Piece, USPS-LR-J-58, LR58ASP.xls, at 16.
First-Class Presort, USPS-LR-J-58, LR58PRE.xls, at 16.
Standard Mail, USPS-LR-J-58, LR58AREG.xls, at 17.

Letter-Shaped Mail Processing Costs by Ounce Increment
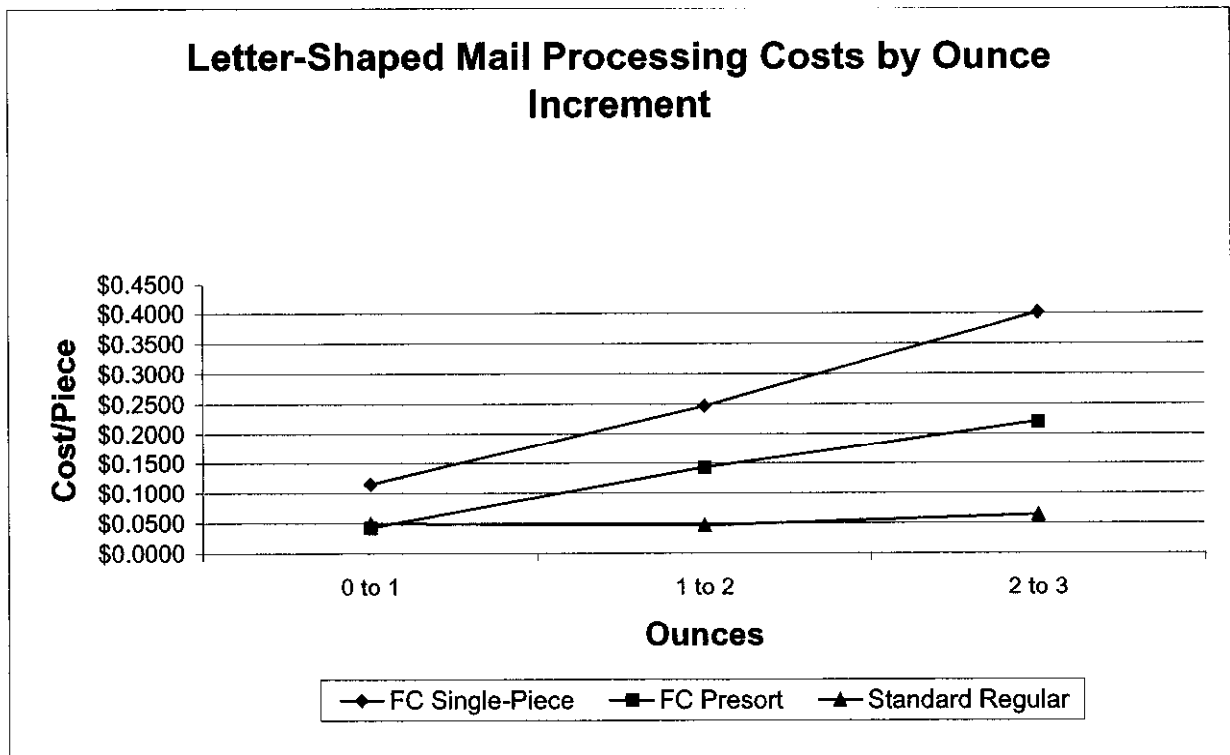
a.   Please confirm that the "MP Unit Cost" for Single-Piece, Presort, and Standard Regular at each weight increment is correct. If you do not confirm, please provide the correct mail processing unit costs and show all calculations.

b.   Please confirm that the "Marginal Cost Difference" for Single-Piece, Presort, and Standard Regular is correct. If you do not confirm, please provide the correct marginal cost difference and show all calculations.

c.   Please confirm that the "Percentage Change" for Single-Piece, Presort, and Standard Regular is correct. If you do not confirm, please provide the correct percentage change and show all calculations.

OCA/USPS-107.   Please refer to the table in OCA/USPS-106.   For single-piece, presort, and Standard Regular, please provide the number of weighted and unweighted tallies for the line, "all mp (3.1) tally ($000)."

OCA/USPS-108.   Please refer to the table and graph in OCA/USPS-106.   Please provide the standard error for the mail processing unit costs at each ounce increment for single-piece, presort, and Standard Regular.

OCA/USPS-109.   Please refer to the table and graph in OCA/USPS-106. For single-piece, presort, and Standard Regular, please provide the direct volume variable mail processing costs without any piggyback factors or indirect costs.

OCA/USPS-110.   Please refer to USPS-LR-J-58, at pages 1 and 2, which contain the Premium Pay Factors and Reconciliation Factors by Class, and the test year Piggyback Factors and Cost Ratio by Cost Pool. Also, please refer to pages 103 to 202 in USPS-LR-J-58.

a.   For MODS 1 and 2 and Non-MODS offices, please confirm that test year volume variable mail processing costs are determined as follows: base year 2000 mail processing costs * class-specific reconciliation factor * pool-specific cost ratio * ((class-specific premium pay factor + pool-specific piggyback factor) − 1). If you do not confirm, please explain.

b.   Please confirm that the formula in part a. is applicable to all classes by shape and ounce increments. If you do not confirm, please explain.

c.   For BMCs, please confirm that test year volume variable mail processing costs are determined as follows: base year 2000 mail processing costs * class-specific reconciliation factor * pool-specific cost ratio * pool-specific piggyback factor. If you do not confirm, please explain.

d.   Please confirm that the formula in part c. is applicable to all classes by shape and ounce increment. If you do not confirm, please explain.

OCA/USPS-111.

a.   Please identify the LDC, cost pools, and MODS 3-digit codes applicable to the processing of letters, flats and parcels (i.e., nonletters/nonflats), respectively. If this information has been previously provided in this docket, please give the citation.

b.   For the LDC, cost pools, and MODS 3-digit codes provided in response to part a., please provide the workhours, total pieces handled (TPH), total pieces fed (TPF), first handling pieces (FHP), and pool costs. If this information has been previously provided in this docket, please give the citation.

c.   For the LDC, cost pools, and MODS 3-digit codes provided in response to part a., please identify those LDC, cost pools, and MODS 3-digit codes that involve the application of barcodes. If this information has been previously provided in this docket, please give the citation.

OCA/USPS-112.

a.   Please provide the weighted and unweighted IOCS tallies, by ounce increment, separately for letters, flats and parcels (i.e., nonletters/nonflats) in First-Class single-piece, First-Class presort, and Standard Mail Regular, respectively.

b.   Please provide the depth of sort, by once increment, separately for letters, flats and parcels (i.e., nonletters/nonflats) in First-Class single-piece, First-Class presort, and Standard Mail Regular, respectively.

OCA/USPS-113.   Please refer to the Postal Service's response to Interrogatory AOL-TW/USPS-6(f). That response states, in part (emphasis added):
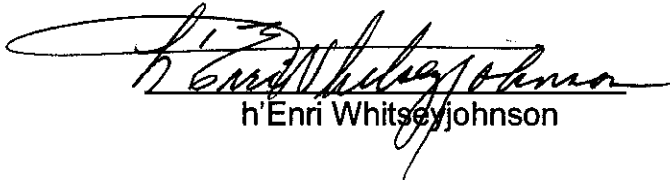
> Processing schedules by machine type are developed by In-Plant Support in advance of receiving an AFSM 100 to determine exactly when each piece of equipment will be run and what type of mail will be run on each for an *average* day. This plan includes a priority ranking of mail types by machine type so that if a given machine type is not available, supervisors will have a backup plan to implement.

a.   Please define "average day."

b.   Please provide an example of a "plan [that] includes a priority ranking of mail types by machine type."

c.   Please provide an example of a "[p]rocessing schedule."

d.   Please provide an example of the calculations used to determine the characteristics of an "average day."

e.   Please provide copies of all instructions or other documents relating to the determination of what constitutes an "average day."

f.   Please provide copies of all instructions or other documents relating to the creation of a "priority ranking."

g.   Please provide copies of all instructions or other documents relating to the

      actions supervisors or managers should take in the event that a day is above

      "average."

h.   Please provide copies of all instructions or other documents relating to the

      actions supervisors or managers should take in the event that a day is below

      "average."

i.   Please respond to the above parts of this interrogatory for each piece of

      equipment used to sort letters and cards.

<center>CERTIFICATE OF SERVICE</center>

I hereby certify that I have this date served the foregoing document upon all

participants of record in this proceeding in accordance with Rule 12 of the rules of

practice.

                                    h'Enri Whitsey johnson

Washington, D.C. 20268-0001
October 19, 2001