

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, 2001

Docket No. R2001-1

**RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS MILLER TO INTERROGATORY OF THE ASSOCIATION OF
POSTAL COMMERCE
(POSTCOM/USPS-T24—1)**

The United States Postal Service hereby provides the response of witness
Miller to the following interrogatory of the Association of Postal Commerce:
POSTCOM/USPS-T24—1, filed on October 17, 2001.

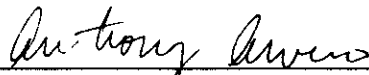
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


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October 24, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MILLER TO
INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE**

POSTCOM/USPS-T24-1 Please refer to the discussion on page 18 at 16-18 of USPS-T-39 which discusses the significant processing concern related to the OCR on the FSMs. Please confirm that the flats mail processing cost models in USPS LR-J-61 do not model mailflows that result from missorting. If you do not confirm, please explain and identify the appropriate mailflows.

RESPONSE:

It is assumed that the term "missorting" refers to mail pieces that are initially routed to the incorrect delivery address.

It can be confirmed that the cost models developed in USPS LR-J-61 do not model any mail flows specific to the missorting of mail. In addition, the cost models do not include mail flows specific to the processing of Undeliverable As Addressed (UAA) mail.

However, the total mail processing unit cost estimates developed in USPS LR-J-61 do include piece and package distribution costs for tasks that are not included in the cost models, such as those tasks related to the missorting of mail and the processing of UAA mail. CRA adjustment factors have been applied to the rate category model costs to account for the fact that some tasks have not actually been modeled.

DECLARATION

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


MICHAEL W. MILLER

Dated: 11-29-01

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.


Anthony Alverno

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