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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

**RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS MILLER TO INTERROGATORIES OF THE ASSOCIATION OF
POSTAL COMMERCE REDIRECTED FROM WITNESS KINGSLEY
(POSTCOM/USPS-T39—2 AND 6)**

The United States Postal Service hereby provides the responses of witness Miller to the following interrogatories of the Association of Postal Commerce redirected from witness Kingsley: POSTCOM/USPS-T39—2 and 6, filed on October 17, 2001.

The interrogatories are stated verbatim and are followed by the responses.

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
REDIRECTED FROM WITNESS KINGSLEY**

POSTCOM/USPS-T39-2 Please list and describe all factors that cause an automation flat to be less expensive for the Postal Service to handle than a similar nonautomation flat.

- (a) Individually for each factor, indicate whether the resulting savings are modeled in the flats mail processing cost models contained in USPS LR-J-61.
- (b) For each factor not modeled in USPS LR-J-61, please describe in detail why it reduces Postal Service costs.
- (c) For each factor not modeled in USPS LR-J-61, please provide a copy of all studies, reports, and analyses that discuss or quantify the benefits to the Postal Service of the factor.

RESPONSE:

The interrogatory does not define how the nonautomation and automation flats are "similar." It is assumed that the only mail piece characteristics that differ between the two flats are: (1) presence of a barcode on the automation flat, and (2) the address quality associated with each mail piece. Therefore, these factors would be the only ones that would affect the mail processing costs and result in a cost difference.

(a) Yes. The Bar Code Reader (BCR) and Optical Character Reader (OCR) accept rates found in USPS LR-J-61, page 57, were from engineering tests that quantified the acceptance percentages for pre-barcoded (93.87%) and non-barcoded mail pieces (73.63%), respectively. In addition, see please the response to POSTCOM/USPS-T24-1 for a discussion of how CRA proportional adjustment factors are applied to the model costs to account for the fact that some tasks are not actually modeled.

(b) (c) Not applicable.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MILLER TO
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REDIRECTED FROM WITNESS KINGSLEY**

POSTCOM/USPS-T39-6 Please provide any reports, studies, analyses or data that quantify the incidence of or costs of missorted mail.

RESPONSE:

It is assumed that the term "missorted mail" refers to mail pieces that are initially routed to the incorrect delivery address. To my knowledge, the Postal Service does not have any information responsive to this request. Also, please see the response to POSTCOM/USPS-T24-1.

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: 10-24-01

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.


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