

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

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-86(B-K), 87 AND 88)

The United States Postal Service hereby provides the responses of witness Robinson to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-86(b-k), 87 and 88, filed on October 17, 2001.

The interrogatories have been redirected from the Postal Service to witness Robinson for response.


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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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October 31, 2001

**RESPONSES OF THE UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(Redirected from the Postal Service)**

OCA/USPS-86. Please refer to the testimony of witness Maura Robinson (USPS-T-29) Attachments A-F.

- [a. Response provided by the Postal Service.]
- b. Please provide the percentage figure for the "Nonmachinable Proportion" of single-piece First-Class letter-shaped mail comparable to the "Nonmachinable Proportion" of Nonautomation Presort found in Attachment F, column (2) line (a).
- c. Please confirm that the "Nonmachinable Proportion" of single-piece First-Class letter-shaped mail is higher than the "Nonmachinable Proportion" of Nonautomation Presort. If you do not confirm, please explain.
- d. In Attachment F, column (2) line (c), there appears the figure, 19.95 percent, representing the "Nonmachinable Proportion" of Automation Flats. Please provide the percentage figure for the "Nonmachinable Proportion" of single-piece First-Class flat-shaped mail comparable to the "Nonmachinable Proportion" of Automation Flats.
- e. Please confirm that the "Nonmachinable Proportion" of single-piece First-Class flat-shaped mail is higher than the "Nonmachinable Proportion" of Automation Flats. If you do not confirm, please explain.
- f. In Attachment C, column (3) line (i), please confirm that the volume of Nonautomated Presorted Letters "Nonstandard/Nonmachinable Pieces" in the test year, after rates represents a 2,246 $(875,140 / 38,966 * 100)$ percent increase from the test year, before rates. If you do not confirm, please explain.
- g. Please discuss the assumptions that explain the increase in Nonautomated Presorted Letters "Nonstandard/Nonmachinable Pieces" from 38,966 in the test year, before rates to 875,140 in the test year, after rates.
- h. In Attachment C, column (3) line (e), please confirm that the volume of Single-Piece Letters "Nonstandard/Nonmachinable Pieces" in the test year, after rates represents a 222 $(942,633 / 424,198 * 100)$ percent increase from the test year, before rates. If you do not confirm, please explain.

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OCA/USPS-86 continued (page 2 of 4)

- i. Please discuss the assumptions that explain the increase in Single-Piece Letters "Nonstandard/Nonmachinable Pieces" from 424,198 in the test year, before rates to 942,633 in the test year, after rates.
- j. In Attachment C, columns (1), (2), and (3) please confirm that there is no increase in the proportion of Automated Presort Flats "Nonstandard/Nonmachinable Pieces" from the base year to the test year. If you do not confirm, please explain.
- k. Please discuss the assumptions that explain why there is no increase in the proportion of Automated Presort Flats "Nonstandard/Nonmachinable Pieces" from the base year to the test year.

RESPONSE:

- b. The Postal Service does not have data on the percentage of single-piece, First-Class, letter-shaped mail comparable to the nonmachinable proportion of Nonautomation Presort.
- c. Not confirmed. See the response to OCA/USPS-86(b).
- d. Under the Postal Service's proposal, there is no change in the definition or application of the current nonstandard (proposed to be renamed nonmachinable) surcharge as it applies to flat-shaped mail. 7.4 percent ($=356,886,503 / 4,844,700,614$) of single-piece, First-Class Mail flat-shaped pieces were nonmachinable/nonstandard in the base year. Compare: cell J304 to sum(cells J300::J307), workpaper "FirstShape", worksheet "RPWshape_First.xls," USPS-LR-J-112.
- e. Not confirmed. See the response to OCA/USPS-86(d).

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- f. Not confirmed. The increase in the volume reported on line Attachment C line (i) is 2146 percent [= $(875,140 - 38,966) / 38,966$] from the test-year-before-rates to the test-year-after-rates.
- g. The increase occurs because of the expansion (and associated renaming) of the current nonstandard surcharge to include nonmachinable mail and requests for manual processing. See USPS-T-29 at 23-24. The percentage of Nonautomation Presort pieces that are nonmachinable is from the 1997 Mail Characteristics Study (Docket No. R97-1, USPS-LR-H-185; also reported in USPS-LR-J-60 at 50, see response to OCA/USPS-86(a)).
- As indicated in my testimony, “[t]he proportion used for the volume of nonmachinable mail is based solely on the physical characteristics of the mail piece. Some additional (unquantified) volume would be subject to the nonmachinable surcharge as a result of manual processing requests.” USPS-T29 at 24, footnote 15.
- h. Not confirmed. The increase in the volume reported on line Attachment C line (e) is 122 percent [= $(942,633 - 424,198) / 424,198$] from the test-year-before-rates to the test-year-after-rates.

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- i. The increase occurs because of the expansion (and associated renaming) of the current nonstandard surcharge to include nonmachinable mail and requests for manual processing. See USPS-T29 at 16-18. As noted in USPS-T29, Attachment F at 3, I have assumed that single-piece mail has the same proportion of nonmachinable mail as workshared mail in the test-year-before-rates. This assumption was necessary because the Postal Service does not have data on the percentage of single-piece mail that would be subject to the proposed nonmachinable surcharge. This is a reasonable, judgmental assumption which permits me to project the volume of single-piece First-Class Mail that would be subject to the proposed nonmachinable surcharge.
- j. Confirmed.
- k. The expansion (and associated renaming) of the current nonstandard surcharge to include nonmachinable mail and requests for manual processing only affects letter-sized mail. The applicability of the surcharge to Automation Flats has not changed. See proposed DMCS §232.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE WITNESS ROBINSON
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OCA/USPS-87. Please refer to the testimony of witness Maura Robinson (USPS-T-29) Attachments A-F.

- a. In Attachment C, line (e), please confirm that the volume of Single-Piece Letters "Nonstandard/Nonmachinable Pieces" consists of letter-shape, flat-shape and nonletter/nonflat-shape pieces. If you do not confirm, please explain.
- b. In Attachment C, column (3) please confirm that Single-Piece Letters "Nonstandard/Nonmachinable Pieces" as a proportion of total Single-Piece Letters is 2.011 (942,633 / 46,865,402) percent. If you do not confirm, please explain.
- c. In Attachment C, column (3) please confirm that Nonautomated Presort Letters "Nonstandard/Nonmachinable Pieces" and Automation Presort Flats "Nonstandard/Nonmachinable Pieces" as a proportion of total Nonautomated Presort Letters, Automation Presort Letters and Flats, and Automation Carrier Route Letters is 1.985 ((875,140 + 143,545) / (3,579,306 + 46,872,325 + 870,451)) percent. If you do not confirm, please explain.
- d. In Attachment F, the note states: "Assume single-piece mail has same proportion of nonmachinable mail as workshared mail." Please explain the basis for this assumption.
- e. Please confirm that in the test year, after rates, Single-Piece Letter mail does not have the same proportion of nonmachinable mail as workshared mail. If you do not confirm, please explain.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

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OCA/USPS-87 continued (page 2 of 2)

- d. See response to OCA/USPS-86(i). The note on USPS-T29, Attachment F at 3 is unclear. The assumption is that single-piece mail has the same proportion of nonmachinable mail as workshared mail in the test-year-before-rates.
- e. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE WITNESS ROBINSON
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OCA/USPS-88. Please refer to the testimony of witness Maura Robinson (USPS-T-29) Attachments A-F.

- a. In the test year, please confirm that First-Class Single-Piece mail weighing less than one ounce is 99.1 percent letter-shaped, 0.8 percent flat-shaped, and 0.1 percent parcel-shaped. (See USPS-LR-J-58 at 8). If you do not confirm, please explain.
- b. In Attachment C, column (3) line (b), please confirm that 99.1 percent of line (b) is 46,127,870. If you do not confirm, please explain.
- c. In Attachment C, column (3) line (b), please confirm that 0.8 percent of line (b) is 368,782. If you do not confirm, please explain.
- d. In Attachment F, column (2) line (a) and (c), are the proportions for nonmachinable Nonautomation Presort Letters (24.45%) and Automation Flats (19.95%) respectively. Please confirm that the volume of Single-Piece Letters "Nonstandard/Nonmachinable Pieces" in Attachment C, column (3) at line (e) should be 11,351,850 ($46,127,870 * 24.45\%$) + ($368,782 * 19.95\%$). If you do not confirm, please explain.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Not confirmed. See response to OCA/USPS-86(i) for an explanation of my assumptions regarding the share of single-piece, First-Class Mail that would be subject to the nonmachinable surcharge. My calculation assumes that the share of single-piece, First-Class Mail Letters that is nonmachinable equals the TYBR nonmachinable share of ALL workshared First-Class Mail Letters (not just Nonautomation Presort and

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Automation Flats). In addition, the Nonautomation Presort rate category includes letter-shaped, flat-shaped, and parcel-shaped mail pieces.

DECLARATION

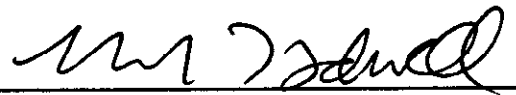
I, Maura Robinson, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Maura Robinson
MAURA ROBINSON

Dated: October 31, 2001

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.



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
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October 31, 2001