

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 SCHENK TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS MILLER
(MMA/USPS-T22-21 (d)-(f))

The United States Postal Service hereby provides the responses of witness Miller to the following interrogatory of Major Mailers Association: MMA/USPS-T22-21 (d)- (f), filed on October 17, 2001. Subparts (d)-(f) of Interrogatory MMA/USPS-T22-21 were redirected from witness Miller.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 5, 2001

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MMA/USPS-T22-21 (d)- (f).

- (d) Does the weight of a letter have any impact on the cost of processing the letter in the delivery operation? Please explain your answer.
- (e) Does the weight of a letter have any impact on the cost to of processing the letter in the mail processing operation? Please explain your answer.
- (f) Please explain how Standard letters sorted to the same degree as First-Class letters can cost so much less for the delivery operation when they weigh 64% more per piece.

RESPONSE:

- (d) The weight of a letter may have an impact on the city carrier in-office cost of processing the letter. Any impact weight would have on city carrier in-office costs would be reflected in the tally costs.
- (e) The impact that the weight of a letter has on “the costs to of processing the letter in the mail processing operation” will depend in part on the mail processing operation through which the mail piece is processed. While there is almost certainly some relationship between weight of a letter and mail processing costs, there is no information available as to the nature of this relationship (e.g., if it is linear or monotone). An estimate of the distribution of mail processing cost by subclass, shape, and weight is provided in USPS-LR-J-58.
- (f) The cost data do not support the claim that the delivery costs for Standard letters presorted to the same degree as First-Class letters are “so much less” for the delivery operation, given that these cost differences are within or nearly within the sampling variation for the cost segments included in carrier costs. Standard letters can cost less than First-Class letters presorted to the same

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degree because some city carrier in-office costs, including costs associated with “markups” (i.e., mail that must be readdressed or is otherwise undeliverable), are associated with First-Class mail but not Standard mail.

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.

Nan K. McKenzie

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