

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 L. PAUL LOETSCHER TO INTERROGATORIES OF
ASSOCIATION FOR POSTAL COMMERCE
(POSTCOM/USPS-T41-1-2)

The United States Postal Service hereby files the response of witness L. Paul Loetscher to the following interrogatories of the Association for Postal Commerce: POSTCOM/USPS-T41-1-2, filed on October 22, 2001.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 5, 2001

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ASSOCIATION FOR POSTAL COMMERCE (POSTCOM)

POSTCOM/USPS-T41-1. Please refer to USPS-LR-J-112, stdb_GFY_2000.xls, worksheet GFY RPW. In particular, please refer to the row containing data for Mail Code 4230.

- (a) Please confirm that the original data source from which you derived total STD B CRT BOUND PRINTED MATTER revenues, pieces, and weight was from mailing statements. If not confirmed, please explain fully.
- (b) Please generally describe the process that you used to derive GFY 2000 revenue, piece, and weight estimates for Carrier Route Presort Bound Printed Matter from original source data.
- (c) Please confirm that Witness Kiefer used GFY 2000 piece data to derive TYAR billing determinants. If not confirmed, please explain fully.

RESPONSE:

- (a) Not confirmed. Total STD B CRT BOUND PRINTED MATTER revenue, pieces and weight are estimated by the Postal Service's Revenue, Pieces and Weight system. For a description of these estimates see USPS-T-3 and USPS-T-4. USPS-LR-J-112 uses PERMIT system mailing statement data to generate a shape distribution key for this category.
- (b) See response to part (a).
- (c) Not Confirmed. Witness Kiefer used GFY 2000 piece data in his projections of TYAR BPM pieces, pounds and revenue. Please also see his response to POSTCOM/USPS-T-33, question 4h.

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POSTCOM/USPS-T41-2. Please refer to USPS-LR-J-112, stdb_q12000.xls, worksheet Shape Final.

- (a) Please confirm that the source data that you used to develop the volume figures on this page were from mailing statements. If not confirmed, please explain fully.
- (b) Please provide a precise definition of a flat as used in this worksheet.
- (c) Please describe the information on mailing statements that you used to determine whether a BPM piece is a flat.
- (d) Please provide a precise definition of a parcel as used in this worksheet.
- (e) Please describe the information on mailing statements that you used to determine whether a BPM piece is a parcel.
- (f) Please confirm that Witness Kiefer used the "shape shares" that you developed to derive TYAR billing determinants. If not confirmed, please explain fully.

RESPONSE:

- (a) Not confirmed. Three sources of data are used in the derivation of this table. For each mail code, total revenue, pieces and weight are taken from the Postal Service's Revenue, Piece and Weight system. These totals are then disaggregated by shape using the best available data source. For single-piece categories, ODIS data is used to create a shape distribution key. For presorted categories the PERMIT system database of mailing statements is used to create the shape distribution key.
- (b) Flat definitions for ODIS data can be found in USPS-LR-J-75. PERMIT mailing statement data shape definition comes from the Domestic Mail Manual C050. Additionally, PERMIT system data is edited to restrict flat shaped mail to be less than 4.0 pounds. Thus the precise definition of shape used in this table is pieces recorded as flats on form 3605 that have an average weight less than 4.0 pounds.

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- (c) The shape information that appears in the PERMIT record comes from the “Processing Category” box on form 3605. In this postage statement field three check boxes are present: Flats, Irregular Parcels, and Machinable Parcels. To test if the average piece weight is greater than 4.0 pounds, the “Weight of a Single Piece” field, if available, is used. In the case of non-identical transactions the “Weight of a Single Piece” is not recorded. For non-identical transactions, the “Total Pieces” and “Total Weight” fields are used to calculate average piece weight.
- (d) Parcel definitions for ODIS data can be found in USPS-LR-J-75. PERMIT mailing statement data shape definition comes from the Domestic Mail Manual C050. Additionally, PERMIT system data is edited to restrict flat shaped mail to be less than 4.0 pounds. Thus the precise definition of parcels used to develop these tables is all pieces not recorded as flats on form 3605, and pieces recorded as flats on form 3605 that have an average weight greater than 4.0 pounds.
- (e) The shape information that appears in the PERMIT record comes from the “Processing Category” box on form 3605. In this postage statement field three check boxes are present: Flats, Irregular Parcels, and Machinable Parcels. To test if the average piece weight is greater than 4.0 pounds, the “Weight of a Single Piece” field, if available, is used. In the case of non-identical transactions the “Weight of a Single Piece” is not recorded. For non-identical transactions the “Total Pieces” and “Total Weight” fields are used to calculate average piece weight.

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(f) Not Confirmed. Witness Kiefer used the “shape shares” I developed in his projections of TYAR BPM pieces, pounds, and revenue. Please also see his response to POSTCOM/USPS-T-33, question 4h.

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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