

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
Docket No. R97-1

POSTAL RATE AND FEE CHANGES, 1997

**NOTICE OF UNITED STATES POSTAL SERVICE  
OF REVISION TO LIBRARY REFERENCE H-112**

The United States Postal Service hereby gives notice that it is filing today the following revisions to Library Reference H-112, in connection with responses to NDMS/USPS interrogatories which are being filed today:

In conjunction with the response to NDMS/USPS-T32-2e, filed today, it is necessary to revise USPS-LR-112, Exhibit A.

In conjunction with the response to NDMS/USPS-T32-19, filed today, it is necessary to revise pages 6 and 7 of USPS-LR-H-112, Exhibit B.


Revised pages are attached.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Revised  
8/18/97

## EXHIBIT A - NONSTANDARD SURCHARGE COSTS

### A. INPUTS

#### AVERAGE MAIL PROCESSING UNIT COSTS (Library Reference H-106)

##### Single Piece

Letters = \$ 0.1174  
Flats = \$ 0.3243  
Parcels = \$ 0.7408

##### Presort

Letters = \$ 0.0460  
Flats = \$ 0.2087  
Parcels = \$ 0.2196

#### PERCENT OF NONSTANDARD PIECES BY SHAPE (Docket No. R90-1, LR-F-160)

Letters = 58%  
Flats = 39%  
Parcels = 3%

#### MANUAL LETTER MAIL PROCESSING COSTS (Exhibit B)

Single Pc. = \$ 0.2054  
Presort = \$ 0.1144

### B. RESULTS

Formula: (Manual Letters - Avg. Letters) \* proportion of letters + (Flats - Avg. Letters) \* proportion of flats + (Parcels - Avg. Letters) \* proportion of parcels.

##### **Single Piece**

\$ 0.1495

##### **Presort**

\$ 0.1079

**Development of First-Class Mail Processing Unit Costs**

**First-Class Nonautomation Single Piece Non-Machinable Mail**  
Per Piece Cost Summary by Operation

	[1] TPF	[2] Pieces per Hour	[3] Wage Rate	[4] Cents per Piece	[5] Piggyback Factor	[6] Premium Pay Adjustment	[7] Cents per Piece	[8] Weighted Cost
<b>Outgoing Primary</b>								
Manual	10,000	662	\$25.45	3.8437	1.3720	0.0423	5.3158	5.3158
Mechanized	0	1,413	\$25.45	1.8008	2.2400	0.0198	4.0536	0.0000
MLOCR	0	7,350	\$25.45	0.3462	2.0950	0.0038	0.7291	0.0000
RBCS	0	816	\$14.92	1.8293	1.4500	0.0201	2.6726	0.0000
LMLM	0	4,985	\$25.45	0.5104	1.4500	0.0056	0.7457	0.0000
BCS-OSS	0	11,984	\$25.45	0.2123	1.7190	0.0023	0.3673	0.0000
MPBCS	0	7,467	\$25.45	0.3408	1.7190	0.0037	0.5895	0.0000
<b>Outgoing Secondary</b>								
Manual	1,548	691	\$25.45	3.6823	1.3720	0.0405	5.0927	0.7884
Mechanized	0	1,440	\$25.45	1.7670	2.2400	0.0194	3.9775	0.0000
MPBCS	0	7,467	\$25.45	0.3408	1.7190	0.0037	0.5895	0.0000
<b>ADC/AADC Distribution</b>								
Manual	4,285	759	\$25.45	3.3524	1.3720	0.0369	4.6364	1.9868
Mechanized	0	1,271	\$25.45	2.0020	2.2400	0.0220	4.5064	0.0000
MLOCR	0	7,350	\$25.45	0.3462	2.0950	0.0038	0.7291	0.0000
RBCS	0	816	\$14.92	1.8293	1.4500	0.0201	2.6726	0.0000
LMLM	0	4,985	\$25.45	0.5104	1.4500	0.0056	0.7457	0.0000
BCS-OSS	0	11,984	\$25.45	0.2123	1.7190	0.0023	0.3673	0.0000
MPBCS	0	7,467	\$25.45	0.3408	1.7190	0.0037	0.5895	0.0000
<b>SCF Operations</b>								
Manual	3,812	896	\$25.45	2.8398	1.3720	0.0312	3.9275	1.4973
Mechanized	0	1,351	\$25.45	1.8834	2.2400	0.0207	4.2396	0.0000
MLOCR	0	7,350	\$25.45	0.3462	2.0950	0.0038	0.7291	0.0000
RBCS	0	816	\$14.92	1.8293	1.4500	0.0201	2.6726	0.0000
LMLM	0	4,985	\$25.45	0.5104	1.4500	0.0056	0.7457	0.0000
BCS-OSS	0	11,984	\$25.45	0.2123	1.7190	0.0023	0.3673	0.0000
MPBCS	0	7,467	\$25.45	0.3408	1.7190	0.0037	0.5895	0.0000
<b>Incoming Primary</b>								
Manual	2,822	562	\$25.45	4.5276	1.3720	0.0498	6.2616	1.7671
Mechanized	0	1,271	\$25.45	2.0020	2.2400	0.0220	4.5064	0.0000
MLOCR	0	7,350	\$25.45	0.3462	2.0950	0.0038	0.7291	0.0000
RBCS	0	816	\$14.92	1.8293	1.4500	0.0201	2.6726	0.0000
LMLM	0	4,985	\$25.45	0.5104	1.4500	0.0056	0.7457	0.0000
BCS-OSS	0	11,984	\$25.45	0.2123	1.7190	0.0023	0.3673	0.0000
MPBCS	0	7,467	\$25.45	0.3408	1.7190	0.0037	0.5895	0.0000

**Development of First-Class Mail Processing Unit Costs**

**First-Class Nonautomation Single Piece Non-Machinable Mail**

Per Piece Cost Summary by Operation (Continued)

	[1] TPF	[2] Pieces per Hour	[3] Wage Rate	[4] Cents per Piece	[5] Piggyback Factor	[6] Premium Pay Adjustment	[7] Cents per Piece	[8] Weighted Cost	
<u>Incoming Secondary</u>									
Manual/Non-Auto Sites	930	1,143	\$25.45	2.2261	1.3720	0.0245	3.0787	0.2863	
Manual/Auto Sites	9,070	646	\$25.45	3.9389	1.3720	0.0433	5.4474	4.9408	
Mechanized	0	1,151	\$25.45	2.2107	2.2400	0.0243	4.9763	0.0000	
MPBCS	0	6,633	\$25.45	0.3836	1.7190	0.0042	0.6636	0.0000	
DBCS First-Pass	0	8,393	\$25.45	0.3032	2.4340	0.0033	0.7412	0.0000	
DBCS Second-Pass	0	8,393	\$25.45	0.3032	2.4340	0.0033	0.7412	0.0000	
CSBCS First-Pass	0	17,124	\$25.45	0.1486	1.9480	0.0016	0.2911	0.0000	
CSBCS Second-Pass	0	17,124	\$25.45	0.1486	1.9480	0.0016	0.2911	0.0000	
CSBCS Third-Pass	0	17,124	\$25.45	0.1486	1.9480	0.0016	0.2911	0.0000	
<u>Other</u>									
Mail Prep/Cancellation	10,000						0.5698	0.5698	1/
<u>Sort to P. O. Boxes:</u>									
DPS and SS	0	2,341	\$25.45	1.0868	1.3660	0.0120	1.4965	0.0000	
Non-DPS or SS	890	1,171	\$25.45	2.1735	1.3660	0.0239	2.9929	0.2664	

% DPS 0.00% 2/

MODEL COST	17.4188	3/
Proportional Adj	1.1586	
Fixed Adj	0.3573	
<b>TOTAL COST</b>	<b>20.54</b>	

Row 1/: Appendix V, page 1 of 2, LDC 79 unit cost (business mail entry).

Row 2/: DPS percentage from flow model (CSBCS and DBCS accepted volumes as a percent of total pieces).

Row 3/: Total model cost (sum of column 8).

Row 4/: Appendix III, page 4 of 5, row 1.

Column [1]: Pieces processed in each operation from flow model.

Column [2]: Volume variable mail processing productivities by operation (Appendix I, page 32 of 37).

Column [3]: Test year clerk and mail handler wage rates (Library Reference H-146).

Column [4]: (Column 3 \* 100) / Column 2.

Column [5]: Mail processing piggyback factors by operation (Library Reference H-77)


Column [6]: Column 4 \* (First-Class presort premium pay adjustment - 1). See LR-H-77.

Column [7]: Column 4 \* column 5 + column 6.

Column [8]: Column 1 \* column 7.

**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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