

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, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS MOELLER TO INTERROGATORIES OF
THE MAJOR MAILERS ASSOCIATION
(MMA/USPS-T36-1-6 AND 9)

The United States Postal Service hereby provides the responses of witness Moeller to the following interrogatories of the Major Mailers Association: MMA/USPS-T36-1-6 and 9, filed on August 13, 1997. Interrogatories MMA/USPS-T36-7-8 and 10-11 were redirected to witness Moden.

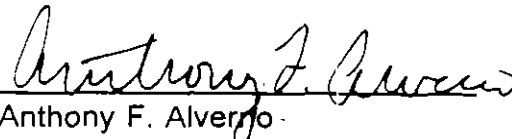
The interrogatories are stated verbatim and are followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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August 27, 1997

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T36-1. In your Testimony (USPS-T-36, page 21), you list the proposed rates for Standard (A) Regular Automation letters.

- a. Confirm that the Service's proposed Standard Automation rates would result in the following postage prices for letters:

Standard(A) Regular Automation 5-Digit: Weight (No Entry Discount)	Rate (Cents)
---	-------------------------

0.1 oz. to 1.0 oz.	16.0
1.1 oz. to 2.0 oz.	16.0
2.1 oz. to 3.0 oz.	16.0

- b. If you cannot confirm this, please state the correct postage prices for each of the listed letters.

RESPONSE:

- a. Confirmed.
- b. Not applicable.

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T36-2. In your Testimony (USPS-T-36, page 21), you list the proposed rates for Standard (A) Regular Automation letters.

- a. Confirm that the Service's proposed Standard Automation rates would result in the following postage prices for letters:

Standard(A)Regular Automation 3-Digit: Weight (No Entry Discount)	Rate (Cents)
--	-------------------------

0.1 oz. to 1.0 oz.	17.8
1.1 oz. to 2.0 oz.	17.8
2.1 oz. to 3.0 oz.	17.8

- b. If you cannot confirm this, please state the correct postage prices for each of the listed letters.

RESPONSE:

- a. Confirmed.
- b. Not applicable.

U S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T36-3. In your Testimony (USPS-T-36, page 21), you list the proposed rates for Standard (A) Regular Automation subclass.

- a. Confirm that the Service's proposed Standard Automation rates would result in the following postage prices for letters:

Standard(A)Regular Automation Basic: Weight (No Entry Discount)	Rate (Cents)
--	-------------------------

0.1 oz. to 1.0 oz.	18.9
1.1 oz. to 2.0 oz.	18.9
2.1 oz. to 3.0 oz.	18.9

- b. If you cannot confirm this, please state the correct postage prices for each of the listed letters.

RESPONSE:

- a. Confirmed; however, the question incorrectly refers to an Automation subclass.
- b. Not applicable.

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T36-4. In your Testimony (USPS-T-36, page 21), you list the proposed rates for Standard (A) Regular Presort letters.

- a. Confirm that the Service's proposed Standard Presort rates would result in the following postage prices for letters:

Standard(A)Regular 3/5 Digit Presort: Weight (No Entry Discount)	Rate (Cents)
---	-------------------------

0.1 oz. to 1.0 oz.	20.9
1.1 oz. to 2.0 oz.	20.9
2.1 oz. to 3.0 oz.	20.9

- b. If you cannot confirm this, please state the correct postage prices for each of the listed letters.

RESPONSE:

- a. Confirmed.
b. Not applicable.

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T36-5. In your Testimony (USPS-T-36, page 21), you list the proposed rates for Standard (A) Regular Presort letters.

- a. Confirm that the Service's proposed Standard Presort rates would result in the following postage prices for letters:

Standard(A)Regular Basic Presort: Weight (No Entry Discount)	Rate (Cents)
---	-------------------------

0.1 oz. to 1.0 oz.	24.7
1 1 oz. to 2.0 oz.	24.7
2.1 oz. to 3.0 oz.	24.7

- b. If you cannot confirm this, please state the correct postage prices for each of the listed letters.

RESPONSE:

- a. Confirmed.
b. Not applicable.

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T36-6. In your Testimony (USPS-T-36, page 21), you list the proposed rates for Standard (A) non-letters.

Please confirm that:

- a. For basic automation flats, the rates are the same for all pieces weighing up to 3.3 ounces. If not please explain.
- b. For 3/5 digit automation flats, the rates are the same for all pieces weighing up to 3.3 ounces. If not, please explain.
- c. For basic presorted non-letters, the rates are the same for all pieces weighing up to 3.3 ounces. If not, please explain.
- d. For 3/5 digit presorted non-letters, the rates are the same for all pieces weighing up to 3.3 ounces. If not, please explain.

RESPONSE:

- a. Not confirmed. There are three different rates that apply to basic automation flats weighing less than the breakpoint weight: no destination entry, DBMC, and DSCF. Within each of these groupings, however, the rates are the same regardless of weight. Also, the breakpoint as calculated in WP1, page 16, is 3.2985 ounces.
- b. Not confirmed. There are three different rates that apply to 3/5-digit automation flats weighing less than the breakpoint weight: no destination entry, DBMC, and DSCF. Within each of these groupings, however, the rates are the same regardless of weight. Also, the breakpoint as calculated in WP1, page 16, is 3.2985 ounces.
- c. Not confirmed. There are six different rates that apply to basic presort nonletters weighing less than the breakpoint weight: no destination entry, DBMC, and DSCF for nonletters not subject to the residual shape surcharge; and no destination entry, DBMC, and DSCF for nonletters subject to the residual shape surcharge. Within

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION

each of these groupings, however, the rates are the same regardless of weight.

Also, the breakpoint as calculated in WP1, page 16, is 3.2985 ounces.

- d. Not confirmed. There are six different rates that apply to 3/5-digit presort nonletters weighing less than the breakpoint weight: no destination entry, DBMC, and DSCF for nonletters not subject to the residual shape surcharge; and no destination entry, DBMC, and DSCF for nonletters subject to the residual shape surcharge. Within each of these groupings, however, the rates are the same regardless of weight. Also, the breakpoint as calculated in WP1, page 16, is 3.2985 ounces.

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T36-7.

- a. Please confirm that Standard Mail (A) letters are generally processed on the same barcode sorters as First-Class letters.
- b. If you cannot confirm, please explain the frequency of occurrences when Standard Mail (A) letters and First-Class letters are processed separately and the circumstances that dictate such separate processing.
- c. Are barcode sorters capable of processing Standard (A) letters and First-Class letters together without impairing throughput and productivity?
- d. Can barcode sorters detect the difference between First-Class letters and Standard (A) letters and, if so, how?

RESPONSE:

Redirected to witness Moden.

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T36-8 In a document entitled "Revisions To Weight and Preparation Standards for Barcoded Letter Mail, published in 59 Federal Register 65967-71 (Dec. 22, 1994) and 60 Federal Register 5860-61 (January 31, 1995), the Postal Service announced: "For a period of up to 1 year, beginning January 16, 1995, the Postal Service will conduct a test of live barcoded bulk third-class regular rate letter mail weighing between 3.0 and 3.3071 ounces, and barcoded bulk third-class nonprofit rate, First-Class and second-class letter mail weighing between 3.0 and 3.376 ounces" (60 Fed. Reg. at 5860) in order "to determine whether a permanent increase in the maximum weight for barcoded letter mail is appropriate...." (59 Fed. Reg. at 65969).

- a. In those tests, did the Postal Service test letters that weighed:
 - (1) 2.9 ounces but not more than 3.0 ounces?
 - (2) 3.0 ounces but not more than 3.3 ounces (rounded)?
- b. Did the tests show that the automation machinery experienced reduced throughputs for letters that weighed:
 - (1) 2.9 ounces but not more than 3.0 ounces?
 - (2) 3.0 ounces but not more than 3.3 ounces (rounded)?
- c. If the answer to Paragraph (b)(1) or (2) is other than no, please explain and state the weight of letters that reduced throughputs. Please state the degree of such reduction in throughputs for each type of letter by weight.

RESPONSE

Redirected to witness Moden.

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T36-9. In USPS-T-36, page 16, you state that the Standard mail rate design incorporates a breakpoint weight--the maximum weight for pieces that pay only the per-piece rate--of 3.3 ounces. (See also *Id.* page 7, note 7.)

- a. Please explain whether the selection of this breakpoint takes into account the results of the "live" test announced in 59 Federal Register 65967-71 and 60 Federal Register 5860-61 and, if so, how.
- b. Please explain whether the "live" test announced in 59 Federal Register 65967-71 and 60 Federal Register 5860-61--which was to process "First-Class and second-class letter mail weighing between 3.0 and 3.376 ounces" (60 Fed. Reg. at 5860)--supports your use of a breakpoint rate of 3.3 ounces and, if so, how.

RESPONSE:

- a.-b. The breakpoint was chosen independently of the test.

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T36-10. Please refer to Interrogatory MMA/USPS-T36-8 and 9 concerning the Postal Service's "live" test announced in 59 Federal Register 65967-71 and 60 Federal Register 5860-61. Those Federal Register Notices also published a final rule entitled "Revisions To Weight and Preparation Standards for Barcoded Letter Mail.

- a. How did the test results affect the rule published in 59 Federal Register 65967-71 and 60 Federal Register 5860-61 ?
 - (1) Was the rule continued in effect and, if so, does the rule remain in effect?
 - (2) Was the rule modified and, if so, how was it modified? Does the modified rule remain in effect?
 - (3) Was another rule adopted in place of the rule and, if so, what did the modified rule provide and does it remain in effect? If another rule was adopted, please provide a copy.
- b. With respect to automation-compatible barcoded letter-size mail, does the Postal Service currently allow Standard and First-Class Mail weighing 3.0 ounces to be accepted at Automation rates and, if so, what is the maximum allowable rate?
- c. With respect to automation-compatible barcoded letter-size mail, does the Postal Service currently allow Standard and First-Class Mail weighing 2.0 ounces or more to be accepted at Automation rates and, if so, what is the maximum allowable rate?
- d. In the live tests announced in 59 Federal Register 65967-71 and 60 Federal Register 5860-61, were the First-Class and the third-class letters processed on the same machines and, if so, were the First-Class and third-class letters processed together?

RESPONSE:

Redirected to witness Moden.

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T36-11. Please refer to Interrogatories MMA/USPS-T36-8 through 10.

- a. In the live tests announced in 59 Federal Register 65967-71 and 60 Federal Register 5860-61, on what types of Postal Service processing machines were the third-class and First-Class letters processed?
- b. What was the basis on which it was determined that the tests should be conducted on these types of machines?

RESPONSE:

Redirected to witness Moden.

DECLARATION

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

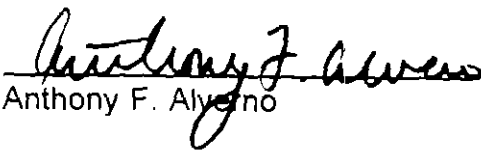


JOSEPH D. MOELLER

Dated: August 27, 1997

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.


Anthony F. Alverno

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
August 27, 1997