

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
TO INTERROGATORIES OF
THE MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESSES FRONK AND MOELLER
(MMA/USPS-T32-11 & 12 AND MMA/USPS-T36-8, 10 & 11)

The United States Postal Service hereby provides responses to the following interrogatories of the Major Mailers Association filed on August 13, 1997:

MMA/USPS-T32-11 & 12, redirected from witness Fronk, and MMA/USPS-T36-8, 10 & 11, redirected from witness Moeller.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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MMA/USPS-T32-11. Please refer to the Postal Service's Final Rules, 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).

- a. Please confirm that "For a period of up to 1 year, beginning January 16, 1995, the Postal Service [proposed] to 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).
- b. Please state whether the tests were conducted.
- c. What were the results of the tests? Please attach copies of all written reports of the test results.
- d. 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?
- e. 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?
- f. 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?
- g. 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?
- h. With respect to the Standard letter mail and the First-Class letter mail referred

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to in your answers to Paragraphs (E) and (F) above, are both types of letter mail usually processed together on the applicable machinery?

RESPONSE:

- a. Confirmed.
- b. Yes.
- c. The test results were published in Postal Bulletin 21913 (2-15-96).
- d. The final rule, which was published in 59 Federal Register 65967-71, and the Revision to the final rule, which was published in 60 Federal Register 5860-61, proposed that certain barcoded mailpieces weighing more than 3 ounces *would be acceptable at Barcoded rates for a trial period of up to 1 year.*
 - (1) The rule, allowing certain barcoded mailpieces weighing more than 3 ounces to claim the barcoded rate, has continued in effect.
 - (2) The rule has only been modified to the extent that the breakpoints have changed since the publication of the two Federal Registers that you referenced. Further, as indicated in Postal Bulletin 21913, "weight limits will be adjusted in the future but not to exceed 3.5 ounces to reflect any further change in the "breakpoint", the maximum weight subject to minimum per piece rates."
 - (3) No.
- e. Yes, assuming you are requesting the maximum allowable weights instead of "rates." The maximum weights are listed in DMM C810.2.3.

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- f. See response to 11e.
- g. Yes to both questions. While First Class and Standard letters were generally processed separately from each other, they were often combined during Delivery Point Sequencing (DPS) in order to maximize the amount of DPS mail.
- h. First Class and Standard letters generally are processed separately from each other; however, they are often combined during Delivery Point Sequencing (DPS) in order to maximize the amount of DPS mail.

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MMA/USPS-T32-12. Please refer to Interrogatory MMA/USPS-T32-10.

- 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:

Interrogatory MMA/USPS-T-32-10 does not refer to the live tests announced in the two Federal Registers you referenced. It is assumed that, instead, you are referring to Interrogatory MMA/USPS-T-32-11 which does reference the two Federal Registers and the live tests.

- a. The types of equipment, utilized to process the First Class and Third Class letters in the referenced tests, are listed on page 7, lines 5 through 21, of witness Moden's testimony (USPS-T4).
- b. Letters included in the test had to bear mailer-applied barcodes. The equipment cited in witness Moden's testimony is what the Postal Service uses to process letters that have mailer-applied barcodes.

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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:

- a. (1) Not to our knowledge.

(2) Yes. The maximum weight of pieces included in the test was 3.3 ounces (rounded) until October 1, 1995, when the breakpoint for Standard nonprofit was then changed to 3.4383 ounces.

- b. (1) Not to our knowledge.

(2) Yes. However, the test results that were published in Postal Bulletin 21913 (2/15/96), indicated that while processing heavier barcoded letters may have resulted in lower throughput on barcode sorting equipment, the same data

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proved that processing this mail on automated equipment was generally more cost effective than processing it on mechanized equipment or manually.

- c. *Detailed results of the tests are no longer available. However, throughput impacts were greatest when heavier weight pieces were run in quantity (i.e., all together). Impacts were lessened when heavier weight pieces were interspersed with lighter weight pieces.*

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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:

- a. See MMA/USPS-T-32-11d.
- b. See MMA/USPS-T-32-11e.
- c. See MMA/USPS-T32-11f.
- d. See MMA/USPS-T-32-11g.

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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:

- a. See MMA/USPS-T32-12a.
- b. See MMA/USPS-T32-12b.

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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