

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, 2001

Docket No. R2001-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 5

The United States Postal Service hereby provides the responses to Presiding Officer's Information Request No. 5, issued November 15, 2001.

Each question 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



Frank Heselton

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November 26, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE  
TO PRESIDING OFFICER'S INFORMATION REQUEST NUMBER 5**

Questions 1-3

**Question 1.**

Please refer to USPS-LR-J-107, file OC01.xls, worksheet 'Pound Data-Ed. In the cells for regular rate, CI4 and CI 5, the values were calculated as follows: Editorial Pound Rate All other zones (0.203) less Destinating SCF (0.180) equals 0.023 and Editorial Pound Rate All other zones (0.203) less Destinating delivery unit (0.158) equals 0.045. In the Science of Agriculture section, however, the corresponding cell C 19 contains the value 0.017. According to worksheet 'Rates,' the difference between proposed rates for Science of Agriculture Editorial Zones 1 & 2 (0.152) and Editorial Destinating Delivery Unit (0.120) is 0.032. Similarly, cell C20 contains the value 0.008. According to worksheet 'Rates,' the difference between proposed rates for Science of Agriculture Editorial Zones 1 & 2 (0.152) and Editorial Destinating SCF (0.136) is 0.016. Should the calculations in the Science of Agriculture section be consistent with those for regular rate? Please explain.

**RESPONSE:**

Calculations in the Science of Agriculture section should be consistent with those for regular rate. The resulting rates do not change with either method of calculation in this particular case.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE  
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Questions 1-3

**Question 2.**

Please refer to the first page of Rate Schedule 421 in the Request. The last line refers to "All other zones," and thus appears to provide a low rate to Science of Agriculture editorial matter in zones 1 & 2 as well as zones 3 through 8. Please explain whether this is the intended rate proposal or whether the last line should refer only to zones 1 & 2. If the latter, should there be another line for zones 3 through 8?

**RESPONSE:**

This was an oversight. The editorial matter rate for Science of Agriculture titled "All other Zones" is the rate intended for Zones 1 & 2. The rate for "All other Zones" should be \$0.203, the same as the Outside County unzoned editorial pound rate. Errata to Rate Schedule 421 were filed on November 21, 2001.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE  
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Questions 1-3

**Question 3.**

Please refer to the response to question 3 of POIR No. 3 and to cell C40 in worksheet 'Pound Data\_Adv' in file OCOI.xls in USPS-LR-J-107. Please explain why distributing 50 percent of the transportation cost to the advertising pounds is more appropriate than distributing 44 percent of the transportation cost to advertising pounds, when advertising is approximately 44 percent (calculable from cells B64 and D64 in worksheet 'Test Year BR') of the weight transported. Also, since changing the proportion in cell C40 to 0.44 appears to reduce the rate for zone 8, please explain further the reference in parts b-c of the response to "a sharper increase in the farther zones" in light of the objective (USPS-T-34 at 7) to mitigate the increase.

**RESPONSE:**

Distributing approximately 44 percent of the transportation cost to the calculation of advertising pound rates is more appropriate than the 50 percent allocation in the context of the Postal Service proposal. The comment "a sharper increase in the farther zones" was in the context of applying 53 percent (the allocation of revenue to advertising pounds) of transportation cost to the calculation of advertising pound rates.

## **DECLARATION**

**I, Altaf H. Taufique, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.**

A handwritten signature in black ink, appearing to read 'A. Taufique', is written over a horizontal line.

**Dated: NOVEMBER 26, 2001**

**RESPONSE OF U.S. POSTAL SERVICE WITNESS MOELLER TO PRESIDING  
OFFICER'S INFORMATION REQUEST NO. 5, QUESTION 4**

4. The response to POIR No. 2, Question 6, Attachment, page 4 of 8 shows 1,205,533 thousand pieces as the TYAR volume forecast for International Mail. In USPS-LR-J-159 the TYAR volume forecast for International Mail is 1,205,553 thousand pieces. Which amount is correct?

**RESPONSE:**

The correct amount is 1,205,553.

## 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: November 26, 2001

Response of United States Postal Service Witness Meehan  
to  
Presiding Officer Information Request No. 5

**POIR/USPS-5.** Witness Meehan's LR-J-57, Workpaper B-7, worksheet "Input LR.xls", provides the Curblin Access Test (CAT) and Foot Access Test (FAT) factors used to split running time for the Postal Service cost treatment of city carrier street time costs. The worksheet "Input PRC" provides the CAT/FAT factors used to split running time for the Postal Service development of the PRC cost treatment of city carrier street time as calculated in LR-J-74.

(a) The cited source for the CAT/FAT factors in the Postal Service treatment is "R97-1, USPS LR-H-141". This does not appear to be current as the factors calculated in LR-H-141 are based on FY96 City Carrier Cost Survey data. Please provide the calculations of the current Postal Service CAT/FAT factors updated with FY 2000 City Carrier Cost Survey data.

(b) The CAT/FAT factors in the PRC treatment are based on FY97 data in "CRA97adj.xls, 'AF Input 4' ". Please update the factors with FY 2000 City Carrier Cost Survey data.

**Response:**

(a-b) Unintentionally, different USPS CAT/FAT and PRC CAT/FAT factors were used in LR-J-57, Workpaper B-7, tab "Input LR" and tab "Input PRC". The use of the same CAT/FAT factors – namely those derived from the PRC's running time models – had been intended. The requested updated factors are below, and they can be used to update both the "Input LR" and the "Input PRC" tabs.

1. FAT Split Factors for the Business Foot, Residential Foot, and Mixed Foot  
Route-Type Categories:

SDR	0.6963
MDR	0.7346
BAM	0.6748



**Response of United States Postal Service Witness Meehan  
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**2 FAT Split Factors for the Business Motorized, Residential Curb, Residential  
Park & Loop, Mixed Curb, and Mixed Park & Loop Route-Type Categories:**

**SDR 0.5732  
MDR 0.6110  
BAM 0.5480**

**3. CAT Split Factors - All Route Types**

**SDR 0.4337  
MDR 0.3980  
BAM 0.4679**

**USPS LR-J-182 shows how these split factors are calculated.**

**Response of Postal Service Witness Meehan To  
Presiding Officer's Information Request Number 5**

6. Witness Meehan, T-11, page 7, lines 4-8, states: "In response to the PRC's request to separate the cost of special services from their ancillary services, elemental load calculations in cost segment 7 were updated to remove return receipt costs out of the special service volume variable cost. The changes to elemental load are discussed in the testimony of witness Bradley, USPS-T-16."
- (a) Please describe the cost segment 7 updates that remove return receipt costs from the special service volume variable costs and identify the B-7 Workpaper spreadsheets and cells involved.
  - (b) Please provide a specific cites to witness Bradley's discussion and to a modification in the calculation of BY00 volume variable elemental load costs.

**Response:**

- (a) The updates to Cost Segment 7 are made on the following pages of the B-7 Workpaper spreadsheets: Input LR, cells F86, E86 and D86, (repeated again in spreadsheet 7.0.8 cells I60, N60 and S60). The effect of including this change is that return receipt costs are separately identified and put into Special Service Other. Distribution of costs occurs and is shown in spreadsheets 7.0.6.5 column (4) Accountables, 7.0.6.6 column (4) Accountables, and 7.0.6.7 column (4) Accountables.
- (b) To be answered by witness Bradley, USPS-T-16.

## DECLARATION

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

Karen Meehan

Dated: 11/26/01

**Response of Postal Service Witness Bradley To  
Presiding Officer's Information Request Number 5**

6. Witness Meehan, T-11, page 7, lines 4-8, states: "In response to the PRC's request to separate the cost of special services from their ancillary services, elemental load calculations in cost segment 7 were updated to remove return receipt costs out of the special service volume variable cost. The changes to elemental load are discussed in the testimony of witness Bradley, USPS-T-16."
- (a) Please describe the cost segment 7 updates that remove return receipt costs from the special service volume variable costs and identify the B-7 Workpaper spreadsheets and cells involved.
  - (b) Please provide a specific cites to witness Bradley's discussion and to a modification in the calculation of BY00 volume variable elemental load costs.

**Response:**

- (a) Answered by Witness Meehan
- (b) There is no such discussion in my testimony, but below I provide a discussion of the change and an explanation of the modification in the calculation of BY00 volume variable elemental load costs.

The change was made to extend the effort initiated in Docket No. R2000-1 to exclude ancilliary revenues and costs from the primary special service. I understand that the Postal Service made this effort in response to a request made by the Postal Rate Commission in Docket No MC96-3. See USPS-T-11, Docket No. R2000-1 at pages 3-4. The change cited by witness Meehan

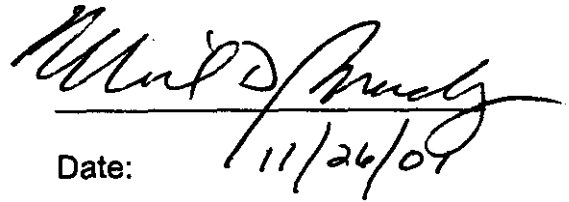
**Response of Postal Service Witness Bradley To  
Presiding Officer's Information Request Number 5**

extends the previous analysis by separately identifying return receipt costs in elemental load time.

The change works as follows. There are separate elemental load time costs pools for letters, flats, parcels, and accountables. The Carrier Cost System data is used to form the distribution key for each of these cost pools. In the past, the Carrier Cost system data on return receipts was ignored when the distribution key for the accountables cost pool was formed. The modification described by witness Meehan uses the data on return receipts to separately identify their costs in the accountables cost pool. These costs are then included in Special Service Other.

## DECLARATION

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

  
Date: 11/26/09

**Response of United States Postal Service Witness Bozzo  
To Presiding Officer's Information Request 5, Item 7**

7. Please provide a cross walk between: (1) the site identification numbers used in the Excel spreadsheet reg9300-labels.xls in LR-J-56 to identify facilities for witness Bozzo's econometric analysis (variable "idnum") and (2) the site identification numbers used in the In-Office Cost System (IOCS) data set "Prc00.sd2" in LR-J-10 to identify the facility in which a tally was taken (variable F2 "FINANCE NUMBER" in the SAS file prc00). As an alternative, the IOCS data base tally records could be augmented by adding a field that contains the applicable IDNUM.

**Response:**

Please see LR-J-186, which lists the coded finance numbers used in IOCS and the corresponding site ID (if any) from LR-J-56.

# DECLARATION

I, A. Thomas Bozzo, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A. Thomas Bozzo

Dated: November 26, 2001



**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DON M.  
SPATOLA TO PRESIDING OFFICERS INFORMATION REQUEST NO. 5,  
QUESTION NO. 8**

8. Please describe the typical travel path a Priority Mail piece would follow between the following origins and destinations, including whether or not it would pass through FedEx's Memphis hub. Please also indicate whether the piece would use FedEx or commercial air transportation and describe any other transportation it would incur, such as highway or rail.

- (a) Miami, Florida and Chicago, Illinois
- (b) Houston, Texas and Des Moines, Iowa
- (c) Los Angeles, California and Eureka, California
- (d) Washington, DC and Bangor, Maine
- (e) Nashville, Tennessee and Wichita, Kansas

**RESPONSE**

- (a) Starting from the originating Miami facility to the Miami PMPC via USPS surface; from the Miami PMPC to FedEx Miami via USPS surface; from FedEx Miami to the bypass area in the FedEx Memphis Hub via FedEx air; from the FedEx Memphis Hub to FedEx Chicago via FedEx air; from FedEx Chicago to the O'Hare AMC via USPS surface; from the O'Hare AMC to the destinating Chicago facility via USPS surface.
- (b) Starting from the originating Houston facility to the Houston AMC via USPS surface; from the Houston AMC to FedEx Houston via USPS surface; from FedEx Houston to the sort area in the FedEx Memphis Hub via FedEx air; from the FedEx Memphis Hub to FedEx Des Moines via FedEx air; from FedEx Des Moines to the Des Moines AMC via USPS surface; from the Des Moines AMC to the destinating Des Moines facility via USPS surface.
- (c) Starting from the originating Los Angeles facility to the Los Angeles AMC via USPS surface; from the Los Angeles AMC to FedEx Los Angeles via USPS surface; from FedEx Los Angeles to the sort area in the FedEx

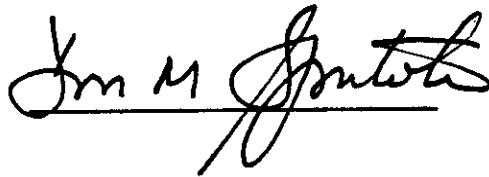
RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DON M.  
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QUESTION NO. 8

Memphis Hub via FedEx air; from the FedEx Memphis Hub to FedEx  
Sacramento via FedEx air; from FedEx Sacramento to the Sacramento  
AMC via USPS surface; from the Sacramento AMC to the destinating  
Eureka facility via USPS surface.

- (d) Starting from the originating Washington DC facility to the Dulles AMC via  
USPS surface; from the Dulles AMC to FedEx Dulles via USPS surface;  
from FedEx Dulles to the sort area in the FedEx Memphis Hub via FedEx  
air; from the FedEx Memphis Hub to FedEx Manchester via FedEx air;  
from FedEx Manchester to the Nashua PMPC via USPS surface; from the  
Nashua PMPC to the destinating Bangor facility via USPS surface.
- (e) Starting from the originating Nashville facility to the Nashville AMC via  
USPS surface; from the Nashville AMC to the sort area in the FedEx  
Memphis Hub via USPS surface; from the FedEx Memphis Hub to FedEx  
Wichita via FedEx air; from FedEx Wichita to the Wichita AMC via USPS  
surface; from the Wichita AMC to the destinating Wichita facility via USPS  
surface.

## DECLARATION

I, Don M. Spatola, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Don M. Spatola", written over a horizontal line.

Dated: 11/26/01

**RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS PATELUNAS TO  
PRESIDING OFFICER'S INFORMATION REQUEST No. 5**

9. Question 11 of POIR No. 2 asked the Postal Service to provide the Excel spreadsheet associated with USPS-T-12, Appendix A, Mail Processing Cost Reduction Explanation and Display. Witness Patelunas answered that the spreadsheet was in USPS Library Reference J-48. An examination of the electronic files filed as LR-J-48 shows that the only spreadsheet files included in the library reference were those for Exhibit 12A and Appendix B. The spreadsheet files for Appendix A were not included in LR-J-48. Please provide the Excel spreadsheet file(s) associated with Appendix A of USPS-T-12.

**Response:**

A replacement diskette containing the missing spreadsheets for USPS-LR-J-48 was filed on November 16, 2001.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS PATELUNAS TO  
PRESIDING OFFICER'S INFORMATION REQUEST No. 5**

- 10.** The file VBL2.dat of USPS Library Reference J-6, at lines 000286 through 000347, lists the direct and indirect cost components used to develop the mail volume cost effect for components 9 (Supervision of Time & Attendance), 30 (Higher Level Supervisors), and 228 (Time and Attendance Clerks). Cost component 30, Higher Level Supervisors, is listed as receiving a mail volume effect (Line 000345) and is also part of the list of direct and indirect cost components used to develop the mail volume cost effect for Higher Level Supervisors (Line 000302). An examination of the other VBL data files, VBL3 (non-volume workload) and VBL4 (additional workday) shows that component 29 (Supervision of E&LR) receives the indirect cost effect, not component 30. Please explain the apparent discrepancy in the indirect cost treatment of component 30, Higher Level Supervisors, between the mail volume effect, the Non-volume Workload effect, and the Additional Workday effect.

**Response:**

With respect to treatment of component 30, Higher Level Supervisors, the proper treatment is to remove component 30 from the independent components, or in other words, component 20 should not be included in those components used to develop the mail volume cost effect for components 9, 30, and 228. Additionally, component 29 should be added to the list of dependent components; thus, the dependent components would be 9, 29, 30, and 228. The same treatment also applies to VBLs 3 and 4.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS PATELUNAS TO  
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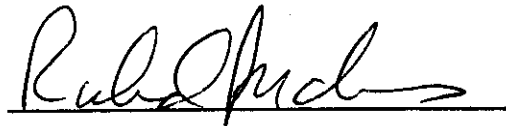
**11.** USPS Exhibit 12A at 17 shows a mail volume cost effect for Stamped Cards of  $-0.078998912$  for FY 2003BR. An examination of the RAT2FACT file in Library Reference J-6 shows a mail volume effect for Stamped Cards of  $+0.017505092$ . Please explain the discrepancy between the USPS Exhibit 12A and the RAT2FACT file for FY 2003BR.

**Response:**

The USPS Exhibit 12A at 17 factor of  $-0.078998912$  for FY 2003BR is the correct factor.

# DECLARATION

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

A handwritten signature in cursive script, appearing to read "Richard Patelunas", is written over a horizontal line.

Dated: 11/26/01

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
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12. The following questions refer to costs shown in Tables 1 and 2 in USPS-LR-J-58.

(a) Using either the "bootstrap" method or the generalized variance function (GVF) applied by witnesses Bozzo (Docket No. R2000-1, Tr. 44/19472-4) and Ramage (id. At 4/1116), please calculate the coefficients of variation (CVs) and 95% confidence intervals of the total cost estimates for each of the following groups of First-Class Mail:

- single-piece mail weighing up to one ounce
- single-piece mail weighing more than one ounce
- presort mail weighing less than one ounce
- presort mail weighing more than one ounce.

(b) In light of the CVs provided in response to part (a), please comment on the reliability of the estimated average costs per additional ounce for First-Class single-piece (13.90 cents) and presort (13.75 cents).

**RESPONSE:**

(a) Coefficients of variation (CVs) for the mail processing, window service, and city carrier in-office cost estimates, as well as for the total of these cost estimates, for each of the groups of First-Class Mail listed above are provided in the attachment. These CVs were calculated using the generalized variance function (GVF). This method was applied only to these costs, and not other costs modeled in USPS-LR-J-58, because only these costs are distributed to ounce increment using IOCS tallies. Also provided in the attachment are 95 percent confidence intervals.

(b) As shown in the attachment, the CV for total First-Class presort costs for pieces over 1 ounce is only 2.5 percent, and the CVs for all other total costs is even less. These results show that the cost estimates for First-Class single piece and presort mail exhibit relatively low sampling errors.



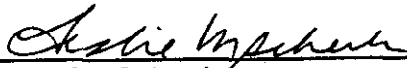
**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
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Attachment to #12: GVF CVs for Weight Groups -- First-Class Mail Base Year

			Broad Weight Groups		
			0-1 Ounces	1+ Ounces	Total
Mail Processing (CS 3.1)	Single-Piece	Total Cost	3,243,715	1,661,059	4,904,773
		CV	0.8%	1.1%	0.7%
		95% lower limit	3,193,120	1,626,010	4,841,297
		95% upper limit	3,294,310	1,696,107	4,968,250
	Presort	Total Cost	1,142,300	206,396	1,348,697
		CV	1.3%	2.8%	1.2%
		95% lower limit	1,113,759	195,231	1,317,433
		95% upper limit	1,170,842	217,562	1,379,961
Window Service (CS 3.2 direct labor)	Single-Piece	Total Cost	42,791	42,848	85,640
		CV	4.5%	4.5%	3.2%
		95% lower limit	38,991	39,045	80,238
		95% upper limit	46,592	46,651	91,041
	Presort	Total Cost	7,292	1,228	8,520
		CV	10.8%	26.1%	10.0%
		95% lower limit	5,742	599	6,842
		95% upper limit	8,842	1,856	10,197
City Carrier In-Office (CS 6.1 direct labor)	Single-Piece	Total Cost	884,274	227,426	1,111,700
		CV	1.0%	2.0%	0.9%
		95% lower limit	866,644	218,566	1,091,902
		95% upper limit	901,905	236,286	1,131,498
	Presort	Total Cost	448,743	54,981	503,724
		CV	1.4%	4.0%	1.3%
		95% lower limit	436,241	50,666	490,468
		95% upper limit	461,245	59,296	516,980
Total (3.1, 3.2, and 6.1)	Single-Piece	Total Cost	4,170,780	1,931,333	6,102,113
		CV	0.7%	1.0%	0.6%
		95% lower limit	4,112,355	1,893,023	6,030,137
		95% upper limit	4,229,205	1,969,643	6,174,090
	Presort	Total Cost	1,598,335	262,605	1,860,940
		CV	1.1%	2.5%	1.0%
		95% lower limit	1,563,800	249,773	1,823,402
		95% upper limit	1,632,871	275,437	1,898,479
The GVF parameters are:	Mail Processing	intercept	3.86972437		
		x-var	-0.9029249		
	Window Service	intercept	4.33263651		
		x-var	-0.9865837		
	City Carrier In-Office	intercept	4.33263651		
		x-var	-0.9865837		
	Total (3.1, 3.2, and 6.1)	intercept	3.89300471		
		x-var	-0.903665		

## DECLARATION

I, Leslie M. Schenk, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Leslie M. Schenk

Dated: 11.26.01

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MILLER TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 5 QUESTION 13**

**Question 13** Please refer to USPS-LR-J-60, file 'Fees.xls,' worksheet 'BASIC BRM.'

- (a) The explanation in cell B 53 refers to "10 pcs/wk \* 52 wks/yr." Please explain how this was used in the calculation of the per piece fee for account oversight and maintenance.
- (b) Please provide the source of the 1,000 pieces per year figure mentioned in cell B 38.
- (c) Is "Account Oversight and Maintenance" different for the postage due accounts of Basic BRM than for BRM advance deposit accounts? Please explain.
- (d) Please define and describe the "Collection Method" for High Volume BRM, Basic QBRM, and High Volume QBRM.

**RESPONSE:**

- (a) This figure was once a placeholder, but was not used in the final cost study. The 1,000 pieces per year figure was used in the actual cost study. Please see the revisions filed to both USPS LR-J-60 and USPS LR-J-84 on 11/26/01.
- (b) In my field observations, "basic BRM" recipients tend to receive from 2 - 4 pieces per day. On an annual basis, these figures translate to 624 - 1,248 pieces per year. It is my understanding that there are difficulties in developing an average annual figure using postal data collection systems. As an alternative, I have used 1,000 pieces per year as a proxy.
- (c) It is my understanding that the tasks required to maintain an advanced deposit account and postage due account are very similar. When the funds in those accounts are running low, or cannot cover the costs for pieces that are ready to be delivered, postal employees contact the BRM recipients and attempt to resolve the matter.
- (d) It is assumed that this question actually refers to the "counting methods" and

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MILLER TO  
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**RESPONSE TO POIR NO. 5 QUESTION 13 (CONTINUED)**

not "collection methods." The possible counting methods include: (1) other software, (2) BRMAS software, (3) End-Of-Run reports, (4) counting machines, (5) manual procedures, and (6) weight averaging procedures.

"Other software" refers to the software used at one specific facility. Accounting procedures at this facility are totally electronic. This electronic system is specific to this one facility; it is not compatible with other postal systems.

The "Business Reply Mail Accounting System (BRMAS)" software can also be used to process BRM. It will count and rate mail pieces and generate a bill for each separation, or permit. This system is not completely electronic. Consequently, some additional paperwork tasks are required.

"End-of-Run (EOR)" reports are also used to process BRM. An EOR report can be generated after a given sort plan is used to process mail on a given Bar Code Sorter (BCS). EOR reports show various information, including how many pieces were sorted to each bin. Rather than using the BRMAS system, some plants have obtained an agreement with the BRM recipient that the EOR reports can be used for counting purposes. The rating and billing process is then completed manually by postage due clerks.

"Counting machines" have also been purchased by some plants to count BRM. These machines are only located at a few sites. Consequently, I have not personally observed these procedures.

"Manual" methods are also used to count BRM mail pieces. Typically, manual methods are used when the total volume of BRM processed at a given facility does not justify the use of a BCS to process that mail.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MILLER TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 5 QUESTION 13**

**RESPONSE TO POIR NO. 5 QUESTION 13 (CONTINUED)**

"Weight averaging" techniques are also used to count BRM. Postage due clerks periodically weigh BRM mail pieces to determine a proper conversion factor. On a daily basis, they weigh the mail and use these conversion factors to determine the total number of BRM mail pieces.

# DECLARATION

I, Michael W. Miller, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
MICHAEL W. MILLER

Dated: 11/26/01

**RESPONSE OF POSTAL SERVICE WITNESS MAYO (USPS-T-36) TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 5**

**POIR 5/14.** Please refer to USPS-LR-J-109, file 'BRPFWorkpapers.xls,' worksheet 'Business Reply Mail,' cell J 48. How many mailers does the Postal Service estimate are responsible for this volume?

**RESPONSE:**

Based on the total permit revenue and advance deposit account revenue I use for developing billing determinants, there is no way to determine the number of non-accounting-fee permits. It is possible to have multiple advance deposit accounts for one permit. Therefore, a calculation as to how many non-accounting-fee permits could not be made from taking the total number of permits paid less the advance deposit accounts paid. I also have not been able to obtain any other estimate of how many permits are responsible for this volume.

## DECLARATION

I, Susan W. Mayo, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

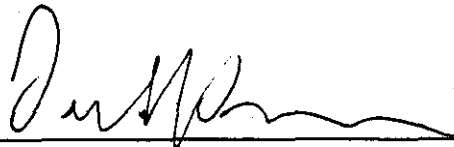
  
\_\_\_\_\_  
SUSAN W. MAYO

Dated: 11/26/01\_\_\_\_\_



## 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.

A handwritten signature in black ink, appearing to read 'Frank Heselton', written over a horizontal line.

Frank Heselton

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
November 26, 2001