

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 UNITED STATES POSTAL SERVICE WITNESS SCHENK TO
INTERROGATORIES OF THE NEWSPAPER ASSOCIATION OF AMERICA
(NAA/USPS-T43-11-16)

The United States Postal Service hereby provides the responses of witness Schenk to the following interrogatories of the Newspaper Association of America: NAA/USPS-T43-11-16, filed on November 26, 2001.

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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December 10, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK TO
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NAA/USPS-T43-11. Please refer to your response to NAA/USPS-T43-8 and Attachment B thereto. Please provide a table, similar to Attachment B, but presenting unweighted BY00 IOCS tallies by shape and weight increment for Standard Enhanced Carrier Route mail.

RESPONSE:

See Attachment A.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK TO
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ATTACHMENT A to NAA/USPS-T43-11: BY00 IOCS Unweighted Direct Tallies (\$000s) by shape and weight increment - Standard Mail Enhanced Carrier Route (ECR) (continued)

Shape	Activity Code	Handling Category	7 to 8	8 to 9	9 to 10	10 to 11	11 to 12	12 to 13	13 to 14	14 to 15	15 to 16	> 16 oz	No Wgt *	Total
Letters	1310	Single Piece	0	0	0	0	0	0	0	0	0	0	0	279
	1310	Single Item	0	0	0	0	0	0	0	0	2	0	11	300
	1310	Container	0	0	0	0	0	0	0	0	0	0	0	6
	1330	Single Piece	0	0	0	0	0	0	0	0	0	0	0	76
	1330	Single Item	0	0	0	0	0	0	0	0	0	0	2	54
	1330	Container	0	0	0	0	0	0	0	0	0	0	0	3
Total Letters			0	0	0	0	0	0	0	0	2	0	13	718
Flats	2310	Single Piece	19	6	1	2	4	4	1	0	6	0	0	515
	2310	Single Item	11	8	6	9	3	6	4	7	11	0	30	848
	2310	Container	2	0	0	1	0	0	0	0	0	0	0	46
	2330	Single Piece	0	0	1	0	0	0	0	0	0	0	0	57
	2330	Single Item	1	1	0	0	0	0	0	1	0	0	6	51
	2330	Container	0	0	0	0	0	0	0	0	0	0	0	0
Total Flats			33	15	8	12	7	10	5	8	17	0	36	1,517
IPPs	3310	Single Piece	0	0	0	0	0	0	0	0	0	0	0	43
	3310	Single Item	0	0	0	0	0	0	0	0	0	0	10	24
	3310	Container	0	0	0	0	0	0	0	0	0	0	0	6
	3330	Single Piece	0	0	0	0	0	0	0	0	0	0	0	3
	3330	Single Item	0	0	0	0	0	0	0	0	0	0	0	4
	3330	Container	0	0	0	0	0	0	0	0	0	0	0	0
Total IPPs			0	0	0	0	0	0	0	0	0	0	10	80
Parcels	4310	Single Piece	2	3	1	0	0	0	3	2	8	1	0	20
	4310	Single Item	2	0	0	0	1	3	0	0	0	0	8	14
	4310	Container	0	1	0	1	1	0	0	0	0	0	0	3
	4330	Single Piece	1	1	1	0	0	0	0	0	0	0	0	3
	4330	Single Item	1	0	0	0	0	0	0	0	0	0	7	8
	4330	Container	0	0	0	0	0	0	0	0	0	0	0	0
Total Parcels			6	5	2	1	2	3	3	2	8	1	15	48

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NAA/USPS-T43-12. Please refer to your response to NAA/USPS-T43-8 and Attachment B thereto. Please explain the difference between "Single Piece" and "Single Item."

RESPONSE:

The handling category refers to the response to Question 21A in the IOCS data set. A "Single Piece" indicates the employee is handling a single piece of mail at the time of the IOCS reading which receives a response of "A" for Question 21A. "Single Item" indicates that the employee is handling an individual item at the time of the reading and receives a response of "B" for Question 21A. The single item may contain multiple pieces or be empty. Single items include bundles, trays, pallets, and sacks. For further explanation please refer to the IOCS Field Operating Instructions, Handbook F-45, Chapter 12 (USPS-LR-I-14/R2000-1).

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NAA/USPS-T43-13. Please refer to your response to NAA/USPS-T43-8 and Attachment B thereto, which reports 116 weighted IOCS tallies for Single Item letters in the 15 to 16 ounce range. Please explain what Standard ECR letters weigh 15 to 16 ounces.

RESPONSE:

Please note that less than 0.2 percent of all weighted letter tallies for Standard ECR letters fall in the 15 to 16 ounce range. IOCS is a sampling system, and the results are therefore subject to sampling variation.

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NAA/USPS-T43-14. In Library Reference LR-J-58, as revised Nov. 20, please refer to the table captioned "Standard Mail ECR Letters Test Year Unit Costs by Detailed (1/2 ounce) Weight Increments," which reports cost and volume figures for Standard ECR letters above 3.5 ounces. Please describe what Standard ECR letters would weigh more than 3.5 ounces.

RESPONSE:

Please note that less than two percent of total letter costs for Standard ECR letter mail is for letters above 3.5 ounces. IOCS is a sampling system, and the results are therefore subject to sampling variation. Only 0.5 percent of all Standard ECR letter volume given in USPS-LR-J-58 weighs more than 3.5 ounces. The volume data are obtained from the RPW system, which obtains shape from information reported by mailers on the postage statements.

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NAA/USPS-T43-15. In Library Reference LR-J-58, as revised Nov. 20, please refer to the table captioned "Standard Mail ECR Flats Test Year Unit Costs by Detailed (1/2 ounce) Weight Increments:

- a. Please explain why the unit costs for 8-9 ounce flats are less than the unit costs of 7-8 ounce flats.
- b. Please explain why the unit costs for 11-12 ounce flats are less than the unit costs of 10-11 ounce flats.

RESPONSE:

- a. – b. The cost by weight distributions provided in USPS-LR-J-58 are designed to provide a general indication of the relationship between weight and cost. The analysis in USPS-LR-J-58 is not designed to be a definitive analysis of the relationship between weight and cost, and it is not used as such by any postal witness in this docket. In order to provide a definitive analysis of the relationship between weight and cost, one would need to control for other factors that affect cost, including presort level, entry profile, automation compatibility, and other piece characteristics. It is possible that differences in one or more of these factors are responsible for the demonstrated unit cost differences noted in your question. In addition, the cost estimates by weight increment provided in USPS-LR-J-58 are subject to sampling variation. As stated in my response to VP/USPS-T43-5, I am satisfied that the other Postal witnesses in this docket have used the results in USPS-LR-J-58 with the understanding that they are not intended to be an exact quantification of costs for every individual weight increment, but that they do provide some insight into the relationship between weight and cost.

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NAA/USPS-T43-16. In Library Reference LR-J-58, as revised Nov. 20, please refer to the table entitled Standard Mail ECR Flats Test Year Unit Costs by Function.

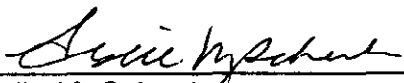
- a. Please explain why, between the "0 to 1" and "2 to 3" ounce ranges, City Carrier In-office unit costs decline while City Carrier Street Time unit costs rise.
- b. Please explain why the City Carrier In-office costs of Standard ECR flats weighing 5 to 7 ounces (0.83 cents) is less than the unit City Carrier In-office costs of Standard ECR flats between 3 to 5 and 7 to 9 ounces.
- c. Please explain why the unit City Carrier In-office costs of Standard ECR flats weighing 11 to 13 ounces is less than the unit City Carrier In-office costs of Standard ECR flats weighing between 0 and 2 ounces.

RESPONSE:

- a. – c. See the response to NAA/USPS-T43-15a-b.

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.

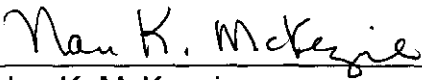


Leslie M. Schenk

Dated: 12/10/01

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.



Nan K. McKenzie

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