

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 MILLER TO INTERROGATORIES OF THE ASSOCIATION OF  
POSTAL COMMERCE  
(POSTCOM/USPS-T24—7-8)**

The United States Postal Service hereby provides the response of witness Miller to the following interrogatories of the Association of Postal Commerce:

POSTCOM/USPS-T24—7-8, filed on November 26, 2001.

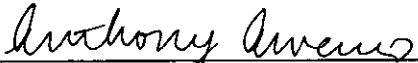
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Anthony Alverno  
Attorney

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Washington, D.C. 20260-1137  
(202) 268-2997; Fax -6187  
December 10, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MILLER TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE**

**POSTCOM/USPS-T24-7.** Please refer to USPS-LR-J-61, Standard.xls, which develops Standard Mail total mail processing unit cost estimates by rate category for flats.

(a) Please confirm that the AFSM 100/FSM 881 incoming secondary machinable flats coverage factor for Standard mail in cell D19 in worksheet 'COVERAGE FACTORS' is 65%. If you do not confirm, please explain fully.

(b) Please confirm that both the automation and nonautomation mailflow models use the AFSM100/FSM 881 incoming secondary machinable flats coverage factor of 65%. If you do not confirm, please explain fully.

(c) Please confirm that the manual incoming secondary machinable flats coverage factor for Standard mail in cell D21 in worksheet 'COVERAGE FACTORS' is 35%. If you do not confirm, please explain fully.

(d) Please confirm that the automation and nonautomation mailflow models use the manual incoming secondary machinable flats coverage factor of 35%. If you do not confirm, please explain fully.

**RESPONSE:**

(a) Confirmed.

(b) Confirmed.

(c) Confirmed.

(d) Confirmed.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MILLER TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE**

**POSTCOM/USPS-T24-8.** Please refer to USPS-LR-J-61, Standard.xls, which develops Standard Mail total mail processing unit cost estimates by rate category for flats.

(a) Please confirm that the following modifications apply the same incoming secondary machinable flats coverage factors for Standard mail as in your unmodified worksheets, allow the application of different incoming secondary machinable flats coverage factors for automation and nonautomation mail, and do not change the mail processing unit cost estimates. If you do not confirm, please explain fully.

**'COVERAGE FACTORS' Worksheet**

<u>Cells</u>	<u>Formulae</u>
A19	AFSM100/FSM881 – Barcoded
A20	AFSM100/FSM881 – Nonbarcoded
A21	Manual – Barcoded
A22	Manual – Nonbarcoded
D20	65.00%
D22	35.00%

**'3-5 NONAUTO MODEL' Worksheet**

<u>Cells</u>	<u>Formulae</u>
C83, C84	Replace 'COVERAGE FACTORS'!D19 with 'COVERAGE FACTORS'!D20
H83, H84	Replace 'COVERAGE FACTORS'!D19 with 'COVERAGE FACTORS'!D20
T83, T84	Replace 'COVERAGE FACTORS'!D21 with 'COVERAGE FACTORS'!D22

**'BASIC NONAUTO MODEL' Worksheet**

<u>Cells</u>	<u>Formulae</u>
C83, C84	Replace 'COVERAGE FACTORS'!D19 with 'COVERAGE FACTORS'!D20
H83, H84	Replace 'COVERAGE FACTORS'!D19 with 'COVERAGE FACTORS'!D20
T83, T84	Replace 'COVERAGE FACTORS'!D21 with 'COVERAGE FACTORS'!D22

(b) Please confirm that the modifications in subpart (a) of this interrogatory and the following incoming secondary machinable flats coverage factors develop presort-adjusted total mail processing unit costs on the 'PRESORT LEVELS HELD CONSTANT' worksheet for 3/5-digit Nonautomation Presort of 13.050 cents and for 3/5-digit Automation Presort Rev of 11.628 cents. If you do not confirm, please explain fully.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MILLER TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE**

**RESPONSE TO POSTCOM/USPS-T24-8 (CONTINUED)**

**'COVERAGE FACTORS' Worksheet**

<u>Cells</u>	<u>Formulae</u>
D19	70.00%
D20	60.00%
D21	30.00%
D22	40.00%

(c) Please confirm that the modifications in subpart (a) of this interrogatory and the following incoming secondary machinable flats coverage factors develop presort-adjusted total mail processing unit costs on the 'PRESORT LEVELS HELD CONSTANT' worksheet for 3/5-digit Nonautomation Presort of 13.177 cents and for 3/5-digit Automation Presort Rev of 11.605 cents. If you do not confirm, please explain fully.

**'COVERAGE FACTORS' Worksheet**

<u>Cells</u>	<u>Formulae</u>
D19	70.00%
D20	50.00%
D21	30.00%
D22	50.00%

**RESPONSE:**

- (a) Confirmed.
  
- (b) Confirmed. However, machinable nonautomation and automation presort flats mail pieces are typically processed on the same equipment at the same time. There is no evidence suggesting that the coverage factors used in the cost models for machinable nonautomation and automation presort flats mail pieces should differ.
  
- (c) Confirmed. However, machinable nonautomation and automation presort flats mail pieces are typically processed on the same equipment at the same time. There is no evidence suggesting that the coverage factors used in the cost models for machinable nonautomation and automation presort flats mail pieces should differ.

**DECLARATION**

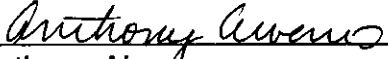
I, Michael W. Miller, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
MICHAEL W. MILLER

Dated: 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.

  
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Anthony Alverno

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