

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 AMERICAN BANKERS  
ASSOCIATION AND NATIONAL ASSOCIATION OF PRESORT MAILERS  
(ABA&NAPM/USPS-T24—1-5)**

The United States Postal Service hereby provides the response of witness Miller to the following interrogatories of the Association of Postal Commerce: ABA&NAPM/USPS-T24—1-5, filed on November 26, 2001.

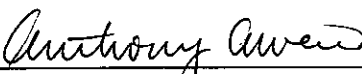
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Rate-making

  
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December 10, 2001

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**ABA&NAPM/USPS-T24-1** Please refer to Table 1 at page 14 of your T-24 Direct Testimony. Please provide "Actual Total Mail Processing Unit Costs (Cents) for First Class single piece flats. Why did you not include this information in your Table 12 or in LR-J-61?

**RESPONSE:**

The test year First-Class single-piece flats CRA mail processing unit cost estimate (38.751 cents) can be found in USPS LR-J-53. This information was not included in USPS LR-J-61 because it was not needed to complete my analysis.

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**ABA&NAPM/USPS-T24-2** Please confirm that mail processing unit cost savings of automated flats are an important factor in setting discounts for automated flats. If you can not confirm this fact, explain why not.

**RESPONSE:**

Not confirmed. Worksharing related savings estimates involve cost comparisons between a known benchmark and a given rate category. The First-Class automation presort flats cost studies have not historically made such comparisons. I am also not aware of an acknowledged First-Class automation presort flats benchmark as defined in the context of Postal Rate Commission proceedings. Please see USPS-T-29 (page 23 at 11-19) for a discussion regarding the automation presort flats rate design.

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**ABA&NAPM/USPS-T24-3** Why did you calculate Total Mail Processing Unit Costs for the various First Class Automated Flats rate categories, but fail to measure worksharing related savings of those rate categories?

**RESPONSE:**

Please see the response to ABA&NAPM/USPS-T24-2.

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**ABA&NAPM/USPS-T24-4** Please calculate worksharing related savings for each First Class Automated Flats rate category, using First Class single piece flats as the benchmark.

**RESPONSE:**

The analysis described in this interrogatory has not been performed due to the reasons described in the response to ABA&NAPM/USPS-T24-2. As stated in my response to ABA&NAPM/USPS-T24-1, the test year First-Class single-piece flats CRA mail processing unit cost estimate (38.751 cents) can be found in USPS LR-J-53.

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**ABA&NAPM/USPS-T24-5** Do you have any experience from observation of or conversations with presort bureaus or mailers of First Class automated flats which would merit the conclusion that if such flats were not delivered to the Postal Service as First Class Automated Flats, those presort bureaus and other mailers would take the time and resources necessary to deliver those flats as First Class non-automated presort flats?

**RESPONSE:**

No.

**DECLARATION**

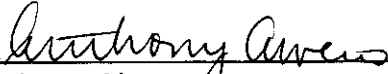
I, Michael W. Miller, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
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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