

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 2001

Docket No. R2001-1

REVISED RESPONSE OF
UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO POIR NO. 4, QUESTION 6 (ERRATA)

The United States Postal Service hereby files the revised response of witness Robinson to Presiding Officer's Information Request No. 4, Question 6.

The revised response supersedes the original response filed on November 16, 2001.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
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December 13, 2001

CERTIFICATE OF SERVICE

I hereby certify that, in accordance with section 12 of the Rules of Practice, I have this day served the foregoing document upon all parties of record in Docket No. R2001-1.

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TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 4

POIR 4, Question 6

OCA/USPS-63-c requests Base Year and Test Year volume for letter shaped mail separated for manual processing. The response, filed on October 25, provides "Base Year volumes [that] include only the pieces assessed the Nonstandard Surcharge based on the current definition, and the Test Year After Rates volumes include an estimate of the additional pieces meeting the proposed nonmachineable definition." Please provide, by subclass, the volume of letter shaped mail separated for manual processing that does not satisfy these definitions. For example, First-Class letters greater than one ounce would seem to fall into this category. Also, please confirm that the requested information when added to the information provided in response to OCA/USPS-63-c provides the total volumes manually processed.

RESPONSE:

The Postal Service cannot estimate the total volume of First-Class Mail, letter-shaped pieces weighing over one ounce that would be manually processed in the test-year-after-rates. The description below outlines the available data on volumes subject to the proposed nonmachinable surcharge by rate category, shape, and weight¹.

Single-Piece Rate Category

For single-piece First-Class Mail weighing one ounce or less, the estimated volume in the test-year-after-rates that would pay the nonmachinable surcharge equals

- (i) the single-piece volume weighing one ounce or less that meets the current nonstandard definition

¹ All data in thousands of pieces.

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Single Piece Volume

415,041 current nonstandard

55,536 letter-shaped

319,880 flat-shaped

39,625 parcel-shaped

Source:

(a) =[USPS-T-29, Att.C at 1 col2(e) /USPS-T-29, Att. C at 1 col 2(a)] *[USPS-T-29, Att. C at 1 col (3)(a)

(b) = (a)*GFY00 letter share from USPS-LR-J-112

(c) = (a)*GFY00 flat share from USPS-LR-J-112

(d) = (a)*GFY00 parcel share from USPS-LR-J-112

- (ii) the single-piece volume weighing one ounce or less that would pay the proposed nonmachinable surcharge because of the expansion of the definition (527,592 pieces = 942,633 total nonmachinable USPS-T29, Att. C at 1, col. (3)(e) less 415,041 nonstandard pieces in (i) above). All of the pieces that will pay the nonmachinable surcharge because of the expanded definition are letter-shaped. See proposed DMCS §232(c). The process used to derive the estimated single-piece volume is shown at USPS-T-29, Attachment F at 3. The Postal Service has no estimates of the volume of single-piece mail for which manual processing requests are made.

Therefore, the estimated total volume of single-piece First-Class Mail to which the proposed nonmachinable surcharge would apply is 942,633 (= 583,128 letter-shaped + 319,880 flat-shaped + 39,625 parcel-shaped). All of these pieces, by definition, weigh one ounce or less.

Because there is no rate element comparable to the current nonstandard surcharge for single-piece, First-Class Mail weighing more than one ounce, the Postal Service does not have data that allows it to count the pieces with physical characteristics similar to those of pieces weighing one ounce or less that are

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subject to the nonstandard surcharge. The Postal Service also does not have data on the volume of First-Class Mail for which manual processing is requested.

Nonautomation Presort Rate Category

For Nonautomation Presort First-Class Mail weighing one ounce or less, the estimated volume in the test-year-after-rates that would pay the nonmachinable surcharge equals

- (i) the nonautomation presort volume weighing one ounce or less that meets the current nonstandard definition

Nonautomation Presort

Source:

37,900 current nonstandard	(a) =[USPS-T-29, Att.C at 1 col2(j) /USPS-T-29, Att. C at 1 col 2(f)] *[USPS-T-29, Att. C at 1 col (3)(f)]
12,745 letter-shaped	(b) = (a)*GFY00 letter share from USPS-LR-J-112
19,951 flat-shaped	(c) = (a)*GFY00 flat share from USPS-LR-J-112
5,203 parcel-shaped	(d) = (a)*GFY00 parcel share from USPS-LR-J-112

- (ii) the Nonautomation Presort volume weighing one ounce or less that would pay the proposed nonmachinable surcharge because of the expansion of the definition (159,032 pieces = 196,933 total nonmachinable USPS-T29 Att C at 1 col. (3)(j) less 39,700 nonstandard pieces in (i) above). All of the pieces that will pay the nonmachinable surcharge because of the expanded definition are letter-shaped. See proposed DMCS §232(c). The Postal Service has no estimate of the number of Nonautomation Presort pieces for which manual processing is requested. However, the mail characteristics data used to estimate the number of pieces of that are

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physically nonmachinable may be slightly overstated and therefore can be assumed to account, in part, for manual processing requests.²

Therefore, the estimated total volume of Nonautomation Presort, First-Class Mail to which the proposed nonmachinable surcharge would apply is 196,933 (= 171,177 letter-shaped + 19,951 flat-shaped + 5,203 parcel-shaped). All of these pieces, by definition, weigh one ounce or less.

Because there is no rate element comparable to the current nonstandard surcharge for Nonautomation Presort, First-Class Mail weighing more than one ounce, the Postal Service does not have data that allows it to count the pieces with physical characteristics similar to those of pieces weighing one ounce or less that are subject to the nonstandard surcharge. The Postal Service also does not have data on the volume of First-Class Mail for which manual processing is requested.

² The estimated 24.45 percent of Nonautomation Presort volume that is assumed to pay the proposed nonmachinable surcharge is based on the 1997 Mail Characteristic Study (Docket No. R97-1, USPS-LR-H-185; also reported in USPS-LR-J-60 at 50, see response to OCA/USPS-86(a)). This percentage is the share of all letter-shaped pieces, regardless of weight, that are physically nonmachinable. Therefore, it is possible that some proportion of the 24.45 nonmachinable percent of all letter-shaped pieces includes pieces weighing over one ounce. However, this percentage is likely to be very small. Of all letter-shaped Nonautomation Presort pieces, 95.6 percent weigh less than one ounce and, of the pieces weighing more than one ounce, many may be machinable.

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Automation Letters

By definition, all First-Class Mail Automation Letters are machinable.

Carrier Route Letters

By definition, all First-Class Mail Carrier Route Letters are machinable.