

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

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POSTAL RATE COMMISSION  
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POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS SCHENK TO INTERROGATORY OF  
ADVO, INC.  
(ADVO/USPS-T43-1)

The United States Postal Service hereby provides the responses of witness Schenk to the following interrogatory of ADVO, Inc: ADVO/USPS-T43-1, filed on December 3, 2001.

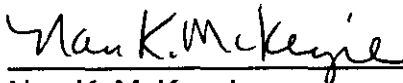
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



Nan K. McKenzie

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December 17, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK  
TO INTERROGATORY OF ADV0, INC.**

**ADVO/USPS-T43-1.** Please provide the mail processing (cost segment 3.1), window service (3.2), and in-office (6.1) data in USPS LR-J-58, spreadsheet LR58aocr\_revised.xls, disaggregated by shape and density level. Provide also any supporting documentation, in electronic format, used to develop the disaggregation.

**RESPONSE:**

The disaggregated costs for mail processing are presented in Attachment A, window service in Attachment B, and in-office in Attachment C. Supporting documentation is provided in USPS-LR-J-198.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK  
TO INTERROGATORY OF ADVO, INC.

**Attachment A – Provided in Response to ADVO/USPS-T43-1**

**TY03 Mail Processing (Cost Segment 3.1) Costs (\$000) - Piggyback and Premium Pay Factors Applied  
Standard ECR Mail (Regular and Nonprofit)**

	< 0.5 oz	0.5 - 1 oz	1 - 1.5 oz	1.5 - 2 oz	2 - 2.5 oz	2.5 - 3 oz	3 - 3.5 oz	3.5 - 4 oz	4 oz - 5 oz	5 oz - 6 oz	6 oz - 7 oz	7 oz - 8 oz
<b>Basic</b>												
-Letters	49,391	47,184	10,832	6,914	5,149	3,574	2,023	3,862	389	70	26	58
-Flats	18,125	41,390	36,072	35,215	30,227	28,094	36,487	38,354	16,311	11,354	6,928	7,856
-Parcels	1,206	1,933	1,301	1,318	790	2,162	3,099	5,072	1,682	884	1,520	4,076
<b>Total Basic</b>	<b>68,722</b>	<b>90,507</b>	<b>48,206</b>	<b>43,447</b>	<b>36,166</b>	<b>33,830</b>	<b>41,609</b>	<b>47,289</b>	<b>18,382</b>	<b>12,308</b>	<b>8,475</b>	<b>11,990</b>
<b>Saturation</b>												
-Letters	7,312	6,713	1,461	1,257	2,460	767	215	643	8	13	4	9
-Flats	2,670	2,725	5,147	4,751	3,355	888	3,223	3,577	752	806	2,251	980
-Parcels	824	2	1	0	0	1	0	1	0	455	0	651
<b>Total Saturation</b>	<b>10,806</b>	<b>9,439</b>	<b>6,608</b>	<b>6,008</b>	<b>5,815</b>	<b>1,656</b>	<b>3,439</b>	<b>4,221</b>	<b>760</b>	<b>1,274</b>	<b>2,255</b>	<b>1,640</b>
<b>High Density</b>												
-Letters	1,086	738	969	157	1	325	1	4	1	1	0	2
-Flats	684	214	1,620	1,239	822	354	3	671	387	480	192	142
-Parcels	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total High Density</b>	<b>1,770</b>	<b>952</b>	<b>2,589</b>	<b>1,396</b>	<b>823</b>	<b>679</b>	<b>4</b>	<b>674</b>	<b>388</b>	<b>480</b>	<b>192</b>	<b>144</b>
<b>Automation</b>												
-Letters	14,728	14,206	2,869	1,952	114	651	189	1,116	11	16	6	14
-Flats	0	0	0	0	0	0	0	0	0	0	0	0
-Parcels	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Automation</b>	<b>14,728</b>	<b>14,206</b>	<b>2,869</b>	<b>1,952</b>	<b>114</b>	<b>651</b>	<b>189</b>	<b>1,116</b>	<b>11</b>	<b>16</b>	<b>6</b>	<b>14</b>
<b>Total Standard ECR Mail</b>												
-Letters	72,517	68,840	16,131	10,280	7,724	5,318	2,428	5,625	408	101	36	84
-Flats	21,479	44,330	42,839	41,204	34,404	29,337	39,713	42,601	17,451	12,639	9,371	8,978
-Parcels	2,030	1,935	1,302	1,318	790	2,162	3,099	5,073	1,682	1,339	1,521	4,726
<b>Total</b>	<b>96,025</b>	<b>115,105</b>	<b>60,272</b>	<b>52,803</b>	<b>42,917</b>	<b>36,817</b>	<b>45,240</b>	<b>53,300</b>	<b>19,541</b>	<b>14,078</b>	<b>10,928</b>	<b>13,788</b>

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK  
TO INTERROGATORY OF ADVO, INC.

**Attachment A – Provided in Response to ADVO/USPS-T43-1 (Continued)**

**TY03 Mail Processing (Cost Segment 3.1) Costs (\$000) - Piggyback and Premium Pay Factors Applied  
Standard ECR Mail (Regular and Nonprofit)**

	<u>8 oz - 9 oz</u>	<u>9 oz - 10 oz</u>	<u>10 oz - 11 oz</u>	<u>11 oz - 12 oz</u>	<u>12 oz - 13 oz</u>	<u>13 oz - 14 oz</u>	<u>14 oz - 15 oz</u>	<u>15 oz - 16 oz</u>	<u>&gt; 16 oz</u>	<u>Total</u>
<b>Basic</b>										
-Letters	29	10	10	28	0	6	12	485	107	130,159
-Flats	2,510	2,322	2,451	2,575	2,115	1,105	2,009	3,389	292	325,181
-Parcels	1,561	524	656	478	984	1,368	906	2,849	225	34,594
<b>Total Basic</b>	<b>4,100</b>	<b>2,857</b>	<b>3,117</b>	<b>3,080</b>	<b>3,099</b>	<b>2,479</b>	<b>2,926</b>	<b>6,722</b>	<b>624</b>	<b>489,933</b>
<b>Saturation</b>										
-Letters	3	3	1	4	0	1	2	3	7	20,884
-Flats	3	5	285	3	0	1	2	169	21	31,613
-Parcels	0	0	0	0	0	0	0	149	0	2,085
<b>Total Saturation</b>	<b>7</b>	<b>7</b>	<b>285</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>321</b>	<b>28</b>	<b>54,582</b>
<b>High Density</b>										
-Letters	1	1	0	0	0	0	0	0	1	3,286
-Flats	512	1	139	1	0	253	0	1	6	7,720
-Parcels	0	0	0	0	0	0	0	0	0	0
<b>Total High Density</b>	<b>513</b>	<b>2</b>	<b>139</b>	<b>1</b>	<b>0</b>	<b>253</b>	<b>0</b>	<b>1</b>	<b>6</b>	<b>11,006</b>
<b>Automation</b>										
-Letters	7	2	3	7	0	1	4	13	14	35,925
-Flats	0	0	0	0	0	0	0	0	0	0
-Parcels	0	0	0	0	0	0	0	0	0	0
<b>Total Automation</b>	<b>7</b>	<b>2</b>	<b>3</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>13</b>	<b>14</b>	<b>35,925</b>
<b>Total Standard ECR Mail</b>										
-Letters	40	15	13	39	0	8	18	501	129	190,254
-Flats	3,025	2,328	2,874	2,578	2,115	1,359	2,011	3,558	319	364,513
-Parcels	1,561	525	656	478	984	1,368	906	2,998	225	36,679
<b>Total</b>	<b>4,626</b>	<b>2,868</b>	<b>3,544</b>	<b>3,095</b>	<b>3,100</b>	<b>2,735</b>	<b>2,935</b>	<b>7,057</b>	<b>673</b>	<b>591,446</b>

**Attachment B – Provided in Response to ADVO/USPS-T43-1**

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK  
TO INTERROGATORY OF ADVO, INC.**

**TY03 Window Service (Cost Segment 3.2) Costs (\$000) - Piggyback and Premium Pay Factors Applied  
Standard ECR Mail (Regular and Nonprofit)**

	< 0.5 oz	0.5 - 1 oz	1 - 1.5 oz	1.5 - 2 oz	2 - 2.5 oz	2.5 - 3 oz	3 - 3.5 oz	3.5 - 4 oz	4 oz - 5 oz	5 oz - 6 oz	6 oz - 7 oz	7 oz - 8 oz
<b>Basic</b>												
-Letters	592	1,473	92	53	22	14	4	0	1	0	0	0
-Flats	62	365	189	441	182	209	393	727	304	150	79	40
-Parcels	0	0	0	0	0	1	0	0	0	0	0	0
<b>Total Basic</b>	<b>654</b>	<b>1,838</b>	<b>281</b>	<b>494</b>	<b>205</b>	<b>224</b>	<b>397</b>	<b>728</b>	<b>305</b>	<b>150</b>	<b>79</b>	<b>40</b>
<b>Saturation</b>												
-Letters	404	220	83	77	68	33	10	7	3	0	0	0
-Flats	36	128	621	238	319	190	73	73	359	109	43	20
-Parcels	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Saturation</b>	<b>440</b>	<b>348</b>	<b>704</b>	<b>315</b>	<b>387</b>	<b>223</b>	<b>83</b>	<b>80</b>	<b>361</b>	<b>109</b>	<b>43</b>	<b>21</b>
<b>High Density</b>												
-Letters	52	16	4	8	10	10	1	0	0	0	0	0
-Flats	3	11	20	30	35	29	14	10	26	25	17	10
-Parcels	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total High Density</b>	<b>55</b>	<b>27</b>	<b>24</b>	<b>38</b>	<b>45</b>	<b>39</b>	<b>15</b>	<b>11</b>	<b>27</b>	<b>25</b>	<b>17</b>	<b>10</b>
<b>Automation</b>												
-Letters	181	555	44	13	6	12	8	0	0	0	0	0
-Flats	0	0	0	0	0	0	0	0	0	0	0	0
-Parcels	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Automation</b>	<b>181</b>	<b>555</b>	<b>44</b>	<b>13</b>	<b>6</b>	<b>12</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Standard ECR Mail</b>												
-Letters	1,228	2,264	223	150	107	68	23	7	4	1	0	0
-Flats	102	505	830	709	536	428	480	811	689	284	138	71
-Parcels	0	0	0	0	0	1	0	0	0	0	0	0
<b>Total</b>	<b>1,330</b>	<b>2,769</b>	<b>1,053</b>	<b>860</b>	<b>643</b>	<b>498</b>	<b>503</b>	<b>818</b>	<b>693</b>	<b>285</b>	<b>139</b>	<b>71</b>

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK  
TO INTERROGATORY OF ADVO, INC.

**Attachment B – Provided in Response to ADVO/USPS-T43-1 (Continued)**

**TY03 Window Service (Cost Segment 3.2) Costs (\$000) - Piggyback and Premium Pay Factors Applied  
Standard ECR Mail (Regular and Nonprofit)**

	8 oz - 9 oz	9 oz - 10 oz	10 oz - 11 oz	11 oz - 12 oz	12 oz - 13 oz	13 oz - 14 oz	14 oz - 15 oz	15 oz - 16 oz	> 16 oz	Total
<b>Basic</b>										
-Letters	0	0	0	0	0	0	0	0	0	2,250
-Flats	30	15	8	10	4	3	1	2	0	3,214
-Parcels	0	0	0	0	0	0	0	0	0	2
<b>Total Basic</b>	<b>30</b>	<b>15</b>	<b>8</b>	<b>10</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>5,466</b>
<b>Saturation</b>										
-Letters	0	0	0	0	0	0	0	0	0	904
-Flats	7	4	2	1	0	0	0	0	0	2,225
-Parcels	0	0	0	0	0	0	0	0	0	1
<b>Total Saturation</b>	<b>7</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,129</b>
<b>High Density</b>										
-Letters	0	0	0	0	0	0	0	0	0	101
-Flats	6	4	2	1	1	0	0	0	0	246
-Parcels	0	0	0	0	0	0	0	0	0	0
<b>Total High Density</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>347</b>
<b>Automation</b>										
-Letters	0	0	0	0	0	0	0	0	0	820
-Flats	0	0	0	0	0	0	0	0	0	0
-Parcels	0	0	0	0	0	0	0	0	0	0
<b>Total Automation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>820</b>
<b>Total Standard ECR Mail</b>										
-Letters	0	0	0	0	0	0	0	0	0	4,075
-Flats	43	22	11	12	5	3	2	2	0	5,684
-Parcels	0	0	0	0	0	0	0	0	0	3
<b>Total</b>	<b>43</b>	<b>22</b>	<b>11</b>	<b>12</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>9,762</b>

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK  
TO INTERROGATORY OF ADVO, INC.

**Attachment C – Provided in Response to ADVO/USPS-T43-1**

**TY03 City Carriers (Cost Segment 6.1) Costs (\$000) - Piggyback and Premium Pay Factors Applied  
Standard ECR Mail (Regular and Nonprofit)**

	< 0.5 oz	0.5 - 1 oz	1 - 1.5 oz	1.5 - 2 oz	2 - 2.5 oz	2.5 - 3 oz	3 - 3.5 oz	3.5 - 4 oz	4 oz - 5 oz	5 oz - 6 oz	6 oz - 7 oz	7 oz - 8 oz
<b>Basic</b>												
-Letters	45,467	32,147	10,151	2,708	2,603	1,559	1,786	617	600	506	0	168
-Flats	16,635	35,994	30,656	28,308	23,447	20,040	20,305	31,442	18,930	10,146	4,852	4,245
-Parcels	1,920	312	270	507	0	107	112	121	134	102	0	0
<b>Total Basic</b>	<b>64,022</b>	<b>68,452</b>	<b>41,076</b>	<b>31,523</b>	<b>26,050</b>	<b>21,706</b>	<b>22,203</b>	<b>32,180</b>	<b>19,665</b>	<b>10,754</b>	<b>4,852</b>	<b>4,413</b>
<b>Saturation</b>												
-Letters	24,147	5,829	2,161	1,581	814	757	297	103	282	0	103	96
-Flats	7,142	6,473	5,921	5,154	4,663	6,055	3,195	3,803	2,134	1,577	378	741
-Parcels	4,236	0	105	0	277	0	255	0	0	111	87	0
<b>Total Saturation</b>	<b>35,526</b>	<b>12,301</b>	<b>8,187</b>	<b>6,735</b>	<b>5,754</b>	<b>6,811</b>	<b>3,747</b>	<b>3,905</b>	<b>2,416</b>	<b>1,688</b>	<b>568</b>	<b>837</b>
<b>High Density</b>												
-Letters	4,531	1,701	518	530	258	147	0	0	0	0	0	0
-Flats	1,056	1,698	3,302	2,526	1,016	1,754	1,679	1,611	1,182	1,267	607	424
-Parcels	679	106	0	192	239	129	0	0	0	0	0	0
<b>Total High Density</b>	<b>6,265</b>	<b>3,505</b>	<b>3,820</b>	<b>3,249</b>	<b>1,513</b>	<b>2,029</b>	<b>1,679</b>	<b>1,611</b>	<b>1,182</b>	<b>1,267</b>	<b>607</b>	<b>424</b>
<b>Automation</b>												
-Letters	3,872	4,460	0	440	0	173	0	197	0	0	0	0
-Flats	0	0	0	0	0	0	0	0	0	0	0	0
-Parcels	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Automation</b>	<b>3,872</b>	<b>4,460</b>	<b>0</b>	<b>440</b>	<b>0</b>	<b>173</b>	<b>0</b>	<b>197</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Standard ECR Mail</b>												
-Letters	78,017	44,137	12,830	5,259	3,675	2,635	2,084	917	882	506	103	264
-Flats	24,833	44,164	39,879	35,988	29,126	27,848	25,178	36,856	22,247	12,990	5,837	5,410
-Parcels	6,836	417	375	699	516	236	367	121	134	213	87	0
<b>Total</b>	<b>109,685</b>	<b>88,718</b>	<b>53,084</b>	<b>41,946</b>	<b>33,317</b>	<b>30,719</b>	<b>27,629</b>	<b>37,893</b>	<b>23,263</b>	<b>13,709</b>	<b>6,027</b>	<b>5,673</b>

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK  
TO INTERROGATORY OF ADVO, INC.

**Attachment C – Provided in Response to ADVO/USPS-T43-1 (Continued)**

**TY03 City Carriers (Cost Segment 6.1) Costs (\$000) - Piggyback and Premium Pay Factors Applied  
Standard ECR Mail (Regular and Nonprofit)**

	8 oz - 9 oz	9 oz - 10 oz	10 oz - 11 oz	11 oz - 12 oz	12 oz - 13 oz	13 oz - 14 oz	14 oz - 15 oz	15 oz - 16 oz	> 16 oz	Total
<b>Basic</b>										
-Letters	0	0	0	0	0	0	0	0	0	98,312
-Flats	1,771	1,651	1,272	683	735	515	141	828	0	252,596
-Parcels	0	128	0	190	0	0	0	195	0	4,097
<b>Total Basic</b>	<b>1,771</b>	<b>1,779</b>	<b>1,272</b>	<b>873</b>	<b>735</b>	<b>515</b>	<b>141</b>	<b>1,023</b>	<b>0</b>	<b>355,005</b>
<b>Saturation</b>										
-Letters	0	0	0	0	0	0	0	0	0	36,170
-Flats	0	441	0	220	0	91	0	0	0	47,988
-Parcels	0	0	0	0	0	0	0	0	0	5,070
<b>Total Saturation</b>	<b>0</b>	<b>441</b>	<b>0</b>	<b>220</b>	<b>0</b>	<b>91</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>89,228</b>
<b>High Density</b>										
-Letters	0	0	0	88	0	0	0	0	0	7,773
-Flats	356	0	151	0	0	200	0	0	0	18,829
-Parcels	0	0	0	0	0	0	0	0	0	1,345
<b>Total High Density</b>	<b>356</b>	<b>0</b>	<b>151</b>	<b>88</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,946</b>
<b>Automation</b>										
-Letters	0	0	0	0	0	0	0	0	0	9,141
-Flats	0	0	0	0	0	0	0	0	0	0
-Parcels	0	0	0	0	0	0	0	0	0	0
<b>Total Automation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,141</b>
<b>Total Standard ECR Mail</b>										
-Letters	0	0	0	88	0	0	0	0	0	151,396
-Flats	2,126	2,092	1,422	904	735	807	141	828	0	319,412
-Parcels	0	128	0	190	0	0	0	195	0	10,512
<b>Total</b>	<b>2,126</b>	<b>2,220</b>	<b>1,422</b>	<b>1,182</b>	<b>735</b>	<b>807</b>	<b>141</b>	<b>1,023</b>	<b>0</b>	<b>481,320</b>



## DECLARATION

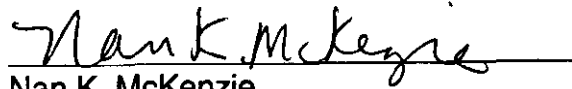
I, Leslie M. Schenk, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

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

Dated: 12/17/01

## 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

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
December 17, 2001