

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

RECEIVED

Dec 18 4 15 PM '01

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS KIEFER TO INTERROGATORIES OF
ASSOCIATION FOR POSTAL COMMERCE
(POSTCOM/USPS-T33-19-20)

The United States Postal Service hereby files the response of witness Kiefer to the following interrogatories of the Association for Postal Commerce:

POSTCOM/USPS-T33-19-20, filed on December 6, 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



Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999 Fax -5402
December 18, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIEFER
TO INTEROGATORIES OF ASSOCIATION OF POSTAL COMMERCE**

POSTCOM/USPS-T33-19. Please refer to page 32 of your testimony where you state, "Lacking any direct costs for BPM, I have used the difference in costs between Standard Mail 3/5 presort automation and nonautomation flats estimated by witness Miller (USPS-T-24) to proxy the BPM flats barcode cost savings."

- (a) What is the required presort level (e.g., basic, 3-digit, 5-digit) for flats that are entered at origin facilities?
- (b) What is the required presort level for flats that are entered at destination bulk mail centers (DBMC)?
- (c) What is the average size of a mailing of non-Carrier Route BPM flats?
- (d) What is the average size of a mailing of Standard Regular flats?
- (e) What is the average size of a mailing of Standard Regular basic presort flats?
- (f) What is the average size of a mailing of Standard Regular 3/5 presort flats?
- (g) Based upon your responses to subparts (a)-(f) of this interrogatory, please explain in detail why you chose the difference in costs between Standard Mail 3/5 presort automation and nonautomation flats as a proxy for BPM flats barcode cost savings as opposed to the Standard Mail Basic presort automation cost difference or a weighted average of the Standard Mail Basic and 3/5 presort automation cost differences.

RESPONSE

- (a),(b) The presort requirements for BPM flats are the same whether the flats are entered at origin facilities or at DBMCs. BPM flats presort requirements are set forth in the DMM in sections M722 and M045. Presort requirements for palletized flats are described in section M045.3.3. The required presort sequence is: 5-digit carrier routes, 5-digit, SCF, ASF, BMC. BPM flats not prepared under M045 must be prepared under M722.2.0. The required presort sequence is 5-digit, 3-digit, ADC, mixed ADC.
- (c)-(f) It is my understanding that the Postal Service does not have data that identify the number of mailings of each of these categories of mail, so the average mailing size for each of these categories cannot be computed from available data.
- (g) As discussed in my response to subparts (a) and (b), to get presorted rates, BPM flats are required to be sorted to the finest extent possible. It is my understanding that Standard Mail 3/5 rates require a finer sort than do Standard

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIEFER
TO INTEROGATORIES OF ASSOCIATION OF POSTAL COMMERCE**

Mail Basic rates. In the absence of detailed information about BPM flats, I chose the Standard Mail 3/5 rate as the closer proxy.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIEFER
TO INTEROGATORIES OF ASSOCIATION OF POSTAL COMMERCE**

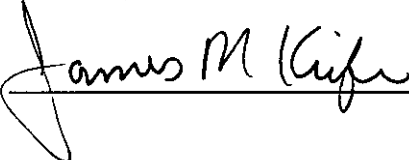
POSTCOM/USPS-T33-20. Please provide all information that that you have regarding the proportion of GFY 2000 non-Carrier Route Presort Bound Printed Matter flats that had Postnet barcodes on them.

RESPONSE

I am informed that no data exist that contain the requested information.

DECLARATION

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



Dated: 12/18/01

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.



Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
December 18, 2001