

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

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MILLER  
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T22-1 THROUGH 5)

The United States Postal Service hereby provides the responses of witness  
Miller to the following interrogatories of the Office of the Consumer Advocate:

OCA/USPS-T22-1 through 5, filed on December 5, 2001.

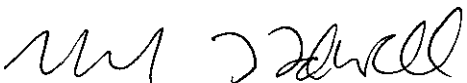
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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

  
Michael T. Tidwell

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December 19, 2001

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**OCA/USPS-T22-1** Please refer to the responses to OCA/USPS-174(a), OCA/USPS-176(a), and USPS-LR-J-60 at pages 46 and 81. In the response to OCA/USPS-174(a), the Postal Service states that it "seems intuitive" that there is a correlation between weight and thickness of mailpieces. In the response to OCA/USPS-176(a), the Postal Service states that experience reveals that thicker pieces tend to jam automated mail processing equipment more frequently, causing negative impacts on throughput and productivity.

- a. Please confirm that 78.5 percent, 16.9 percent and 3.6 percent of Standard Mail letter-shaped pieces weigh between 0 to 1, >1 to 2, and >2 to 3 ounces, respectively. If you do not confirm, please explain.
- b. Please confirm that 94.9 percent, 4.1 percent and 0.7 percent of single-piece First-Class Mail letter-shaped pieces weigh between 0 to 1, >1 to 2, and >2 to 3 ounces, respectively. If you do not confirm, please explain.
- c. Please confirm that Standard Mail letter-shaped pieces have a greater average weight per piece in the 0 to 3 ounce weight range than single-piece First-Class letter-shaped pieces. If you do not confirm, please explain.
- d. Please confirm that the marginal volume variable productivities for Standard Mail letter-shaped pieces should be judgmentally reduced to reflect the negative impact on the productivities caused by the greater average weight of Standard Mail letter-shaped pieces in the 0 to 3 ounce weight range. If you do not confirm, please explain.

**RESPONSE:**

- (a) This can be confirmed for First-Class Mail single-piece letter-shaped mail pieces as shown in USPS LR-J-58.
- (b) This can be confirmed for Standard Mail non-ECR letter-shaped mail pieces as shown in USPS LR-J-58.
- (c) This can be confirmed as shown in USPS LR-J-58.
- (d) The letter and card productivities used in the models are "average" productivities. If these figures were de-averaged, then adjustments would have to be made for all letters and cards. In other words, separate productivities would have to be estimated for First-Class single-piece letters, First-Class presort letters, First-Class single-piece cards, First-Class presort cards, and Standard Mail presort letters. I have not studied this issue and do not know how such an analysis could be performed.

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**OCA/USPS-T22-2** Please refer to USPS-LR-J-60 (revised 11-15-01), File: fcmrev2.xls, Sheet: NONAUTO LTR DEAVG. In cells E18 – E25, the first figure in the formula in each cell is 3748977. Please provide a citation for this figure, and show all calculations used in its derivation.

**RESPONSE:**

This figure represents the RPW volume of First-Class nonautomation presort letter-shaped mail pieces in Fiscal Year 2000. Please see USPS LR-J-112. The volume itself does not actually affect the cost model results; the volume distribution percentages affect the cost model results. These percentages are calculated using the mail characteristics data. Consequently, the results would be the same, regardless of the specific volume figure that is used.

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**OCA/USPS-T22-3** Please refer to USPS-LR-J-60 (revised 11-15-01), File: fcmrev2.xls, Sheet: MACH SP COSTS, Column (1). Please confirm that the average number of sorts per piece for "First-Class Mail Single-Piece Machinable Letters" is 4.4207 (the sum of all figures Column (1) divided by 10,000). If you do not confirm, please provide the average number of sorts per piece and show all calculations. Also, please provide the average number of sorts per piece for all First-Class Single-Piece, First-Class Presort, and Standard Regular cost models. If you cannot provide the average number of sorts per piece, please rank the First-Class Single-Piece, First-Class Presort, and Standard Regular from highest to lowest in terms of the average number of sorts per piece.

**RESPONSE:**

Confirmed, although I did not require these calculations to complete my analysis.

First-Class single-piece cost models are not included in USPS LR-J-60, other than the cost study related to Qualified Business Reply Mail (QBRM). The calculation described above can be used for all cost sheets found in USPS LR-J-60.

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**OCA/USPS-T22-4** Please refer to USPS-LR-J-60 (revised 11-15-01). Please provide the entry profile for single-piece First-Class letters.

- a. Please provide the entry profile for single-piece First-Class letters.
- b. Please provide the mail flow densities for single-piece First-Class letters.
- c. Please explain how the relevant cost models account for residual First-Class presort letters.
- d. Please provide the mail flow densities for residual First-Class presort letters.

**RESPONSE:**

- (a) To the best of my knowledge, a mail characteristics study pertaining to First-Class single-piece letters has not been conducted. Consequently, these data are not available.
- (b) To the best of my knowledge, current data are not available. However, an estimate for single-piece densities was calculated for use in my Docket No. R97-1 rebuttal testimony. Please see Docket No. R97-1, Exhibit USPS-RT-17F, page 8.
- (c) I am not familiar with the term "residual" as it pertains to First-Class presort letters.
- (d) Please see the response to OCA/USPS-T22-4(d).

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**OCA/USPS-T22-5** Please refer to the responses to the following interrogatories: OCA/USPS-12, 13, 35-38, 86(a), 142, and 143. Do you agree with the response of the Postal Service to the interrogatories listed above? If you do not agree with any response thereto, please provide your response.

**RESPONSE:**

I have no basis for disagreeing with these institutional responses filed on behalf of the Postal Service.

## 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: December 19, 2001

### 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.

A handwritten signature in black ink, appearing to read "Michael T. Tidwell", written over a horizontal line.

Michael T. Tidwell

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