

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

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POSTAL RATE AND FEE CHANGES, 2001

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Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF UNITED PARCEL SERVICE  
REDIRECTED FROM WITNESS KINGSLEY  
(UPS/USPS-T39-68)

The United States Postal Service hereby provides the response to the following interrogatory of United Parcel Service redirected from witness Kingsley: UPS/USPS-T39-68, filed on December 10, 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

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Joseph K. Moore

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December 21, 2001

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**UPS/USPS-T39-68** In your response to interrogatory UPS/USPS-T-39-1, you state that Bulk Mail can arrive at a MODS facility as:

“Bulk Mail Entry Units at postal facilities (associate offices, plants, etc.)  
Plant loaded onto postal transportation at mailer plants  
Drop shipped by mailers into postal facilities”

- (a) For each of the sources mentioned above, indicate whether any of the mail coming from that source would generate a Total Piece Handlings (TPH) count in any of the cost pools that are used in the econometric analysis by Dr. Bozzo?
- (b) For each of the sources above for which you answered yes:
- (i) List by shape and class all the types of mail that can generate TPH.
  - (ii) For each of the items listed in (i), indicate all the cost pools in which TPH will be recorded
  - (iii) For each of the items listed in (i), above, indicate in which MOD cost pool the corresponding First Handling Piece (FHP) would be recorded.

**Response:**

- (a) Mail from every listed source could generate TPH in all of the cost pools used in the econometric analysis by Dr. Bozzo.
- (b) (i) All shapes and classes of mail can generate TPH at a MODS facility.
- (ii) Please refer to USPS-T-13, electronic file “T13 tables.xls”, specifically the sheet titled “Table 1”. For mail arriving from these sources, TPH piece counts can be generated in all of the cost pools listed in “Table 1” under the Automated, Mechanized, Manual, and RBCS categories for MODS 1 & 2 Facilities. In addition, TPH piece counts can be generated in the LD41, LD42, and LD43 cost pools.
- (iii) Again refer to USPS-T-13, electronic file “T13 tables.xls”, specifically the sheet titled “Table 1. Letter-shaped pieces can generate FHP in the BCS, BCS/DBCS,

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OCR, LSM, and MANL cost pools. Flat-shaped pieces can generate FHP in the FSM, FSM/1000, and MANF, cost pools. Priority Mail can generate FHP in the SPBSPRIO and PRIORITY cost pools. Finally, parcels other than Priority can generate FHP in the MECPARC and MANP cost pools. The specific cost pool with possible FHP credit would depend on the specific processing category and presort level of the letters, flats, or parcels. FHP counts are only recorded in MODS operations in which the piece receives a distribution handling, and then only in the operation where the first distribution handling occurs. For example, a piece that is initially sorted on an OCR and subsequently processed on a BCS would only receive FHP credit in the OCR operation.

## 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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