

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
Docket No. R97-1

POSTAL RATE AND FEE CHANGES, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DEGEN TO  
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T12-39)

The United States Postal Service hereby provides the response of witness Degen to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T12-39, filed on August 28, 1997.

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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September 11, 1997

**Response of United States Postal Service Witness Degen  
to Interrogatories of the Office of the Consumer Advocate**

OCA/USPS-T12-39. Please refer to pages 21 and 25 of library reference H-89. These pages describe data recoding that was performed for the city and rural carrier systems because of implementation of MC95-1 rate categories on July 1, 1996. Some third-class single piece mail was randomly recoded as third-class bulk rate to achieve consistency between PQ 4 volumes for FY 1995 and FY 1996.

- a. Please explain whether it was necessary to randomly recode any of the IOCS tally activity codes to adjust for implementation of the MC95-1 rate categories.
- b. Please explain whether it was necessary to randomly recode any of the IOCS data to adjust it to conform with data from other sources or with IOCS data for other time periods.
- c. If any random recoding process was implemented, please describe completely. Include the specific rules for random recoding, the programs used to randomly recode the data, the number of tallies affected by recoding, and the justification for the recoding used.
- d. If random recoding was not used, please explain why it was not needed to account for the changes implemented with the MC95-1 rate categories.

**OCA/USPS-T12-39 Response.**

- a. I do not believe it was necessary to randomly recode any IOCS tally activity codes to adjust for the implementation of the MC95-1 rate categories, and no such recoding was performed.
  - b. I do not believe it was necessary to randomly recode any IOCS tally activity codes to adjust data from other sources, and no such recoding was performed.
  - c. No random recoding process was implemented.
  - d. There are several reasons why random recoding was not needed for IOCS tallies to account for the MC95-1 mail classification changes. The main reason is that most subclass assignments (i.e., 1000-4950 activity
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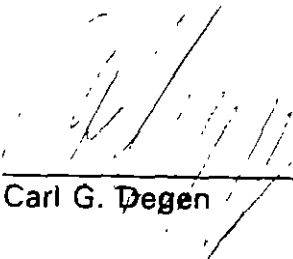
codes) are based on detailed information about the characteristics of sampled mail pieces recorded in questions 22 and 23. The procedure requires that shape, indicia, and other mail markings be consistent with the mail class recorded in question 23b. Further, the question 23b instructions warn data collectors not to misidentify pieces mailed at third-class bulk rates as third-class single piece, and to identify third-class bulk rate mail through use of appropriate identifying words (see LR-H-49 at 107).

Although no random recoding was performed, the following change was made to the treatment of counted mixed-mail items, for which detailed mail characteristics information is not collected in question 24. The five third-class rate categories in the question 24 CODES routine prior to July 1, 1996 (see LR-H-49 at 133) were combined into a single Standard (A) category effective July 1, 1996 (see program q24.prg, LR-H-53). The result is that an IOCS data collector who was counting pieces in an item rather than making a detailed observation of a single sampled mail piece would not have to make an on-the-spot judgment as to the post-reclassification rate element. After June 30, 1996, the IOCS records for Standard (A) mail in counted items received activity code 5341 (see program ALB898, LR-H-21). Please see my response to MPA/USPS-T12-1 part b for the activity code 5341 distribution procedure.

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**DECLARATION**

I, Carl G. Degen, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Carl G. Degen

Date: 9-10-77

## 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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Susan M. Duchek

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