

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, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS DANIEL TO INTERROGATORY OF
THE DIRECT MARKETING ASSOCIATION, INC.
(DMA/USPS-T29-1)

The United States Postal Service hereby provides the response of witness Daniel to the following interrogatory of the Direct Marketing Association, Inc.: DMA/USPS-T29-1, filed on September 2, 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 16, 1997

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO
INTERROGATORY OF DIRECT MARKETING ASSOCIATION**

DMA/USPS-T29-1. Please refer to page 19, lines 27 through 29, and page 20, lines 1 through 26, of your direct testimony.

- a. Please confirm that the prebarcoding cost avoidance of four cents for parcels is the cost difference between keying a nonbarcoded parcel (including the ribbon and label costs) on a PSM retrofitted with a Package Barcode System (PBCS) and scanning a prebarcoded parcel on a PSM retrofitted with a PBCS.
- b. What are the machinability requirements for a PSM retrofitted with a PBCS?
- c. At what types of facilities (e.g., BMCs, SCFs) are parcels sorted on PSMs retrofitted with PBCSs?
- d. At what types of facilities are Standard (A) parcels sorted?
- e. Are machinable Standard (A) parcels sorted on PSMs retrofitted with PBCSs?
- f. If your answer to sub-part e. is "no," please describe (i) how Standard (A) parcels are sorted and (ii) why they are not sorted on PSMs retrofitted with PBCSs.
- g. Please explain fully whether extending the prebarcoding discount to Standard (A) parcels would result in a rate structure that more accurately reflects costs of service as contemplated in 39 U.S.C. § 3622(b).

RESPONSE:

- a. Confirmed.
- b. Machinability requirements are described on page 13 of my testimony. Please also see DMM § C050.
- c. Parcels are sorted on PSMs retrofitted with PBCSs at BMCs.
- d. Standard (A) parcels are sorted at all types of facilities.
- e. Some Standard (A) parcels are sorted on PSMs retrofitted with PBCSs.
- f. DSCF or DDU Standard (A) parcels may be sorted manually at SCFs and delivery units. Also, Standard (A) parcels that are already sorted to the 5-digit level are not sorted on the PSM.
- g. I am not a pricing witness, and I do not offer testimony in this docket concerning the pricing criteria of 39 U.S.C. § 3622(b). I understand, however, that witness Moeller addresses the Standard (A) barcode discount in his response to DMA/USPS-T4-23b.

Note: The statute and the regulations differ greatly in many respects. Stay open to arguments that the regulations are more expansive than the statute allows in substantive areas. Question authority.

DECLARATION

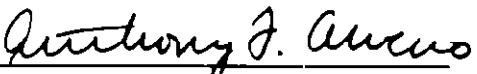
I, Sharon Daniel, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


SHARON DANIEL

Dated: September 16, 1997

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.


Anthony F. Alverno

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