DOCKET SECTION

OFFICIAL TRANSCRIPT OF PROCEEDINGS BEFORE THE POSTAL RATE COMMISSION

In the Matter of:	)	
	)	
REQUEST OF THE	)	
UNITED STATES POSTAL SERVICE	)	
FOR A RECOMMENDED DECISION	)	Docket No. R2005-1
ON CHANGES IN RATES OF	)	
POSTAGE AND FEES FOR	)	
POSTAL SERVICES	)	

VOLUME #7

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POSTAL RATE COMMISSION

In the Matter of:	)	
	)	
REQUEST OF THE UNITED	)	
STATES POSTAL SERVICE	)	
FOR A RECOMMENDED DECISION	)	Docket No. R2005-1
ON CHANGES IN RATES OF	)	
POSTAGE AND FEES FOR	)	
POSTAL SERVICES	)	

Room 300
Postal Rate Commission
1333 H Street, N.W.
Washington, D.C.

Volume 7
Friday, July 8, 2005

The above-entitled matter came on for hearing pursuant to notice, at 9:36 a.m.

BEFORE:

HON. GEORGE A. OMAS, CHAIRMAN
HON. TONY HAMMOND, VICE-CHAIRMAN
HON. RUTH Y. GOLDWAY, COMMISSIONER
HON. DANA B. COVINGTON, COMMISSIONER
HON. DAWN A. TISDALE, COMMISSIONER

APPEARANCES:

On behalf of the United States Postal Service:

MICHAEL TIDWELL, Esquire
KENNETH N. HOLLIES, Esquire
ERIC P. KOETTING, Esquire
SHEELA PORTONOVO, Esquire
DANIEL J. FOUCHEAUX, Esquire
United States Postal Service
Law Department
475 L'Enfant Plaza, S.W.
Washington, D.C. 20260
(202) 268-2998/268-3083/268-2992/268-3012/268-2989

APPEARANCES: (cont'd.)

On behalf of the Office of the Consumer Advocate:

EMMETT RAND COSTICH, Esquire
Postal Rate Commission
Office of Consumer Advocate
1333 H Street, N.W., Suite 300
Washington, D.C. 20268
(202) 789-6833

On behalf of Val-Pak Direct Marketing Systems, Inc. and Val-Pak Dealers Association:

WILLIAM J. OLSON, Esquire
William J. Olson, P.C.
8180 Greensboro Drive, Suite 1070
McLean, Virginia 22102-3860
(703) 356-5070

On behalf of the Major Mailers Association:

MICHAEL W. HALL, Esquire
Law Offices of Michael W. Hall
35396 Millville Road
Middleburg, Virginia 20117
(540) 687-3151

On behalf of the American Bankers Association & National Association of Presort Mailers:

HENRY A. HART, Esquire
Reed Smith, L.L.P.
1301 K Street, N.W.
Suite 1100, East Tower
Washington, D.C. 20005
(202) 414-9225

C O N T E N T S

WITNESSES APPEARING:
BRADLEY V. PAFFORD
MARC A. SMITH
JOHN D. KELLEY

WITNESSES:	DIRECT	CROSS	REDIRECT	RECROSS	VOIR DIRE
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By Mr. Olson	--	2548	--	--	--
Marc A. Smith					
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By Mr. Olson	--	2981	--	--	--

DOCUMENTS TRANSCRIBED INTO THE RECORD	PAGE
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Corrected designated written cross-examination of Marc A. Smith, USPS-T-13	2578
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DOCUMENTS TRANSCRIBED INTO THE RECORD PAGE

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E X H I B I T S

EXHIBITS AND/OR TESTIMONY	IDENTIFIED	RECEIVED
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First Class Total Unit Attributable Cost (Cents Per Piece), ABA & NAPM/USPS-T-13, Cross-Examination Exhibit No. 3	2696	2697
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Summary of First Class Single Piece Unit Delivery Costs, XE-MMA-4	2965	2974

1 P R O C E E D I N G S

2 (9:36 a.m.)

3 CHAIRMAN OMAS: Good morning. Today we
4 continue to receive the testimony of Postal Service
5 witnesses in support of Docket No. R2005-1, a request
6 for rates and fee changes.
7 When the hearings began, I gave notice that
8 today I would ask Postal Service counsel to provide us
9 with a progress report on the settlement negotiations
10 and on its assessment as to whether a settlement
11 remained a realistic possibility.
12 Late yesterday afternoon the Postal Service
13 submitted a written report on the status of the
14 settlement. In case some of you here today have not
15 had an opportunity to review that report, I will ask
16 Postal Service counsel to provide a brief statement of
17 the highlights of that report.
18 Mr. Hollies, would you like to take a shot
19 at doing that?
20 MR. HOLLIES: Well, it might be useful if
21 counsel had read it first. It appears that none of
22 the Postal counsel present at the moment has actually
23 read that document. We would be happy to do so after
24 the next break.
25 CHAIRMAN OMAS: Okay. I have a copy if you

1 need a copy. Do you need one? It's not with me.
2 I'll have my secretary bring one.
3 All right. Does anyone have any procedural
4 questions or matters to discuss before we proceed?
5 Mr. Hall?
6 MR. HALL: Yes, Mr. Chairman. Good morning.
7 Mike Hall for Major Mailers Association.
8 I have some materials that I would like to
9 designate out of time. They are the responses of the
10 United States Postal Service Witness Robinson to MMA's
11 Interrogatory T-27-1. It consists of two parts, and
12 we're going to designate all of it.
13 The reason for the late designation was,
14 believe it or not, I actually intended to designate it
15 for Ms. Robinson and put in a timely but erroneous
16 designation that the technical staff rejected and made
17 me put in one without that because the website shows
18 that this interrogatory was redirected to the Postal
19 Service.
20 I saved it for today when institutional
21 responses are to be designated, but in reviewing it
22 yesterday I discovered that in fact Ms. Robinson did
23 answer it, and no part of it was redirected to the
24 Postal Service for an institutional response.
25 I've provided two copies of that

1 interrogatory response to the reporter and would ask
2 that it be copied into the record at this point as
3 additional written cross-examination of Witness
4 Robinson.
5 (The document referred to was
6 marked for identification as
7 Exhibit No. MMA/USPS-T-27-1
8 and was received in
9 evidence.)
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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON TO INTERROFGATORY OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T27-1
Please refer to Exhibits USPS-27A, USPS-27B and USPS-27E. Column (1) in Exhibits USPS-27A and USPS-27B refers to "Volume Variable Cost" whereas column (1) in Exhibit USPS-27E refers to "Incremental Cost."

A. Please explain the difference between "Volume Variable Cost" and "Incremental Cost" as used in those exhibits.

B. Please provide similar tables for Exhibits USPS-27A and USPS-27B that show the comparable costs using the Commission's cost attribution methodology.

RESPONSE:

A. . For a description of volume variable costs, please see the testimony of witness Meehan, USPS-T-9, pages 3-4. For a description of incremental costs, please see the testimony of witness Kay, USPS-T-18. For a broader discussion of the difference between volume variable and incremental costs, please see the testimony of witness Panzar in Docket No. R97-1, USPS-T-11. Unit volume variable costs are approximately equivalent to marginal costs. For the test year, volume variable costs are used as a basis for establishing rates given the breakeven constraint. Test year incremental cost are used to test whether the Postal Service's proposed rate levels result in revenue that will cover these costs and thus, preclude cross-subsidy.

B. See attached.

Summary of Estimated Test Year Before Rates Finances
Revenue and Attributable Cost – PRC Methodology
(Dollars in Thousands)

Description	Attributable Cost	Revenue	Revenue as as Percent of Cost	Revenue Minus Attributable Cost
	(1)	(2)	(3) = (2) / (1)	(4) = (2) - (1)
First-Class Mail				
Single-Piece Letters and Sealed Parcels	11,661,548	19,736,771	169.2%	8,075,222
Presort and Automation Letters	4,995,958	14,769,430	295.6%	9,773,472
Total Letters	**16,657,506**	**34,506,201**	**207.2%**	**17,848,695**
Single-Piece Cards	552,239	612,817	111.0%	60,578
Presort and Automation Cards	199,321	561,409	281.7%	362,088
Total Cards	**751,559**	**1,174,226**	**156.2%**	**422,666**
Total First-Class Mail	**17,409,065**	**35,680,427**	**205.0%**	**18,271,361**
Priority Mail	3,158,427	4,390,595	139.0%	1,232,168
Express Mail	519,445	830,330	159.8%	310,885
Mailgrams	388	578	148.9%	190
Periodicals				
Total Within County	**70,005**	**71,996**	**102.8%**	**1,992**
Nonprofit		332,754		
Classroom		16,927		
Regular-Rate		1,772,611		
Total Outside County	**2,205,993**	**2,122,291**	**96.2%**	**(83,702)**
Total Periodicals	**2,275,999**	**2,194,289**	**96.4%**	**(81,709)**
Standard Mail				
Regular		12,266,201		
Nonprofit		1,666,581		
Total Regular and Nonprofit	**9,595,013**	**13,932,782**	**145.2%**	**4,337,768**
Enhanced Carrier Route		5,623,096		
Nonprofit Enhanced Carrier Route		308,823		
Total ECR and NECR	**2,757,681**	**5,931,918**	**215.1%**	**3,174,237**
Total Standard Mail	**12,352,695**	**19,864,700**	**160.8%**	**7,512,005**
Package Services				
Parcel Post	1,104,192	1,217,871	110.3%	113,680
Bound Printed Matter	540,626	631,499	116.8%	90,873
Media Mail		361,267		
Library Mail		31,530		
Subtotal - Media and Library	**448,220**	**392,797**	**88.0%**	**(53,423)**
Total Package Services	**2,091,238**	**2,242,167**	**107.2%**	**150,929**
Free-for-the-Blind	46,671	0	0.0%	(46,671)
Total Domestic Mail	**37,853,928**	**65,203,086**	**172.2%**	**27,349,158**
International Mail	1,534,583	1,784,312	116.3%	249,729
Total All Mail	**39,388,512**	**66,987,398**	**170.1%**	**27,598,886**
Special Services				
Registry	44,865	42,109	93.9%	(2,756)
Certified Mail	480,527	648,934	135.0%	168,406
Insurance	75,444	85,296	113.1%	9,852
COD	8,231	9,985	121.3%	1,754
Money Orders *	158,945	233,589	147.0%	74,643
Stamped Cards	1,340	1,807	134.8%	467
Stamped Envelopes	13,738	15,770	114.8%	2,032
Box/Caller Service	638,592	832,629	130.4%	194,036
Other	285,893	589,017		303,124
Total Special Services	**1,707,576**	**2,459,135**	**144.0%**	**751,559**
Total Mail & Services	**41,096,088**	**69,446,533**	**169.0%**	**28,350,445**
Other Costs	34,395,761			
Other Income		495,938		
Prior Years Loss Recovery	0			
Appropriations		222,837		
Investment Income *		168,759		
Interest Expense Correction**	(24,430)			
Grand Total	**75,467,439**	**70,334,067**	**93.2%**	**(5,133,372)**

* Money order revenues include interest of $8,093 not included in investment income.
** Interest Expense Correction. See LR K-50, Chapter 6a corrected
Interest expense is reported as a Servicewide expense in the roll forward model.
Interest expense is allocated to subclasses as described in USPS-LR-K-1, Section 20.5.
Source: Attributable Costs USPS-LR-K-98, workpaper R2005.FY2006BRC_DRpt.PRC.AMX, worksheet DReport as revised by corrections to USPS-LR-K-111 (final adjustments). Revenue: Exhibit USPS-27A
Other income, appropriations, investment income: USPS-LR-K-50 at Chapter X as revised.

Summary of Estimated Test Year After Rates Finances
Revenue and Attributable Cost -- PRC Methodology
(Dollars in Thousands)

Description	Attributable Cost	Revenue	Revenue as as Percent of Cost	Revenue Minus Attributable Cost
	(1)	(2)	(3) = (2) / (1)	(4) = (2) - (1)
First-Class Mail				
Single-Piece Letters and Sealed Parcels	11,540,520	20,518,734	177.8%	8,978,213
Presort and Automation Letters	4,912,741	15,382,830	313.1%	10,470,090
Total Letters	**16,453,261**	**35,901,564**	**218.2%**	**19,448,303**
Single-Piece Cards	545,817	631,885	115.8%	86,069
Presort and Automation Cards	196,545	582,778	296.5%	386,232
Total Cards	**742,362**	**1,214,663**	**163.6%**	**472,301**
Total First-Class Mail	**17,195,623**	**37,116,227**	**215.8%**	**19,920,604**
Priority Mail	3,007,891	4,389,621	145.9%	1,381,730
Express Mail	497,236	833,395	167.6%	336,160
Mailgrams	392	609	155.2%	217
Periodicals				
Total Within County	**71,107**	**69,045**	**97.1%**	**(2,062)**
Nonprofit		347,687		
Classroom		17,670		
Regular-Rate		1,862,177		
Total Outside County	**2,197,992**	**2,227,534**	**101.3%**	**29,542**
Total Periodicals	**2,269,099**	**2,296,579**	**101.2%**	**27,480**
Standard Mail				
Regular		12,806,168		
Nonprofit		1,747,222		
Total Regular and Nonprofit	**9,524,694**	**14,553,390**	**152.8%**	**5,028,496**
Enhanced Carrier Route		5,732,114		
Nonprofit Enhanced Carrier Route		325,314		
Total ECR and NECR	**2,675,843**	**6,057,428**	**226.4%**	**3,381,585**
Total Standard Mail	**12,200,737**	**20,610,817**	**168.9%**	**8,410,080**
Package Services				
Parcel Post	1,067,635	1,239,426	116.1%	171,790
Bound Printed Matter	549,370	674,652	122.8%	125,282
Media Mail		378,525		
Library Mail		33,063		
Subtotal - Media and Library	**444,371**	**411,587**	**92.6%**	**(32,783)**
Total Package Services	**2,061,376**	**2,325,666**	**112.8%**	**264,289**
Free-for-the-Blind	46,750	0	0.0%	(46,750)
Total Domestic Mail	**37,279,104**	**67,572,913**	**181.3%**	**30,293,809**
International Mail	1,509,235	1,839,768	121.9%	330,533
Total All Mail	**38,788,339**	**69,412,681**	**179.0%**	**30,624,342**
Special Services				
Registry	42,380	67,126	158.4%	24,746
Certified Mail	475,407	669,146	140.8%	193,739
Insurance	74,402	87,781	118.0%	13,379
COD	8,145	10,402	127.7%	2,257
Money Orders *	157,827	240,572	152.4%	82,745
Stamped Cards	1,327	1,789	134.9%	462
Stamped Envelopes	13,752	16,488	119.9%	2,736
Box/Caller Service	633,668	850,649	134.2%	216,982
Other	291,173	611,728		320,556
Total Special Services	**1,698,080**	**2,555,683**	**150.5%**	**857,603**
Total Mail & Services	**40,486,419**	**71,968,364**	**177.8%**	**31,481,945**
Other Costs	32,135,383			
Other Income		495,418	179.0%	
Prior Years Loss Recovery	0			
Continuing Appropriations		222,837		
Investment Income *		231,100		
Interest Expense Correction**	30			
Grand Total	**72,621,832**	**72,917,719**	**100.4%**	**295,887**

* Money order revenues include interest of $8,021 not included in investment income.
** Interest Expense Correction. See LR K-50, Chapter 6a corrected
Interest expense is reported as a Servicewide expense in the roll forward model.
Interest expense is allocated to subclasses as described in USPS-LR-K-1, Section 20.5.
Source: Attributable Costs USPS-LR-K-96, workpaper R2005.FY2006ARC_DRpt.PRC.AMX, worksheet DReport as revised by corrections to USPS-LR-K-111 (final adjustments). Revenue: Exhibit USPS-27A
Other income, appropriations, investment income: USPS-LR-K-50 at Chapter X as revised.

1 MR. HALL: To the extent Ms. Robinson is not
2 here to formally say that that would be her testimony,
3 I would be happy to take the word of counsel.
4 MR. HOLLIES: The Postal Service has no
5 objection to these materials. We have also followed
6 up with the Docket Section to determine what that
7 issue is. I do not have an answer yet, but I expect
8 we will get one this morning.
9 CHAIRMAN OMAS: Thank you. A ruling of
10 yesterday provided that lay designations will be added
11 together at the end of the hearing today.
12 MR. HALL: Excuse me. I didn't read that.
13 It looks like nobody read things yesterday.
14 CHAIRMAN OMAS: It was a long day, so
15 everybody took the evening off.
16 MR. HALL: Thank you.
17 CHAIRMAN OMAS: Is there any other
18 procedural matter?
19 (No response.)
20 CHAIRMAN OMAS: Three witnesses are
21 scheduled to appear today. They are Witnesses
22 Pafford, Smith and Kelley.
23 Mr. Hollies, would you please identify your
24 first witness so that I may swear him in?
25 MR. HOLLIES: The Postal Service calls

1 Bradley V. Pafford to the stand.

2 CHAIRMAN OMAS: Raise your right hand, Mr.

3 Pafford.

4 Whereupon,

5 BRADLEY V. PAFFORD

6 having been duly sworn, was called as a

7 witness and was examined and testified as follows:

8 CHAIRMAN OMAS: Please be seated.

9 (The document referred to was

10 marked for identification as

11 Exhibit No. USPS-T-4.)

12 DIRECT EXAMINATION

13 BY MR. HOLLIES:

14 Q Mr Pafford, I shared with you this morning a

15 document entitled Direct Testimony of Bradley V.

16 Pafford on Behalf of the United States Postal Service

17 and designated as USPS-T-4. Do you recognize the

18 document?

19 A I do.

20 Q Is that your testimony in this docket?

21 A It is my testimony.

22 Q Was it prepared by you or under your

23 direction?

24 A It was.

25 Q And were you to testify orally today would

1 your testimony be the same?

2 A It would.

3 MR. HOLLIES: With that, the Postal Service

4 moves for admission of this testimony into the

5 evidentiary record.

6 CHAIRMAN OMAS: Is there any objection?

7 (No response.)

8 CHAIRMAN OMAS: Hearing none, I will direct

9 counsel to provide the reporter with two copies of the

10 corrected direct testimony of Bradley Pafford. That

11 testimony is received into evidence. However, as is

12 our practice it will not be transcribed.

13 (The document referred to,

14 previously identified as

15 Exhibit No. USPS-T-4, was

16 received in evidence.)

17 CHAIRMAN OMAS: Mr. Pafford, have you had an

18 opportunity to examine the packet presented to you

19 here this morning?

20 THE WITNESS: I have, yes.

21 CHAIRMAN OMAS: If those questions contained

22 in that packet were asked of you orally today, would

23 your answers be the same as those you provided in

24 writing?

25 THE WITNESS: Yes, they would.

1 CHAIRMAN OMAS: Are there any corrections or
2 additions you would like to make to those answers?
3 THE WITNESS: No, there aren't.
4 CHAIRMAN OMAS: Counsel, would you please
5 provide two copies of the corrected designation
6 written cross-examination of Witness Pafford to the
7 reporter? That material is received into evidence and
8 is to be transcribed into the record.
9 (The document referred to,
10 previously identified as
11 Exhibit No. USPS-T-4, was
12 received in evidence.)
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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Request of the United States Postal Service for a Recommended Decision on Changes in Rates of Postage and Fees for Postal Services

Docket No. R2005-1

DESIGNATION OF WRITTEN CROSS-EXAMINATION
OF UNITED STATES POSTAL SERVICE
WITNESS BRADLEY V. PAFFORD
(USPS-T-4)

Party	Interrogatories
Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association Inc.	VP/USPS-T4-1

Respectfully submitted,

Steven W. Williams
Secretary

INTERROGATORY RESPONSES OF
UNITED STATES POSTAL SERVICE
WITNESS BRADLEY V. PAFFORD (T-4)
DESIGNATED AS WRITTEN CROSS-EXAMINATION

Interrogatory	Designating Parties
VP/USPS-T4-1	Valpak

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO INTERRROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC., AND VALPAK DEALERS' ASSOCIATION, INC.

VP/USPS-T4-1. Since the implementation of the rates recommended in Docket No. R2001-1, the Postal Service charges Standard Regular and Standard ECR letter-shaped mail that weighs between 3.3 and 3.5 ounces both a piece and pound charge. In essence, such letter-shaped mail pays the minimum per-piece letter rate plus the pound rate for all "excess" weight between 3.3 and 3.5 ounces. Pieces that qualify for this rate are sometimes referred as "heavy-weight" letters.

a. (i) When such heavy-weight letters are entered with the Postal Service, does the Revenue, Pieces and Weight ("RPW") system consistently record the volume of such pieces as letters or nonletters?

(ii) Is it possible that such heavy-weight letters are sometimes recorded as letters, and sometimes as nonletters in the RPW system?

(iii) What was the actual volume of such heavy-weight letters recorded by the RPW system in Base Year 2004?

b. When such heavy-weight letters are entered with the Postal Service, does the RPW system record the revenue from such pieces as being derived from letters or from nonletters?

RESPONSE:

a. (i) Revenue, pieces and weight are consistently recorded as letters.

(ii) Mailers are instructed to enter these pieces on Postage Statements PS Form 3602-HP and PS Form 3602-H as letters. Examples of these Postage Statements are provided in Library Reference USPS-LR-K-17.

(iii) The volume of heavy-weight letters in Base Year 2004 was 78,935,073 pieces.

b. The revenue is recorded as being derived from letters.

1 CHAIRMAN OMAS: At this point I'm going to
2 add answers Witness Pafford provided to the Presiding
3 Officer's Information Request. They are POIR 7,
4 Question 5, and POIR 8, Question 16.
5 Witness Pafford, would your answers to those
6 questions be the same as they were previously provided
7 in writing?
8 THE WITNESS: Yes, they would.
9 CHAIRMAN OMAS: I am handing the reporter
10 two copies of the answers and direct that they be
11 admitted into evidence and transcribed.
12 (The documents referred to
13 were marked for
14 identification as Exhibit
15 Nos. POIR 7, Question 5, and
16 POIR 8, Question 16 and were
17 received in evidence.)
18 //
19 //
20 //
21 //
22 //
23 //
24 //
25 //

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD
TO PRESIDING OFFICER'S INFORMATION REQUEST No. 7, QUESTION 5

5. Please refer to MC2004-2. Please provide volume data by weight increment and zone for the experimental Priority Mail Flat-Rate Box. Also, please provide any estimated or actual costs associated with these volumes, and explain the derivation of these costs.

RESPONSE:

Attached, please find POIR7_Q5_FRB_Vols.xls, an Excel file showing, from ODIS-RPW, the distribution of Priority Mail flat-rate box volume by weight increment and zone in the first and second quarters of FY 2005. First-quarter volume began on November 20, the flat rate box experiment's implementation date.

It is my understanding that estimated or actual costs for the Priority Mail flat-rate box are not available.

Priority Mail
Flat-Rate Box
Total Volume, ODIS-RPW
Distributed by "Special Weight Report"
FY 2005, Quarter 1

WEIGHT STEP	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE UNKNOWN	Total	Perc. of Total	Cum. Perc.
1 OUNCE	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
2 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
3 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
4 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
5 OUNCES	0	0	308	0	0	0	0	0	0	308	0.0%	0.0%
6 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
7 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
8 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
9 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
10 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
11 OUNCES	0	0	0	0	1,771	0	0	0	0	1,771	0.2%	0.3%
12 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.3%
13 OUNCES	0	0	0	1,465	0	0	0	0	0	1,465	0.2%	0.5%
14 OUNCES	0	0	0	0	0	5,885	0	0	0	5,885	0.8%	1.3%
15 OUNCES	0	0	0	488	524	0	0	0	0	1,013	0.1%	1.4%
16 OUNCES	0	0	262	262	488	1,086	0	1,270	0	3,369	0.5%	1.9%
17 OUNCES	0	651	64	0	0	0	3,126	1,734	0	5,576	0.8%	2.6%
18 OUNCES	0	0	2,467	1,026	0	0	684	981	0	5,158	0.7%	3.3%
19 OUNCES	0	0	0	3,957	293	0	0	480	0	4,729	0.6%	4.0%
20 OUNCES	651	0	318	1,059	0	562	0	0	0	2,590	0.4%	4.3%
21 OUNCES	0	0	1,117	0	0	0	208	360	0	1,684	0.2%	4.6%
22 OUNCES	0	0	244	5,231	330	0	0	1,099	0	6,904	0.9%	5.5%
23 OUNCES	0	0	496	2,155	2,788	1,143	3,077	603	0	10,243	1.4%	6.9%
24 OUNCES	156	0	503	0	0	4,213	0	0	0	4,873	0.7%	7.6%
25 OUNCES	583	0	0	1,155	0	1,714	0	0	0	3,451	0.5%	8.0%
26 OUNCES	0	0	244	749	155	6,530	0	1,954	0	9,632	1.3%	9.3%
27 OUNCES	0	0	488	244	602	488	2,137	1,150	0	5,111	0.7%	10.0%
28 OUNCES	562	427	0	61	5,047	0	488	117	0	6,703	0.9%	11.0%
29 OUNCES	0	2,565	1,343	1,704	1,368	545	0	641	244	8,411	1.1%	12.1%
30 OUNCES	2,037	476	733	1,551	220	3,885	0	3,835	0	12,736	1.7%	13.8%
31 OUNCES	0	0	29	0	2,827	1,373	298	1,368	1,465	7,360	1.0%	14.8%
32 OUNCES	0	384	0	814	0	256	0	2,198	0	3,653	0.5%	15.3%
3 POUNDS	8,647	9,291	8,528	18,470	24,653	18,956	16,456	51,760	2,316	159,075	21.7%	37.0%
4 POUNDS	3,804	5,946	10,364	13,836	24,863	22,083	23,596	50,000	3,712	158,204	21.5%	58.5%
5 POUNDS	1,679	2,613	3,421	14,578	17,865	7,169	9,116	32,077	1,486	90,005	12.3%	70.8%
6 POUNDS	1,381	4,094	7,416	10,755	20,464	6,768	7,471	26,201	0	84,548	11.5%	82.3%
7 POUNDS	600	0	1,243	5,551	3,636	2,984	3,307	14,005	0	31,325	4.3%	86.6%
8 POUNDS	488	0	400	8,486	8,821	3,949	1,755	9,701	1,303	34,902	4.8%	91.3%
9 POUNDS	0	24	4,388	5,398	3,017	7,076	3,041	5,059	0	28,003	3.8%	95.1%
10 POUNDS	0	727	1,779	167	5,971	3,419	1,209	3,575	0	16,847	2.3%	97.4%
11 POUNDS	0	0	2,576	0	2,137	310	0	1,404	0	6,428	0.9%	98.3%
12 POUNDS	1,058	88	366	0	1,921	0	936	208	0	4,577	0.6%	98.9%
13 POUNDS	1,368	0	0	0	773	293	0	244	0	2,678	0.4%	99.3%
14 POUNDS	0	0	366	2,241	0	0	269	440	0	3,316	0.5%	99.8%
15 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
16 POUNDS	0	0	0	0	244	0	0	0	0	244	0.0%	99.8%
17 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
18 POUNDS	0	0	0	0	0	0	0	159	0	159	0.0%	99.8%

19 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
20 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
21 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
22 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
23 POUNDS	0	0	0	204	0	0	0	0	0	204	0.0%	99.8%
24 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
25 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
26 POUNDS	0	0	0	0	733	0	0	0	0	733	0.1%	99.9%
27 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
28 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
29 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
30 POUNDS	0	0	0	0	0	497	0	0	0	497	0.1%	100.0%
31 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
32 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
33 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
34 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
35 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
36 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
37 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
38 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
39 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
40 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
41 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
42 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
43 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
44 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
45 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
46 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
47 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
48 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
49 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
50 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
51 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
52 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
53 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
54 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
55 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
56 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
57 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
58 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
59 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
60 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
61 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
62 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
63 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
64 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
65 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
66 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
67 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
68 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
69 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
70 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
Total	23,015	27,287	49,464	101,606	131,490	101,185	77,175	212,621	10,527	734,370		

Priority Mail
Flat-Rate Box
Total Volume, ODIS-RPW
Distributed by "Special Weight Report"
FY 2005, Quarter 2

WEIGHT STEP	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE UNKNOWN	Total	Perc. of Total	Cum. Perc.
1 OUNCE	0	0	0	0	0	0	0	772	0	772	0.0%	0.0%
2 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
3 OUNCES	0	0	0	0	0	0	0	1,303	0	1,303	0.0%	0.1%
4 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.1%
5 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.1%
6 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.1%
7 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.1%
8 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.1%
9 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.1%
10 OUNCES	227	0	0	0	0	0	0	0	0	227	0.0%	0.1%
11 OUNCES	920	0	0	0	0	0	0	0	0	920	0.0%	0.1%
12 OUNCES	0	243	0	0	0	0	0	333	0	576	0.0%	0.1%
13 OUNCES	1,320	0	1,449	378	633	0	6,130	0	1,158	11,068	0.4%	0.6%
14 OUNCES	0	278	0	573	1,910	0	695	1,721	0	5,177	0.2%	0.8%
15 OUNCES	371	0	266	556	93	0	6,137	1,112	0	8,533	0.3%	1.1%
16 OUNCES	1,971	0	1,385	1,853	756	799	147	834	0	7,744	0.3%	1.4%
17 OUNCES	3,763	0	704	365	1,029	0	299	347	117	6,624	0.2%	1.6%
18 OUNCES	463	885	0	1,479	2,663	0	2,308	7,723	0	15,520	0.6%	2.2%
19 OUNCES	0	139	2,026	3,465	2,660	3,045	4,709	3,076	135	19,255	0.7%	2.9%
20 OUNCES	868	2,420	96	915	896	2,899	1,226	3,312	0	12,632	0.5%	3.4%
21 OUNCES	0	224	1,196	2,504	4,054	356	1,737	6,461	1,127	17,659	0.7%	4.1%
22 OUNCES	3,362	58	1,005	618	2,084	5,028	1,428	3,144	224	16,949	0.6%	4.7%
23 OUNCES	0	0	1,534	3,386	4,301	1,077	1,482	3,158	0	14,937	0.6%	5.3%
24 OUNCES	3,647	1,571	139	147	4,415	137	234	2,675	0	12,964	0.5%	5.7%
25 OUNCES	556	2,049	0	3,618	2,473	2,181	907	2,993	0	14,776	0.6%	6.3%
26 OUNCES	463	1,262	0	586	2,960	2,394	690	2,767	605	11,728	0.4%	6.7%
27 OUNCES	2,258	2,663	8,266	4,253	5,625	1,837	1,119	1,660	47	27,729	1.0%	7.8%
28 OUNCES	1,633	545	104	7,026	4,636	2,225	301	4,545	149	21,163	0.8%	8.6%
29 OUNCES	278	2,665	0	963	780	1,617	2,863	5,291	0	14,456	0.5%	9.1%
30 OUNCES	1,062	327	981	5,083	849	3,056	513	4,851	44	16,767	0.6%	9.8%
31 OUNCES	509	0	5,357	1,124	3,551	2,781	3,860	2,145	0	19,328	0.7%	10.5%
32 OUNCES	1,290	1,193	1,428	689	1,556	2,532	35	5,436	0	14,159	0.5%	11.0%
3 POUNDS	15,304	20,838	24,273	42,704	60,864	44,903	73,178	198,399	5,364	485,827	18.3%	29.3%
4 POUNDS	13,722	19,239	19,847	46,526	127,910	73,624	47,883	169,196	5,164	522,911	19.7%	48.9%
5 POUNDS	6,208	9,167	23,233	48,760	64,624	60,207	51,894	135,897	6,429	406,419	15.3%	64.2%
6 POUNDS	8,667	8,715	7,427	27,367	68,049	37,788	24,194	89,693	3,926	275,827	10.4%	74.6%
7 POUNDS	9,086	3,053	5,399	30,827	39,283	36,311	19,217	62,815	1,002	206,993	7.8%	82.3%
8 POUNDS	7,884	1,611	7,069	26,654	24,916	20,023	11,472	39,088	2,637	141,354	5.3%	87.7%
9 POUNDS	4,643	2,441	2,964	13,563	22,659	12,470	4,155	30,864	847	94,606	3.6%	91.2%
10 POUNDS	4,671	3,413	7,972	7,806	18,439	10,108	6,309	12,792	380	71,889	2.7%	93.9%
11 POUNDS	5,711	3,674	4,833	3,500	9,715	4,497	2,116	8,815	261	42,922	1.6%	95.5%
12 POUNDS	764	1,177	2,004	2,799	4,871	1,885	1,362	5,949	309	20,920	0.8%	96.3%
13 POUNDS	1,088	193	1,297	5,264	7,070	2,752	394	8,341	142	26,540	1.0%	97.3%
14 POUNDS	0	1,389	1,229	1,648	1,382	243	579	8,900	0	15,371	0.6%	97.9%
15 POUNDS	0	232	347	1,453	3,928	2,763	463	2,206	278	11,670	0.4%	98.3%
16 POUNDS	0	579	0	563	1,088	174	903	5,087	0	8,394	0.3%	98.6%

17 POUNDS	0	0	695	637	116	0	0	0	0	1,447	0.1%	98.7%
18 POUNDS	0	0	2,084	453	0	0	0	753	0	3,289	0.1%	98.8%
19 POUNDS	0	0	0	0	208	1,848	0	1,222	5	3,283	0.1%	98.9%
20 POUNDS	116	0	0	1,457	0	1,389	1,987	116	0	4,985	0.2%	99.1%
21 POUNDS	0	0	0	1,784	0	232	0	0	0	2,016	0.1%	99.2%
22 POUNDS	0	0	197	1,250	0	0	0	69	0	1,517	0.1%	99.3%
23 POUNDS	0	0	0	142	0	0	0	6,269	0	6,411	0.2%	99.5%
24 POUNDS	0	0	0	0	0	139	0	0	0	139	0.0%	99.5%
25 POUNDS	0	0	0	1,737	0	174	208	0	0	2,119	0.1%	99.6%
26 POUNDS	0	0	0	0	0	347	1,088	1,621	0	3,057	0.1%	99.7%
27 POUNDS	0	0	0	0	0	0	4,069	0	0	4,069	0.2%	99.9%
28 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
29 POUNDS	0	0	0	0	434	0	0	0	0	434	0.0%	99.9%
30 POUNDS	0	0	0	0	0	0	0	347	0	347	0.0%	99.9%
31 POUNDS	0	0	5	0	0	347	0	0	0	352	0.0%	99.9%
32 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
33 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
34 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
35 POUNDS	1,204	0	0	0	0	0	0	0	0	1,204	0.0%	99.9%
36 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
37 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
38 POUNDS	0	0	0	0	0	83	0	0	0	83	0.0%	99.9%
39 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
40 POUNDS	0	0	0	0	0	0	0	0	14	14	0.0%	99.9%
41 POUNDS	0	0	0	0	486	0	0	0	0	486	0.0%	100.0%
42 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
43 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
44 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
45 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
46 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
47 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
48 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
49 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
50 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
51 POUNDS	0	0	0	0	0	463	0	0	0	463	0.0%	100.0%
52 POUNDS	0	0	0	0	463	0	0	0	0	463	0.0%	100.0%
53 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
54 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
55 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
56 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
57 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
58 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
59 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
60 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
61 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
62 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
63 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
64 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
65 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
66 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
67 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
68 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
69 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
70 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
Total	104,031	92,242	136,611	306,473	504,429	344,536	288,191	853,894	30,362	2,660,771		

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD
TO PRESIDING OFFICER'S INFORMATION REQUEST No. 8, QUESTION 16

POIR8, Question 16. Please provide the Revenue Pieces and Weight (RPW) report by rate category for quarters 1 and 2 of FY 2005. Include RPW reports by rate category for quarters 1 and 2 of FY 2005 for Parcel Post, Priority [Mail], and Express [M]ail.

RESPONSE:

Attached, please find Fy2005qt1_RPWextractfile.xls and

Fy2005q2_RPWextractfile.xls, Excel files, that provide the rate category detail for

quarters 1 and 2 of FY2005, respectively. These data are preliminary. Final

quarterly RPW data will be produced after the close of the fiscal year.

DATE	01/19/2005
FISCAL YEAR	2005
QUARTER	1

TWO-PAGE SUMMARY RPW DATA - SORTED BY TWO-PAGE CATEGORY CODE
FISCAL YEAR 2005, QUARTER 1

SUM_CODE	MAILCAT	REVENUE	PIECES	WEIGHT	LABEL
Ctrl+r					
5	0	5520674422	12366264060	581009695	1-C SINGLE-PIECE LETTERS, FLATS, AND PARCELS
10	0	211205918	520084011	29048673	1-C NONAUTOMATION PRESORT LETTERS, FLATS, AND PARCELS
15	0	3586002236	11922989158	525369010	1-C AUTOMATION PRESORT LETTERS AND FLATS
20	0	54878361	194379671	8364331	1-C AUTOMATION CARRIER ROUTE PRESORT LETTERS
25	0	153354414	645118221	4209360	1-C SINGLE-PIECE CARDS
30	0	20028602	94451126	866729	1-C NONAUTOMATION PRESORT MAILING CARDS
35	0	121259013	665773244	7683228	1-C AUTOMATION PRESORT CARDS
40	0	3255945	19147679	186040	1-C AUTOMATION CARRIER ROUTE PRESORT CARDS
45	0	77330135	211473193	0	1-C DOMESTIC MAIL FEES
50	0	1293501800	239616410	485081299	PRIORITY MAIL
55	0	475398	2561409	0	PRIORITY DOMESTIC MAIL FEES
60	0	217514368	13516895	14487845	DOMESTIC EXPRESS MAIL
65	0	186722	434090	0	MAILGRAMS
70	0	19412527	203448121	68008794	PERIODICALS IN-COUNTY
75	0	447806919	1622199323	853396473	PERIODICALS REGULAR
80	0	86743673	498549163	137500097	PERIODICALS SPECIAL NONPROFIT
85	0	4280527	15972264	10116587	PERIODICALS CLASSROOM
90	0	5241277	0	0	PERIODICALS DOMESTIC MAIL FEES
100	0	307243771	842679770	159008560	STANDARD MAIL REGULAR - NONAUTOMATION PRESORT
105	0	2624319874	12659995411	1166107225	STANDARD MAIL REGULAR - AUTOMATION PRESORT
110	0	1540533001	8943479299	1576700161	STANDARD MAIL ENHANCED CARRIER ROUTE
115	0	87005515	536508553	34339295	STANDARD MAIL NONPROFIT - NONAUTOMATION PRESORT
120	0	357939735	2885583465	206603880	STANDARD MAIL NONPROFIT - AUTOMATION PRESORT
125	0	105851742	1086125234	81866826	STANDARD MAIL NONPROFIT ENHANCED CARRIER ROUTE
130	0	31007877	3814382	0	STANDARD MAIL DOMESTIC MAILING FEES
135	0	401994902	123359434	633610814	PACKAGE SERVICES PARCEL POST
140	0	146679646	140176564	345981297	PACKAGE SERVICES BOUND PRINTED MATTER
145	0	88713569	46946501	91421111	PACKAGE SERVICES MEDIA MAIL
150	0	7873933	4202448	7754020	PACKAGE SERVICES LIBRARY MAIL
155	0	677155	1861561	0	PACKAGE SERVICES DOMESTIC MAIL FEES
160	0	0	199737792	29609650	U.S. POSTAL SERVICE MAIL

SUMMARY RPW DATA - SORTED BY MAIL CATEGORY CODE WITHIN TWO-PAGE CATEGORY CODE
FISCAL YEAR 2005, QUARTER 1

SUM_CODE	MAILCAT	REVENUE	PIECES	WEIGHT	LABEL
5	1A000AAAM	0	705104	52263	1-C ABSENTEE BALLOTS NON-PERM IMP
5	100A0BBAM	28857735	83340394	1864483	1-C SINGLE-PIECE QBRM L/F/I/P PERMIT IMP
5	10010BAAM	5239834777	11862531442	540546579	1-C SINGLE-PIECE L/F/I/P NON-PERM IMP
5	10010EAAM	138445	136589	9054	1-C SINGLE-PIECE KEYS/ID DEVICES NON-PERM IMP
5	10012BAAM	55002347	108996289	4980660	1-C SINGLE-PIECE NONMACH L/F/I/P NON-PERM IMP
5	10012EAAM	4994	4581	183	1-C SINGLE-PIECE NONMACH KEYS/ID DEVICES NON-PERM IMP
5	1100	196073533	310549661	33556474	1-C SP LETTERS, FLATS, & PARCELS
5	1120	762592	0	0	1-C SP NONMACH LETTERS, FLATS, & PARCELS
10	1110	210436077	520084011	29048673	1-C NONAUTO PRES LETTERS, FLATS, & PARCELS
10	1130	769841	0	0	1-C NONAUTO PRES NONMACH LETTERS, FLATS, & PARCELS
15	1180	1258106822	4434909159	189141621	1-C 5-D AUTO LETTERS
15	1303	234938990	728126284	29376238	1-C MIXED AADC AUTO LETTERS
15	1304	204069916	655528397	26254036	1-C AADC AUTO LETTERS
15	1310	1781937152	5933832173	258565519	1-C 3-D AUTO LETTERS
15	1420	40527811	61444429	8795250	1-C 3-D AUTO FLATS
15	1430	540472	0	0	1-C 3-D AUTO NONMACH FLATS
15	1440	41156837	73079066	8414389	1-C 5-D AUTO FLATS
15	1453	6843382	10474589	1448256	1-C MIXED ADC AUTO FLATS
15	1454	16099447	25595061	3373701	1-C ADC AUTO FLATS
15	1460	1607861	0	0	1-C 5-D AUTO NONMACH FLATS
15	1472	39182	0	0	1-C MIXED ADC AUTO NONMACH FLATS
15	1473	134364	0	0	1-C ADC AUTO NONMACH FLATS
20	1140	54878361	194379671	8364331	1-C CRT AUTO LETTERS
25	100A0DBAM	2322669	11613345	72583	1-C SINGLE-PIECE QBRM CARD PERMIT IMP
25	10010DAAM	133029479	555254500	3470341	1-C SINGLE-PIECE CARD NON-PERM IMP
25	1220	18002266	78250376	666436	1-C SP CARDS
30	1230	20028602	94451126	866729	1-C NONAUTO PRES CARDS
35	1280	40833763	231952900	2436784	1-C 5-D AUTO CARDS
35	1403	13871721	71485760	772682	1-C MIXED AADC AUTO CARDS
35	1404	10733310	57382907	693712	1-C AADC AUTO CARDS
35	1410	55820219	304951677	3780050	1-C 3-D AUTO CARDS
40	1240	3255945	19147679	186040	1-C CRT AUTO CARDS
45	0401100AS	491494	412013	0	CERT OF MAILING COM - BASIC (FORM 3817) 1-C
45	0402100AS	74269	15607	0	CERT OF MAILING COM - BULK (FORM 3606) 1-C
45	0403100AS	15122	1428	0	CERT OF MAILING DUPL COPIES (FORM 3606) 1-C
45	0404100AS	971864	112854	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) 1-C
45	050E100AS	3318357	557707	0	SPECIAL HANDLING NOT MORE THAN 10 LBS 1-C
45	1400100AS	23092868	38488113	0	BRM-BASIC (WITHOUT ADV DEP ACC) 1-C
45	1500100AS	7862597	78625965	0	BRM-HIGH VOL (WITH ADV DEP ACC) 1-C

45	160[illegible] S	3180121	53002030	0	BRM-Q[illegible] BASIC (WITH ADV DEP ACC) 1-C
45	230 [illegible]	226961	286835	0	POSTA[illegible]E FROM DEAD MAIL
45	[illegible]70	9633323	0	0	FORM 35[illegible] - FIRST CLASS
45	25145	8282975	0	0	AUTO ADDRESS CORRECTION (FIRST CLASS)
45	2800100AS	0	1086425	0	MERCHANDISE RETURN SERVICE 1-C
45	3700100AS	298012	37251454	0	BRM-QBRM, HIGH VOLUME (ADV DEP/QTR FEE) 1-C
45	3800100AS	16275	1627524	0	BRM-NONLETTER-SIZE WT-AVERAGED BRM 1-C
45	4000100AS	0	5238	0	FRIEND-TO-FRIEND 1-C
45	620	19865897	0	0	FIRST CLASS MISCELLANEOUS MAILING FEES
50	2001ABAAM	5584758	313724	4311872	PRIORITY MAIL SINGLE-PIECE BALLOON L/F/I/P NON-PERM IMP
50	20010BAAM	1012168359	184346999	384347584	PRIORITY MAIL SINGLE-PIECE L/F/I/P NON-PERM IMP
50	20010CAAM	89747345	23190164	16987373	PRIORITY MAIL SINGLE-PIECE FLAT RATE ENV NON-PERM IMP
50	20010DAAM	493	18	0	PRIORITY MAIL SINGLE-PIECE CARD NON-PERM IMP
50	20010EAAM	48993	9961	10620	PRIORITY MAIL SINGLE-PIECE KEYS/ID DEVICES NON-PERM IMP
50	20010HAAM	5623524	734370	3018709	PRIORITY MAIL SP FLAT RATE BOX EXPERIMENT NON-PERM IMP
50	7500	175050289	29649150	75426841	PRIORITY MAIL SINGLE-PIECE
50	7520	5268630	1368475	972505	PRIORITY MAIL SINGLE-PIECE FLAT RATE ENVELOPE
50	7540	9408	3549	5795	PRIORITY MAIL SINGLE-PIECE PARCEL RETURN EXPERIMENT
50	7545	0	0	0	PRIORITY MAIL SINGLE-PIECE FLAT RATE BOX EXPERIMENT
55	0401200AS	24884	22263	0	CERT OF MAILING COM - BASIC (FORM 3817) PRIORITY
55	0402200AS	920	242	0	CERT OF MAILING COM - BULK (FORM 3606) PRIORITY
55	0403200AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) PRIORITY
55	0404200AS	214	715	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) PRIORITY
55	050E200AS	120250	20210	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PRIORITY
55	050F200AS	294	36	0	SPECIAL HANDLING MORE THAN 10 LBS PRIORITY
55	1400200AS	231600	386001	0	BRM-BASIC (WITHOUT ADV DEP ACC) PRIORITY
55	1500200AS	74123	741239	0	BRM-HIGH VOL (WITH ADV DEP ACC) PRIORITY
55	25075	22607	0	0	FORM 3547 - PRIORITY
55	2800200AS	0	1340341	0	MERCHANDISE RETURN SERVICE PRIORITY
55	3800200AS	504	50362	0	BRM-NONLETTER-SIZE WT-AVERAGED BRM PRIORITY
60	25030	216975798	13481640	14455716	DOMESTIC EXPRESS MAIL
60	25040	538570	35255	32129	AGENCY EXPRESS MAIL
60	25045	0	0	0	FRANKED EXPRESS MAIL
65	410	186722	434090	0	MAILGRAMS
70	2001	19412527	203448121	68008794	PERIODICALS IN-COUNTY
75	2004	447806919	1622199323	853396473	PERIODICALS REGULAR
80	2005	86743673	498549163	137500097	PERIODICALS SPECIAL NONPROFIT
85	2006	4280527	15972264	10116587	PERIODICALS CLASSROOM
90	25110	1747142	0	0	FORM 3579 - PERIODICALS
90	25150	3345387	0	0	AUTO ADDRESS CORRECTION (PERIODICALS)
90	420	148748	0	0	PERIODICALS APPLICATION FEES
100	3170	3157255	5729138	463863	STD MAIL PAID AT FIRST-CLASS RATES
100	3175	4626	1202	1022	STD MAIL PAID AT PRIORITY RATES
100	3230	37428096	138612225	6976231	STD MAIL LTR BASIC NONAUTO PIECE RATE
100	3231	8737251	35288983	1764603	STD MAIL LTR BASIC NONAUTO DBMC PIECE RATE
100	3232	2972885	12244072	448614	STD MAIL LTR BASIC NONAUTO DSCF PIECE RATE
100	3240	34597817	55774393	25666995	STD MAIL LTR/NONLTR BASIC NONAUTO POUND RATE
100	3241	7336008	10062384	5834696	STD MAIL LTR/NONLTR BASIC NONAUTO DBMC POUND RATE

100	?	2591145	4353516	1712765	STD MA R/NONLTR BASIC NONAUTO DSCF POUND RATE
100	)	34250088	136308071	5602966	STD MA 3/5-D NONAUTO PIECE RATE
100	3281	4779675	20246063	1143260	STD MAIL LTR 3/5-D NONAUTO DBMC PIECE RATE
100	3282	23541557	104208359	3606515	STD MAIL LTR 3/5-D NONAUTO DSCF PIECE RATE
100	3290	44901569	68496701	36687716	STD MAIL LTR/NONLTR 3/5-D NONAUTO POUND RATE
100	3291	33564838	51675334	29377060	STD MAIL LTR/NONLTR 3/5-D NONAUTO DBMC POUND RATE
100	3292	26334656	57692736	23084926	STD MAIL LTR/NONLTR 3/5-D NONAUTO DSCF POUND RATE
100	3295	-2395206	0	0	STD MAIL BCODE DISCOUNT RESIDUAL SHAPE NONAUTO RATE
100	3630	11127160	36569667	3784324	STD MAIL NONLTR 3/5-D NONAUTO PIECE RATE
100	3631	4975235	18284395	2307568	STD MAIL NONLTR 3/5-D NONAUTO DBMC PIECE RATE
100	3632	12794752	42431294	5280064	STD MAIL NONLTR 3/5-D NONAUTO DSCF PIECE RATE
100	3640	14533824	39498421	4578501	STD MAIL NONLTR BASIC NONAUTO PIECE RATE
100	3641	892193	2553879	311008	STD MAIL NONLTR BASIC NONAUTO DBMC PIECE RATE
100	3642	1118347	2648937	375863	STD MAIL NONLTR BASIC NONAUTO DSCF PIECE RATE
105	3370	282124011	1389773070	63492421	STD MAIL LTR 3-D AUTO PIECE RATE
105	3371	390788003	2147186829	113749647	STD MAIL LTR 3-D AUTO DBMC PIECE RATE
105	3372	106457158	601453215	29889196	STD MAIL LTR 3-D AUTO DSCF PIECE RATE
105	3380	143724492	756444567	25178017	STD MAIL LTR 5-D AUTO PIECE RATE
105	3381	204596235	1210628599	55531129	STD MAIL LTR 5-D AUTO DBMC PIECE RATE
105	3382	418449185	2551519421	104320993	STD MAIL LTR 5-D AUTO DSCF PIECE RATE
105	3394	96782730	441932987	21799592	STD MAIL LTR MIXED AADC AUTO PIECE RATE
105	3395	7674068	38757920	2223279	STD MAIL LTR MIXED AADC AUTO DBMC PIECE RATE
105	3397	88029326	415232777	21053422	STD MAIL LTR AADC AUTO PIECE RATE
105	3398	22482054	117707085	6976153	STD MAIL LTR AADC AUTO DBMC PIECE RATE
105	3399	1915006	10295760	369667	STD MAIL LTR AADC AUTO DSCF PIECE RATE
105	3810	113710021	435667448	51243365	STD MAIL FLAT 3/5-D AUTO PIECE RATE
105	3811	121182112	504925466	70120121	STD MAIL FLAT 3/5-D AUTO DBMC PIECE RATE
105	3812	103954842	442361007	64598872	STD MAIL FLAT 3/5-D AUTO DSCF PIECE RATE
105	3820	10379190	34597297	4307010	STD MAIL FLAT BASIC AUTO PIECE RATE
105	3821	318494	1141553	154154	STD MAIL FLAT BASIC AUTO DBMC PIECE RATE
105	3822	338436	1235168	46476	STD MAIL FLAT BASIC AUTO DSCF PIECE RATE
105	3830	130807780	358113523	126588585	STD MAIL FLAT 3/5-D AUTO POUND RATE
105	3831	130477627	413000811	136484429	STD MAIL FLAT 3/5-D AUTO DBMC POUND RATE
105	3832	226310526	724372490	245296202	STD MAIL FLAT 3/5-D AUTO DSCF POUND RATE
105	3833	239789	1168799	247931	STD MAIL LTR 3/5-D AUTO POUND RATE
105	3834	2348478	12706982	2694668	STD MAIL LTR 3/5-D AUTO DBMC POUND RATE
105	3835	34258	191089	41189	STD MAIL LTR 3/5-D AUTO DSCF POUND RATE
105	3840	19691448	44442109	18145815	STD MAIL FLAT BASIC AUTO POUND RATE
105	3841	808042	1975884	828545	STD MAIL FLAT BASIC AUTO DBMC POUND RATE
105	3842	116460	302932	119742	STD MAIL FLAT BASIC AUTO DSCF POUND RATE
105	3843	158687	718614	152645	STD MAIL LTR BASIC AUTO POUND RATE
105	3844	421204	2140898	453722	STD MAIL LTR BASIC AUTO DBMC POUND RATE
105	3845	212	1111	238	STD MAIL LTR BASIC AUTO DSCF POUND RATE
110	3260	16462397	84857718	3229993	STD MAIL LTR ECR BASIC PIECE RATE
110	3261	16032134	92671296	5929165	STD MAIL LTR ECR BASIC DBMC PIECE RATE
110	3262	57861411	344413157	20112442	STD MAIL LTR ECR BASIC DSCF PIECE RATE
110	3263	7065271	43612782	1288131	STD MAIL LTR ECR BASIC DDU PIECE RATE
110	3265	1034751	6309453	198621	STD MAIL LTR ECR HIGH DENSITY PIECE RATE

110	6	1000360	6995527	182448	STD M/ R ECR HIGH DENSITY DBMC PIECE RATE
110	7	11819603	85649295	4169554	STD M R ECR HIGH DENSITY DSCF PIECE RATE
110	3268	1561113	11826612	404277	STD MAIL LTR ECR HIGH DENSITY DDU PIECE RATE
110	3270	14099933	51750224	17340248	STD MAIL LTR/NONLTR ECR BASIC POUND RATE
110	3271	48676113	218072192	66369283	STD MAIL LTR/NONLTR ECR BASIC DBMC POUND RATE
110	3272	376630869	1672947225	541995986	STD MAIL LTR/NONLTR ECR BASIC DSCF POUND RATE
110	3273	8567722	34668802	13708370	STD MAIL LTR/NONLTR ECR BASIC DDU POUND RATE
110	3350	12650883	83238600	1811909	STD MAIL LTR ECR SAT PIECE RATE
110	3351	7015205	53551183	2060356	STD MAIL LTR ECR SAT DBMC PIECE RATE
110	3352	66369612	526742954	30719884	STD MAIL LTR ECR SAT DSCF PIECE RATE
110	3353	16001820	133348501	4372632	STD MAIL LTR ECR SAT DDU PIECE RATE
110	3385	10926368	63896882	2153701	STD MAIL LTR ECR BASIC AUTO PIECE RATE
110	3386	21367805	142452036	6637825	STD MAIL LTR ECR BASIC AUTO DBMC PIECE RATE
110	3387	44043251	303746533	12371146	STD MAIL LTR ECR BASIC AUTO DSCF PIECE RATE
110	3388	1528429	10995888	301369	STD MAIL LTR ECR BASIC AUTO DDU PIECE RATE
110	3610	8878256	55488949	3693707	STD MAIL NONLTR ECR SAT PIECE RATE
110	3611	5529464	39780317	3216662	STD MAIL NONLTR ECR SAT DBMC PIECE RATE
110	3612	102852416	767532481	75152809	STD MAIL NONLTR ECR SAT DSCF PIECE RATE
110	3613	113918522	889988456	105220746	STD MAIL NONLTR ECR SAT DDU PIECE RATE
110	3620	18842269	97061375	8076262	STD MAIL NONLTR ECR BASIC PIECE RATE
110	3621	46379570	268073163	31476411	STD MAIL NONLTR ECR BASIC DBMC PIECE RATE
110	3622	224539841	1336503459	159425202	STD MAIL NONLTR ECR BASIC DSCF PIECE RATE
110	3623	6536348	40347824	3360702	STD MAIL NONLTR ECR BASIC DDU PIECE RATE
110	3650	2858558	12224685	4004483	STD MAIL LTR/NONLTR ECR SAT POUND RATE
110	3651	443703	2505933	702942	STD MAIL LTR/NONLTR ECR SAT DBMC POUND RATE
110	3652	38152141	211894486	63858024	STD MAIL LTR/NONLTR ECR SAT DSCF POUND RATE
110	3653	138466024	762297100	248437271	STD MAIL LTR/NONLTR ECR SAT DDU POUND RATE
110	3670	872239	5161124	454853	STD MAIL NONLTR ECR HIGH DENSITY PIECE RATE
110	3671	1048927	7087349	949331	STD MAIL NONLTR ECR HIGH DENSITY DBMC PIECE RATE
110	3672	19600290	137061284	17119811	STD MAIL NONLTR ECR HIGH DENSITY DSCF PIECE RATE
110	3673	8859794	64670027	8451241	STD MAIL NONLTR ECR HIGH DENSITY DDU PIECE RATE
110	3680	309456	1248750	419278	STD MAIL LTR/NONLTR ECR HIGH DENSITY POUND RATE
110	3681	812695	4648201	1201614	STD MAIL LTR/NONLTR ECR HIGH DENSITY DBMC POUND RATE
110	3682	24811921	113803647	41070026	STD MAIL LTR/NONLTR ECR HIGH DENSITY DSCF POUND RATE
110	3683	36105517	154353829	65051446	STD MAIL LTR/NONLTR ECR HIGH DENSITY DDU POUND RATE
115	3210	19489926	117485903	5296832	STD MAIL NONPROFIT LTR BASIC NONAUTO PIECE RATE
115	3211	1241417	8608613	481059	STD MAIL NONPROFIT LTR BASIC NONAUTO DBMC PIECE RATE
115	3212	1864805	13376812	496831	STD MAIL NONPROFIT LTR BASIC NONAUTO DSCF PIECE RATE
115	3220	3663592	9515563	3783430	STD MAIL NONPROFIT LTR/NONLTR BASIC NONAUTO POUND RATE
115	3221	33050	89681	38034	STD MAIL NONPROFIT LTR/NONLTR BASIC NONAUTO DBMC POUND RATE
115	3222	71310	241030	86080	STD MAIL NONPROFIT LTR/NONLTR BASIC NONAUTO DSCF POUND RATE
115	3300	25534805	165695762	7976611	STD MAIL NONPROFIT LTR 3/5-D NONAUTO PIECE RATE
115	3301	1756260	13044124	488444	STD MAIL NONPROFIT LTR 3/5-D NONAUTO DBMC PIECE RATE
115	3302	15507889	121340108	4283304	STD MAIL NONPROFIT LTR 3/5-D NONAUTO DSCF PIECE RATE
115	3310	2696770	8161909	3200478	STD MAIL NONPROFIT LTR/NONLTR 3/5-D NONAUTO POUND RATE
115	3311	299573	1322543	421199	STD MAIL NONPROFIT LTR/NONLTR 3/5-D NONAUTO DBMC POUND RATE
115	3312	1148302	4666841	1747012	STD MAIL NONPROFIT LTR/NONLTR 3/5-D NONAUTO DSCF POUND RATE
115	3315	-7794	0	0	STD MAIL NONPROFIT BCODE DISCOUNT RESIDUAL SHAPE NONAUTO RATE

115	0	4398776	23698959	2046911	STD M NPROFIT NONLTR 3/5-D NONAUTO PIECE RATE
115	1	1695002	10400944	531308	STD M NPROFIT NONLTR 3/5-D NONAUTO DBMC PIECE RATE
115	3732	3186314	20270128	1542772	STD MAIL NONPROFIT NONLTR 3/5-D NONAUTO DSCF PIECE RATE
115	3740	4113424	17082969	1795953	STD MAIL NONPROFIT NONLTR BASIC NONAUTO PIECE RATE
115	3741	117068	554699	41306	STD MAIL NONPROFIT NONLTR BASIC NONAUTO DBMC PIECE RATE
115	3742	195026	951965	81731	STD MAIL NONPROFIT NONLTR BASIC NONAUTO DSCF PIECE RATE
120	3430	69869732	541644714	28759344	STD MAIL NONPROFIT LTR 3-D AUTO PIECE RATE
120	3431	42499388	393512860	23125624	STD MAIL NONPROFIT LTR 3-D AUTO DBMC PIECE RATE
120	3432	12098424	117460105	5538243	STD MAIL NONPROFIT LTR 3-D AUTO DSCF PIECE RATE
120	3440	24112779	211537884	8990848	STD MAIL NONPROFIT LTR 5-D AUTO PIECE RATE
120	3441	27096911	291364624	14234526	STD MAIL NONPROFIT LTR 5-D AUTO DBMC PIECE RATE
120	3442	36617586	416108927	17896388	STD MAIL NONPROFIT LTR 5-D AUTO DSCF PIECE RATE
120	3454	30743647	213497331	10573591	STD MAIL NONPROFIT LTR MIXED AADC AUTO PIECE RATE
120	3455	719778	5851848	312214	STD MAIL NONPROFIT LTR MIXED AADC AUTO DBMC PIECE RATE
120	3457	25426433	186958848	10056590	STD MAIL NONPROFIT LTR AADC AUTO PIECE RATE
120	3458	1771431	15403733	935903	STD MAIL NONPROFIT LTR AADC AUTO DBMC PIECE RATE
120	3459	507852	4616691	176476	STD MAIL NONPROFIT LTR AADC AUTO DSCF PIECE RATE
120	3910	26553878	159963091	17819142	STD MAIL NONPROFIT FLAT 3/5-D AUTO PIECE RATE
120	3911	11053267	76229412	7778409	STD MAIL NONPROFIT FLAT 3/5-D AUTO DBMC PIECE RATE
120	3912	10521464	75153316	6952956	STD MAIL NONPROFIT FLAT 3/5-D AUTO DSCF PIECE RATE
120	3920	2811176	14873884	1690955	STD MAIL NONPROFIT FLAT BASIC AUTO PIECE RATE
120	3921	34756	206886	19834	STD MAIL NONPROFIT FLAT BASIC AUTO DBMC PIECE RATE
120	3922	7635	46842	4211	STD MAIL NONPROFIT FLAT BASIC AUTO DSCF PIECE RATE
120	3930	19721493	81383348	27359348	STD MAIL NONPROFIT FLAT 3/5-D AUTO POUND RATE
120	3931	5876912	31895084	9111029	STD MAIL NONPROFIT FLAT 3/5-D AUTO DBMC POUND RATE
120	3932	6914473	37276929	11328397	STD MAIL NONPROFIT FLAT 3/5-D AUTO DSCF POUND RATE
120	3933	36463	277308	58322	STD MAIL NONPROFIT LTR 3/5-D AUTO POUND RATE
120	3934	6391	58199	12122	STD MAIL NONPROFIT LTR 3/5-D AUTO DBMC POUND RATE
120	3935	2680	25981	5468	STD MAIL NONPROFIT LTR 3/5-D AUTO DSCF POUND RATE
120	3940	2811385	9665274	3672056	STD MAIL NONPROFIT FLAT BASIC AUTO POUND RATE
120	3941	72556	241235	115516	STD MAIL NONPROFIT FLAT BASIC AUTO DBMC POUND RATE
120	3942	8914	36340	13959	STD MAIL NONPROFIT FLAT BASIC AUTO DSCF POUND RATE
120	3943	41485	285655	60925	STD MAIL NONPROFIT LTR BASIC AUTO POUND RATE
120	3944	732	6122	1271	STD MAIL NONPROFIT LTR BASIC AUTO DBMC POUND RATE
120	3945	114	994	213	STD MAIL NONPROFIT LTR BASIC AUTO DSCF POUND RATE
125	3320	3895996	30920600	1202356	STD MAIL NONPROFIT LTR ECR BASIC PIECE RATE
125	3321	2944259	28040558	1053231	STD MAIL NONPROFIT LTR ECR BASIC DBMC PIECE RATE
125	3322	7581357	75813574	2981887	STD MAIL NONPROFIT LTR ECR BASIC DSCF PIECE RATE
125	3323	1281149	13629238	520733	STD MAIL NONPROFIT LTR ECR BASIC DDU PIECE RATE
125	3330	1143866	6740281	2175816	STD MAIL NONPROFIT LTR/NONLTR ECR BASIC POUND RATE
125	3331	1118730	8672806	2537369	STD MAIL NONPROFIT LTR/NONLTR ECR BASIC DBMC POUND RATE
125	3332	6667533	53666355	16248041	STD MAIL NONPROFIT LTR/NONLTR ECR BASIC DSCF POUND RATE
125	3333	117571	992768	318181	STD MAIL NONPROFIT LTR/NONLTR ECR BASIC DDU POUND RATE
125	3335	83560	819214	34280	STD MAIL NONPROFIT LTR ECR HIGH DENSITY PIECE RATE
125	3336	87059	1074806	20801	STD MAIL NONPROFIT LTR ECR HIGH DENSITY DBMC PIECE RATE
125	3337	370992	4881478	169873	STD MAIL NONPROFIT LTR ECR HIGH DENSITY DSCF PIECE RATE
125	3338	720431	10291874	173119	STD MAIL NONPROFIT LTR ECR HIGH DENSITY DDU PIECE RATE
125	3340	1602699	14438722	583024	STD MAIL NONPROFIT LTR ECR BASIC AUTO PIECE RATE

125	1	1838249	20424983	966882	STD M/ NPROFIT LTR ECR BASIC AUTO DBMC PIECE RATE
125	2	2121526	24959096	941646	STD M/ NPROFIT LTR ECR BASIC AUTO DSCF PIECE RATE
125	3343	199947	2530979	94911	STD MAIL NONPROFIT LTR ECR BASIC AUTO DDU PIECE RATE
125	3410	1220776	12850245	665075	STD MAIL NONPROFIT LTR ECR SAT PIECE RATE
125	3411	351356	4748057	199888	STD MAIL NONPROFIT LTR ECR SAT DBMC PIECE RATE
125	3412	4577311	66337827	3026584	STD MAIL NONPROFIT LTR ECR SAT DSCF PIECE RATE
125	3413	4054468	64356591	2269399	STD MAIL NONPROFIT LTR ECR SAT DDU PIECE RATE
125	3710	955905	9187044	937325	STD MAIL NONPROFIT NONLTR ECR SAT PIECE RATE
125	3711	119299	1437336	111140	STD MAIL NONPROFIT NONLTR ECR SAT DBMC PIECE RATE
125	3712	4728632	60623483	5445109	STD MAIL NONPROFIT NONLTR ECR SAT DSCF PIECE RATE
125	3713	1973441	27408906	2550234	STD MAIL NONPROFIT NONLTR ECR SAT DDU PIECE RATE
125	3720	8058090	63950994	3375548	STD MAIL NONPROFIT NONLTR ECR BASIC PIECE RATE
125	3721	12470218	118763970	5770106	STD MAIL NONPROFIT NONLTR ECR BASIC DBMC PIECE RATE
125	3722	29213010	292108737	16272385	STD MAIL NONPROFIT NONLTR ECR BASIC DSCF PIECE RATE
125	3723	612910	6520325	451332	STD MAIL NONPROFIT NONLTR ECR BASIC DDU PIECE RATE
125	3750	251780	1752575	547860	STD MAIL NONPROFIT LTR/NONLTR ECR SAT POUND RATE
125	3751	37478	344832	103048	STD MAIL NONPROFIT LTR/NONLTR ECR SAT DBMC POUND RATE
125	3752	2147480	20332740	6438645	STD MAIL NONPROFIT LTR/NONLTR ECR SAT DSCF POUND RATE
125	3753	669849	7185430	2199775	STD MAIL NONPROFIT LTR/NONLTR ECR SAT DDU POUND RATE
125	3770	103075	937042	52249	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY PIECE RATE
125	3771	516116	5799057	162906	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY DBMC PIECE RATE
125	3772	1835998	21857118	895669	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY DSCF PIECE RATE
125	3773	75427	967012	66872	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY DDU PIECE RATE
125	3780	15915	65493	36994	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY POUND RATE
125	3781	0	0	0	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY DBMC POUND RATE
125	3782	82136	626052	248369	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY DSCF POUND RATE
125	3783	6148	67036	18164	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY DDU POUND RATE
130	0401400AS	475	529	0	CERT OF MAILING COM - BASIC (FORM 3817) STD MAIL REG
130	0401900AS	475	529	0	CERT OF MAILING COM - BASIC (FORM 3817) STD MAIL NONPROF
130	0402400AS	0	0	0	CERT OF MAILING COM - BULK (FORM 3606) STD MAIL REG
130	0402900AS	0	0	0	CERT OF MAILING COM - BULK (FORM 3606) STD MAIL NONPROF
130	0403400AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) STD MAIL REG
130	0403900AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) STD MAIL NONPROF
130	0404400AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) STD MAIL REG
130	0404900AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) STD MAIL NONPROF
130	25085	3300561	0	0	FORM 3547 - STANDARD MAIL
130	25120	60470	0	0	FORM 3579 - STANDARD MAIL
130	25155	4311967	0	0	AUTO ADDRESS CORRECTION (STANDARD MAIL)
130	3200400AS	3152435	1775534	0	STANDARD MAIL WEIGHTED FEE STD MAIL REGULAR
130	3200900AS	1739827	1326486	0	STANDARD MAIL WEIGHTED FEE STD MAIL NONPROFIT
130	3400400AS	946456	525808	0	BULK PARCEL RETURN SERVICE STD MAIL REGULAR
130	3400900AS	333894	185496	0	BULK PARCEL RETURN SERVICE STD MAIL NONPROFIT
130	430	17161316	0	0	STANDARD MAIL BULK MAILING FEES
135	25165	3757762	344230	18315324	PSVC INTRA-BMC ALASKA BYPASS PARCEL POST
135	3600510AS	410886	80813	0	MAIL ENCLOSURE PSVC PARCEL POST
135	4100	7914163	1264561	5436652	PSVC INTER-BMC MACH PARCEL POST
135	4105	1765295	396801	2063152	PSVC INTRA-BMC MACH PARCEL POST
135	4115	5111790	801082	3124192	PSVC BCODE INTER-BMC MACH PARCEL POST

135	[illegible]0	413857	97101	423766	PSVC F [illegible] INTRA-BMC MACH PARCEL POST
135	5	408286	124857	250484	PSVC [illegible] BMC PRES INTER-BMC MACH PARCEL POST
135	[illegible]130	6240	1424	6715	PSVC ORIGIN BMC PRES BCODE INTER-BMC MACH PARCEL POST
135	4135	2572	139	3967	PSVC ORIGIN BMC PRES INTER-BMC NONMACH PARCEL POST
135	4140	621230	150729	270764	PSVC BMC PRES INTER-BMC MACH PARCEL POST
135	4145	937902	192866	767925	PSVC BMC PRES BCODE INTER-BMC MACH PARCEL POST
135	4150	1903283	109193	2174645	PSVC INTER-BMC NONMACH PARCEL POST
135	4160	15397865	4828639	24319595	PSVC DBMC MACH PARCEL POST
135	4165	53813554	17392575	82318076	PSVC BCODE DBMC MACH PARCEL POST
135	4173	2143886	939827	6119150	PSVC DESTINATION SCF MACH PARCEL POST
135	4174	84617	21723	269550	PSVC DESTINATION SCF NONMACH PARCEL POST
135	4175	87383298	60827465	318710372	PSVC DESTINATION DELIV UNIT PARCEL POST
135	4180	69648	8966	36330	PSVC BMC PRES INTER-BMC NONMACH PARCEL POST
135	4185	9115531	1396433	20625356	PSVC DBMC NONMACH PARCEL POST
135	4190	351429	41877	1000008	PSVC INTRA-BMC NONMACH PARCEL POST
135	4193	4300076	1476423	3311871	PSVC PARCEL SELECT PARCEL RETURN RBMC MACH EXPERIMENT
135	4194	4682	829	7896	PSVC PARCEL SELECT PARCEL RETURN RBMC MACH BALLOON EXP
135	4195	363666	88133	224040	PSVC PARCEL SELECT PARCEL RETURN RBMC NONMACH EXPERIMENT
135	4196	3008	423	4149	PSVC PARCEL SELECT PARCEL RETURN RBMC NONMACH BALLOON EXP
135	4197	5734	219	6039	PSVC PARCEL SELECT PARCEL RETURN RBMC NONMACH OVERSIZED EXP
135	4198	1170	585	553	PSVC PARCEL SELECT PARCEL RETURN RDU EXPERIMENT
135	4199	8	1	11	PSVC PARCEL SELECT PARCEL RETURN RDU OVERSIZED EXPERIMENT
135	510BBBAAM	162982	14323	259037	PSVC PARCEL POST INTRA-BMC OVERSIZED L/F/I/P NON-PERM IMP
135	510BCBAAM	33169857	7568936	27662787	PSVC PARCEL POST INTRA-BMC MACH L/F/I/P NON-PERM IMP
135	510BDBAAM	31123	5436	49254	PSVC PARCEL POST INTRA-BMC MACH BALLOON L/F/I/P NON-PERM IMP
135	510BEBAAM	7758288	1735954	8927580	PSVC PARCEL POST INTRA-BMC NONMACH L/F/I/P NON-PERM IMP
135	510BFBAAM	104180	13733	125643	PSVC PARCEL POST INTRA-BMC NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510CCBAAM	1083636	351018	1227969	PSVC PARCEL POST INTRA-BMC BC MACH L/F/I/P NON-PERM IMP
135	510CDBAAM	6632	1112	10030	PSVC PARCEL POST INTRA-BMC BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510DBBAAM	129337	1896	37593	PSVC PARCEL POST INTER-BMC OVERSIZED L/F/I/P NON-PERM IMP
135	510DCBAAM	124276838	17669493	74819930	PSVC PARCEL POST INTER-BMC MACH L/F/I/P NON-PERM IMP
135	510DDBAAM	9293	877	9603	PSVC PARCEL POST INTER-BMC MACH BALLOON L/F/I/P NON-PERM IMP
135	510DEBAAM	5191784	429728	4201655	PSVC PARCEL POST INTER-BMC NONMACH L/F/I/P NON-PERM IMP
135	510DFBAAM	402873	21968	190037	PSVC PARCEL POST INTER-BMC NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510ECBAAM	4349539	500508	3205767	PSVC PARCEL POST INTER-BMC BC MACH L/F/I/P NON-PERM IMP
135	510EDBAAM	0	0	0	PSVC PARCEL POST INTER-BMC BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510FBBAAM	231914	2797	103155	PSVC PARCEL POST INTER-BMC BMC PRES OVERSIZED L/F/I/P NON-PERM IMP
135	510FCBAAM	658239	117244	414366	PSVC PARCEL POST INTER-BMC BMC PRES MACH L/F/I/P NON-PERM IMP
135	510FDBAAM	0	0	0	PSVC PARCEL POST INTER-BMC BMC PRES MACH BALLOON L/F/I/P NON-PERM IMP
135	510FEBAAM	1408456	56482	2272023	PSVC PARCEL POST INTER-BMC BMC PRES NONMACH L/F/I/P NON-PERM IMP
135	510FFBAAM	11309	584	7072	PSVC PARCEL POST INTER-BMC BMC PRES NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510GCBAAM	98612	16026	65561	PSVC PARCEL POST INTER-BMC BMC PRES BC MACH L/F/I/P NON-PERM IMP
135	510GDBAAM	2693	258	3534	PSVC PARCEL POST INTER-BMC BMC PRES BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510HBBAAM	313272	21022	382216	PSVC PARCEL POST INTER-BMC OBMC PRES OVERSIZED L/F/I/P NON-PERM IMP
135	510HCBAAM	2592139	414445	1817798	PSVC PARCEL POST INTER-BMC OBMC PRES MACH L/F/I/P NON-PERM IMP
135	510HDBAAM	122407	10511	137280	PSVC PARCEL POST INTER-BMC OBMC PRES MACH BALLOON L/F/I/P NON-PERM IMP
135	510HEBAAM	14314551	2235804	10184562	PSVC PARCEL POST INTER-BMC OBMC PRES NONMACH L/F/I/P NON-PERM IMP
135	510HFBAAM	1099202	101530	892165	PSVC PARCEL POST INTER-BMC OBMC PRES NONMACH BALLOON L/F/I/P NON-PERM IMP

135	510J[illegible]M	2733132	659682	3031126	PSVC P[illegible]EL POST INTER-BMC OBMC PRES BC MACH L/F/I/P NON-P[illegible]IMP
135	510[illegible]M	109075	11363	88414	PSVC [illegible]L POST INTER-BMC OBMC PRES BC MACH BALLOON L/I[illegible]ON-PERM IMP
135	510KB[illegible]AM	0	0	0	PSVC PA[illegible]EL POST DBMC OVERSIZED L/F/I/P NON-PERM IMP
135	510KCBAAM	4714239	773390	3161272	PSVC PARCEL POST DBMC MACH L/F/I/P NON-PERM IMP
135	510KDBAAM	17429	2857	37930	PSVC PARCEL POST DBMC MACH BALLOON L/F/I/P NON-PERM IMP
135	510KEBAAM	458938	67040	391567	PSVC PARCEL POST DBMC NONMACH L/F/I/P NON-PERM IMP
135	510KFBAAM	3186	286	3234	PSVC PARCEL POST DBMC NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510LCBAAM	0	0	0	PSVC PARCEL POST DBMC BC MACH L/F/I/P NON-PERM IMP
135	510LDBAAM	6586	1429	8170	PSVC PARCEL POST DBMC BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510MBBAAM	0	0	0	PSVC PARCEL POST DSCF OVERSIZED L/F/I/P NON-PERM IMP
135	510MCBAAM	27229	10961	37629	PSVC PARCEL POST DSCF MACH L/F/I/P NON-PERM IMP
135	510MDBAAM	0	0	0	PSVC PARCEL POST DSCF MACH BALLOON L/F/I/P NON-PERM IMP
135	510MEBAAM	89078	25456	42501	PSVC PARCEL POST DSCF NONMACH L/F/I/P NON-PERM IMP
135	510MFBAAM	1019	238	804	PSVC PARCEL POST DSCF NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510NABAAM	0	0	0	PSVC PARCEL POST DDU BALLOON L/F/I/P NON-PERM IMP
135	510NBBAAM	0	0	0	PSVC PARCEL POST DDU OVERSIZED L/F/I/P NON-PERM IMP
135	510N0BAAM	14398	7946	10967	PSVC PARCEL POST DDU L/F/I/P NON-PERM IMP
140	3600520AS	74449	39914	0	MAIL ENCLOSURE PSVC BPM
140	4500	988685	486058	755595	PSVC SP BOUND PRINTED MATTER FLATS
140	4501	98341	50924	53991	PSVC SP BCODE BOUND PRINTED MATTER FLATS
140	4502	9611932	6846125	10962955	PSVC PRESORTED BOUND PRINTED MATTER FLATS
140	4503	2482358	1903499	2131181	PSVC PRESORTED BCODE BOUND PRINTED MATTER FLATS
140	4504	5173506	5432705	8778237	PSVC PRESORTED DBMC BOUND PRINTED MATTER FLATS
140	4505	2096740	2376380	2683665	PSVC PRESORTED BCODE DBMC BOUND PRINTED MATTER FLATS
140	4506	6750172	9624323	15777914	PSVC PRESORTED DSCF BOUND PRINTED MATTER FLATS
140	4507	3744666	5833791	6698357	PSVC PRESORTED BCODE DSCF BOUND PRINTED MATTER FLATS
140	4508	43137	74811	111251	PSVC PRESORTED DDU BOUND PRINTED MATTER FLATS
140	4509	959850	735228	1137207	PSVC CARRIER ROUTE BOUND PRINTED MATTER FLATS
140	4510	2845070	3378810	4790036	PSVC CARRIER ROUTE DBMC BOUND PRINTED MATTER FLATS
140	4511	9437305	16034885	22862499	PSVC CARRIER ROUTE DSCF BOUND PRINTED MATTER FLATS
140	4512	953651	2010312	2837579	PSVC CARRIER ROUTE DDU BOUND PRINTED MATTER FLATS
140	4550	1732997	697090	2283748	PSVC SP BOUND PRINTED MATTER PARCELS
140	4551	1169092	477136	1586506	PSVC SP BCODE BOUND PRINTED MATTER PARCELS
140	4552	8193898	4912678	13384378	PSVC PRESORTED BOUND PRINTED MATTER PARCELS
140	4553	7922243	4809738	13724927	PSVC PRESORTED BCODE BOUND PRINTED MATTER PARCELS
140	4554	11127517	9198159	35799743	PSVC PRESORTED DBMC BOUND PRINTED MATTER PARCELS
140	4555	40051786	35683597	115725804	PSVC PRESORTED BCODE DBMC BOUND PRINTED MATTER PARCELS
140	4556	7474435	8436778	28956922	PSVC PRESORTED DSCF BOUND PRINTED MATTER PARCELS
140	4557	1450863	2090378	5927417	PSVC PRESORTED DDU BOUND PRINTED MATTER PARCELS
140	4558	321141	231762	440522	PSVC CARRIER ROUTE BOUND PRINTED MATTER PARCELS
140	4559	550915	525551	1581409	PSVC CARRIER ROUTE DBMC BOUND PRINTED MATTER PARCELS
140	4560	3589097	4821613	13209352	PSVC CARRIER ROUTE DSCF BOUND PRINTED MATTER PARCELS
140	4561	4209933	7101204	19847315	PSVC CARRIER ROUTE DDU BOUND PRINTED MATTER PARCELS
140	4590	1497	473	1367	PSVC BOUND PRINTED MATTER PARCEL RETURN RBMC EXPERIMENT
140	520R0FAAM	469668	284541	292725	PSVC BPM SINGLE-PIECE BC L/F NON-PERM IMP
140	520R0GAAM	1622340	787404	1786619	PSVC BPM SINGLE-PIECE BC I/P NON-PERM IMP
140	520T0FAAM	0	0	0	PSVC BPM PRESORTED BC L/F NON-PERM IMP
140	520T0GAAM	34152	27625	77800	PSVC BPM PRESORTED BC I/P NON-PERM IMP

140	520U[illegible]M	79663	59539	68199	PSVC F[illegible]RESORTED DBMC L/F NON-PERM IMP
140	520[illegible]M	159294	132201	435367	PSVC [illegible]RESORTED DBMC I/P NON-PERM IMP
140	520V[illegible]M	0	0	0	PSVC B[illegible] PRESORTED DBMC BC L/F NON-PERM IMP
140	520V0GAAM	3970	2871	14095	PSVC BPM PRESORTED DBMC BC I/P NON-PERM IMP
140	520W0FAAM	0	0	0	PSVC BPM PRESORTED DSCF L/F NON-PERM IMP
140	520W0GAAM	77159	65948	312345	PSVC BPM PRESORTED DSCF I/P NON-PERM IMP
140	520X0FAAM	0	0	0	PSVC BPM PRESORTED DDU L/F NON-PERM IMP
140	520X0GAAM	4891	4780	38458	PSVC BPM PRESORTED DDU I/P NON-PERM IMP
140	520Y0FAAM	0	0	0	PSVC BPM CARRIER ROUTE DBMC L/F NON-PERM IMP
140	520Y0GAAM	0	0	0	PSVC BPM CARRIER ROUTE DBMC I/P NON-PERM IMP
140	520Z0FAAM	0	0	0	PSVC BPM CARRIER ROUTE DSCF L/F NON-PERM IMP
140	520Z0GAAM	0	0	0	PSVC BPM CARRIER ROUTE DSCF I/P NON-PERM IMP
140	52010FAAM	4238865	2085894	2417594	PSVC BPM SINGLE-PIECE L/F NON-PERM IMP
140	52010GAAM	6233202	2575372	7420295	PSVC BPM SINGLE-PIECE I/P NON-PERM IMP
140	52020FAAM	205084	127052	124773	PSVC BPM PRESORTED L/F NON-PERM IMP
140	52020GAAM	487329	246432	936451	PSVC BPM PRESORTED I/P NON-PERM IMP
140	52030FAAM	356	190	279	PSVC BPM CARRIER ROUTE L/F NON-PERM IMP
140	52030GAAM	8397	2707	6418	PSVC BPM CARRIER ROUTE I/P NON-PERM IMP
140	521A0FAAM	0	0	0	PSVC BPM CARRIER ROUTE DDU L/F NON-PERM IMP
140	521A0GAAM	0	0	0	PSVC BPM CARRIER ROUTE DDU I/P NON-PERM IMP
140	521F0FAAM	0	0	0	PSVC BPM PRESORTED DSCF BC L/F NON-PERM IMP
145	3600530AS	176252	98686	0	MAIL ENCLOSURE PSVC MEDIA MAIL
145	4300	6296696	3121033	7122993	PSVC SP MEDIA MAIL
145	4305	4066510	2163921	4675402	PSVC SP BCODE MEDIA MAIL
145	4320	1910086	1148420	2454345	PSVC BASIC PRESORT MEDIA MAIL
145	4325	13068634	8040400	18205612	PSVC BASIC PRESORT BCODE MEDIA MAIL
145	4330	832174	718275	1299841	PSVC 5-D MEDIA MAIL
145	530P0BAAM	39295	19450	70896	PSVC MEDIA MAIL 5-DIGIT PRES L/F/I/P NON-PERM IMP
145	530R0BAAM	3207758	1754020	3996007	PSVC MEDIA MAIL SINGLE-PIECE BC L/F/I/P NON-PERM IMP
145	53010BAAM	58291821	29572287	52861026	PSVC MEDIA MAIL SINGLE-PIECE L/F/I/P NON-PERM IMP
145	531D0BAAM	811388	404052	715344	PSVC MEDIA MAIL BASIC PRESORT L/F/I/P NON-PERM IMP
145	531E0BAAM	12954	4643	19646	PSVC MEDIA MAIL BASIC PRESORT BC L/F/I/P NON-PERM IMP
150	3600540AS	15623	8538	0	MAIL ENCLOSURE PSVC LIBRARY MAIL
150	4400	827156	348624	1241930	PSVC SP LIBRARY MAIL
150	4405	433487	254974	498230	PSVC SP BCODE LIBRARY MAIL
150	4420	38057	20438	52271	PSVC BASIC PRESORT LIBRARY MAIL
150	4425	5871	3956	5441	PSVC BASIC PRESORT BCODE LIBRARY MAIL
150	4430	76168	19698	178162	PSVC 5-D LIBRARY MAIL
150	540P0BAAM	4079	7130	3247	PSVC LIBRARY MAIL 5-DIGIT PRES L/F/I/P NON-PERM IMP
150	540R0BAAM	253943	163238	268031	PSVC LIBRARY MAIL SINGLE-PIECE BC L/F/I/P NON-PERM IMP
150	54010BAAM	6135019	3340040	5440412	PSVC LIBRARY MAIL SINGLE-PIECE L/F/I/P NON-PERM IMP
150	541D0BAAM	84530	44350	66296	PSVC LIBRARY MAIL BASIC PRESORT L/F/I/P NON-PERM IMP
150	541E0BAAM	0	0	0	PSVC LIBRARY MAIL BASIC PRESORT BC L/F/I/P NON-PERM IMP
155	0401500AS	32550	35461	0	CERT OF MAILING COM - BASIC (FORM 3817) PSVC
155	0402500AS	0	0	0	CERT OF MAILING COM - BULK (FORM 3606) PSVC
155	0403500AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) PSVC
155	0404500AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) PSVC
155	050E500AS	114783	19291	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PSVC

155	050[illegible]S	8002	970	0	SPECI[illegible]NDLING MORE THAN 10 LBS PSVC
155	060[illegible]S	286	635	0	PARCI[illegible]IFT (PAL) NOT MORE THAN 2 POUNDS PSVC
155	060B[illegible]AS	292	344	0	PARCEL [illegible]RLIFT (PAL) > 2 LBS, NOT > THAN 3 LBS PSVC
155	060C500AS	0	0	0	PARCEL AIRLIFT (PAL) > 3 LBS, NOT > THAN 4 LBS PSVC
155	060D500AS	3838	2258	0	PARCEL AIRLIFT (PAL) OVER 4 LBS PSVC
155	25090	37327	0	0	FORM 3547 - PACKAGE SERVICES, PARCEL POST
155	25095	92336	0	0	FORM 3547 - PACKAGE SERVICES, BPM
155	25100	18950	0	0	FORM 3547 - PACKAGE SERVICES, MEDIA
155	25105	7500	0	0	FORM 3547 - PACKAGE SERVICES, LIBRARY
155	25125	1005	0	0	FORM 3579 - PACKAGE SERVICES, PARCEL POST
155	25130	501	0	0	FORM 3579 - PACKAGE SERVICES, BPM
155	25135	269	0	0	FORM 3579 - PACKAGE SERVICES, MEDIA
155	25140	279	0	0	FORM 3579 - PACKAGE SERVICES, LIBRARY
155	25160	256324	0	0	AUTO ADDRESS CORRECTION (PACKAGE SERVICES)
155	2800500AS	0	1802602	0	MERCHANDISE RETURN SERVICE PSVC
155	448	102913	0	0	PACKAGE SERVICES MISCELLANEOUS MAILING FEES
160	10000AABM	0	2858780	203185	1-C NON-PERM IMP USPS
160	10000ABBM	0	187300800	7139351	1-C PERMIT IMP USPS
160	20000AABM	0	329734	783921	PRIORITY MAIL NON-PERM IMP USPS
160	20000ABBM	0	2678737	5607732	PRIORITY MAIL PERMIT IMP USPS
160	25035	0	253574	1345732	USPS EXPRESS MAIL
160	40000AABM	0	94368	4032	STD MAIL REG NON-PERM IMP USPS
160	40000ABBM	0	3984312	379880	STD MAIL REG PERMIT IMP USPS
160	50000AABM	0	95909	351294	PSVC NON-PERM IMP USPS
160	50000ABBM	0	1438493	13299688	PSVC PERMIT IMP USPS
160	5110	0	577298	149572	USPS 1-C SP LTRS, FLATS, & PARCELS
160	5230	0	76966	337343	USPS PRIORITY MAIL
160	5900	0	0	0	USPS INTL ECONOMY LETTER-POST/PARCEL POST
160	5905	0	48698	7901	USPS INTL AIRMAIL LETTER-POST/PARCEL POST
160	70000AABM	0	123	20	INTL MAIL NON-PERM IMP USPS
160	70000ABBM	0	0	0	INTL MAIL PERM IMP USPS
165	5920	0	74167	114677	INTL ECONOMY FREE MATTER FOR THE BLIND
165	60000AAAM	0	19103263	8647100	FREE MAIL FOR THE BLIND NON-PERM IMP
170	5910	16201	3242	2201	AGN INTL ECONOMY LETTER-POST
170	6170	0	0	0	CONGR FRANK/OTHER FRANK INTL ECONOMY LETTER-POST
170	75000BAAM	11508	6796	1331	INTL MAIL ECONOMY LP L/F/I/P NON-PERM IMP
170	75000BBAM	0	0	0	INTL MAIL ECONOMY LP L/F/I/P PERMIT IMP
170	8520	9878193	1432305	4392389	INTL ECONOMY LETTER-POST
175	5911	15724	803	8235	AGN INTL ECONOMY PARCEL POST
175	6171	4624	264	2132	CONGR FRANK/OTHER FRANK INTL ECONOMY PARCEL POST
175	76000BAAM	1994001	55426	931034	INTL MAIL ECONOMY PP L/F/I/P NON-PERM IMP
175	76000BBAM	14672	587	6109	INTL MAIL ECONOMY PP L/F/I/P PERMIT IMP
175	8530	21824559	806324	8358300	INTL ECONOMY PARCEL POST
180	2007	5137761	3876092	2100976	INTERNATIONAL ECONOMY PERIODICALS
185	5915	572058	680535	23535	AGN INTL AIRMAIL LETTER-POST
185	6175	24684	14923	2236	CONGR FRANK/OTHER FRANK INTL AIRMAIL LETTER-POST
185	77000BAAM	985902	435746	93425	INTL MAIL AIRMAIL LP L/F/I/P NON-PERM IMP
185	77000BBAM	0	0	0	INTL MAIL AIRMAIL LP L/F/I/P PERMIT IMP

185	10	215482143	150213875	18799414	INTL AI[illegible] LETTER-POST
195	3	992500	54251	184146	INTER[illegible]IAL COMMERCIAL PACKAGES (ICP) AIRMAIL PARCEL P(
195	17	4770	145	869	AGN IN[illegible]RMAIL PARCEL POST
195	6177	0	0	0	CONGR FRANK/OTHER FRANK INTL AIRMAIL PARCEL POST
195	79000BAAM	15255792	441982	3676118	INTL MAIL AIRMAIL PP L/F/I/P NON-PERM IMP
195	79000BBAM	21028	1445	3527	INTL MAIL AIRMAIL PP L/F/I/P PERMIT IMP
195	8550	67665522	2021503	15415660	INTL AIRMAIL PARCEL POST
205	25050	51387605	1456908	6843202	INTERNATIONAL EXPRESS MAIL
205	25054	779041	19443	126808	INTERNATIONAL COMMERCIAL PACKAGES (ICP) EXPRESS MAIL
210	25060	19606583	32567751	5390228	INTERNATIONAL SURFACE AIRLIFT (ISAL)
215	25055	24770154	54127375	3754315	INTERNATIONAL PRIORITY AIRMAIL (IPA)
216	25062	380547	834856	352824	GLOBAL DIRECT ENTRY OUTBOUND (GDEO)
216	25064	1993213	41384	110429	GLOBAL EXPRESS GUARANTEED (GXG)
217	533	63203492	0	0	FOREIGN POSTAL TRANSACTION REVENUE
220	0401700AS	14489	15665	0	CERT OF MAILING COM - BASIC (FORM 3817) INTL MAIL
220	0402700AS	0	0	0	CERT OF MAILING COM - BULK (FORM 3606) INTL MAIL
220	0403700AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) INTL MAIL
220	0404700AS	217	726	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) INTL MAIL
220	29007C0AS	33468	29082	0	POSTAGE DUE - FOREIGN ORIGIN INTL MAIL AIRMAIL
220	29007D0AS	98	405	0	POSTAGE DUE - FOREIGN ORIGIN INTL MAIL SURFACE
220	3000700AS	186580	41462	0	CUSTOMS CLEARANCE AND DELIVERY FEES INTL MAIL
220	3100700AS	26187	2432	0	UNDELIVERED INTL PARCEL POST (RETURNED INTL) INTL MAIL
220	3300700AS	40400	39147	0	INTERNATIONAL BRM SERVICE INTL MAIL
220	4100700AS	69679	71299	0	UNDELIVERED INTL LETTER POST (RETURNED INTL) INTL MAIL
220	534	5125417	0	0	INTERNATIONAL MISCELLANEOUS ITEM FEES
220	552	-12021	0	0	INTERNATIONAL REPLY COUPON REVENUE
225	25010	12669358	1128793	0	DOMESTIC REGISTERED TOTAL
230	010G000AS	7072352	5440271	0	INSURED VALUE $.01 TO $50
230	010H000AS	8465061	3847755	0	INSURED VALUE $50.01 TO $100
230	010J000AS	5585965	1745614	0	INSURED VALUE $100.01 TO $200
230	010K000AS	2224821	529719	0	INSURED VALUE $200.01 TO $300
230	010L000AS	1440672	277052	0	INSURED VALUE $300.01 TO $400
230	010M000AS	1434412	231357	0	INSURED VALUE $400.01 TO $500
230	010N000AS	537597	74666	0	INSURED VALUE $500.01 TO $600
230	010P000AS	590037	71956	0	INSURED VALUE $600.01 TO $700
230	010Q000AS	742780	80737	0	INSURED VALUE $700.01 TO $800
230	010R000AS	104193	10215	0	INSURED VALUE $800.01 TO $900
230	010S000AS	659544	58888	0	INSURED VALUE $900.01 TO $1000
230	010T000AS	1362669	74948	0	INSURED VALUE $1000.01 TO $5000
230	25170	278415	214165	0	ONLINE INSURED VALUE $.01 TO $50
230	25171	209174	95079	0	ONLINE INSURED VALUE $50.01 TO $100
230	25172	314336	98230	0	ONLINE INSURED VALUE $100.01 TO $200
230	8405	0	0	0	DOMESTIC STANDARD MAIL BULK INSURED
230	8410	203840	156800	0	DOMESTIC INSURED MAIL $.01 TO $50 APO/FPO
230	8420	320830	145832	0	DOMESTIC INSURED MAIL $50.01 TO $100 APO/FPO
230	8425	211711	66160	0	DOMESTIC INSURED MAIL $100.01 TO $200 APO/FPO
230	8430	84322	20077	0	DOMESTIC INSURED MAIL $200.01 TO $300 APO/FPO
230	8435	54602	10500	0	DOMESTIC INSURED MAIL $300.01 TO $400 APO/FPO

230	0	54365	8769	0	DOME[illegible]NSURED MAIL $400.01 TO $500 APO/FPO
230	5	20375	2830	0	DOME[illegible]NSURED MAIL $500.01 TO $600 APO/FPO
235	25005	2229006	367479	0	COD TOTAL
235	2600000AS	62083	20694	0	FORM 3849-D COD NOTICE OF NONDELIV
235	3500000AS	0	0	0	COD ALTERATION OF CHARGES/DELIVERY
240	0700000AS	145473936	63249537	0	CERTIFIED
242	0800000AS	87040540	49737452	0	RETURN RECEIPT
242	0900000AS	20862934	6419365	0	RETURN RECEIPT AFTER MAILING-CERTIFIED
242	1000000AS	1857	571	0	RETURN RECEIPT AFTER MAILING-INSURED
242	1100000AS	393623	121115	0	RETURN RECEIPT AFTER MAILING-REGISTERED
242	1200000AS	3207373	1069124	0	RETURN RECEIPT FOR MERCHANDISE
242	1300000AS	1681729	480494	0	RESTRICTED DELIVERY
242	2100100AS	341078	262368	0	SIGNATURE CONFIRMATION - ELECTRONIC FIRST CLASS
242	2100200AS	831978	639983	0	SIGNATURE CONFIRMATION - ELECTRONIC PRIORITY
242	2100500AS	220156	169351	0	SIGNATURE CONFIRMATION - ELECTRONIC PSVC
242	2200100AS	320658	178144	0	SIGNATURE CONFIRMATION - RETAIL FIRST CLASS
242	2200200AS	1519115	843953	0	SIGNATURE CONFIRMATION - RETAIL PRIORITY
242	2200500AS	269948	149971	0	SIGNATURE CONFIRMATION - RETAIL PSVC
242	25167	72432	55717	0	RETURN RECEIPT-ELECTRONIC COPY OF SIGNATURE
242	9813	965391	7426082	0	DELIVERY CONFIRMATION FIRST CLASS - ELECTRONIC
242	9814	2023350	3678819	0	DELIVERY CONFIRMATION FIRST CLASS - RETAIL
242	9815	0	37433603	0	DELIVERY CONFIRMATION PRIORITY - ELECTRONIC
242	9816	8706452	19347671	0	DELIVERY CONFIRMATION PRIORITY - RETAIL
242	9817	4266650	32820383	0	DELIVERY CONFIRMATION PSVC - ELECTRONIC
242	9818	2339790	4254163	0	DELIVERY CONFIRMATION PSVC - RETAIL
242	9819	1624038	12492601	0	DELIVERY CONFIRMATION STANDARD MAIL - ELECTRONIC
242	9820	0	74397943	0	DELIVERY CONFIRMATION PSVC PARCEL SELECT - ELECTRONIC
250	831	41995769	45646456	0	DOMESTIC MONEY ORDERS
255	838	10551389	0	0	OUTSTANDING MONEY ORDERS INTO REVENUE
260	25025	4586194	0	0	STAMPED ENVELOPE EXCESS REVENUE
260	25026	416720	20836000	0	STAMPED CARD FEES
265	840	197325279	0	0	MAIL BOX RENT
267	832	659379	177556	0	INTERNATIONAL MONEY ORDERS
268	010G701AS	33389	25684	0	INSURED VALUE $.01 TO $50 INTL MAIL TO CANADA
268	010G702AS	249747	134998	0	INSURED VALUE $.01 TO $50 INTL MAIL NON-CANADA
268	010H701AS	64455	29298	0	INSURED VALUE $50.01 TO $100 INTL MAIL TO CANADA
268	010H702AS	269835	103783	0	INSURED VALUE $50.01 TO $100 INTL MAIL NON-CANADA
268	010J701AS	70212	21941	0	INSURED VALUE $100.01 TO $200 INTL MAIL TO CANADA
268	010J702AS	358623	99618	0	INSURED VALUE $100.01 TO $200 INTL MAIL NON-CANADA
268	010K701AS	61148	14559	0	INSURED VALUE $200.01 TO $300 INTL MAIL TO CANADA
268	010K702AS	158968	34559	0	INSURED VALUE $200.01 TO $300 INTL MAIL NON-CANADA
268	010L701AS	7361	1415	0	INSURED VALUE $300.01 TO $400 INTL MAIL TO CANADA
268	010L702AS	68659	12261	0	INSURED VALUE $300.01 TO $400 INTL MAIL NON-CANADA
268	010M701AS	16644	2684	0	INSURED VALUE $400.01 TO $500 INTL MAIL TO CANADA
268	010M702AS	39192	5938	0	INSURED VALUE $400.01 TO $500 INTL MAIL NON-CANADA
268	010N701AS	9459	1313	0	INSURED VALUE $500.01 TO $600 INTL MAIL TO CANADA
268	010N702AS	68824	9056	0	INSURED VALUE $500.01 TO $600 INTL MAIL NON-CANADA
268	010P701AS	5995	731	0	INSURED VALUE $600.01 TO $700 INTL MAIL TO CANADA

268	010[illegible] S	22132	2573	0	INSUR[illegible] LUE $600.01 TO $700 INTL MAIL NON-CANADA
268	010[illegible] S	13141	1369	0	INSUR[illegible] LUE $700.01 TO $800 INTL MAIL NON-CANADA
268	010R[illegible]AS	17530	1653	0	INSURE[illegible] VALUE $800.01 TO $900 INTL MAIL NON-CANADA
268	010S702AS	41581	3585	0	INSURED VALUE $900.01 TO $1000 INTL MAIL NON-CANADA
268	010T702AS	22807	1655	0	INSURED VALUE $1000.01 TO $5000 INTL MAIL NON-CANADA
268	0800700AS	162633	92933	0	RETURN RECEIPT INTL MAIL
268	1300700AS	0	0	0	RESTRICTED DELIVERY INTL MAIL
268	25013	5255055	694734	0	INTL REGISTERED TOTAL
270	846	2200000	0	0	REIMBURSEMENT REVENUE
270	847	146343475	0	0	MISCELLANEOUS ITEM REVENUE
270	848	15447000	0	0	REVENUE FOREGONE
270	850	10656520	0	0	INVESTMENT INCOME
275	25015	0	2789936	0	USPS DOMESTIC REGISTERED TOTAL
275	25020	0	174	0	USPS INTL REGISTERED TOTAL
280	0700000BS	0	232692	0	CERTIFIED USPS
282	0800000BS	0	168809	0	RETURN RECEIPT USPS
282	0800700BS	0	0	0	RETURN RECEIPT INTL MAIL USPS
282	1300000BS	0	1790	0	RESTRICTED DELIVERY USPS
282	1300700BS	0	0	0	RESTRICTED DELIVERY INTL MAIL USPS
282	1900100BS	0	60176	0	DELIVERY CONFIRMATION - ELECTRONIC FIRST CLASS USPS
282	1900200BS	0	726535	0	DELIVERY CONFIRMATION - ELECTRONIC PRIORITY USPS
282	1900500BS	0	25255	0	DELIVERY CONFIRMATION - ELECTRONIC PSVC USPS
282	191Z510BS	0	0	0	DELIVERY CONFIRMATION - ELECTRONIC PSVC PARCEL SELECT USPS
282	2000100BS	0	21386	0	DELIVERY CONFIRMATION - RETAIL FIRST CLASS USPS
282	2000200BS	0	312157	0	DELIVERY CONFIRMATION - RETAIL PRIORITY USPS
282	2000500BS	0	4762	0	DELIVERY CONFIRMATION - RETAIL PSVC USPS
282	2100100BS	0	2611	0	SIGNATURE CONFIRMATION - ELECTRONIC FIRST CLASS USPS
282	2100200BS	0	7949	0	SIGNATURE CONFIRMATION - ELECTRONIC PRIORITY USPS
282	2100500BS	0	857	0	SIGNATURE CONFIRMATION - ELECTRONIC PSVC USPS
282	2200100BS	0	1936	0	SIGNATURE CONFIRMATION - RETAIL FIRST CLASS USPS
282	2200200BS	0	13087	0	SIGNATURE CONFIRMATION - RETAIL PRIORITY USPS
282	2200500BS	0	0	0	SIGNATURE CONFIRMATION - RETAIL PSVC USPS
282	3900000BS	0	0	0	RETURN RECEIPT-ELECTRONIC COPY OF SIGNATURE USPS
285	1700000BS	0	3685942	0	BRM SERVICE USPS
290	050E100BS	0	11346	0	SPECIAL HANDLING NOT MORE THAN 10 LBS 1-C USPS
290	050E200BS	0	35842	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PRIORITY USPS
290	050E500BS	0	59	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PSVC USPS
290	050F200BS	0	47621	0	SPECIAL HANDLING MORE THAN 10 LBS PRIORITY USPS
290	050F500BS	0	424	0	SPECIAL HANDLING MORE THAN 10 LBS PSVC USPS

PRELIMINARY REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR QUARTER 1
FISCAL YEAR 2005 (Oct. 1, 2004-Dec. 31, 2004) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 2004
(Data in Th ds)

Service Category	REVENUE Quarter 1 FY 2005	REVENUE Quarter 1 FY 2004	REVENUE Change FY 2005 over FY 2004 Amount	REVENUE Change FY 2005 over FY 2004 Percent	PIECES Quarter 1 FY 2005	PIECES Quarter 1 FY 2004	PIECES Change FY 2005 over FY 2004 Amount	PIECES Change FY 2005 over FY 2004 Percent	WEIGHT Quarter 1 FY 2005	WEIGHT Quarter 1 FY 2004	WEIGHT Change FY 2005 over FY 2004 Amount	WEIGHT Change FY 2005 over FY 2004 Percent
First-Class Mail:												
Single-Piece Letters, Flats, & Parcels	5,520,674	5,865,959	(145,285)	(2.6)	12,366,264	12,677,381	(311,117)	(2.5)	581,010	598,416	(17,407)	(2.9)
Nonautom. Presort Letters, Flats, & Parcels	211,206	236,890	(25,684)	(10.8)	520,084	576,253	(56,169)	(9.7)	29,049	32,435	(3,386)	(10.4)
Automation Presort Letters and Flats	3,586,002	3,324,704	261,299	7.9	11,922,989	11,016,955	906,034	8.2	525,369	486,040	39,329	8.1
Automation Carrier Route Presort Letters	54,878	59,319	(4,441)	(7.5)	194,380	208,128	(13,749)	(6.6)	8,364	9,722	(1,358)	(14.0)
Total Presort Letters, Flats, & Parcels	3,852,087	3,620,913	231,173	6.4	12,637,453	11,801,337	836,116	7.1	562,782	528,197	34,585	6.5
Single-Piece Cards	153,354	156,328	(2,974)	(1.9)	645,118	655,257	(10,139)	(1.5)	4,209	4,151	58	1.4
Nonautomation Presort Cards	20,029	22,344	(2,315)	(10.4)	94,451	105,361	(10,909)	(10.4)	867	757	109	14.4
Automation Presort Cards	121,259	114,428	6,831	6.0	665,773	628,320	37,453	6.0	7,683	6,183	1,500	24.3
Automation Carrier Route Presort Cards	3,256	3,408	(152)	(4.5)	19,148	20,046	(899)	(4.5)	186	160	26	16.5
Total Presort Cards	144,544	140,179	4,364	3.1	779,372	753,727	25,645	3.4	8,736	7,100	1,636	23.0
Domestic Mail Fees	77,330	78,252	(922)	(1.2)	-	-	-	-	-	-	-	-
Total First-Class Mail	9,747,989	9,661,632	86,357	0.9	26,428,207	25,887,702	540,505	2.1	1,156,737	1,137,865	18,872	1.7
Priority Mail	1,293,502	1,272,130	21,372	1.7	239,616	233,920	5,696	2.4	485,081	492,238	(7,157)	(1.5)
Domestic Mail Fees	475	401	75	18.7	-	-	-	-	-	-	-	-
Total Priority Mail	1,293,977	1,272,530	21,447	1.7	239,616	233,920	5,696	2.4	485,081	492,238	(7,157)	(1.5)
Express Mail	217,514	216,850	664	0.3	13,517	13,432	84	0.6	14,488	14,502	(14)	(0.1)
Mailgrams	187	159	27	17.2	434	371	63	16.9	-	-	-	-
Periodicals:												
In-County	19,413	18,807	606	3.2	203,448	194,453	8,995	4.6	68,009	64,611	3,398	5.3
Regular	447,807	447,857	(50)	(0.0)	1,622,199	1,624,924	(2,724)	(0.2)	853,396	846,990	6,406	0.8
Special Nonprofit	86,744	86,191	553	0.6	498,549	484,751	13,798	2.8	137,500	132,826	4,675	3.5
Classroom	4,281	3,927	353	9.0	15,972	12,054	3,918	32.5	10,117	9,420	697	7.4
Domestic Mail Fees	5,241	5,244	(3)	(0.1)	-	-	-	-	-	-	-	-
Total Periodical Mail	563,485	562,025	1,460	0.3	2,340,169	2,316,182	23,987	1.0	1,069,022	1,053,846	15,176	1.4
Standard Mail:												
Regular - Nonautomation Presort	307,244	323,585	(16,341)	(5.0)	842,680	897,503	(54,823)	(6.1)	159,009	166,110	(7,102)	(4.3)
- Automation Presort	2,624,320	2,420,320	204,000	8.4	12,659,995	11,592,223	1,067,772	9.2	1,166,107	1,075,371	90,736	8.4
Enhanced Carrier Route	1,540,533	1,423,297	117,236	8.2	8,943,479	8,253,636	689,843	8.4	1,576,700	1,485,403	91,297	6.1
Total Regular and ECR	4,472,097	4,167,202	304,895	7.3	22,446,154	20,743,363	1,702,792	8.2	2,901,816	2,726,884	174,932	6.4
Nonprofit - Nonautomation Presort	87,006	89,742	(2,736)	(3.0)	536,509	548,683	(12,174)	(2.2)	34,339	35,142	(803)	(2.3)
- Automation Presort	357,940	334,901	23,039	6.9	2,885,583	2,686,392	199,192	7.4	206,604	192,907	13,697	7.1
Nonprofit Enhanced Carrier Route	105,852	63,481	42,371	66.7	1,086,125	685,220	400,906	58.5	81,867	58,960	22,907	38.9
Total Nonprofit and Nonprofit ECR	550,797	488,124	62,673	12.8	4,508,217	3,920,295	587,923	15.0	322,810	287,009	35,801	12.5
Domestic Mail Fees	31,008	30,604	404	1.3	-	-	-	-	-	-	-	-
Total Standard Mail	5,053,902	4,685,930	367,972	7.9	26,954,372	24,663,658	2,290,714	9.3	3,224,626	3,013,893	210,733	7.0
Package Services:												
Parcel Post	401,995	408,222	(6,227)	(1.5)	123,359	124,847	(1,487)	(1.2)	633,611	667,545	(33,935)	(5.1)
Bound Printed Matter	146,680	147,966	(1,286)	(0.9)	140,177	138,941	1,235	0.9	345,981	340,159	5,823	1.7
Media Mail	88,714	93,740	(5,026)	(5.4)	46,947	50,794	(3,847)	(7.6)	91,421	94,655	(3,233)	(3.4)
Library Mail	7,874	8,263	(389)	(4.7)	4,202	4,488	(286)	(6.4)	7,754	7,823	(69)	(0.9)
Domestic Mail Fees	677	734	(56)	(7.7)	-	-	-	-	-	-	-	-
Total Package Services	645,939	658,925	(12,986)	(2.0)	314,685	319,071	(4,386)	(1.4)	1,078,767	1,110,182	(31,414)	(2.8)

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PRELIMINARY REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR QUARTER 1 FISCAL YEAR 2005 (Oct. 1, 2004-Dec. 31, 2004) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 2004

(Data in Th[illegible]ds)

Service Category	REVENUE Quarter 1 FY 2005	REVENUE Quarter 1 FY 2004	REVENUE Change FY 2005 over FY 2004 Amount	REVENUE Change FY 2005 over FY 2004 Percent	PIECES Quarter 1 FY 2005	PIECES Quarter 1 FY 2004	PIECES Change FY 2005 over FY 2004 Amount	PIECES Change FY 2005 over FY 2004 Percent	WEIGHT Quarter 1 FY 2005	WEIGHT Quarter 1 FY 2004	WEIGHT Change FY 2005 over FY 2004 Amount	WEIGHT Change FY 2005 over FY 2004 Percent
U.S. Postal Service Mail	-	-	-	-	199,738	124,993	74,745	59.8	29,610	27,160	2,449	9.0
Free Mail for the Blind and Handicapped	-	-	-	-	19,177	18,518	660	3.6	8,762	9,414	(653)	(6.9)
Total Domestic Mail	17,522,993	17,058,052	464,941	2.7	56,509,915	53,577,846	2,932,069	5.5	7,067,093	6,859,100	207,992	3.0
International Mail:												
Economy - Letter-Post	9,906	11,113	(1,207)	(10.9)	1,442	1,921	(478)	(24.9)	4,396	4,403	(7)	(0.2)
- Parcel Post	23,854	23,213	641	2.8	863	830	34	4.1	9,306	9,431	(125)	(1.3)
- Periodicals	5,138	5,899	(761)	(12.9)	3,876	4,287	(411)	(9.6)	2,101	2,291	(190)	(8.3)
Total Economy Mail	38,897	40,224	(1,327)	(3.3)	6,182	7,038	(856)	(12.2)	15,803	16,125	(322)	(2.0)
Airmail - Letter-Post	217,065	197,360	19,705	10.0	151,345	150,657	688	0.5	18,919	16,114	2,804	17.4
- Parcel Post	83,940	68,390	15,550	22.7	2,519	2,034	485	23.8	19,280	16,090	3,190	19.8
Total Airmail	301,004	265,750	35,255	13.3	153,864	152,691	1,173	0.8	38,199	32,205	5,994	18.6
International Express Mail	52,167	42,356	9,811	23.2	1,476	1,255	221	17.6	6,970	5,349	1,621	30.3
International Surface Airlift Mail	19,607	19,491	115	0.6	32,568	32,356	211	0.7	5,390	5,563	(173)	(3.1)
International Priority Airmail	24,770	20,475	4,295	21.0	54,127	47,646	6,482	13.6	3,754	3,166	589	18.6
International Other Mail 1/	2,374	3,528	(1,154)	(32.7)	876	1,125	(249)	(22.1)	463	721	(258)	(35.8)
International Mail Subtotal	438,819	391,824	46,995	12.0	249,094	242,111	6,983	2.9	70,579	63,129	7,451	11.8
Foreign Postal Transactions	63,203	77,753	(14,550)	(18.7)	-	-	-	-	-	-	-	-
International Mail Fees	5,485	5,622	(137)	(2.4)	-	-	-	-	-	-	-	-
Total International Mail	507,507	475,199	32,308	6.8	249,094	242,111	6,983	2.9	70,579	63,129	7,451	11.8
Total All Mail	18,030,500	17,533,251	497,249	2.8	56,759,009	53,819,957	2,939,052	5.5	7,137,672	6,922,229	215,443	3.1
Domestic Special and Other Services:												
Registered	12,669	16,023	(3,354)	(20.9)	1,129	1,294	(165)	(12.8)				
Insurance	31,972	36,611	(4,639)	(12.7)	13,262	16,235	(2,973)	(18.3)				
Collect on Delivery	2,291	2,726	(435)	(15.9)	367	443	(76)	(17.1)				
Certified	145,474	154,812	(9,339)	(6.0)	63,250	67,310	(4,060)	(6.0)				
Delivery Receipt Services	136,689	126,212	10,477	8.3	251,979	227,219	24,760	10.9				
Money Orders	41,996	44,000	(2,004)	(4.6)	45,646	47,747	(2,100)	(4.4)				
Total Domestic Special Services	371,091	380,384	(9,293)	(2.4)	375,633	360,248	15,385	4.3				
Outstanding MO Taken Into Revenue 2/	10,551	0	10,551	-								
Stamped Envelopes and Cards	5,003	5,712	(709)	(12.4)								
Box Rents	197,325	186,069	11,256	6.0								
Total Domestic Services	583,971	572,166	11,805	2.1								
International Special Services:												
Money Orders	659	772	(113)	(14.6)	178	213	(35)	(16.6)				
Other Special Services	7,017	6,756	261	3.9	1,296	1,304	(8)	(0.6)				
Total International Services	7,677	7,528	149	2.0	1,474	1,517	(43)	(2.9)				
Total Services	591,648	579,694	11,953	2.1								
Total Mail and Services	18,622,147	18,112,945	509,202	2.8								
Other Revenue	174,647	125,709	48,938	38.9								
Total Revenue	18,796,794	18,238,654	558,141	3.1								

Special Service Transactions U.S. Postal Service Mail Quarter 1, FY 2005 3/	
Registered	2,790
Certified	233
Delivery Receipt Services	1,347
Mail Fee Services	3,686
Special Handling	95
Total	8,151

PRELIMINARY REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR QUARTER 1
FISCAL YEAR 2005 (Oct. 1, 2004-Dec. 31, 2004) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 2004
(Data In Th ds)

RPW SUMMARY REP OOTNOTES

1/ Beginning FY 2005, International Commercial Packages (ICP) Express Mail is reported with International Express Mail and ICP Airmail Parcel Post is reported with International Airmail Parcel Post. Prior to FY 2005, ICP mail activity was reported in International Other Mail.
2/ Outstanding Money Orders Taken Into Revenue are now reported on a quarterly basis.
3/ Not included elsewhere in this report.

- Report totals may not sum due to rounding.

DATE	04/18/2005
FISCAL YEAR	2005
QUARTER	2

TWO-PAGE SUMMARY RPW DATA - SORTED BY TWO-PAGE CATEGORY CODE
FISCAL YEAR 2005, QUARTER 2

SUM_CODE Ctrl+r	MAILCAT	REVENUE	PIECES	WEIGHT	LABEL
5	0	4858696445	10664254385	513398190	1-C SINGLE-PIECE LETTERS, FLATS, AND PARCELS
10	0	200778517	496773444	27083755	1-C NONAUTOMATION PRESORT LETTERS, FLATS, AND PARCELS
15	0	3585133848	11940623976	521911420	1-C AUTOMATION PRESORT LETTERS AND FLATS
20	0	48021928	169970272	7184556	1-C AUTOMATION CARRIER ROUTE PRESORT LETTERS
25	0	149698585	630493930	4113884	1-C SINGLE-PIECE CARDS
30	0	20945667	99076910	823880	1-C NONAUTOMATION PRESORT MAILING CARDS
35	0	115142585	634334752	6970274	1-C AUTOMATION PRESORT CARDS
40	0	3576126	21096209	199217	1-C AUTOMATION CARRIER ROUTE PRESORT CARDS
45	0	77100679	239068433	0	1-C DOMESTIC MAIL FEES
50	0	1129488238	218819068	408131200	PRIORITY MAIL
55	0	344023	2515554	0	PRIORITY DOMESTIC MAIL FEES
60	0	215223553	13759314	12347313	DOMESTIC EXPRESS MAIL
65	0	246724	589097	0	MAILGRAMS
70	0	16699231	181215318	54281931	PERIODICALS IN-COUNTY
75	0	434202820	1642360179	795290749	PERIODICALS REGULAR
80	0	79996885	445674540	127641658	PERIODICALS SPECIAL NONPROFIT
85	0	5322801	21234550	10601137	PERIODICALS CLASSROOM
90	0	4250720	0	0	PERIODICALS DOMESTIC MAIL FEES
100	0	293038756	790128111	154641942	STANDARD MAIL REGULAR - NONAUTOMATION PRESORT
105	0	2594216588	12430292763	1161224084	STANDARD MAIL REGULAR - AUTOMATION PRESORT
110	0	1228807498	7450525533	1227038595	STANDARD MAIL ENHANCED CARRIER ROUTE
115	0	73381055	447635810	28512948	STANDARD MAIL NONPROFIT - NONAUTOMATION PRESORT
120	0	312713858	2504306074	175034946	STANDARD MAIL NONPROFIT - AUTOMATION PRESORT
125	0	62246018	704563571	51364358	STANDARD MAIL NONPROFIT ENHANCED CARRIER ROUTE
130	0	33337093	3801758	0	STANDARD MAIL DOMESTIC MAILING FEES
135	0	303203299	94416802	458089992	PACKAGE SERVICES PARCEL POST
140	0	154717224	144877170	351103311	PACKAGE SERVICES BOUND PRINTED MATTER
145	0	85438750	45338982	86901252	PACKAGE SERVICES MEDIA MAIL
150	0	6840432	3620279	6966907	PACKAGE SERVICES LIBRARY MAIL
155	0	692147	2356307	0	PACKAGE SERVICES DOMESTIC MAIL FEES
160	0	0	129186750	26301661	U.S. POSTAL SERVICE MAIL

16[illegible]	0	0	16485506	80519[illegible]	[illegible]REE MAIL FOR THE BLIND AND HANDICAPPED
170	0	7924042	1248126	3634257	INTERNATIONAL ECONOMY - LETTER-POST
175	0	18537954	763179	6999123	INTERNATIONAL ECONOMY - PARCEL POST
180	0	4803340	3807008	1948212	INTERNATIONAL ECONOMY - PERIODICALS
185	0	171637287	114884982	15418075	INTERNATIONAL AIRMAIL - LETTER-POST
195	0	65321720	2045360	15662623	INTERNATIONAL AIRMAIL - PARCEL POST
205	0	48174413	1412966	6108851	INTERNATIONAL EXPRESS MAIL
210	0	16901977	24118443	5324127	INTERNATIONAL SURFACE AIRLIFT
215	0	24049290	51728033	3567368	INTERNATIONAL PRIORITY AIRMAIL
216	0	2486301	1028385	405473	INTERNATIONAL OTHER MAIL
217	0	57346908	0	0	INTERNATIONAL FOREIGN POSTAL TRANSACTIONS
220	0	6117431	224951	0	INTERNATIONAL MAIL FEES
225	0	14785735	1327711	0	DOMESTIC REGISTERED
230	0	29604274	12044473	0	DOMESTIC INSURANCE
235	0	1976029	334996	0	COLLECT ON DELIVERY
240	0	146245646	63585064	0	CERTIFIED
242	0	145114969	233568462	0	DELIVERY RECEIPT SERVICES
250	0	42393740	46079805	0	DOMESTIC MONEY ORDERS
255	0	10862682	0	0	OUTSTANDING MONEY ORDERS TAKEN INTO REVENUE
260	0	5175850	37387000	0	STAMPED ENVELOPES AND CARDS
265	0	195177436	0	0	BOX RENTS
267	0	606920	161046	0	INTERNATIONAL MONEY ORDERS
268	0	7221610	1429919	0	INTERNATIONAL OTHER SPECIAL SERVICES
270	0	199760346	0	0	OTHER REVENUE
275	0	0	2784408	0	USPS REGISTERED TRANSACTIONS
280	0	0	301635	0	USPS CERTIFIED TRANSACTIONS
282	0	0	1625287	0	USPS DELIVERY RECEIPT SERVICE TRANSACTIONS
285	0	0	3169258	0	USPS MAIL FEE SERVICE TRANSACTIONS
290	0	0	32856	0	USPS SPECIAL HANDLING TRANSACTIONS

SUMMARY RPW DATA - SORTED BY MAIL CATEGORY CODE WITHIN TWO-PAGE CATEGORY CODE
FISCAL YEAR 2005, QUARTER 2

SUM_CODE	MAILCAT	REVENUE	PIECES	WEIGHT	LABEL
5	1A000AAAM	0	119693	10116	1-C ABSENTEE BALLOTS NON-PERM IMP
5	100A0BBAM	31520253	91555033	1904421	1-C SINGLE-PIECE QBRM L/F/I/P PERMIT IMP
5	10010BAAM	4580489937	10155137129	473978191	1-C SINGLE-PIECE L/F/I/P NON-PERM IMP
5	10010EAAM	47745	31219	5850	1-C SINGLE-PIECE KEYS/ID DEVICES NON-PERM IMP
5	10012BAAM	55805676	111023709	5001557	1-C SINGLE-PIECE NONMACH L/F/I/P NON-PERM IMP
5	10012EAAM	3301	3029	115	1-C SINGLE-PIECE NONMACH KEYS/ID DEVICES NON-PERM IMP
5	1100	189928231	306384573	32497939	1-C SP LETTERS, FLATS, & PARCELS
5	1120	901302	0	0	1-C SP NONMACH LETTERS, FLATS, & PARCELS
10	1110	200132684	496773444	27083755	1-C NONAUTO PRES LETTERS, FLATS, & PARCELS
10	1130	645833	0	0	1-C NONAUTO PRES NONMACH LETTERS, FLATS, & PARCELS
15	1180	1253414023	4431701647	187298671	1-C 5-D AUTO LETTERS
15	1303	232199787	721529776	28922546	1-C MIXED AADC AUTO LETTERS
15	1304	199575896	642575174	25521039	1-C AADC AUTO LETTERS
15	1310	1780827654	5945571152	255571469	1-C 3-D AUTO LETTERS
15	1420	44125486	68664520	9622769	1-C 3-D AUTO FLATS
15	1430	621242	0	0	1-C 3-D AUTO NONMACH FLATS
15	1440	48172734	92691501	10093071	1-C 5-D AUTO FLATS
15	1453	7145668	11065138	1506229	1-C MIXED ADC AUTO FLATS
15	1454	16333901	26825068	3375626	1-C ADC AUTO FLATS
15	1460	2549802	0	0	1-C 5-D AUTO NONMACH FLATS
15	1472	39571	0	0	1-C MIXED ADC AUTO NONMACH FLATS
15	1473	128084	0	0	1-C ADC AUTO NONMACH FLATS
15	1500	0	0	0	1-C REPOSITIONABLE NOTE EXPERIMENT
20	1140	48021928	169970272	7184556	1-C CRT AUTO LETTERS
25	100A0DBAM	3878468	19392339	121202	1-C SINGLE-PIECE QBRM CARD PERMIT IMP
25	10010DAAM	127131843	529613762	3310086	1-C SINGLE-PIECE CARD NON-PERM IMP
25	1220	18688274	81487829	682596	1-C SP CARDS
30	1230	20945667	99076910	823880	1-C NONAUTO PRES CARDS
35	1280	40790187	232393875	2258190	1-C 5-D AUTO CARDS
35	1403	13909421	71898217	736305	1-C MIXED AADC AUTO CARDS
35	1404	10041519	53848743	636205	1-C AADC AUTO CARDS
35	1410	50401458	276193917	3339574	1-C 3-D AUTO CARDS
40	1240	3576126	21096209	199217	1-C CRT AUTO CARDS
45	0401100AS	609655	533434	0	CERT OF MAILING COM - BASIC (FORM 3817) 1-C
45	0402100AS	66720	7812	0	CERT OF MAILING COM - BULK (FORM 3606) 1-C
45	0403100AS	9721	823	0	CERT OF MAILING DUPL COPIES (FORM 3606) 1-C
45	0404100AS	848815	65927	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) 1-C
45	050E100AS	2040042	342864	0	SPECIAL HANDLING NOT MORE THAN 10 LBS 1-C
45	1400100AS	23793136	39655227	0	BRM-BASIC (WITHOUT ADV DEP ACC) 1-C

45	150[illegible]S	8874763	88747627	0	BRM-H[illegible]OL (WITH ADV DEP ACC) 1-C
45	160[illegible]3	3753932	62565532	0	BRM-Q[illegible]BASIC (WITH ADV DEP ACC) 1-C
45	23000[illegible]AS	139728	137471	0	POSTAGE DUE FROM DEAD MAIL
45	25070	10307911	0	0	FORM 3547 - FIRST CLASS
45	25145	5731187	0	0	AUTO ADDRESS CORRECTION (FIRST CLASS)
45	2800100AS	0	2559262	0	MERCHANDISE RETURN SERVICE 1-C
45	3700100AS	348319	43539950	0	BRM-QBRM, HIGH VOLUME (ADV DEP/QTR FEE) 1-C
45	3800100AS	8627	862653	0	BRM-NONLETTER-SIZE WT-AVERAGED BRM 1-C
45	4000100AS	0	49851	0	FRIEND-TO-FRIEND 1-C
45	620	20568123	0	0	FIRST CLASS MISCELLANEOUS MAILING FEES
50	2001ABAAM	859040	47644	386492	PRIORITY MAIL SINGLE-PIECE BALLOON L/F/I/P NON-PERM IMP
50	20010BAAM	855197499	162749669	313521371	PRIORITY MAIL SINGLE-PIECE L/F/I/P NON-PERM IMP
50	20010CAAM	96751683	24995359	19420905	PRIORITY MAIL SINGLE-PIECE FLAT RATE ENV NON-PERM IMP
50	20010DAAM	170062	32004	200	PRIORITY MAIL SINGLE-PIECE CARD NON-PERM IMP
50	20010EAAM	76258	15734	17782	PRIORITY MAIL SINGLE-PIECE KEYS/ID DEVICES NON-PERM IMP
50	20010HAAM	20330602	2640846	12995755	PRIORITY MAIL SP FLAT RATE BOX EXPERIMENT NON-PERM IMP
50	7500	150075968	26792237	60889441	PRIORITY MAIL SINGLE-PIECE
50	7520	5873513	1525588	874053	PRIORITY MAIL SINGLE-PIECE FLAT RATE ENVELOPE
50	7540	193	62	49	PRIORITY MAIL SINGLE-PIECE PARCEL RETURN EXPERIMENT
50	7545	153420	19925	25152	PRIORITY MAIL SINGLE-PIECE FLAT RATE BOX EXPERIMENT
55	0401200AS	10216	11046	0	CERT OF MAILING COM - BASIC (FORM 3817) PRIORITY
55	0402200AS	1241	356	0	CERT OF MAILING COM - BULK (FORM 3606) PRIORITY
55	0403200AS	500	278	0	CERT OF MAILING DUPL COPIES (FORM 3606) PRIORITY
55	0404200AS	542	100	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) PRIORITY
55	050E200AS	45158	7589	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PRIORITY
55	050F200AS	0	0	0	SPECIAL HANDLING MORE THAN 10 LBS PRIORITY
55	1400200AS	174949	291583	0	BRM-BASIC (WITHOUT ADV DEP ACC) PRIORITY
55	1500200AS	86654	866537	0	BRM-HIGH VOL (WITH ADV DEP ACC) PRIORITY
55	25075	24190	0	0	FORM 3547 - PRIORITY
55	2800200AS	0	1280778	0	MERCHANDISE RETURN SERVICE PRIORITY
55	3800200AS	573	57287	0	BRM-NONLETTER-SIZE WT-AVERAGED BRM PRIORITY
60	25030	214574765	13716634	12309709	DOMESTIC EXPRESS MAIL
60	25040	648788	42680	37604	AGENCY EXPRESS MAIL
60	25045	0	0	0	FRANKED EXPRESS MAIL
65	410	246724	589097	0	MAILGRAMS
70	2001	16699231	181215318	54281931	PERIODICALS IN-COUNTY
70	2010	0	0	0	PERIODICALS IN-COUNTY REPOSITIONABLE NOTE EXPERIMENT
75	2004	434202820	1642360179	795290749	PERIODICALS REGULAR
75	2011	0	0	0	PERIODICALS REGULAR REPOSITIONABLE NOTE EXPERIMENT
80	2005	79996885	445674540	127641658	PERIODICALS SPECIAL NONPROFIT
80	2012	0	0	0	PERIODICALS SPECIAL NONPROFIT REPOSITIONABLE NOTE EXPERIMENT
85	2006	5322801	21234550	10601137	PERIODICALS CLASSROOM
85	2013	0	0	0	PERIODICALS CLASSROOM REPOSITIONABLE NOTE EXPERIMENT
90	25110	1485185	0	0	FORM 3579 - PERIODICALS
90	25150	2601384	0	0	AUTO ADDRESS CORRECTION (PERIODICALS)
90	420	164151	0	0	PERIODICALS APPLICATION FEES
100	3170	2682609	4697275	410227	STD MAIL PAID AT FIRST-CLASS RATES
100	3175	1050	273	19	STD MAIL PAID AT PRIORITY RATES

100	0	36083932	133677160	6563120	STD MA R BASIC NONAUTO PIECE RATE
100	1	9041626	36525146	1797575	STD M R BASIC NONAUTO DBMC PIECE RATE
100	3232	3010803	12408756	478801	STD MAIL LTR BASIC NONAUTO DSCF PIECE RATE
100	3240	35147347	55370171	26770488	STD MAIL LTR/NONLTR BASIC NONAUTO POUND RATE
100	3241	7993494	10696578	6356499	STD MAIL LTR/NONLTR BASIC NONAUTO DBMC POUND RATE
100	3242	2519376	4237730	1652116	STD MAIL LTR/NONLTR BASIC NONAUTO DSCF POUND RATE
100	3280	31939095	127377885	5373001	STD MAIL LTR 3/5-D NONAUTO PIECE RATE
100	3281	5232837	22428337	1068759	STD MAIL LTR 3/5-D NONAUTO DBMC PIECE RATE
100	3282	21294417	94368854	3086122	STD MAIL LTR 3/5-D NONAUTO DSCF PIECE RATE
100	3290	45449518	69011236	37062702	STD MAIL LTR/NONLTR 3/5-D NONAUTO POUND RATE
100	3291	33978335	51284820	29786976	STD MAIL LTR/NONLTR 3/5-D NONAUTO DBMC POUND RATE
100	3292	22061343	47331467	18897296	STD MAIL LTR/NONLTR 3/5-D NONAUTO DSCF POUND RATE
100	3295	-2444351	0	0	STD MAIL BCODE DISCOUNT RESIDUAL SHAPE NONAUTO RATE
100	3630	9063833	30934265	3439547	STD MAIL NONLTR 3/5-D NONAUTO PIECE RATE
100	3631	3857185	14186281	2009781	STD MAIL NONLTR 3/5-D NONAUTO DBMC PIECE RATE
100	3632	10202006	32693108	4629811	STD MAIL NONLTR 3/5-D NONAUTO DSCF PIECE RATE
100	3640	14071322	38215964	4521321	STD MAIL NONLTR BASIC NONAUTO PIECE RATE
100	3641	889461	2471254	392555	STD MAIL NONLTR BASIC NONAUTO DBMC PIECE RATE
100	3642	963518	2211551	345226	STD MAIL NONLTR BASIC NONAUTO DSCF PIECE RATE
105	3180	0	0	0	STD MAIL REPOSITIONABLE NOTE EXPERIMENT
105	3370	278949071	1374133339	63577199	STD MAIL LTR 3-D AUTO PIECE RATE
105	3371	399425382	2194644952	113070632	STD MAIL LTR 3-D AUTO DBMC PIECE RATE
105	3372	117023862	661151755	33455411	STD MAIL LTR 3-D AUTO DSCF PIECE RATE
105	3380	130388036	686252822	24323468	STD MAIL LTR 5-D AUTO PIECE RATE
105	3381	196881929	1164981827	52680247	STD MAIL LTR 5-D AUTO DBMC PIECE RATE
105	3382	402037268	2451446759	101504853	STD MAIL LTR 5-D AUTO DSCF PIECE RATE
105	3394	98474040	449653653	22025011	STD MAIL LTR MIXED AADC AUTO PIECE RATE
105	3395	8574167	43303875	2522618	STD MAIL LTR MIXED AADC AUTO DBMC PIECE RATE
105	3397	89851649	423828960	21402690	STD MAIL LTR AADC AUTO PIECE RATE
105	3398	24100085	126178454	7482045	STD MAIL LTR AADC AUTO DBMC PIECE RATE
105	3399	1977457	10631488	378306	STD MAIL LTR AADC AUTO DSCF PIECE RATE
105	3810	120284665	460860775	54782522	STD MAIL FLAT 3/5-D AUTO PIECE RATE
105	3811	111946006	466441691	66157226	STD MAIL FLAT 3/5-D AUTO DBMC PIECE RATE
105	3812	98833327	420567333	61582563	STD MAIL FLAT 3/5-D AUTO DSCF PIECE RATE
105	3820	11321640	37738799	4705923	STD MAIL FLAT BASIC AUTO PIECE RATE
105	3821	317908	1139451	153747	STD MAIL FLAT BASIC AUTO DBMC PIECE RATE
105	3822	61240	223507	26117	STD MAIL FLAT BASIC AUTO DSCF PIECE RATE
105	3830	154135367	378473779	156230048	STD MAIL FLAT 3/5-D AUTO POUND RATE
105	3831	129656939	399093452	137765115	STD MAIL FLAT 3/5-D AUTO DBMC POUND RATE
105	3832	193656141	609219864	211999749	STD MAIL FLAT 3/5-D AUTO DSCF POUND RATE
105	3833	410277	1990206	423241	STD MAIL LTR 3/5-D AUTO POUND RATE
105	3834	2897373	15659723	3305984	STD MAIL LTR 3/5-D AUTO DBMC POUND RATE
105	3835	2382	13432	2860	STD MAIL LTR 3/5-D AUTO DSCF POUND RATE
105	3840	21347698	46982858	19932689	STD MAIL FLAT BASIC AUTO POUND RATE
105	3841	844073	2013778	878210	STD MAIL FLAT BASIC AUTO DBMC POUND RATE
105	3842	163592	421957	169143	STD MAIL FLAT BASIC AUTO DSCF POUND RATE
105	3843	162779	741071	157021	STD MAIL LTR BASIC AUTO POUND RATE
105	3844	491950	2501696	529128	STD MAIL LTR BASIC AUTO DBMC POUND RATE

105	5	285	1507	318	STD M/ R BASIC AUTO DSCF POUND RATE
110	0	13127364	67666822	2714135	STD M R ECR BASIC PIECE RATE
110	3261	11729662	67801658	4021049	STD MAIL LTR ECR BASIC DBMC PIECE RATE
110	3262	36309001	216125007	11820544	STD MAIL LTR ECR BASIC DSCF PIECE RATE
110	3263	6182659	38164561	1143694	STD MAIL LTR ECR BASIC DDU PIECE RATE
110	3265	1285745	7839908	249833	STD MAIL LTR ECR HIGH DENSITY PIECE RATE
110	3266	1171291	8190846	221541	STD MAIL LTR ECR HIGH DENSITY DBMC PIECE RATE
110	3267	12824909	92934127	4393661	STD MAIL LTR ECR HIGH DENSITY DSCF PIECE RATE
110	3268	1807375	13692238	513410	STD MAIL LTR ECR HIGH DENSITY DDU PIECE RATE
110	3270	10106824	35734519	12576421	STD MAIL LTR/NONLTR ECR BASIC POUND RATE
110	3271	31787265	137375324	44009002	STD MAIL LTR/NONLTR ECR BASIC DBMC POUND RATE
110	3272	236700313	1069200850	338131480	STD MAIL LTR/NONLTR ECR BASIC DSCF POUND RATE
110	3273	6175803	26962820	9585674	STD MAIL LTR/NONLTR ECR BASIC DDU POUND RATE
110	3350	7072892	46532181	1673892	STD MAIL LTR ECR SAT PIECE RATE
110	3351	7954275	60719660	1971234	STD MAIL LTR ECR SAT DBMC PIECE RATE
110	3352	61937823	491570021	30812036	STD MAIL LTR ECR SAT DSCF PIECE RATE
110	3353	17964191	149701593	4492545	STD MAIL LTR ECR SAT DDU PIECE RATE
110	3385	9719653	56840066	2061586	STD MAIL LTR ECR BASIC AUTO PIECE RATE
110	3386	20210101	134734013	6244524	STD MAIL LTR ECR BASIC AUTO DBMC PIECE RATE
110	3387	39857150	274876865	11203525	STD MAIL LTR ECR BASIC AUTO DSCF PIECE RATE
110	3388	1544930	11114596	287535	STD MAIL LTR ECR BASIC AUTO DDU PIECE RATE
110	3610	6698734	41867084	2953621	STD MAIL NONLTR ECR SAT PIECE RATE
110	3611	5100138	36691639	2868664	STD MAIL NONLTR ECR SAT DBMC PIECE RATE
110	3612	86463832	645252483	64381442	STD MAIL NONLTR ECR SAT DSCF PIECE RATE
110	3613	127780239	998283134	121824473	STD MAIL NONLTR ECR SAT DDU PIECE RATE
110	3620	13984025	72054307	7324030	STD MAIL NONLTR ECR BASIC PIECE RATE
110	3621	38408950	222017055	29646538	STD MAIL NONLTR ECR BASIC DBMC PIECE RATE
110	3622	189080395	1125475404	147704352	STD MAIL NONLTR ECR BASIC DSCF PIECE RATE
110	3623	5105784	31516690	3089268	STD MAIL NONLTR ECR BASIC DDU PIECE RATE
110	3650	2277040	9991926	3174430	STD MAIL LTR/NONLTR ECR SAT POUND RATE
110	3651	220639	1043764	363195	STD MAIL LTR/NONLTR ECR SAT DBMC POUND RATE
110	3652	29822553	172546856	49449300	STD MAIL LTR/NONLTR ECR SAT DSCF POUND RATE
110	3653	116366679	677992538	205963617	STD MAIL LTR/NONLTR ECR SAT DDU POUND RATE
110	3670	706358	4179638	359190	STD MAIL NONLTR ECR HIGH DENSITY PIECE RATE
110	3671	642556	4341591	619217	STD MAIL NONLTR ECR HIGH DENSITY DBMC PIECE RATE
110	3672	16550500	115737765	14100044	STD MAIL NONLTR ECR HIGH DENSITY DSCF PIECE RATE
110	3673	10168292	74221104	9825296	STD MAIL NONLTR ECR HIGH DENSITY DDU PIECE RATE
110	3680	234536	993260	314416	STD MAIL LTR/NONLTR ECR HIGH DENSITY POUND RATE
110	3681	88005	414591	137606	STD MAIL LTR/NONLTR ECR HIGH DENSITY DBMC POUND RATE
110	3682	15126858	70176033	24969150	STD MAIL LTR/NONLTR ECR HIGH DENSITY DSCF POUND RATE
110	3683	28512159	137950996	49843425	STD MAIL LTR/NONLTR ECR HIGH DENSITY DDU POUND RATE
115	3210	17930262	108023639	4789739	STD MAIL NONPROFIT LTR BASIC NONAUTO PIECE RATE
115	3211	1234849	8540160	483061	STD MAIL NONPROFIT LTR BASIC NONAUTO DBMC PIECE RATE
115	3212	1724952	12376863	445526	STD MAIL NONPROFIT LTR BASIC NONAUTO DSCF PIECE RATE
115	3220	3264404	8233289	3397446	STD MAIL NONPROFIT LTR/NONLTR BASIC NONAUTO POUND RATE
115	3221	31717	116076	36253	STD MAIL NONPROFIT LTR/NONLTR BASIC NONAUTO DBMC POUND RATE
115	3222	43223	153258	52930	STD MAIL NONPROFIT LTR/NONLTR BASIC NONAUTO DSCF POUND RATE
115	3300	21167430	137339897	5662137	STD MAIL NONPROFIT LTR 3/5-D NONAUTO PIECE RATE

115	1	667792	4912185	305927	STD MA NPROFIT LTR 3/5-D NONAUTO DBMC PIECE RATE
115	2	13362894	104636809	3593339	STD M NPROFIT LTR 3/5-D NONAUTO DSCF PIECE RATE
115	3310	3115992	7965260	3617620	STD MAIL NONPROFIT LTR/NONLTR 3/5-D NONAUTO POUND RATE
115	3311	283223	1204605	401739	STD MAIL NONPROFIT LTR/NONLTR 3/5-D NONAUTO DBMC POUND RATE
115	3312	548290	2463919	829129	STD MAIL NONPROFIT LTR/NONLTR 3/5-D NONAUTO DSCF POUND RATE
115	3315	-8349	0	0	STD MAIL NONPROFIT BCODE DISCOUNT RESIDUAL SHAPE NONAUTO RATE
115	3730	3605369	19437272	1758496	STD MAIL NONPROFIT NONLTR 3/5-D NONAUTO PIECE RATE
115	3731	445190	2744844	270823	STD MAIL NONPROFIT NONLTR 3/5-D NONAUTO DBMC PIECE RATE
115	3732	2092551	13292113	1174973	STD MAIL NONPROFIT NONLTR 3/5-D NONAUTO DSCF PIECE RATE
115	3740	3584163	14808178	1562567	STD MAIL NONPROFIT NONLTR BASIC NONAUTO PIECE RATE
115	3741	122661	585188	53726	STD MAIL NONPROFIT NONLTR BASIC NONAUTO DBMC PIECE RATE
115	3742	164442	802255	77517	STD MAIL NONPROFIT NONLTR BASIC NONAUTO DSCF PIECE RATE
120	3181	0	0	0	STD MAIL NONPROFIT REPOSITIONABLE NOTE EXPERIMENT
120	3430	66560996	515976645	26726355	STD MAIL NONPROFIT LTR 3-D AUTO PIECE RATE
120	3431	42004801	388933346	22855725	STD MAIL NONPROFIT LTR 3-D AUTO DBMC PIECE RATE
120	3432	10983991	106640677	4917175	STD MAIL NONPROFIT LTR 3-D AUTO DSCF PIECE RATE
120	3440	18948727	166215808	7104966	STD MAIL NONPROFIT LTR 5-D AUTO PIECE RATE
120	3441	20270595	217963374	11710105	STD MAIL NONPROFIT LTR 5-D AUTO DBMC PIECE RATE
120	3442	25402869	288668965	13458416	STD MAIL NONPROFIT LTR 5-D AUTO DSCF PIECE RATE
120	3454	29237599	203038870	9863895	STD MAIL NONPROFIT LTR MIXED AADC AUTO PIECE RATE
120	3455	619946	5040211	296742	STD MAIL NONPROFIT LTR MIXED AADC AUTO DBMC PIECE RATE
120	3457	24626333	181075981	9564954	STD MAIL NONPROFIT LTR AADC AUTO PIECE RATE
120	3458	1745431	15177645	917567	STD MAIL NONPROFIT LTR AADC AUTO DBMC PIECE RATE
120	3459	487387	4430791	163306	STD MAIL NONPROFIT LTR AADC AUTO DSCF PIECE RATE
120	3910	25268157	152217797	16742351	STD MAIL NONPROFIT FLAT 3/5-D AUTO PIECE RATE
120	3911	10493118	72366328	7938633	STD MAIL NONPROFIT FLAT 3/5-D AUTO DBMC PIECE RATE
120	3912	9258657	66133261	6041508	STD MAIL NONPROFIT FLAT 3/5-D AUTO DSCF PIECE RATE
120	3920	2711508	14346595	1607282	STD MAIL NONPROFIT FLAT BASIC AUTO PIECE RATE
120	3921	44307	263732	27945	STD MAIL NONPROFIT FLAT BASIC AUTO DBMC PIECE RATE
120	3922	7763	47625	4669	STD MAIL NONPROFIT FLAT BASIC AUTO DSCF PIECE RATE
120	3930	13934713	56531773	19407966	STD MAIL NONPROFIT FLAT 3/5-D AUTO POUND RATE
120	3931	3637253	18385971	5767561	STD MAIL NONPROFIT FLAT 3/5-D AUTO DBMC POUND RATE
120	3932	4127927	21934573	6795069	STD MAIL NONPROFIT FLAT 3/5-D AUTO DSCF POUND RATE
120	3933	38665	293419	62288	STD MAIL NONPROFIT LTR 3/5-D AUTO POUND RATE
120	3934	89150	803657	170777	STD MAIL NONPROFIT LTR 3/5-D AUTO DBMC POUND RATE
120	3935	1127	10564	2261	STD MAIL NONPROFIT LTR 3/5-D AUTO DSCF POUND RATE
120	3940	2159302	7530098	2807747	STD MAIL NONPROFIT FLAT BASIC AUTO POUND RATE
120	3941	28377	113481	42452	STD MAIL NONPROFIT FLAT BASIC AUTO DBMC POUND RATE
120	3942	4941	23834	7182	STD MAIL NONPROFIT FLAT BASIC AUTO DSCF POUND RATE
120	3943	19660	136444	29069	STD MAIL NONPROFIT LTR BASIC AUTO POUND RATE
120	3944	460	3746	796	STD MAIL NONPROFIT LTR BASIC AUTO DBMC POUND RATE
120	3945	98	863	184	STD MAIL NONPROFIT LTR BASIC AUTO DSCF POUND RATE
125	3320	1509618	11981092	634821	STD MAIL NONPROFIT LTR ECR BASIC PIECE RATE
125	3321	750485	7147473	528178	STD MAIL NONPROFIT LTR ECR BASIC DBMC PIECE RATE
125	3322	1960492	19604922	963288	STD MAIL NONPROFIT LTR ECR BASIC DSCF PIECE RATE
125	3323	855119	9097016	312198	STD MAIL NONPROFIT LTR ECR BASIC DDU PIECE RATE
125	3330	930943	5380994	1782579	STD MAIL NONPROFIT LTR/NONLTR ECR BASIC POUND RATE
125	3331	591299	4592910	1338276	STD MAIL NONPROFIT LTR/NONLTR ECR BASIC DBMC POUND RATE

125	?	2308535	18880771	5569196	STD M/ NPROFIT LTR/NONLTR ECR BASIC DSCF POUND RATE
125	3	91256	800401	240277	STD M NPROFIT LTR/NONLTR ECR BASIC DDU POUND RATE
125	3335	57041	559222	23207	STD MAIL NONPROFIT LTR ECR HIGH DENSITY PIECE RATE
125	3336	98964	1221783	29499	STD MAIL NONPROFIT LTR ECR HIGH DENSITY DBMC PIECE RATE
125	3337	310355	4083619	163851	STD MAIL NONPROFIT LTR ECR HIGH DENSITY DSCF PIECE RATE
125	3338	711119	10158836	141237	STD MAIL NONPROFIT LTR ECR HIGH DENSITY DDU PIECE RATE
125	3340	976881	8800723	358818	STD MAIL NONPROFIT LTR ECR BASIC AUTO PIECE RATE
125	3341	1383804	15375602	865429	STD MAIL NONPROFIT LTR ECR BASIC AUTO DBMC PIECE RATE
125	3342	1200133	14119182	634528	STD MAIL NONPROFIT LTR ECR BASIC AUTO DSCF PIECE RATE
125	3343	132459	1676695	58675	STD MAIL NONPROFIT LTR ECR BASIC AUTO DDU PIECE RATE
125	3410	3758835	39578880	1837582	STD MAIL NONPROFIT LTR ECR SAT PIECE RATE
125	3411	413000	5581081	233665	STD MAIL NONPROFIT LTR ECR SAT DBMC PIECE RATE
125	3412	5590796	81026029	4057001	STD MAIL NONPROFIT LTR ECR SAT DSCF PIECE RATE
125	3413	7536086	119620913	3343891	STD MAIL NONPROFIT LTR ECR SAT DDU PIECE RATE
125	3710	930777	8945311	885943	STD MAIL NONPROFIT NONLTR ECR SAT PIECE RATE
125	3711	207699	2502395	153109	STD MAIL NONPROFIT NONLTR ECR SAT DBMC PIECE RATE
125	3712	3956397	50723038	4186383	STD MAIL NONPROFIT NONLTR ECR SAT DSCF PIECE RATE
125	3713	2013582	27966420	2431657	STD MAIL NONPROFIT NONLTR ECR SAT DDU PIECE RATE
125	3720	2814361	22335229	1953385	STD MAIL NONPROFIT NONLTR ECR BASIC PIECE RATE
125	3721	4037198	38444065	3805203	STD MAIL NONPROFIT NONLTR ECR BASIC DBMC PIECE RATE
125	3722	14501135	145010431	10964020	STD MAIL NONPROFIT NONLTR ECR BASIC DSCF PIECE RATE
125	3723	343792	3650097	297770	STD MAIL NONPROFIT NONLTR ECR BASIC DDU PIECE RATE
125	3750	92561	719566	195713	STD MAIL NONPROFIT LTR/NONLTR ECR SAT POUND RATE
125	3751	19044	195226	50287	STD MAIL NONPROFIT LTR/NONLTR ECR SAT DBMC POUND RATE
125	3752	590887	6230057	1711994	STD MAIL NONPROFIT LTR/NONLTR ECR SAT DSCF POUND RATE
125	3753	233859	2804745	729229	STD MAIL NONPROFIT LTR/NONLTR ECR SAT DDU POUND RATE
125	3770	56817	516518	29713	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY PIECE RATE
125	3771	52095	585338	28157	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY DBMC PIECE RATE
125	3772	1162673	13841345	733349	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY DSCF PIECE RATE
125	3773	48843	626197	46935	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY DDU PIECE RATE
125	3780	1060	7249	2200	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY POUND RATE
125	3781	0	0	0	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY DBMC POUND RATE
125	3782	11813	126862	30610	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY DSCF POUND RATE
125	3783	4205	45338	12505	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY DDU POUND RATE
130	0401400AS	313	347	0	CERT OF MAILING COM - BASIC (FORM 3817) STD MAIL REG
130	0401900AS	876	973	0	CERT OF MAILING COM - BASIC (FORM 3817) STD MAIL NONPROF
130	0402400AS	1608	342	0	CERT OF MAILING COM - BULK (FORM 3606) STD MAIL REG
130	0402900AS	1870	295	0	CERT OF MAILING COM - BULK (FORM 3606) STD MAIL NONPROF
130	0403400AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) STD MAIL REG
130	0403900AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) STD MAIL NONPROF
130	0404400AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) STD MAIL REG
130	0404900AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) STD MAIL NONPROF
130	25085	3531688	0	0	FORM 3547 - STANDARD MAIL
130	25120	51404	0	0	FORM 3579 - STANDARD MAIL
130	25155	3107792	0	0	AUTO ADDRESS CORRECTION (STANDARD MAIL)
130	3200400AS	3295007	2183510	0	STANDARD MAIL WEIGHTED FEE STD MAIL REGULAR
130	3200900AS	1154529	851516	0	STANDARD MAIL WEIGHTED FEE STD MAIL NONPROFIT
130	3400400AS	919595	510886	0	BULK PARCEL RETURN SERVICE STD MAIL REGULAR

130	3400 S	457000	253889	0	BULK P 'L RETURN SERVICE STD MAIL NONPROFIT
130	)	20815411	0	0	STAND AIL BULK MAILING FEES
135	25165	3715654	340652	18123079	PSVC IN INTRA-BMC ALASKA BYPASS PARCEL POST
135	3600510AS	273160	78118	0	MAIL ENCLOSURE PSVC PARCEL POST
135	4100	5654383	863714	4065706	PSVC INTER-BMC MACH PARCEL POST
135	4105	1237340	275405	1498832	PSVC INTRA-BMC MACH PARCEL POST
135	4115	3610510	551264	2164696	PSVC BCODE INTER-BMC MACH PARCEL POST
135	4120	318801	71887	351623	PSVC BCODE INTRA-BMC MACH PARCEL POST
135	4125	411556	128820	214274	PSVC ORIGIN BMC PRES INTER-BMC MACH PARCEL POST
135	4130	10932	3587	8816	PSVC ORIGIN BMC PRES BCODE INTER-BMC MACH PARCEL POST
135	4135	1054	53	2676	PSVC ORIGIN BMC PRES INTER-BMC NONMACH PARCEL POST
135	4140	177553	40830	77001	PSVC BMC PRES INTER-BMC MACH PARCEL POST
135	4145	538450	125945	299555	PSVC BMC PRES BCODE INTER-BMC MACH PARCEL POST
135	4150	1423670	84105	1643282	PSVC INTER-BMC NONMACH PARCEL POST
135	4160	10247217	3275052	15373459	PSVC DBMC MACH PARCEL POST
135	4165	33619335	11162296	48118821	PSVC BCODE DBMC MACH PARCEL POST
135	4173	1007925	426367	3200696	PSVC DESTINATION SCF MACH PARCEL POST
135	4174	11097	2251	58853	PSVC DESTINATION SCF NONMACH PARCEL POST
135	4175	67735215	47768169	230827398	PSVC DESTINATION DELIV UNIT PARCEL POST
135	4180	13555	975	14454	PSVC BMC PRES INTER-BMC NONMACH PARCEL POST
135	4185	6332634	998220	13594774	PSVC DBMC NONMACH PARCEL POST
135	4190	280291	33270	796717	PSVC INTRA-BMC NONMACH PARCEL POST
135	4193	4984196	1789887	3603342	PSVC PARCEL SELECT PARCEL RETURN RBMC MACH EXPERIMENT
135	4194	4816	850	8036	PSVC PARCEL SELECT PARCEL RETURN RBMC MACH BALLOON EXP
135	4195	442158	112849	223817	PSVC PARCEL SELECT PARCEL RETURN RBMC NONMACH EXPERIMENT
135	4196	4359	630	6198	PSVC PARCEL SELECT PARCEL RETURN RBMC NONMACH BALLOON EXP
135	4197	8456	323	8180	PSVC PARCEL SELECT PARCEL RETURN RBMC NONMACH OVERSIZED EXP
135	4198	62	31	9	PSVC PARCEL SELECT PARCEL RETURN RDU EXPERIMENT
135	4199	68	9	57	PSVC PARCEL SELECT PARCEL RETURN RDU OVERSIZED EXPERIMENT
135	510BBBAAM	147607	8666	275957	PSVC PARCEL POST INTRA-BMC OVERSIZED L/F/I/P NON-PERM IMP
135	510BCBAAM	26138186	6081973	21304402	PSVC PARCEL POST INTRA-BMC MACH L/F/I/P NON-PERM IMP
135	510BDBAAM	17103	2808	28952	PSVC PARCEL POST INTRA-BMC MACH BALLOON L/F/I/P NON-PERM IMP
135	510BEBAAM	6149127	1386608	6890484	PSVC PARCEL POST INTRA-BMC NONMACH L/F/I/P NON-PERM IMP
135	510BFBAAM	276524	37640	262701	PSVC PARCEL POST INTRA-BMC NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510CCBAAM	1047050	358865	1123941	PSVC PARCEL POST INTRA-BMC BC MACH L/F/I/P NON-PERM IMP
135	510CDBAAM	9796	1580	14487	PSVC PARCEL POST INTRA-BMC BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510DBBAAM	213453	3802	136965	PSVC PARCEL POST INTER-BMC OVERSIZED L/F/I/P NON-PERM IMP
135	510DCBAAM	94763560	13682509	58012823	PSVC PARCEL POST INTER-BMC MACH L/F/I/P NON-PERM IMP
135	510DDBAAM	16980	1463	11962	PSVC PARCEL POST INTER-BMC MACH BALLOON L/F/I/P NON-PERM IMP
135	510DEBAAM	5654112	439045	5092400	PSVC PARCEL POST INTER-BMC NONMACH L/F/I/P NON-PERM IMP
135	510DFBAAM	136207	7225	68121	PSVC PARCEL POST INTER-BMC NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510ECBAAM	3183956	409617	2162370	PSVC PARCEL POST INTER-BMC BC MACH L/F/I/P NON-PERM IMP
135	510EDBAAM	0	0	0	PSVC PARCEL POST INTER-BMC BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510FBBAAM	87884	1024	50788	PSVC PARCEL POST INTER-BMC BMC PRES OVERSIZED L/F/I/P NON-PERM IMP
135	510FCBAAM	496406	78591	421861	PSVC PARCEL POST INTER-BMC BMC PRES MACH L/F/I/P NON-PERM IMP
135	510FDBAAM	0	0	0	PSVC PARCEL POST INTER-BMC BMC PRES MACH BALLOON L/F/I/P NON-PERM IMP
135	510FEBAAM	715827	26767	1041532	PSVC PARCEL POST INTER-BMC BMC PRES NONMACH L/F/I/P NON-PERM IMP
135	510FFBAAM	30648	1985	20962	PSVC PARCEL POST INTER-BMC BMC PRES NONMACH BALLOON L/F/I/P NON-PERM IMP

135	510G[illegible]	146329	18935	136125	PSVC P[illegible]L POST INTER-BMC BMC PRES BC MACH L/F/I/P NON-PE[illegible]P
135	510G[illegible]	0	0	0	PSVC P[illegible]L POST INTER-BMC BMC PRES BC MACH BALLOON L/F/I[illegible]-PERM IMP
135	510HBBAAM	333442	23699	377234	PSVC PARCEL POST INTER-BMC OBMC PRES OVERSIZED L/F/I/P NON-PERM IMP
135	510HCBAAM	1734391	323852	1104441	PSVC PARCEL POST INTER-BMC OBMC PRES MACH L/F/I/P NON-PERM IMP
135	510HDBAAM	25187	2385	28490	PSVC PARCEL POST INTER-BMC OBMC PRES MACH BALLOON L/F/I/P NON-PERM IMP
135	510HEBAAM	11886819	1889337	8452937	PSVC PARCEL POST INTER-BMC OBMC PRES NONMACH L/F/I/P NON-PERM IMP
135	510HFBAAM	768002	74146	629394	PSVC PARCEL POST INTER-BMC OBMC PRES NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510JCBAAM	2221756	527113	2822770	PSVC PARCEL POST INTER-BMC OBMC PRES BC MACH L/F/I/P NON-PERM IMP
135	510JDBAAM	59216	5537	40863	PSVC PARCEL POST INTER-BMC OBMC PRES BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510KBBAAM	9119	217	12777	PSVC PARCEL POST DBMC OVERSIZED L/F/I/P NON-PERM IMP
135	510KCBAAM	4100610	732324	2806948	PSVC PARCEL POST DBMC MACH L/F/I/P NON-PERM IMP
135	510KDBAAM	0	0	0	PSVC PARCEL POST DBMC MACH BALLOON L/F/I/P NON-PERM IMP
135	510KEBAAM	311235	52364	241203	PSVC PARCEL POST DBMC NONMACH L/F/I/P NON-PERM IMP
135	510KFBAAM	5820	610	7155	PSVC PARCEL POST DBMC NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510LCBAAM	0	0	0	PSVC PARCEL POST DBMC BC MACH L/F/I/P NON-PERM IMP
135	510LDBAAM	0	0	0	PSVC PARCEL POST DBMC BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510MBBAAM	0	0	0	PSVC PARCEL POST DSCF OVERSIZED L/F/I/P NON-PERM IMP
135	510MCBAAM	43087	18609	45182	PSVC PARCEL POST DSCF MACH L/F/I/P NON-PERM IMP
135	510MDBAAM	0	0	0	PSVC PARCEL POST DSCF MACH BALLOON L/F/I/P NON-PERM IMP
135	510MEBAAM	325070	95292	145486	PSVC PARCEL POST DSCF NONMACH L/F/I/P NON-PERM IMP
135	510MFBAAM	32	8	57	PSVC PARCEL POST DSCF NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510NABAAM	0	0	0	PSVC PARCEL POST DDU BALLOON L/F/I/P NON-PERM IMP
135	510NBBAAM	15304	3751	8557	PSVC PARCEL POST DDU OVERSIZED L/F/I/P NON-PERM IMP
135	510N0BAAM	69006	61014	25314	PSVC PARCEL POST DDU L/F/I/P NON-PERM IMP
140	3600520AS	49459	25563	0	MAIL ENCLOSURE PSVC BPM
140	4500	1235197	610232	936922	PSVC SP BOUND PRINTED MATTER FLATS
140	4501	154200	79961	86875	PSVC SP BCODE BOUND PRINTED MATTER FLATS
140	4502	16600502	12094884	17107773	PSVC PRESORTED BOUND PRINTED MATTER FLATS
140	4503	3468888	2705444	2846430	PSVC PRESORTED BCODE BOUND PRINTED MATTER FLATS
140	4504	6297144	6628652	10599037	PSVC PRESORTED DBMC BOUND PRINTED MATTER FLATS
140	4505	2595388	2947738	3229825	PSVC PRESORTED BCODE DBMC BOUND PRINTED MATTER FLATS
140	4506	7492255	10733517	16998758	PSVC PRESORTED DSCF BOUND PRINTED MATTER FLATS
140	4507	4191313	6560369	7201679	PSVC PRESORTED BCODE DSCF BOUND PRINTED MATTER FLATS
140	4508	70645	122024	190809	PSVC PRESORTED DDU BOUND PRINTED MATTER FLATS
140	4509	816767	644788	939645	PSVC CARRIER ROUTE BOUND PRINTED MATTER FLATS
140	4510	2566165	3066430	4217437	PSVC CARRIER ROUTE DBMC BOUND PRINTED MATTER FLATS
140	4511	6614598	11251896	15914535	PSVC CARRIER ROUTE DSCF BOUND PRINTED MATTER FLATS
140	4512	665164	1408057	1895895	PSVC CARRIER ROUTE DDU BOUND PRINTED MATTER FLATS
140	4550	1905266	780333	2422198	PSVC SP BOUND PRINTED MATTER PARCELS
140	4551	883369	353167	1207521	PSVC SP BCODE BOUND PRINTED MATTER PARCELS
140	4552	8983170	5419197	13881389	PSVC PRESORTED BOUND PRINTED MATTER PARCELS
140	4553	8959415	5432260	15342218	PSVC PRESORTED BCODE BOUND PRINTED MATTER PARCELS
140	4554	12605819	10533109	39668012	PSVC PRESORTED DBMC BOUND PRINTED MATTER PARCELS
140	4555	39263923	35147752	111511064	PSVC PRESORTED BCODE DBMC BOUND PRINTED MATTER PARCELS
140	4556	4826086	5336090	19958969	PSVC PRESORTED DSCF BOUND PRINTED MATTER PARCELS
140	4557	2466969	3503992	11100172	PSVC PRESORTED DDU BOUND PRINTED MATTER PARCELS
140	4558	161592	97619	277463	PSVC CARRIER ROUTE BOUND PRINTED MATTER PARCELS
140	4559	313132	299929	894870	PSVC CARRIER ROUTE DBMC BOUND PRINTED MATTER PARCELS

140	[illegible]	2925286	3829420	11737032	PSVC C[illegible]ER ROUTE DSCF BOUND PRINTED MATTER PARCELS
140	[illegible]	5450043	9096434	27300823	PSVC C[illegible]ER ROUTE DDU BOUND PRINTED MATTER PARCELS
140	[illegible]	261	85	231	PSVC BOUND PRINTED MATTER PARCEL RETURN RBMC EXPERIMENT
140	520R0FAAM	522529	331086	351004	PSVC BPM SINGLE-PIECE BC L/F NON-PERM IMP
140	520R0GAAM	1589816	782309	1907486	PSVC BPM SINGLE-PIECE BC I/P NON-PERM IMP
140	520T0FAAM	0	0	0	PSVC BPM PRESORTED BC L/F NON-PERM IMP
140	520T0GAAM	52941	37550	84897	PSVC BPM PRESORTED BC I/P NON-PERM IMP
140	520U0FAAM	24100	19904	31571	PSVC BPM PRESORTED DBMC L/F NON-PERM IMP
140	520U0GAAM	143752	100291	526363	PSVC BPM PRESORTED DBMC I/P NON-PERM IMP
140	520V0FAAM	0	0	0	PSVC BPM PRESORTED DBMC BC L/F NON-PERM IMP
140	520V0GAAM	4916	4025	13313	PSVC BPM PRESORTED DBMC BC I/P NON-PERM IMP
140	520W0FAAM	8252	9377	8967	PSVC BPM PRESORTED DSCF L/F NON-PERM IMP
140	520W0GAAM	88877	75715	373281	PSVC BPM PRESORTED DSCF I/P NON-PERM IMP
140	520X0FAAM	1171	1858	1114	PSVC BPM PRESORTED DDU L/F NON-PERM IMP
140	520X0GAAM	14551	15182	69896	PSVC BPM PRESORTED DDU I/P NON-PERM IMP
140	520Y0FAAM	0	0	0	PSVC BPM CARRIER ROUTE DBMC L/F NON-PERM IMP
140	520Y0GAAM	0	0	0	PSVC BPM CARRIER ROUTE DBMC I/P NON-PERM IMP
140	520Z0FAAM	0	0	0	PSVC BPM CARRIER ROUTE DSCF L/F NON-PERM IMP
140	520Z0GAAM	1787	1295	15216	PSVC BPM CARRIER ROUTE DSCF I/P NON-PERM IMP
140	52010FAAM	4389591	2176307	2302758	PSVC BPM SINGLE-PIECE L/F NON-PERM IMP
140	52010GAAM	5557885	2224524	6808855	PSVC BPM SINGLE-PIECE I/P NON-PERM IMP
140	52020FAAM	350450	195398	340874	PSVC BPM PRESORTED L/F NON-PERM IMP
140	52020GAAM	400411	216867	798323	PSVC BPM PRESORTED I/P NON-PERM IMP
140	52030FAAM	0	0	0	PSVC BPM CARRIER ROUTE L/F NON-PERM IMP
140	52030GAAM	4180	2103	1811	PSVC BPM CARRIER ROUTE I/P NON-PERM IMP
140	521A0FAAM	0	0	0	PSVC BPM CARRIER ROUTE DDU L/F NON-PERM IMP
140	521A0GAAM	0	0	0	PSVC BPM CARRIER ROUTE DDU I/P NON-PERM IMP
140	521F0FAAM	0	0	0	PSVC BPM PRESORTED DSCF BC L/F NON-PERM IMP
145	3600530AS	234083	138358	0	MAIL ENCLOSURE PSVC MEDIA MAIL
145	4300	5755715	2823684	6625886	PSVC SP MEDIA MAIL
145	4305	3794614	2045885	4308389	PSVC SP BCODE MEDIA MAIL
145	4320	1752228	1060087	2283177	PSVC BASIC PRESORT MEDIA MAIL
145	4325	12001136	7357803	16763738	PSVC BASIC PRESORT BCODE MEDIA MAIL
145	4330	701499	627562	1025200	PSVC 5-D MEDIA MAIL
145	530P0BAAM	61292	38968	205739	PSVC MEDIA MAIL 5-DIGIT PRES L/F/I/P NON-PERM IMP
145	530R0BAAM	3322670	1779479	4090479	PSVC MEDIA MAIL SINGLE-PIECE BC L/F/I/P NON-PERM IMP
145	53010BAAM	57196253	29273737	51008683	PSVC MEDIA MAIL SINGLE-PIECE L/F/I/P NON-PERM IMP
145	531D0BAAM	619170	331731	589864	PSVC MEDIA MAIL BASIC PRESORT L/F/I/P NON-PERM IMP
145	531E0BAAM	89	46	97	PSVC MEDIA MAIL BASIC PRESORT BC L/F/I/P NON-PERM IMP
150	3600540AS	8351	5994	0	MAIL ENCLOSURE PSVC LIBRARY MAIL
150	4400	543690	222767	836576	PSVC SP LIBRARY MAIL
150	4405	341538	193227	409443	PSVC SP BCODE LIBRARY MAIL
150	4420	54230	31747	63631	PSVC BASIC PRESORT LIBRARY MAIL
150	4425	4110	2543	5489	PSVC BASIC PRESORT BCODE LIBRARY MAIL
150	4430	3503	2992	3828	PSVC 5-D LIBRARY MAIL
150	540P0BAAM	13176	20001	24724	PSVC LIBRARY MAIL 5-DIGIT PRES L/F/I/P NON-PERM IMP
150	540R0BAAM	216662	145420	276169	PSVC LIBRARY MAIL SINGLE-PIECE BC L/F/I/P NON-PERM IMP
150	54010BAAM	5451266	2878958	5148606	PSVC LIBRARY MAIL SINGLE-PIECE L/F/I/P NON-PERM IMP

150	541D M	203907	122624	198441	PSVC I Y MAIL BASIC PRESORT L/F/I/P NON-PERM IMP
150	541E M	0	0	0	PSVC L Y MAIL BASIC PRESORT BC L/F/I/P NON-PERM IMP
155	04015uuAS	9412	10459	0	CERT OF MAILING COM - BASIC (FORM 3817) PSVC
155	0402500AS	0	0	0	CERT OF MAILING COM - BULK (FORM 3606) PSVC
155	0403500AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) PSVC
155	0404500AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) PSVC
155	050E500AS	52273	8785	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PSVC
155	050F500AS	16697	2024	0	SPECIAL HANDLING MORE THAN 10 LBS PSVC
155	060A500AS	104	232	0	PARCEL AIRLIFT (PAL) NOT MORE THAN 2 POUNDS PSVC
155	060B500AS	0	0	0	PARCEL AIRLIFT (PAL) > 2 LBS, NOT > THAN 3 LBS PSVC
155	060C500AS	0	0	0	PARCEL AIRLIFT (PAL) > 3 LBS, NOT > THAN 4 LBS PSVC
155	060D500AS	5016	2951	0	PARCEL AIRLIFT (PAL) OVER 4 LBS PSVC
155	25090	39940	0	0	FORM 3547 - PACKAGE SERVICES, PARCEL POST
155	25095	98802	0	0	FORM 3547 - PACKAGE SERVICES, BPM
155	25100	20277	0	0	FORM 3547 - PACKAGE SERVICES, MEDIA
155	25105	8026	0	0	FORM 3547 - PACKAGE SERVICES, LIBRARY
155	25125	854	0	0	FORM 3579 - PACKAGE SERVICES, PARCEL POST
155	25130	426	0	0	FORM 3579 - PACKAGE SERVICES, BPM
155	25135	228	0	0	FORM 3579 - PACKAGE SERVICES, MEDIA
155	25140	237	0	0	FORM 3579 - PACKAGE SERVICES, LIBRARY
155	25160	312969	0	0	AUTO ADDRESS CORRECTION (PACKAGE SERVICES)
155	2800500AS	0	2331856	0	MERCHANDISE RETURN SERVICE PSVC
155	448	126885	0	0	PACKAGE SERVICES MISCELLANEOUS MAILING FEES
160	10000AABM	0	2294506	164831	1-C NON-PERM IMP USPS
160	10000ABBM	0	121043851	4818037	1-C PERMIT IMP USPS
160	20000AABM	0	549829	708125	PRIORITY MAIL NON-PERM IMP USPS
160	20000ABBM	0	2929286	5670626	PRIORITY MAIL PERMIT IMP USPS
160	25035	0	236375	1334753	USPS EXPRESS MAIL
160	40000AABM	0	0	0	STD MAIL REG NON-PERM IMP USPS
160	40000ABBM	0	13939	87	STD MAIL REG PERMIT IMP USPS
160	50000AABM	0	159842	212285	PSVC NON-PERM IMP USPS
160	50000ABBM	0	1371947	13184836	PSVC PERMIT IMP USPS
160	5110	0	364804	78012	USPS 1-C SP LTRS, FLATS, & PARCELS
160	5230	0	64962	116885	USPS PRIORITY MAIL
160	5900	0	2220	690	USPS INTL ECONOMY LETTER-POST/PARCEL POST
160	5905	0	155189	12492	USPS INTL AIRMAIL LETTER-POST/PARCEL POST
160	70000AABM	0	0	0	INTL MAIL NON-PERM IMP USPS
160	70000ABBM	0	0	0	INTL MAIL PERM IMP USPS
165	5920	0	55669	171019	INTL ECONOMY FREE MATTER FOR THE BLIND
165	60000AAAM	0	16429837	7880887	FREE MAIL FOR THE BLIND NON-PERM IMP
170	5910	29137	5888	6266	AGN INTL ECONOMY LETTER-POST
170	6170	2072	441	1045	CONGR FRANK/OTHER FRANK INTL ECONOMY LETTER-POST
170	75000BAAM	8869	5916	819	INTL MAIL ECONOMY LP L/F/I/P NON-PERM IMP
170	75000BBAM	0	0	0	INTL MAIL ECONOMY LP L/F/I/P PERMIT IMP
170	8520	7883965	1235881	3626127	INTL ECONOMY LETTER-POST
175	5911	34392	830	14531	AGN INTL ECONOMY PARCEL POST
175	6171	469	13	194	CONGR FRANK/OTHER FRANK INTL ECONOMY PARCEL POST
175	76000BAAM	1686119	48979	782033	INTL MAIL ECONOMY PP L/F/I/P NON-PERM IMP

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175	7600 M	0	0	0	INTL M CONOMY PP L/F/I/P PERMIT IMP
175	0	16816974	713357	6202365	INTL E MY PARCEL POST
180	2007	4803340	3807008	1948212	INTERNATIONAL ECONOMY PERIODICALS
185	5915	210181	223953	15949	AGN INTL AIRMAIL LETTER-POST
185	6175	37294	12311	3633	CONGR FRANK/OTHER FRANK INTL AIRMAIL LETTER-POST
185	77000BAAM	1294549	497758	120937	INTL MAIL AIRMAIL LP L/F/I/P NON-PERM IMP
185	77000BBAM	0	0	0	INTL MAIL AIRMAIL LP L/F/I/P PERMIT IMP
185	8540	170095263	114150960	15277555	INTL AIRMAIL LETTER-POST
195	25053	949603	48979	170845	INTERNATIONAL COMMERCIAL PACKAGES (ICP) AIRMAIL PARCEL POST
195	5917	7157	315	1112	AGN INTL AIRMAIL PARCEL POST
195	6177	121125	1521	27237	CONGR FRANK/OTHER FRANK INTL AIRMAIL PARCEL POST
195	79000BAAM	13757346	495060	3258554	INTL MAIL AIRMAIL PP L/F/I/P NON-PERM IMP
195	79000BBAM	15690	574	4122	INTL MAIL AIRMAIL PP L/F/I/P PERMIT IMP
195	8550	50470799	1498911	12200753	INTL AIRMAIL PARCEL POST
205	25050	47542631	1396651	6007610	INTERNATIONAL EXPRESS MAIL
205	25054	631782	16315	101241	INTERNATIONAL COMMERCIAL PACKAGES (ICP) EXPRESS MAIL
210	25060	16901977	24118443	5324127	INTERNATIONAL SURFACE AIRLIFT (ISAL)
215	25055	24049290	51728033	3567368	INTERNATIONAL PRIORITY AIRMAIL (IPA)
216	25062	432177	984278	303329	GLOBAL DIRECT ENTRY OUTBOUND (GDEO)
216	25064	2054124	44107	102144	GLOBAL EXPRESS GUARANTEED (GXG)
217	533	57346908	0	0	FOREIGN POSTAL TRANSACTION REVENUE
220	0401700AS	24319	19505	0	CERT OF MAILING COM - BASIC (FORM 3817) INTL MAIL
220	0402700AS	0	0	0	CERT OF MAILING COM - BULK (FORM 3606) INTL MAIL
220	0403700AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) INTL MAIL
220	0404700AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) INTL MAIL
220	29007C0AS	40937	25050	0	POSTAGE DUE - FOREIGN ORIGIN INTL MAIL AIRMAIL
220	29007D0AS	8112	914	0	POSTAGE DUE - FOREIGN ORIGIN INTL MAIL SURFACE
220	3000700AS	203670	45260	0	CUSTOMS CLEARANCE AND DELIVERY FEES INTL MAIL
220	3100700AS	98956	5649	0	UNDELIVERED INTL PARCEL POST (RETURNED INTL) INTL MAIL
220	3300700AS	73924	65119	0	INTERNATIONAL BRM SERVICE INTL MAIL
220	4100700AS	55558	63454	0	UNDELIVERED INTL LETTER POST (RETURNED INTL) INTL MAIL
220	534	5622721	0	0	INTERNATIONAL MISCELLANEOUS ITEM FEES
220	552	-10768	0	0	INTERNATIONAL REPLY COUPON REVENUE
225	25010	14785735	1327711	0	DOMESTIC REGISTERED TOTAL
230	010G000AS	6588468	5068053	0	INSURED VALUE $.01 TO $50
230	010H000AS	7147320	3248782	0	INSURED VALUE $50.01 TO $100
230	010J000AS	5362248	1675702	0	INSURED VALUE $100.01 TO $200
230	010K000AS	2050438	488199	0	INSURED VALUE $200.01 TO $300
230	010L000AS	1272681	244746	0	INSURED VALUE $300.01 TO $400
230	010M000AS	1579487	254756	0	INSURED VALUE $400.01 TO $500
230	010N000AS	711415	98808	0	INSURED VALUE $500.01 TO $600
230	010P000AS	621709	75818	0	INSURED VALUE $600.01 TO $700
230	010Q000AS	231284	25140	0	INSURED VALUE $700.01 TO $800
230	010R000AS	332331	32582	0	INSURED VALUE $800.01 TO $900
230	010S000AS	660838	59003	0	INSURED VALUE $900.01 TO $1000
230	010T000AS	1550910	75403	0	INSURED VALUE $1000.01 TO $5000
230	25170	259087	199298	0	ONLINE INSURED VALUE $.01 TO $50
230	25171	210960	95891	0	ONLINE INSURED VALUE $50.01 TO $100

230	2	325386	101683	0	ONLINE INSURED VALUE $100.01 TO $200
230	5	17	4	0	DOMESTIC STANDARD MAIL BULK INSURED
230	8410	156637	120490	0	DOMESTIC INSURED MAIL $.01 TO $50 APO/FPO
230	8420	214163	97347	0	DOMESTIC INSURED MAIL $50.01 TO $100 APO/FPO
230	8425	160675	50211	0	DOMESTIC INSURED MAIL $100.01 TO $200 APO/FPO
230	8430	61440	14628	0	DOMESTIC INSURED MAIL $200.01 TO $300 APO/FPO
230	8435	38135	7334	0	DOMESTIC INSURED MAIL $300.01 TO $400 APO/FPO
230	8440	47328	7634	0	DOMESTIC INSURED MAIL $400.01 TO $500 APO/FPO
230	8445	21317	2961	0	DOMESTIC INSURED MAIL $500.01 TO $600 APO/FPO
235	25005	1974879	334996	0	COD TOTAL
235	2600000AS	1150	383	0	FORM 3849-D COD NOTICE OF NONDELIV
235	3500000AS	0	0	0	COD ALTERATION OF CHARGES/DELIVERY
240	0700000AS	146245646	63585064	0	CERTIFIED
242	0800000AS	89876373	51357927	0	RETURN RECEIPT
242	0900000AS	26657223	8202223	0	RETURN RECEIPT AFTER MAILING-CERTIFIED
242	1000000AS	195804	60248	0	RETURN RECEIPT AFTER MAILING-INSURED
242	1100000AS	830138	255427	0	RETURN RECEIPT AFTER MAILING-REGISTERED
242	1200000AS	2545203	848401	0	RETURN RECEIPT FOR MERCHANDISE
242	1300000AS	1625817	464519	0	RESTRICTED DELIVERY
242	2100100AS	320498	246537	0	SIGNATURE CONFIRMATION - ELECTRONIC FIRST CLASS
242	2100200AS	663698	510536	0	SIGNATURE CONFIRMATION - ELECTRONIC PRIORITY
242	2100500AS	112503	86541	0	SIGNATURE CONFIRMATION - ELECTRONIC PSVC
242	2200100AS	301751	167639	0	SIGNATURE CONFIRMATION - RETAIL FIRST CLASS
242	2200200AS	1947883	1082158	0	SIGNATURE CONFIRMATION - RETAIL PRIORITY
242	2200500AS	187503	104169	0	SIGNATURE CONFIRMATION - RETAIL PSVC
242	25167	72515	55781	0	RETURN RECEIPT-ELECTRONIC COPY OF SIGNATURE
242	9813	1171623	9012485	0	DELIVERY CONFIRMATION FIRST CLASS - ELECTRONIC
242	9814	2077839	3777889	0	DELIVERY CONFIRMATION FIRST CLASS - RETAIL
242	9815	0	35370045	0	DELIVERY CONFIRMATION PRIORITY - ELECTRONIC
242	9816	8539085	18975745	0	DELIVERY CONFIRMATION PRIORITY - RETAIL
242	9817	4159717	31997821	0	DELIVERY CONFIRMATION PSVC - ELECTRONIC
242	9818	2223516	4042757	0	DELIVERY CONFIRMATION PSVC - RETAIL
242	9819	1606278	12355986	0	DELIVERY CONFIRMATION STANDARD MAIL - ELECTRONIC
242	9820	0	54593628	0	DELIVERY CONFIRMATION PSVC PARCEL SELECT - ELECTRONIC
250	831	42393740	46079805	0	DOMESTIC MONEY ORDERS
255	838	10862682	0	0	OUTSTANDING MONEY ORDERS INTO REVENUE
260	25025	4428110	0	0	STAMPED ENVELOPE EXCESS REVENUE
260	25026	747740	37387000	0	STAMPED CARD FEES
265	840	195177436	0	0	MAIL BOX RENT
267	832	606920	161046	0	INTERNATIONAL MONEY ORDERS
268	010G701AS	54093	41610	0	INSURED VALUE $.01 TO $50 INTL MAIL TO CANADA
268	010G702AS	323220	174713	0	INSURED VALUE $.01 TO $50 INTL MAIL NON-CANADA
268	010H701AS	80553	36615	0	INSURED VALUE $50.01 TO $100 INTL MAIL TO CANADA
268	010H702AS	200029	76934	0	INSURED VALUE $50.01 TO $100 INTL MAIL NON-CANADA
268	010J701AS	132005	41251	0	INSURED VALUE $100.01 TO $200 INTL MAIL TO CANADA
268	010J702AS	318151	88375	0	INSURED VALUE $100.01 TO $200 INTL MAIL NON-CANADA
268	010K701AS	130036	30961	0	INSURED VALUE $200.01 TO $300 INTL MAIL TO CANADA
268	010K702AS	268541	58379	0	INSURED VALUE $200.01 TO $300 INTL MAIL NON-CANADA

268	01[illegible]AS	39348	7567	0	INSUF[illegible]ALUE $300.01 TO $400 INTL MAIL TO CANADA
268	01[illegible]AS	116590	20820	0	INSU[illegible]ALUE $300.01 TO $400 INTL MAIL NON-CANADA
268	010M701AS	65949	10637	0	INSURED VALUE $400.01 TO $500 INTL MAIL TO CANADA
268	010M702AS	88200	13364	0	INSURED VALUE $400.01 TO $500 INTL MAIL NON-CANADA
268	010N701AS	2278	316	0	INSURED VALUE $500.01 TO $600 INTL MAIL TO CANADA
268	010N702AS	51547	6783	0	INSURED VALUE $500.01 TO $600 INTL MAIL NON-CANADA
268	010P701AS	22530	2748	0	INSURED VALUE $600.01 TO $700 INTL MAIL TO CANADA
268	010P702AS	25241	2935	0	INSURED VALUE $600.01 TO $700 INTL MAIL NON-CANADA
268	010Q702AS	6197	646	0	INSURED VALUE $700.01 TO $800 INTL MAIL NON-CANADA
268	010R702AS	5247	495	0	INSURED VALUE $800.01 TO $900 INTL MAIL NON-CANADA
268	010S702AS	8568	739	0	INSURED VALUE $900.01 TO $1000 INTL MAIL NON-CANADA
268	010T702AS	77869	3795	0	INSURED VALUE $1000.01 TO $5000 INTL MAIL NON-CANADA
268	0800700AS	281400	160800	0	RETURN RECEIPT INTL MAIL
268	1300700AS	1539	440	0	RESTRICTED DELIVERY INTL MAIL
268	25013	4922477	648996	0	INTL REGISTERED TOTAL
270	846	12800000	0	0	REIMBURSEMENT REVENUE
270	847	151880841	0	0	MISCELLANEOUS ITEM REVENUE
270	848	15405000	0	0	REVENUE FOREGONE
270	850	19674505	0	0	INVESTMENT INCOME
275	25015	0	2784408	0	USPS DOMESTIC REGISTERED TOTAL
275	25020	0	0	0	USPS INTL REGISTERED TOTAL
280	0700000BS	0	301635	0	CERTIFIED USPS
282	0800000BS	0	186273	0	RETURN RECEIPT USPS
282	0800700BS	0	0	0	RETURN RECEIPT INTL MAIL USPS
282	1300000BS	0	1085	0	RESTRICTED DELIVERY USPS
282	1300700BS	0	0	0	RESTRICTED DELIVERY INTL MAIL USPS
282	1900100BS	0	59811	0	DELIVERY CONFIRMATION - ELECTRONIC FIRST CLASS USPS
282	1900200BS	0	791091	0	DELIVERY CONFIRMATION - ELECTRONIC PRIORITY USPS
282	1900500BS	0	29470	0	DELIVERY CONFIRMATION - ELECTRONIC PSVC USPS
282	191Z510BS	0	2036	0	DELIVERY CONFIRMATION - ELECTRONIC PSVC PARCEL SELECT USPS
282	2000100BS	0	64598	0	DELIVERY CONFIRMATION - RETAIL FIRST CLASS USPS
282	2000200BS	0	463255	0	DELIVERY CONFIRMATION - RETAIL PRIORITY USPS
282	2000500BS	0	3579	0	DELIVERY CONFIRMATION - RETAIL PSVC USPS
282	2100100BS	0	98	0	SIGNATURE CONFIRMATION - ELECTRONIC FIRST CLASS USPS
282	2100200BS	0	6492	0	SIGNATURE CONFIRMATION - ELECTRONIC PRIORITY USPS
282	2100500BS	0	366	0	SIGNATURE CONFIRMATION - ELECTRONIC PSVC USPS
282	2200100BS	0	3484	0	SIGNATURE CONFIRMATION - RETAIL FIRST CLASS USPS
282	2200200BS	0	13649	0	SIGNATURE CONFIRMATION - RETAIL PRIORITY USPS
282	2200500BS	0	0	0	SIGNATURE CONFIRMATION - RETAIL PSVC USPS
282	3900000BS	0	0	0	RETURN RECEIPT-ELECTRONIC COPY OF SIGNATURE USPS
285	1700000BS	0	3169258	0	BRM SERVICE USPS
290	050E100BS	0	32350	0	SPECIAL HANDLING NOT MORE THAN 10 LBS 1-C USPS
290	050E200BS	0	146	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PRIORITY USPS
290	050E500BS	0	41	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PSVC USPS
290	050F200BS	0	0	0	SPECIAL HANDLING MORE THAN 10 LBS PRIORITY USPS
290	050F500BS	0	319	0	SPECIAL HANDLING MORE THAN 10 LBS PSVC USPS

PRELIMINARY REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR QUARTER 2
FISCAL YEAR 2005 (Jan. 1, 2005-Mar. 31, 2005) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 2004
(Data In Th ts)

Service Category	REVENUE Quarter 2 FY 2005	REVENUE Quarter 2 FY 2004	REVENUE Change FY 2005 over FY 2004 Amount	REVENUE Change FY 2005 over FY 2004 Percent	PIECES Quarter 2 FY 2005	PIECES Quarter 2 FY 2004	PIECES Change FY 2005 over FY 2004 Amount	PIECES Change FY 2005 over FY 2004 Percent	WEIGHT Quarter 2 FY 2005	WEIGHT Quarter 2 FY 2004	WEIGHT Change FY 2005 over FY 2004 Amount	WEIGHT Change FY 2005 over FY 2004 Percent
First-Class Mail:												
Single-Piece Letters, Flats, & Parcels	4,858,696	5,159,532	(300,836)	(5.8)	10,664,254	11,317,595	(653,340)	(5.8)	513,398	542,998	(29,600)	(5.5)
Nonautom. Presort Letters, Flats, & Parcels	200,779	226,002	(25,224)	(11.2)	496,773	560,863	(64,090)	(11.4)	27,084	30,016	(2,932)	(9.8)
Automation Presort Letters and Flats	3,585,134	3,474,319	110,815	3.2	11,940,624	11,514,557	426,067	3.7	521,911	502,252	19,660	3.9
Automation Carrier Route Presort Letters	48,022	54,920	(6,898)	(12.6)	169,970	193,690	(23,719)	(12.2)	7,185	8,992	(1,808)	(20.1)
Total Presort Letters, Flats, & Parcels	3,833,934	3,755,241	78,693	2.1	12,607,368	12,269,110	338,258	2.8	556,180	541,260	14,920	2.8
Single-Piece Cards	149,699	153,323	(3,624)	(2.4)	630,494	643,350	(12,856)	(2.0)	4,114	4,108	6	0.1
Nonautomation Presort Cards	20,946	21,044	(98)	(0.5)	99,077	99,392	(315)	(0.3)	824	726	97	13.4
Automation Presort Cards	115,143	112,932	2,211	2.0	634,335	621,266	13,069	2.1	6,970	6,225	745	12.0
Automation Carrier Route Presort Cards	3,576	3,569	7	0.2	21,096	21,022	75	0.4	199	202	(2)	(1.2)
Total Presort Cards	139,664	137,545	2,120	1.5	754,508	741,679	12,829	1.7	7,993	7,154	840	11.7
Domestic Mail Fees	77,101	76,360	741	1.0	-	-	-	-	-	-	-	-
Total First-Class Mail	9,059,094	9,282,000	(222,906)	(2.4)	24,656,624	24,971,734	(315,110)	(1.3)	1,081,685	1,095,519	(13,834)	(1.3)
Priority Mail	1,129,488	1,093,660	35,828	3.3	218,819	213,036	5,783	2.7	408,131	395,372	12,759	3.2
Domestic Mail Fees	344	454	(110)	(24.3)	-	-	-	-	-	-	-	-
Total Priority Mail	1,129,832	1,094,115	35,717	3.3	218,819	213,036	5,783	2.7	408,131	395,372	12,759	3.2
Express Mail	215,224	212,649	2,575	1.2	13,759	13,579	180	1.3	12,347	12,100	247	2.0
Mailgrams	247	173	74	42.6	589	406	183	45.1	-	-	-	-
Periodicals:												
In-County	16,699	16,889	(189)	(1.1)	181,215	182,081	(865)	(0.5)	54,282	55,315	(1,033)	(1.9)
Regular	434,203	433,972	230	0.1	1,642,380	1,630,205	12,156	0.7	795,291	786,905	8,386	1.1
Special Nonprofit	79,997	83,906	(3,909)	(4.7)	445,675	474,347	(28,672)	(6.0)	127,642	128,765	(1,124)	(0.9)
Classroom	5,323	5,274	49	0.9	21,235	22,662	(1,428)	(6.3)	10,601	10,133	468	4.6
Domestic Mail Fees	4,251	4,880	(630)	(12.9)	-	-	-	-	-	-	-	-
Total Periodical Mail	540,472	544,921	(4,449)	(0.8)	2,290,485	2,309,295	(18,810)	(0.8)	987,815	981,118	6,697	0.7
Standard Mail:												
Regular - Nonautomation Presort	293,039	317,771	(24,732)	(7.8)	790,128	870,418	(80,290)	(9.2)	154,642	163,811	(9,170)	(5.6)
- Automation Presort	2,594,217	2,465,357	128,859	5.2	12,430,293	11,735,619	694,674	5.9	1,161,224	1,096,349	64,875	5.9
Enhanced Carrier Route	1,228,807	1,189,313	39,494	3.3	7,450,526	7,178,430	272,096	3.8	1,227,039	1,163,092	63,948	5.5
Total Regular and ECR	4,116,063	3,972,441	143,622	3.6	20,670,946	19,784,466	886,480	4.5	2,542,905	2,423,253	119,652	4.9
Nonprofit - Nonautomation Presort	73,381	82,094	(8,713)	(10.6)	447,636	504,152	(56,516)	(11.2)	28,513	30,833	(2,320)	(7.5)
- Automation Presort	312,714	303,000	9,714	3.2	2,504,306	2,421,115	83,191	3.4	175,035	166,077	8,958	5.4
Nonprofit Enhanced Carrier Route	62,246	60,241	2,005	3.3	704,564	665,309	39,254	5.9	51,364	47,733	3,631	7.6
Total Nonprofit and Nonprofit ECR	448,341	445,335	3,006	0.7	3,656,505	3,590,575	65,930	1.8	254,912	244,643	10,269	4.2
Domestic Mail Fees	33,337	33,908	(571)	(1.7)	-	-	-	-	-	-	-	-
Total Standard Mail	4,597,741	4,451,684	146,057	3.3	24,327,452	23,375,042	952,410	4.1	2,797,817	2,667,896	129,921	4.9
Package Services:												
Parcel Post	303,203	296,715	6,489	2.2	94,417	87,218	7,199	8.3	458,090	444,371	13,719	3.1
Bound Printed Matter	154,717	153,318	1,400	0.9	144,877	139,358	5,519	4.0	351,103	337,551	13,552	4.0
Media Mail	85,439	90,533	(5,094)	(5.6)	45,339	48,430	(3,091)	(6.4)	86,901	91,841	(4,939)	(5.4)
Library Mail	6,840	7,432	(592)	(8.0)	3,620	4,036	(416)	(10.3)	6,967	6,991	(24)	(0.3)
Domestic Mail Fees	692	597	95	15.9	-	-	-	-	-	-	-	-
Total Package Services	550,892	548,595	2,297	0.4	288,253	279,043	9,211	3.3	903,061	880,754	22,308	2.5

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PRELIMINARY REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR QUARTER 2
FISCAL YEAR 2005 (Jan. 1, 2005-Mar. 31, 2005) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 2004
(Data In Th ds)

Service Category	REVENUE Quarter 2 FY 2005	REVENUE Quarter 2 FY 2004	REVENUE Change FY 2005 over FY 2004 Amount	REVENUE Change FY 2005 over FY 2004 Percent	PIECES Quarter 2 FY 2005	PIECES Quarter 2 FY 2004	PIECES Change FY 2005 over FY 2004 Amount	PIECES Change FY 2005 over FY 2004 Percent	WEIGHT Quarter 2 FY 2005	WEIGHT Quarter 2 FY 2004	WEIGHT Change FY 2005 over FY 2004 Amount	WEIGHT Change FY 2005 over FY 2004 Percent
U.S. Postal Service Mail	-	-	-	-	129,187	128,368	819	0.6	26,302	26,857	(555)	(2.1)
Free Mail for the Blind and Handicapped	-	-	-	-	16,486	17,707	(1,222)	(6.9)	8,052	8,224	(172)	(2.1)
Total Domestic Mail	16,093,502	16,134,137	(40,634)	(0.3)	51,941,653	51,308,209	633,445	1.2	6,225,211	6,067,842	157,370	2.6
International Mail:												
Economy - Letter-Post	7,924	12,321	(4,397)	(35.7)	1,248	2,107	(859)	(40.8)	3,634	5,132	(1,498)	(29.2)
- Parcel Post	18,538	18,211	327	1.8	783	627	136	21.7	6,999	7,520	(521)	(6.9)
- Periodicals	4,803	5,834	(1,030)	(17.7)	3,807	4,248	(441)	(10.4)	1,948	2,283	(334)	(14.7)
Total Economy Mail	31,265	36,366	(5,101)	(14.0)	5,818	6,982	(1,164)	(16.7)	12,582	14,935	(2,353)	(15.8)
Airmail - Letter-Post	171,637	174,329	(2,692)	(1.5)	114,885	124,200	(9,315)	(7.5)	15,418	15,187	231	1.5
- Parcel Post	65,322	56,248	9,073	16.1	2,045	1,691	354	20.9	15,663	13,038	2,624	20.1
Total Airmail	236,959	230,578	6,381	2.8	116,930	125,892	(8,961)	(7.1)	31,081	28,225	2,855	10.1
International Express Mail	48,174	40,631	7,543	18.6	1,413	1,247	166	13.3	6,109	4,832	1,277	26.4
International Surface Airlift Mail	16,902	16,740	162	1.0	24,118	23,730	388	1.6	5,324	5,272	52	1.0
International Priority Airmail	24,049	22,562	1,487	6.6	51,728	49,274	2,454	5.0	3,567	3,440	127	3.7
International Other Mail 1/	2,486	3,361	(874)	(26.0)	1,028	1,319	(291)	(22.0)	405	752	(347)	(46.1)
International Mail Subtotal	359,636	350,238	9,599	2.7	201,036	208,444	(7,407)	(3.6)	59,068	57,457	1,611	2.8
Foreign Postal Transactions	57,347	61,620	(4,273)	(6.9)	-	-	-	-	-	-	-	-
International Mail Fees	6,117	6,115	2	0.0	-	-	-	-	-	-	-	-
Total International Mail	423,301	417,972	5,328	1.3	201,036	208,444	(7,407)	(3.6)	59,068	57,457	1,611	2.8
Total All Mail	16,516,803	16,552,109	(35,306)	(0.2)	52,142,690	51,516,652	626,038	1.2	6,284,279	6,125,298	158,981	2.6
Domestic Special and Other Services:												
Registered	14,786	12,730	2,056	16.1	1,328	1,156	172	14.9				
Insurance	29,604	29,538	67	0.2	12,044	12,965	(921)	(7.1)				
Collect on Delivery	1,976	2,623	(647)	(24.7)	335	468	(133)	(28.4)				
Certified	146,246	162,911	(16,666)	(10.2)	63,585	70,831	(7,246)	(10.2)				
Delivery Receipt Services	145,115	139,702	5,413	3.9	233,568	205,041	28,528	13.9				
Money Orders	42,394	44,748	(2,355)	(5.3)	46,080	48,632	(2,552)	(5.2)				
Total Domestic Special Services	380,120	392,253	(12,132)	(3.1)	356,941	339,093	17,848	5.3				
Outstanding MO Taken into Revenue 2/	10,863	0	10,863	-								
Stamped Envelopes and Cards	5,176	5,347	(171)	(3.2)								
Box Rents	195,177	196,933	(1,755)	(0.9)								
Total Domestic Services	591,336	594,532	(3,196)	(0.5)								
International Special Services:												
Money Orders	607	814	(207)	(25.4)	161	196	(35)	(17.8)				
Other Special Services	7,222	6,321	901	14.3	1,430	1,284	146	11.3				
Total International Services	7,829	7,134	694	9.7	1,591	1,480	111	7.5				
Total Services	599,165	601,666	(2,501)	(0.4)								
Total Mail and Services	17,115,968	17,153,775	(37,807)	(0.2)								
Other Revenue	199,760	153,076	46,684	30.5								
Total Revenue	17,315,728	17,306,851	8,877	0.1								

Special Service Transactions
U.S. Postal Service Mail
Quarter 2, FY 2005 3/

Registered	2,784
Certified	302
Delivery Receipt Services	1,625
Mail Fee Services	3,169
Special Handling	33
Total	7,913

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PRELIMINARY REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR QUARTER 2
FISCAL YEAR 2005 (Jan. 1, 2005-Mar. 31, 2005) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 2004
(Data in Th ds)

RPW SUMMARY REPC. FOOTNOTES

1/ Beginning FY 2005, International Commercial Packages (ICP) Express Mail is reported with International Express Mail and ICP Airmail Parcel Post is reported with International Airmail Parcel Post. Prior to FY 2005, ICP mail activity was reported in International Other Mail.
2/ Outstanding Money Orders Taken Into Revenue are now reported on a quarterly basis.
3/ Not included elsewhere in this report.

- Report totals may not sum due to rounding.

2510

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD
TO PRESIDING OFFICER'S INFORMATION REQUEST No. 8, QUESTION 16

POIR8, Question 16. Please provide the Revenue Pieces and Weight (RPW) report by rate category for quarters 1 and 2 of FY 2005. Include RPW reports by rate category for quarters 1 and 2 of FY 2005 for Parcel Post, Priority [Mail], and Express [M]ail.

RESPONSE:

Attached, please find Fy2005qt1_RPWextractfile.xls and

Fy2005q2_RPWextractfile.xls, Excel files, that provide the rate category detail for

quarters 1 and 2 of FY2005, respectively. These data are preliminary. Final

quarterly RPW data will be produced after the close of the fiscal year.

DATE	01/19/2005
FISCAL YEAR	2005
QUARTER	1

TWO-PAGE SUMMARY RPW DATA - SORTED BY TWO-PAGE CATEGORY CODE
FISCAL YEAR 2005, QUARTER 1

SUM_CODE	MAILCAT	REVENUE	PIECES	WEIGHT	LABEL
Ctrl+r					
5	0	5520674422	12366264060	581009695	1-C SINGLE-PIECE LETTERS, FLATS, AND PARCELS
10	0	211205918	520084011	29048673	1-C NONAUTOMATION PRESORT LETTERS, FLATS, AND PARCELS
15	0	3586002236	11922989158	525369010	1-C AUTOMATION PRESORT LETTERS AND FLATS
20	0	54878361	194379671	8364331	1-C AUTOMATION CARRIER ROUTE PRESORT LETTERS
25	0	153354414	645118221	4209360	1-C SINGLE-PIECE CARDS
30	0	20028602	94451126	866729	1-C NONAUTOMATION PRESORT MAILING CARDS
35	0	121259013	665773244	7683228	1-C AUTOMATION PRESORT CARDS
40	0	3255945	19147679	186040	1-C AUTOMATION CARRIER ROUTE PRESORT CARDS
45	0	77330135	211473193	0	1-C DOMESTIC MAIL FEES
50	0	1293501800	239616410	485081299	PRIORITY MAIL
55	0	475398	2561409	0	PRIORITY DOMESTIC MAIL FEES
60	0	217514368	13516895	14487845	DOMESTIC EXPRESS MAIL
65	0	186722	434090	0	MAILGRAMS
70	0	19412527	203448121	68008794	PERIODICALS IN-COUNTY
75	0	447806919	1622199323	853396473	PERIODICALS REGULAR
80	0	86743673	498549163	137500097	PERIODICALS SPECIAL NONPROFIT
85	0	4280527	15972264	10116587	PERIODICALS CLASSROOM
90	0	5241277	0	0	PERIODICALS DOMESTIC MAIL FEES
100	0	307243771	842679770	159008560	STANDARD MAIL REGULAR - NONAUTOMATION PRESORT
105	0	2624319874	12659995411	1166107225	STANDARD MAIL REGULAR - AUTOMATION PRESORT
110	0	1540533001	8943479299	1576700161	STANDARD MAIL ENHANCED CARRIER ROUTE
115	0	87005515	536508553	34339295	STANDARD MAIL NONPROFIT - NONAUTOMATION PRESORT
120	0	357939735	2885583465	206603880	STANDARD MAIL NONPROFIT - AUTOMATION PRESORT
125	0	105851742	1086125234	81866826	STANDARD MAIL NONPROFIT ENHANCED CARRIER ROUTE
130	0	31007877	3814382	0	STANDARD MAIL DOMESTIC MAILING FEES
135	0	401994902	123359434	633610814	PACKAGE SERVICES PARCEL POST
140	0	146679646	140176564	345981297	PACKAGE SERVICES BOUND PRINTED MATTER
145	0	88713569	46946501	91421111	PACKAGE SERVICES MEDIA MAIL
150	0	7873933	4202448	7754020	PACKAGE SERVICES LIBRARY MAIL
155	0	677155	1861561	0	PACKAGE SERVICES DOMESTIC MAIL FEES
160	0	0	199737792	29609650	U.S. POSTAL SERVICE MAIL

1[illegible]	0	0	19177430	8761[illegible]	[illegible]REE MAIL FOR THE BLIND AND HANDICAPPED
170	0	9905903	1442343	4395921	INTERNATIONAL ECONOMY - LETTER-POST
175	0	23853580	863404	9305810	INTERNATIONAL ECONOMY - PARCEL POST
180	0	5137761	3876092	2100976	INTERNATIONAL ECONOMY - PERIODICALS
185	0	217064787	151345079	18918610	INTERNATIONAL AIRMAIL - LETTER-POST
195	0	83939611	2519326	19280320	INTERNATIONAL AIRMAIL - PARCEL POST
205	0	52166646	1476351	6970010	INTERNATIONAL EXPRESS MAIL
210	0	19606583	32567751	5390228	INTERNATIONAL SURFACE AIRLIFT
215	0	24770154	54127375	3754315	INTERNATIONAL PRIORITY AIRMAIL
216	0	2373760	876240	463253	INTERNATIONAL OTHER MAIL
217	0	63203492	0	0	INTERNATIONAL FOREIGN POSTAL TRANSACTIONS
220	0	5484515	200218	0	INTERNATIONAL MAIL FEES
225	0	12669358	1128793	0	DOMESTIC REGISTERED
230	0	31972072	13261620	0	DOMESTIC INSURANCE
235	0	2291089	367479	0	COLLECT ON DELIVERY
240	0	145473936	63249537	0	CERTIFIED
242	0	136689092	251978873	0	DELIVERY RECEIPT SERVICES
250	0	41995769	45646456	0	DOMESTIC MONEY ORDERS
255	0	10551389	0	0	OUTSTANDING MONEY ORDERS TAKEN INTO REVENUE
260	0	5002914	20836000	0	STAMPED ENVELOPES AND CARDS
265	0	197325279	0	0	BOX RENTS
267	0	659379	177556	0	INTERNATIONAL MONEY ORDERS
268	0	7017392	1296340	0	INTERNATIONAL OTHER SPECIAL SERVICES
270	0	174646995	0	0	OTHER REVENUE
275	0	0	2790110	0	USPS REGISTERED TRANSACTIONS
280	0	0	232692	0	USPS CERTIFIED TRANSACTIONS
282	0	0	1347310	0	USPS DELIVERY RECEIPT SERVICE TRANSACTIONS
285	0	0	3685942	0	USPS MAIL FEE SERVICE TRANSACTIONS
290	0	0	95292	0	USPS SPECIAL HANDLING TRANSACTIONS

SUMMARY RPW DATA - SORTED BY MAIL CATEGORY CODE WITHIN TWO-PAGE CATEGORY CODE
FISCAL YEAR 2005, QUARTER 1

SUM_CODE	MAILCAT	REVENUE	PIECES	WEIGHT	LABEL
5	1A000AAAM	0	705104	52263	1-C ABSENTEE BALLOTS NON-PERM IMP
5	100A0BBAM	28857735	83340394	1864483	1-C SINGLE-PIECE QBRM L/F/I/P PERMIT IMP
5	10010BAAM	5239834777	11862531442	540546579	1-C SINGLE-PIECE L/F/I/P NON-PERM IMP
5	10010EAAM	138445	136589	9054	1-C SINGLE-PIECE KEYS/ID DEVICES NON-PERM IMP
5	10012BAAM	55002347	108996289	4980660	1-C SINGLE-PIECE NONMACH L/F/I/P NON-PERM IMP
5	10012EAAM	4994	4581	183	1-C SINGLE-PIECE NONMACH KEYS/ID DEVICES NON-PERM IMP
5	1100	196073533	310549661	33556474	1-C SP LETTERS, FLATS, & PARCELS
5	1120	762592	0	0	1-C SP NONMACH LETTERS, FLATS, & PARCELS
10	1110	210436077	520084011	29048673	1-C NONAUTO PRES LETTERS, FLATS, & PARCELS
10	1130	769841	0	0	1-C NONAUTO PRES NONMACH LETTERS, FLATS, & PARCELS
15	1180	1258106822	4434909159	189141621	1-C 5-D AUTO LETTERS
15	1303	234938990	728126284	29376238	1-C MIXED AADC AUTO LETTERS
15	1304	204069916	655528397	26254036	1-C AADC AUTO LETTERS
15	1310	1781937152	5933832173	258565519	1-C 3-D AUTO LETTERS
15	1420	40527811	61444429	8795250	1-C 3-D AUTO FLATS
15	1430	540472	0	0	1-C 3-D AUTO NONMACH FLATS
15	1440	41156837	73079066	8414389	1-C 5-D AUTO FLATS
15	1453	6843382	10474589	1448256	1-C MIXED ADC AUTO FLATS
15	1454	16099447	25595061	3373701	1-C ADC AUTO FLATS
15	1460	1607861	0	0	1-C 5-D AUTO NONMACH FLATS
15	1472	39182	0	0	1-C MIXED ADC AUTO NONMACH FLATS
15	1473	134364	0	0	1-C ADC AUTO NONMACH FLATS
20	1140	54878361	194379671	8364331	1-C CRT AUTO LETTERS
25	100A0DBAM	2322669	11613345	72583	1-C SINGLE-PIECE QBRM CARD PERMIT IMP
25	10010DAAM	133029479	555254500	3470341	1-C SINGLE-PIECE CARD NON-PERM IMP
25	1220	18002266	78250376	666436	1-C SP CARDS
30	1230	20028602	94451126	866729	1-C NONAUTO PRES CARDS
35	1280	40833763	231952900	2436784	1-C 5-D AUTO CARDS
35	1403	13871721	71485760	772682	1-C MIXED AADC AUTO CARDS
35	1404	10733310	57382907	693712	1-C AADC AUTO CARDS
35	1410	55820219	304951677	3780050	1-C 3-D AUTO CARDS
40	1240	3255945	19147679	186040	1-C CRT AUTO CARDS
45	0401100AS	491494	412013	0	CERT OF MAILING COM - BASIC (FORM 3817) 1-C
45	0402100AS	74269	15607	0	CERT OF MAILING COM - BULK (FORM 3606) 1-C
45	0403100AS	15122	1428	0	CERT OF MAILING DUPL COPIES (FORM 3606) 1-C
45	0404100AS	971864	112854	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) 1-C
45	050E100AS	3318357	557707	0	SPECIAL HANDLING NOT MORE THAN 10 LBS 1-C
45	1400100AS	23092868	38488113	0	BRM-BASIC (WITHOUT ADV DEP ACC) 1-C
45	1500100AS	7862597	78625965	0	BRM-HIGH VOL (WITH ADV DEP ACC) 1-C

45	160[illegible]AS	3180121	53002030	0	BRM-O[illegible] BASIC (WITH ADV DEP ACC) 1-C
45	23[illegible]S	226961	286835	0	POST[illegible]E FROM DEAD MAIL
45	[illegible]70	9633323	0	0	FORM [illegible] - FIRST CLASS
45	25145	8282975	0	0	AUTO ADDRESS CORRECTION (FIRST CLASS)
45	2800100AS	0	1086425	0	MERCHANDISE RETURN SERVICE 1-C
45	3700100AS	298012	37251454	0	BRM-QBRM, HIGH VOLUME (ADV DEP/QTR FEE) 1-C
45	3800100AS	16275	1627524	0	BRM-NONLETTER-SIZE WT-AVERAGED BRM 1-C
45	4000100AS	0	5238	0	FRIEND-TO-FRIEND 1-C
45	620	19865897	0	0	FIRST CLASS MISCELLANEOUS MAILING FEES
50	2001ABAAM	5584758	313724	4311872	PRIORITY MAIL SINGLE-PIECE BALLOON L/F/I/P NON-PERM IMP
50	20010BAAM	1012168359	184346999	384347584	PRIORITY MAIL SINGLE-PIECE L/F/I/P NON-PERM IMP
50	20010CAAM	89747345	23190164	16987373	PRIORITY MAIL SINGLE-PIECE FLAT RATE ENV NON-PERM IMP
50	20010DAAM	493	18	0	PRIORITY MAIL SINGLE-PIECE CARD NON-PERM IMP
50	20010EAAM	48993	9961	10620	PRIORITY MAIL SINGLE-PIECE KEYS/ID DEVICES NON-PERM IMP
50	20010HAAM	5623524	734370	3018709	PRIORITY MAIL SP FLAT RATE BOX EXPERIMENT NON-PERM IMP
50	7500	175050289	29649150	75426841	PRIORITY MAIL SINGLE-PIECE
50	7520	5268630	1368475	972505	PRIORITY MAIL SINGLE-PIECE FLAT RATE ENVELOPE
50	7540	9408	3549	5795	PRIORITY MAIL SINGLE-PIECE PARCEL RETURN EXPERIMENT
50	7545	0	0	0	PRIORITY MAIL SINGLE-PIECE FLAT RATE BOX EXPERIMENT
55	0401200AS	24884	22263	0	CERT OF MAILING COM - BASIC (FORM 3817) PRIORITY
55	0402200AS	920	242	0	CERT OF MAILING COM - BULK (FORM 3606) PRIORITY
55	0403200AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) PRIORITY
55	0404200AS	214	715	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) PRIORITY
55	050E200AS	120250	20210	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PRIORITY
55	050F200AS	294	36	0	SPECIAL HANDLING MORE THAN 10 LBS PRIORITY
55	1400200AS	231600	386001	0	BRM-BASIC (WITHOUT ADV DEP ACC) PRIORITY
55	1500200AS	74123	741239	0	BRM-HIGH VOL (WITH ADV DEP ACC) PRIORITY
55	25075	22607	0	0	FORM 3547 - PRIORITY
55	2800200AS	0	1340341	0	MERCHANDISE RETURN SERVICE PRIORITY
55	3800200AS	504	50362	0	BRM-NONLETTER-SIZE WT-AVERAGED BRM PRIORITY
60	25030	216975798	13481640	14455716	DOMESTIC EXPRESS MAIL
60	25040	538570	35255	32129	AGENCY EXPRESS MAIL
60	25045	0	0	0	FRANKED EXPRESS MAIL
65	410	186722	434090	0	MAILGRAMS
70	2001	19412527	203448121	68008794	PERIODICALS IN-COUNTY
75	2004	447806919	1622199323	853396473	PERIODICALS REGULAR
80	2005	86743673	498549163	137500097	PERIODICALS SPECIAL NONPROFIT
85	2006	4280527	15972264	10116587	PERIODICALS CLASSROOM
90	25110	1747142	0	0	FORM 3579 - PERIODICALS
90	25150	3345387	0	0	AUTO ADDRESS CORRECTION (PERIODICALS)
90	420	148748	0	0	PERIODICALS APPLICATION FEES
100	3170	3157255	5729138	463863	STD MAIL PAID AT FIRST-CLASS RATES
100	3175	4626	1202	1022	STD MAIL PAID AT PRIORITY RATES
100	3230	37428096	138612225	6976231	STD MAIL LTR BASIC NONAUTO PIECE RATE
100	3231	8737251	35288983	1764603	STD MAIL LTR BASIC NONAUTO DBMC PIECE RATE
100	3232	2972885	12244072	448614	STD MAIL LTR BASIC NONAUTO DSCF PIECE RATE
100	3240	34597817	55774393	25666995	STD MAIL LTR/NONLTR BASIC NONAUTO POUND RATE
100	3241	7336008	10062384	5834696	STD MAIL LTR/NONLTR BASIC NONAUTO DBMC POUND RATE

100	742	2591145	4353516	1712765	STD MAIL LTR/NONLTR BASIC NONAUTO DSCF POUND RATE
100	10	34250088	136308071	5602966	STD MAIL LTR 3/5-D NONAUTO PIECE RATE
100	281	4779675	20246063	1143260	STD MAIL LTR 3/5-D NONAUTO DBMC PIECE RATE
100	3282	23541557	104208359	3606515	STD MAIL LTR 3/5-D NONAUTO DSCF PIECE RATE
100	3290	44901569	68496701	36687716	STD MAIL LTR/NONLTR 3/5-D NONAUTO POUND RATE
100	3291	33564838	51675334	29377060	STD MAIL LTR/NONLTR 3/5-D NONAUTO DBMC POUND RATE
100	3292	26334656	57692736	23084926	STD MAIL LTR/NONLTR 3/5-D NONAUTO DSCF POUND RATE
100	3295	-2395206	0	0	STD MAIL BCODE DISCOUNT RESIDUAL SHAPE NONAUTO RATE
100	3630	11127160	36569667	3784324	STD MAIL NONLTR 3/5-D NONAUTO PIECE RATE
100	3631	4975235	18284395	2307568	STD MAIL NONLTR 3/5-D NONAUTO DBMC PIECE RATE
100	3632	12794752	42431294	5280064	STD MAIL NONLTR 3/5-D NONAUTO DSCF PIECE RATE
100	3640	14533824	39498421	4578501	STD MAIL NONLTR BASIC NONAUTO PIECE RATE
100	3641	892193	2553879	311008	STD MAIL NONLTR BASIC NONAUTO DBMC PIECE RATE
100	3642	1118347	2648937	375863	STD MAIL NONLTR BASIC NONAUTO DSCF PIECE RATE
105	3370	282124011	1389773070	63492421	STD MAIL LTR 3-D AUTO PIECE RATE
105	3371	390788003	2147186829	113749647	STD MAIL LTR 3-D AUTO DBMC PIECE RATE
105	3372	106457158	601453215	29889196	STD MAIL LTR 3-D AUTO DSCF PIECE RATE
105	3380	143724492	756444567	25178017	STD MAIL LTR 5-D AUTO PIECE RATE
105	3381	204596235	1210628599	55531129	STD MAIL LTR 5-D AUTO DBMC PIECE RATE
105	3382	418449185	2551519421	104320993	STD MAIL LTR 5-D AUTO DSCF PIECE RATE
105	3394	96782730	441932987	21799592	STD MAIL LTR MIXED AADC AUTO PIECE RATE
105	3395	7674068	38757920	2223279	STD MAIL LTR MIXED AADC AUTO DBMC PIECE RATE
105	3397	88029326	415232777	21053422	STD MAIL LTR AADC AUTO PIECE RATE
105	3398	22482054	117707085	6976153	STD MAIL LTR AADC AUTO DBMC PIECE RATE
105	3399	1915006	10295760	369667	STD MAIL LTR AADC AUTO DSCF PIECE RATE
105	3810	113710021	435667448	51243365	STD MAIL FLAT 3/5-D AUTO PIECE RATE
105	3811	121182112	504925466	70120121	STD MAIL FLAT 3/5-D AUTO DBMC PIECE RATE
105	3812	103954842	442361007	64598872	STD MAIL FLAT 3/5-D AUTO DSCF PIECE RATE
105	3820	10379190	34597297	4307010	STD MAIL FLAT BASIC AUTO PIECE RATE
105	3821	318494	1141553	154154	STD MAIL FLAT BASIC AUTO DBMC PIECE RATE
105	3822	338436	1235168	46476	STD MAIL FLAT BASIC AUTO DSCF PIECE RATE
105	3830	130807780	358113523	126588585	STD MAIL FLAT 3/5-D AUTO POUND RATE
105	3831	130477627	413000811	136484429	STD MAIL FLAT 3/5-D AUTO DBMC POUND RATE
105	3832	226310526	724372490	245296202	STD MAIL FLAT 3/5-D AUTO DSCF POUND RATE
105	3833	239789	1168799	247931	STD MAIL LTR 3/5-D AUTO POUND RATE
105	3834	2348478	12706982	2694668	STD MAIL LTR 3/5-D AUTO DBMC POUND RATE
105	3835	34258	191089	41189	STD MAIL LTR 3/5-D AUTO DSCF POUND RATE
105	3840	19691448	44442109	18145815	STD MAIL FLAT BASIC AUTO POUND RATE
105	3841	808042	1975884	828545	STD MAIL FLAT BASIC AUTO DBMC POUND RATE
105	3842	116460	302932	119742	STD MAIL FLAT BASIC AUTO DSCF POUND RATE
105	3843	158687	718614	152645	STD MAIL LTR BASIC AUTO POUND RATE
105	3844	421204	2140898	453722	STD MAIL LTR BASIC AUTO DBMC POUND RATE
105	3845	212	1111	238	STD MAIL LTR BASIC AUTO DSCF POUND RATE
110	3260	16462397	84857718	3229993	STD MAIL LTR ECR BASIC PIECE RATE
110	3261	16032134	92671296	5929165	STD MAIL LTR ECR BASIC DBMC PIECE RATE
110	3262	57861411	344413157	20112442	STD MAIL LTR ECR BASIC DSCF PIECE RATE
110	3263	7065271	43612782	1288131	STD MAIL LTR ECR BASIC DDU PIECE RATE
110	3265	1034751	6309453	198621	STD MAIL LTR ECR HIGH DENSITY PIECE RATE

110	56	1000360	6995527	182448	STD M TR ECR HIGH DENSITY DBMC PIECE RATE
110	7	11819603	85649295	4169554	STD M R ECR HIGH DENSITY DSCF PIECE RATE
110	68	1561113	11826612	404277	STD MA TR ECR HIGH DENSITY DDU PIECE RATE
110	3270	14099933	51750224	17340248	STD MAIL LTR/NONLTR ECR BASIC POUND RATE
110	3271	48676113	218072192	66369283	STD MAIL LTR/NONLTR ECR BASIC DBMC POUND RATE
110	3272	376630869	1672947225	541995986	STD MAIL LTR/NONLTR ECR BASIC DSCF POUND RATE
110	3273	8567722	34668802	13708370	STD MAIL LTR/NONLTR ECR BASIC DDU POUND RATE
110	3350	12650883	83238600	1811909	STD MAIL LTR ECR SAT PIECE RATE
110	3351	7015205	53551183	2060356	STD MAIL LTR ECR SAT DBMC PIECE RATE
110	3352	66369612	526742954	30719884	STD MAIL LTR ECR SAT DSCF PIECE RATE
110	3353	16001820	133348501	4372632	STD MAIL LTR ECR SAT DDU PIECE RATE
110	3385	10926368	63896882	2153701	STD MAIL LTR ECR BASIC AUTO PIECE RATE
110	3386	21367805	142452036	6637825	STD MAIL LTR ECR BASIC AUTO DBMC PIECE RATE
110	3387	44043251	303746533	12371146	STD MAIL LTR ECR BASIC AUTO DSCF PIECE RATE
110	3388	1528429	10995888	301369	STD MAIL LTR ECR BASIC AUTO DDU PIECE RATE
110	3610	8878256	55488949	3693707	STD MAIL NONLTR ECR SAT PIECE RATE
110	3611	5529464	39780317	3216662	STD MAIL NONLTR ECR SAT DBMC PIECE RATE
110	3612	102852416	767532481	75152809	STD MAIL NONLTR ECR SAT DSCF PIECE RATE
110	3613	113918522	889988456	105220746	STD MAIL NONLTR ECR SAT DDU PIECE RATE
110	3620	18842269	97061375	8076262	STD MAIL NONLTR ECR BASIC PIECE RATE
110	3621	46379570	268073163	31476411	STD MAIL NONLTR ECR BASIC DBMC PIECE RATE
110	3622	224539841	1336503459	159425202	STD MAIL NONLTR ECR BASIC DSCF PIECE RATE
110	3623	6536348	40347824	3360702	STD MAIL NONLTR ECR BASIC DDU PIECE RATE
110	3650	2858558	12224685	4004483	STD MAIL LTR/NONLTR ECR SAT POUND RATE
110	3651	443703	2505933	702942	STD MAIL LTR/NONLTR ECR SAT DBMC POUND RATE
110	3652	38152141	211894486	63858024	STD MAIL LTR/NONLTR ECR SAT DSCF POUND RATE
110	3653	138466024	762297100	248437271	STD MAIL LTR/NONLTR ECR SAT DDU POUND RATE
110	3670	872239	5161124	454853	STD MAIL NONLTR ECR HIGH DENSITY PIECE RATE
110	3671	1048927	7087349	949331	STD MAIL NONLTR ECR HIGH DENSITY DBMC PIECE RATE
110	3672	19600290	137061284	17119811	STD MAIL NONLTR ECR HIGH DENSITY DSCF PIECE RATE
110	3673	8859794	64670027	8451241	STD MAIL NONLTR ECR HIGH DENSITY DDU PIECE RATE
110	3680	309456	1248750	419278	STD MAIL LTR/NONLTR ECR HIGH DENSITY POUND RATE
110	3681	812695	4648201	1201614	STD MAIL LTR/NONLTR ECR HIGH DENSITY DBMC POUND RATE
110	3682	24811921	113803647	41070026	STD MAIL LTR/NONLTR ECR HIGH DENSITY DSCF POUND RATE
110	3683	36105517	154353829	65051446	STD MAIL LTR/NONLTR ECR HIGH DENSITY DDU POUND RATE
115	3210	19489926	117485903	5296832	STD MAIL NONPROFIT LTR BASIC NONAUTO PIECE RATE
115	3211	1241417	8608613	481059	STD MAIL NONPROFIT LTR BASIC NONAUTO DBMC PIECE RATE
115	3212	1864805	13376812	496831	STD MAIL NONPROFIT LTR BASIC NONAUTO DSCF PIECE RATE
115	3220	3663592	9515563	3783430	STD MAIL NONPROFIT LTR/NONLTR BASIC NONAUTO POUND RATE
115	3221	33050	89681	38034	STD MAIL NONPROFIT LTR/NONLTR BASIC NONAUTO DBMC POUND RATE
115	3222	71310	241030	86080	STD MAIL NONPROFIT LTR/NONLTR BASIC NONAUTO DSCF POUND RATE
115	3300	25534805	165695762	7976611	STD MAIL NONPROFIT LTR 3/5-D NONAUTO PIECE RATE
115	3301	1756260	13044124	488444	STD MAIL NONPROFIT LTR 3/5-D NONAUTO DBMC PIECE RATE
115	3302	15507889	121340108	4283304	STD MAIL NONPROFIT LTR 3/5-D NONAUTO DSCF PIECE RATE
115	3310	2696770	8161909	3200478	STD MAIL NONPROFIT LTR/NONLTR 3/5-D NONAUTO POUND RATE
115	3311	299573	1322543	421199	STD MAIL NONPROFIT LTR/NONLTR 3/5-D NONAUTO DBMC POUND RATE
115	3312	1148302	4666841	1747012	STD MAIL NONPROFIT LTR/NONLTR 3/5-D NONAUTO DSCF POUND RATE
115	3315	-7794	0	0	STD MAIL NONPROFIT BCODE DISCOUNT RESIDUAL SHAPE NONAUTO RATE

115	30	4398776	23698959	2046911	STD M' 'ONPROFIT NONLTR 3/5-D NONAUTO PIECE RATE
115	1	1695002	10400944	531308	STD M NPROFIT NONLTR 3/5-D NONAUTO DBMC PIECE RATE
115	32	3186314	20270128	1542772	STD MA ONPROFIT NONLTR 3/5-D NONAUTO DSCF PIECE RATE
115	3740	4113424	17082969	1795953	STD MAIL NONPROFIT NONLTR BASIC NONAUTO PIECE RATE
115	3741	117068	554699	41306	STD MAIL NONPROFIT NONLTR BASIC NONAUTO DBMC PIECE RATE
115	3742	195026	951965	81731	STD MAIL NONPROFIT NONLTR BASIC NONAUTO DSCF PIECE RATE
120	3430	69869732	541644714	28759344	STD MAIL NONPROFIT LTR 3-D AUTO PIECE RATE
120	3431	42499388	393512860	23125624	STD MAIL NONPROFIT LTR 3-D AUTO DBMC PIECE RATE
120	3432	12098424	117460105	5538243	STD MAIL NONPROFIT LTR 3-D AUTO DSCF PIECE RATE
120	3440	24112779	211537884	8990848	STD MAIL NONPROFIT LTR 5-D AUTO PIECE RATE
120	3441	27096911	291364624	14234526	STD MAIL NONPROFIT LTR 5-D AUTO DBMC PIECE RATE
120	3442	36617586	416108927	17896388	STD MAIL NONPROFIT LTR 5-D AUTO DSCF PIECE RATE
120	3454	30743647	213497331	10573591	STD MAIL NONPROFIT LTR MIXED AADC AUTO PIECE RATE
120	3455	719778	5851848	312214	STD MAIL NONPROFIT LTR MIXED AADC AUTO DBMC PIECE RATE
120	3457	25426433	186958848	10056590	STD MAIL NONPROFIT LTR AADC AUTO PIECE RATE
120	3458	1771431	15403733	935903	STD MAIL NONPROFIT LTR AADC AUTO DBMC PIECE RATE
120	3459	507852	4616691	176476	STD MAIL NONPROFIT LTR AADC AUTO DSCF PIECE RATE
120	3910	26553878	159963091	17819142	STD MAIL NONPROFIT FLAT 3/5-D AUTO PIECE RATE
120	3911	11053267	76229412	7778409	STD MAIL NONPROFIT FLAT 3/5-D AUTO DBMC PIECE RATE
120	3912	10521464	75153316	6952956	STD MAIL NONPROFIT FLAT 3/5-D AUTO DSCF PIECE RATE
120	3920	2811176	14873884	1690955	STD MAIL NONPROFIT FLAT BASIC AUTO PIECE RATE
120	3921	34756	206886	19834	STD MAIL NONPROFIT FLAT BASIC AUTO DBMC PIECE RATE
120	3922	7635	46842	4211	STD MAIL NONPROFIT FLAT BASIC AUTO DSCF PIECE RATE
120	3930	19721493	81383348	27359348	STD MAIL NONPROFIT FLAT 3/5-D AUTO POUND RATE
120	3931	5876912	31895084	9111029	STD MAIL NONPROFIT FLAT 3/5-D AUTO DBMC POUND RATE
120	3932	6914473	37276929	11328397	STD MAIL NONPROFIT FLAT 3/5-D AUTO DSCF POUND RATE
120	3933	36463	277308	58322	STD MAIL NONPROFIT LTR 3/5-D AUTO POUND RATE
120	3934	6391	58199	12122	STD MAIL NONPROFIT LTR 3/5-D AUTO DBMC POUND RATE
120	3935	2680	25981	5468	STD MAIL NONPROFIT LTR 3/5-D AUTO DSCF POUND RATE
120	3940	2811385	9665274	3672056	STD MAIL NONPROFIT FLAT BASIC AUTO POUND RATE
120	3941	72556	241235	115516	STD MAIL NONPROFIT FLAT BASIC AUTO DBMC POUND RATE
120	3942	8914	36340	13959	STD MAIL NONPROFIT FLAT BASIC AUTO DSCF POUND RATE
120	3943	41485	285655	60925	STD MAIL NONPROFIT LTR BASIC AUTO POUND RATE
120	3944	732	6122	1271	STD MAIL NONPROFIT LTR BASIC AUTO DBMC POUND RATE
120	3945	114	994	213	STD MAIL NONPROFIT LTR BASIC AUTO DSCF POUND RATE
125	3320	3895996	30920600	1202356	STD MAIL NONPROFIT LTR ECR BASIC PIECE RATE
125	3321	2944259	28040558	1053231	STD MAIL NONPROFIT LTR ECR BASIC DBMC PIECE RATE
125	3322	7581357	75813574	2981887	STD MAIL NONPROFIT LTR ECR BASIC DSCF PIECE RATE
125	3323	1281149	13629238	520733	STD MAIL NONPROFIT LTR ECR BASIC DDU PIECE RATE
125	3330	1143866	6740281	2175816	STD MAIL NONPROFIT LTR/NONLTR ECR BASIC POUND RATE
125	3331	1118730	8672806	2537369	STD MAIL NONPROFIT LTR/NONLTR ECR BASIC DBMC POUND RATE
125	3332	6667533	53666355	16248041	STD MAIL NONPROFIT LTR/NONLTR ECR BASIC DSCF POUND RATE
125	3333	117571	992768	318181	STD MAIL NONPROFIT LTR/NONLTR ECR BASIC DDU POUND RATE
125	3335	83560	819214	34280	STD MAIL NONPROFIT LTR ECR HIGH DENSITY PIECE RATE
125	3336	87059	1074806	20801	STD MAIL NONPROFIT LTR ECR HIGH DENSITY DBMC PIECE RATE
125	3337	370992	4881478	169873	STD MAIL NONPROFIT LTR ECR HIGH DENSITY DSCF PIECE RATE
125	3338	720431	10291874	173119	STD MAIL NONPROFIT LTR ECR HIGH DENSITY DDU PIECE RATE
125	3340	1602699	14438722	583024	STD MAIL NONPROFIT LTR ECR BASIC AUTO PIECE RATE

125	11	1838249	20424983	966882	STD M ONPROFIT LTR ECR BASIC AUTO DBMC PIECE RATE
125	2	2121526	24959096	941646	STD M. NPROFIT LTR ECR BASIC AUTO DSCF PIECE RATE
125	3343	199947	2530979	94911	STD MAIL NONPROFIT LTR ECR BASIC AUTO DDU PIECE RATE
125	3410	1220776	12850245	665075	STD MAIL NONPROFIT LTR ECR SAT PIECE RATE
125	3411	351356	4748057	199888	STD MAIL NONPROFIT LTR ECR SAT DBMC PIECE RATE
125	3412	4577311	66337827	3026584	STD MAIL NONPROFIT LTR ECR SAT DSCF PIECE RATE
125	3413	4054468	64356591	2269399	STD MAIL NONPROFIT LTR ECR SAT DDU PIECE RATE
125	3710	955905	9187044	937325	STD MAIL NONPROFIT NONLTR ECR SAT PIECE RATE
125	3711	119299	1437336	111140	STD MAIL NONPROFIT NONLTR ECR SAT DBMC PIECE RATE
125	3712	4728632	60623483	5445109	STD MAIL NONPROFIT NONLTR ECR SAT DSCF PIECE RATE
125	3713	1973441	27408906	2550234	STD MAIL NONPROFIT NONLTR ECR SAT DDU PIECE RATE
125	3720	8058090	63950994	3375548	STD MAIL NONPROFIT NONLTR ECR BASIC PIECE RATE
125	3721	12470218	118763970	5770106	STD MAIL NONPROFIT NONLTR ECR BASIC DBMC PIECE RATE
125	3722	29213010	292108737	16272385	STD MAIL NONPROFIT NONLTR ECR BASIC DSCF PIECE RATE
125	3723	612910	6520325	451332	STD MAIL NONPROFIT NONLTR ECR BASIC DDU PIECE RATE
125	3750	251780	1752575	547860	STD MAIL NONPROFIT LTR/NONLTR ECR SAT POUND RATE
125	3751	37478	344832	103048	STD MAIL NONPROFIT LTR/NONLTR ECR SAT DBMC POUND RATE
125	3752	2147480	20332740	6438645	STD MAIL NONPROFIT LTR/NONLTR ECR SAT DSCF POUND RATE
125	3753	669849	7185430	2199775	STD MAIL NONPROFIT LTR/NONLTR ECR SAT DDU POUND RATE
125	3770	103075	937042	52249	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY PIECE RATE
125	3771	516116	5799057	162906	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY DBMC PIECE RATE
125	3772	1835998	21857118	895669	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY DSCF PIECE RATE
125	3773	75427	967012	66872	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY DDU PIECE RATE
125	3780	15915	65493	36994	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY POUND RATE
125	3781	0	0	0	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY DBMC POUND RATE
125	3782	82136	626052	248369	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY DSCF POUND RATE
125	3783	6148	67036	18164	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY DDU POUND RATE
130	0401400AS	475	529	0	CERT OF MAILING COM - BASIC (FORM 3817) STD MAIL REG
130	0401900AS	475	529	0	CERT OF MAILING COM - BASIC (FORM 3817) STD MAIL NONPROF
130	0402400AS	0	0	0	CERT OF MAILING COM - BULK (FORM 3606) STD MAIL REG
130	0402900AS	0	0	0	CERT OF MAILING COM - BULK (FORM 3606) STD MAIL NONPROF
130	0403400AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) STD MAIL REG
130	0403900AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) STD MAIL NONPROF
130	0404400AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) STD MAIL REG
130	0404900AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) STD MAIL NONPROF
130	25085	3300561	0	0	FORM 3547 - STANDARD MAIL
130	25120	60470	0	0	FORM 3579 - STANDARD MAIL
130	25155	4311967	0	0	AUTO ADDRESS CORRECTION (STANDARD MAIL)
130	3200400AS	3152435	1775534	0	STANDARD MAIL WEIGHTED FEE STD MAIL REGULAR
130	3200900AS	1739827	1326486	0	STANDARD MAIL WEIGHTED FEE STD MAIL NONPROFIT
130	3400400AS	946456	525808	0	BULK PARCEL RETURN SERVICE STD MAIL REGULAR
130	3400900AS	333894	185496	0	BULK PARCEL RETURN SERVICE STD MAIL NONPROFIT
130	430	17161316	0	0	STANDARD MAIL BULK MAILING FEES
135	25165	3757762	344230	18315324	PSVC INTRA-BMC ALASKA BYPASS PARCEL POST
135	3600510AS	410886	80813	0	MAIL ENCLOSURE PSVC PARCEL POST
135	4100	7914163	1264561	5436652	PSVC INTER-BMC MACH PARCEL POST
135	4105	1765295	396801	2063152	PSVC INTRA-BMC MACH PARCEL POST
135	4115	5111790	801082	3124192	PSVC BCODE INTER-BMC MACH PARCEL POST

135	?0	413857	97101	423766	PSVC B[illegible]E INTRA-BMC MACH PARCEL POST
135	5	408286	124857	250484	PSVC [illegible] BMC PRES INTER-BMC MACH PARCEL POST
135	.30	6240	1424	6715	PSVC O[illegible]N BMC PRES BCODE INTER-BMC MACH PARCEL POST
135	4135	2572	139	3967	PSVC ORIGIN BMC PRES INTER-BMC NONMACH PARCEL POST
135	4140	621230	150729	270764	PSVC BMC PRES INTER-BMC MACH PARCEL POST
135	4145	937902	192866	767925	PSVC BMC PRES BCODE INTER-BMC MACH PARCEL POST
135	4150	1903283	109193	2174645	PSVC INTER-BMC NONMACH PARCEL POST
135	4160	15397865	4828639	24319595	PSVC DBMC MACH PARCEL POST
135	4165	53813554	17392575	82318076	PSVC BCODE DBMC MACH PARCEL POST
135	4173	2143886	939827	6119150	PSVC DESTINATION SCF MACH PARCEL POST
135	4174	84617	21723	269550	PSVC DESTINATION SCF NONMACH PARCEL POST
135	4175	87383298	60827465	318710372	PSVC DESTINATION DELIV UNIT PARCEL POST
135	4180	69648	8966	36330	PSVC BMC PRES INTER-BMC NONMACH PARCEL POST
135	4185	9115531	1396433	20625356	PSVC DBMC NONMACH PARCEL POST
135	4190	351429	41877	1000008	PSVC INTRA-BMC NONMACH PARCEL POST
135	4193	4300076	1476423	3311871	PSVC PARCEL SELECT PARCEL RETURN RBMC MACH EXPERIMENT
135	4194	4682	829	7896	PSVC PARCEL SELECT PARCEL RETURN RBMC MACH BALLOON EXP
135	4195	363666	88133	224040	PSVC PARCEL SELECT PARCEL RETURN RBMC NONMACH EXPERIMENT
135	4196	3008	423	4149	PSVC PARCEL SELECT PARCEL RETURN RBMC NONMACH BALLOON EXP
135	4197	5734	219	6039	PSVC PARCEL SELECT PARCEL RETURN RBMC NONMACH OVERSIZED EXP
135	4198	1170	585	553	PSVC PARCEL SELECT PARCEL RETURN RDU EXPERIMENT
135	4199	8	1	11	PSVC PARCEL SELECT PARCEL RETURN RDU OVERSIZED EXPERIMENT
135	510BBBAAM	162982	14323	259037	PSVC PARCEL POST INTRA-BMC OVERSIZED L/F/I/P NON-PERM IMP
135	510BCBAAM	33169857	7568936	27662787	PSVC PARCEL POST INTRA-BMC MACH L/F/I/P NON-PERM IMP
135	510BDBAAM	31123	5436	49254	PSVC PARCEL POST INTRA-BMC MACH BALLOON L/F/I/P NON-PERM IMP
135	510BEBAAM	7758288	1735954	8927580	PSVC PARCEL POST INTRA-BMC NONMACH L/F/I/P NON-PERM IMP
135	510BFBAAM	104180	13733	125643	PSVC PARCEL POST INTRA-BMC NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510CCBAAM	1083636	351018	1227969	PSVC PARCEL POST INTRA-BMC BC MACH L/F/I/P NON-PERM IMP
135	510CDBAAM	6632	1112	10030	PSVC PARCEL POST INTRA-BMC BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510DBBAAM	129337	1896	37593	PSVC PARCEL POST INTER-BMC OVERSIZED L/F/I/P NON-PERM IMP
135	510DCBAAM	124276838	17669493	74819930	PSVC PARCEL POST INTER-BMC MACH L/F/I/P NON-PERM IMP
135	510DDBAAM	9293	877	9603	PSVC PARCEL POST INTER-BMC MACH BALLOON L/F/I/P NON-PERM IMP
135	510DEBAAM	5191784	429728	4201655	PSVC PARCEL POST INTER-BMC NONMACH L/F/I/P NON-PERM IMP
135	510DFBAAM	402873	21968	190037	PSVC PARCEL POST INTER-BMC NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510ECBAAM	4349539	500508	3205767	PSVC PARCEL POST INTER-BMC BC MACH L/F/I/P NON-PERM IMP
135	510EDBAAM	0	0	0	PSVC PARCEL POST INTER-BMC BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510FBBAAM	231914	2797	103155	PSVC PARCEL POST INTER-BMC BMC PRES OVERSIZED L/F/I/P NON-PERM IMP
135	510FCBAAM	658239	117244	414366	PSVC PARCEL POST INTER-BMC BMC PRES MACH L/F/I/P NON-PERM IMP
135	510FDBAAM	0	0	0	PSVC PARCEL POST INTER-BMC BMC PRES MACH BALLOON L/F/I/P NON-PERM IMP
135	510FEBAAM	1408456	56482	2272023	PSVC PARCEL POST INTER-BMC BMC PRES NONMACH L/F/I/P NON-PERM IMP
135	510FFBAAM	11309	584	7072	PSVC PARCEL POST INTER-BMC BMC PRES NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510GCBAAM	98612	16026	65561	PSVC PARCEL POST INTER-BMC BMC PRES BC MACH L/F/I/P NON-PERM IMP
135	510GDBAAM	2693	258	3534	PSVC PARCEL POST INTER-BMC BMC PRES BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510HBBAAM	313272	21022	382216	PSVC PARCEL POST INTER-BMC OBMC PRES OVERSIZED L/F/I/P NON-PERM IMP
135	510HCBAAM	2592139	414445	1817798	PSVC PARCEL POST INTER-BMC OBMC PRES MACH L/F/I/P NON-PERM IMP
135	510HDBAAM	122407	10511	137280	PSVC PARCEL POST INTER-BMC OBMC PRES MACH BALLOON L/F/I/P NON-PERM IMP
135	510HEBAAM	14314551	2235804	10184562	PSVC PARCEL POST INTER-BMC OBMC PRES NONMACH L/F/I/P NON-PERM IMP
135	510HFBAAM	1099202	101530	892165	PSVC PARCEL POST INTER-BMC OBMC PRES NONMACH BALLOON L/F/I/P NON-PERM IMP

135	510J' 1	2733132	659682	3031126	PSVC F 'L POST INTER-BMC OBMC PRES BC MACH L/F/I/P NON-F MP
135	510J. 1	109075	11363	88414	PSVC I .L POST INTER-BMC OBMC PRES BC MACH BALLOON L/I ON-PERM IMP
135	510KBBAAM	0	0	0	PSVC PARCEL POST DBMC OVERSIZED L/F/I/P NON-PERM IMP
135	510KCBAAM	4714239	773390	3161272	PSVC PARCEL POST DBMC MACH L/F/I/P NON-PERM IMP
135	510KDBAAM	17429	2857	37930	PSVC PARCEL POST DBMC MACH BALLOON L/F/I/P NON-PERM IMP
135	510KEBAAM	458938	67040	391567	PSVC PARCEL POST DBMC NONMACH L/F/I/P NON-PERM IMP
135	510KFBAAM	3186	286	3234	PSVC PARCEL POST DBMC NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510LCBAAM	0	0	0	PSVC PARCEL POST DBMC BC MACH L/F/I/P NON-PERM IMP
135	510LDBAAM	6586	1429	8170	PSVC PARCEL POST DBMC BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510MBBAAM	0	0	0	PSVC PARCEL POST DSCF OVERSIZED L/F/I/P NON-PERM IMP
135	510MCBAAM	27229	10961	37629	PSVC PARCEL POST DSCF MACH L/F/I/P NON-PERM IMP
135	510MDBAAM	0	0	0	PSVC PARCEL POST DSCF MACH BALLOON L/F/I/P NON-PERM IMP
135	510MEBAAM	89078	25456	42501	PSVC PARCEL POST DSCF NONMACH L/F/I/P NON-PERM IMP
135	510MFBAAM	1019	238	804	PSVC PARCEL POST DSCF NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510NABAAM	0	0	0	PSVC PARCEL POST DDU BALLOON L/F/I/P NON-PERM IMP
135	510NBBAAM	0	0	0	PSVC PARCEL POST DDU OVERSIZED L/F/I/P NON-PERM IMP
135	510N0BAAM	14398	7946	10967	PSVC PARCEL POST DDU L/F/I/P NON-PERM IMP
140	3600520AS	74449	39914	0	MAIL ENCLOSURE PSVC BPM
140	4500	988685	486058	755595	PSVC SP BOUND PRINTED MATTER FLATS
140	4501	98341	50924	53991	PSVC SP BCODE BOUND PRINTED MATTER FLATS
140	4502	9611932	6846125	10962955	PSVC PRESORTED BOUND PRINTED MATTER FLATS
140	4503	2482358	1903499	2131181	PSVC PRESORTED BCODE BOUND PRINTED MATTER FLATS
140	4504	5173506	5432705	8778237	PSVC PRESORTED DBMC BOUND PRINTED MATTER FLATS
140	4505	2096740	2376380	2683665	PSVC PRESORTED BCODE DBMC BOUND PRINTED MATTER FLATS
140	4506	6750172	9624323	15777914	PSVC PRESORTED DSCF BOUND PRINTED MATTER FLATS
140	4507	3744666	5833791	6698357	PSVC PRESORTED BCODE DSCF BOUND PRINTED MATTER FLATS
140	4508	43137	74811	111251	PSVC PRESORTED DDU BOUND PRINTED MATTER FLATS
140	4509	959850	735228	1137207	PSVC CARRIER ROUTE BOUND PRINTED MATTER FLATS
140	4510	2845070	3378810	4790036	PSVC CARRIER ROUTE DBMC BOUND PRINTED MATTER FLATS
140	4511	9437305	16034885	22862499	PSVC CARRIER ROUTE DSCF BOUND PRINTED MATTER FLATS
140	4512	953651	2010312	2837579	PSVC CARRIER ROUTE DDU BOUND PRINTED MATTER FLATS
140	4550	1732997	697090	2283748	PSVC SP BOUND PRINTED MATTER PARCELS
140	4551	1169092	477136	1586506	PSVC SP BCODE BOUND PRINTED MATTER PARCELS
140	4552	8193898	4912678	13384378	PSVC PRESORTED BOUND PRINTED MATTER PARCELS
140	4553	7922243	4809738	13724927	PSVC PRESORTED BCODE BOUND PRINTED MATTER PARCELS
140	4554	11127517	9198159	35799743	PSVC PRESORTED DBMC BOUND PRINTED MATTER PARCELS
140	4555	40051786	35683597	115725804	PSVC PRESORTED BCODE DBMC BOUND PRINTED MATTER PARCELS
140	4556	7474435	8436778	28956922	PSVC PRESORTED DSCF BOUND PRINTED MATTER PARCELS
140	4557	1450863	2090378	5927417	PSVC PRESORTED DDU BOUND PRINTED MATTER PARCELS
140	4558	321141	231762	440522	PSVC CARRIER ROUTE BOUND PRINTED MATTER PARCELS
140	4559	550915	525551	1581409	PSVC CARRIER ROUTE DBMC BOUND PRINTED MATTER PARCELS
140	4560	3589097	4821613	13209352	PSVC CARRIER ROUTE DSCF BOUND PRINTED MATTER PARCELS
140	4561	4209933	7101204	19847315	PSVC CARRIER ROUTE DDU BOUND PRINTED MATTER PARCELS
140	4590	1497	473	1367	PSVC BOUND PRINTED MATTER PARCEL RETURN RBMC EXPERIMENT
140	520R0FAAM	469668	284541	292725	PSVC BPM SINGLE-PIECE BC L/F NON-PERM IMP
140	520R0GAAM	1622340	787404	1786619	PSVC BPM SINGLE-PIECE BC I/P NON-PERM IMP
140	520T0FAAM	0	0	0	PSVC BPM PRESORTED BC L/F NON-PERM IMP
140	520T0GAAM	34152	27625	77800	PSVC BPM PRESORTED BC I/P NON-PERM IMP

140	520U[illegible]M	79663	59539	68199	PSVC P[illegible]RESORTED DBMC L/F NON-PERM IMP
140	520U[illegible]A	159294	132201	435367	PSVC [illegible]RESORTED DBMC I/P NON-PERM IMP
140	520V0[illegible]AAM	0	0	0	PSVC Br[illegible]PRESORTED DBMC BC L/F NON-PERM IMP
140	520V0GAAM	3970	2871	14095	PSVC BPM PRESORTED DBMC BC I/P NON-PERM IMP
140	520W0FAAM	0	0	0	PSVC BPM PRESORTED DSCF L/F NON-PERM IMP
140	520W0GAAM	77159	65948	312345	PSVC BPM PRESORTED DSCF I/P NON-PERM IMP
140	520X0FAAM	0	0	0	PSVC BPM PRESORTED DDU L/F NON-PERM IMP
140	520X0GAAM	4891	4780	38458	PSVC BPM PRESORTED DDU I/P NON-PERM IMP
140	520Y0FAAM	0	0	0	PSVC BPM CARRIER ROUTE DBMC L/F NON-PERM IMP
140	520Y0GAAM	0	0	0	PSVC BPM CARRIER ROUTE DBMC I/P NON-PERM IMP
140	520Z0FAAM	0	0	0	PSVC BPM CARRIER ROUTE DSCF L/F NON-PERM IMP
140	520Z0GAAM	0	0	0	PSVC BPM CARRIER ROUTE DSCF I/P NON-PERM IMP
140	52010FAAM	4238865	2085894	2417594	PSVC BPM SINGLE-PIECE L/F NON-PERM IMP
140	52010GAAM	6233202	2575372	7420295	PSVC BPM SINGLE-PIECE I/P NON-PERM IMP
140	52020FAAM	205084	127052	124773	PSVC BPM PRESORTED L/F NON-PERM IMP
140	52020GAAM	487329	246432	936451	PSVC BPM PRESORTED I/P NON-PERM IMP
140	52030FAAM	356	190	279	PSVC BPM CARRIER ROUTE L/F NON-PERM IMP
140	52030GAAM	8397	2707	6418	PSVC BPM CARRIER ROUTE I/P NON-PERM IMP
140	521A0FAAM	0	0	0	PSVC BPM CARRIER ROUTE DDU L/F NON-PERM IMP
140	521A0GAAM	0	0	0	PSVC BPM CARRIER ROUTE DDU I/P NON-PERM IMP
140	521F0FAAM	0	0	0	PSVC BPM PRESORTED DSCF BC L/F NON-PERM IMP
145	3600530AS	176252	98686	0	MAIL ENCLOSURE PSVC MEDIA MAIL
145	4300	6296696	3121033	7122993	PSVC SP MEDIA MAIL
145	4305	4066510	2163921	4675402	PSVC SP BCODE MEDIA MAIL
145	4320	1910086	1148420	2454345	PSVC BASIC PRESORT MEDIA MAIL
145	4325	13068634	8040400	18205612	PSVC BASIC PRESORT BCODE MEDIA MAIL
145	4330	832174	718275	1299841	PSVC 5-D MEDIA MAIL
145	530P0BAAM	39295	19450	70896	PSVC MEDIA MAIL 5-DIGIT PRES L/F/I/P NON-PERM IMP
145	530R0BAAM	3207758	1754020	3996007	PSVC MEDIA MAIL SINGLE-PIECE BC L/F/I/P NON-PERM IMP
145	53010BAAM	58291821	29572287	52861026	PSVC MEDIA MAIL SINGLE-PIECE L/F/I/P NON-PERM IMP
145	531D0BAAM	811388	404052	715344	PSVC MEDIA MAIL BASIC PRESORT L/F/I/P NON-PERM IMP
145	531E0BAAM	12954	4643	19646	PSVC MEDIA MAIL BASIC PRESORT BC L/F/I/P NON-PERM IMP
150	3600540AS	15623	8538	0	MAIL ENCLOSURE PSVC LIBRARY MAIL
150	4400	827156	348624	1241930	PSVC SP LIBRARY MAIL
150	4405	433487	254974	498230	PSVC SP BCODE LIBRARY MAIL
150	4420	38057	20438	52271	PSVC BASIC PRESORT LIBRARY MAIL
150	4425	5871	3956	5441	PSVC BASIC PRESORT BCODE LIBRARY MAIL
150	4430	76168	19698	178162	PSVC 5-D LIBRARY MAIL
150	540P0BAAM	4079	7130	3247	PSVC LIBRARY MAIL 5-DIGIT PRES L/F/I/P NON-PERM IMP
150	540R0BAAM	253943	163238	268031	PSVC LIBRARY MAIL SINGLE-PIECE BC L/F/I/P NON-PERM IMP
150	54010BAAM	6135019	3340040	5440412	PSVC LIBRARY MAIL SINGLE-PIECE L/F/I/P NON-PERM IMP
150	541D0BAAM	84530	44350	66296	PSVC LIBRARY MAIL BASIC PRESORT L/F/I/P NON-PERM IMP
150	541E0BAAM	0	0	0	PSVC LIBRARY MAIL BASIC PRESORT BC L/F/I/P NON-PERM IMP
155	0401500AS	32550	35461	0	CERT OF MAILING COM - BASIC (FORM 3817) PSVC
155	0402500AS	0	0	0	CERT OF MAILING COM - BULK (FORM 3606) PSVC
155	0403500AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) PSVC
155	0404500AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) PSVC
155	050E500AS	114783	19291	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PSVC

155	050F[illegible]S	8002	970	0	SPECIA[illegible]NDLING MORE THAN 10 LBS PSVC
155	060[illegible]	286	635	0	PARCE[illegible]IFT (PAL) NOT MORE THAN 2 POUNDS PSVC
155	060B[illegible]AS	292	344	0	PARCEL[illegible]LIFT (PAL) > 2 LBS, NOT > THAN 3 LBS PSVC
155	060C500AS	0	0	0	PARCEL AIRLIFT (PAL) > 3 LBS, NOT > THAN 4 LBS PSVC
155	060D500AS	3838	2258	0	PARCEL AIRLIFT (PAL) OVER 4 LBS PSVC
155	25090	37327	0	0	FORM 3547 - PACKAGE SERVICES, PARCEL POST
155	25095	92336	0	0	FORM 3547 - PACKAGE SERVICES, BPM
155	25100	18950	0	0	FORM 3547 - PACKAGE SERVICES, MEDIA
155	25105	7500	0	0	FORM 3547 - PACKAGE SERVICES, LIBRARY
155	25125	1005	0	0	FORM 3579 - PACKAGE SERVICES, PARCEL POST
155	25130	501	0	0	FORM 3579 - PACKAGE SERVICES, BPM
155	25135	269	0	0	FORM 3579 - PACKAGE SERVICES, MEDIA
155	25140	279	0	0	FORM 3579 - PACKAGE SERVICES, LIBRARY
155	25160	256324	0	0	AUTO ADDRESS CORRECTION (PACKAGE SERVICES)
155	2800500AS	0	1802602	0	MERCHANDISE RETURN SERVICE PSVC
155	448	102913	0	0	PACKAGE SERVICES MISCELLANEOUS MAILING FEES
160	10000AABM	0	2858780	203185	1-C NON-PERM IMP USPS
160	10000ABBM	0	187300800	7139351	1-C PERMIT IMP USPS
160	20000AABM	0	329734	783921	PRIORITY MAIL NON-PERM IMP USPS
160	20000ABBM	0	2678737	5607732	PRIORITY MAIL PERMIT IMP USPS
160	25035	0	253574	1345732	USPS EXPRESS MAIL
160	40000AABM	0	94368	4032	STD MAIL REG NON-PERM IMP USPS
160	40000ABBM	0	3984312	379880	STD MAIL REG PERMIT IMP USPS
160	50000AABM	0	95909	351294	PSVC NON-PERM IMP USPS
160	50000ABBM	0	1438493	13299688	PSVC PERMIT IMP USPS
160	5110	0	577298	149572	USPS 1-C SP LTRS, FLATS, & PARCELS
160	5230	0	76966	337343	USPS PRIORITY MAIL
160	5900	0	0	0	USPS INTL ECONOMY LETTER-POST/PARCEL POST
160	5905	0	48698	7901	USPS INTL AIRMAIL LETTER-POST/PARCEL POST
160	70000AABM	0	123	20	INTL MAIL NON-PERM IMP USPS
160	70000ABBM	0	0	0	INTL MAIL PERM IMP USPS
165	5920	0	74167	114677	INTL ECONOMY FREE MATTER FOR THE BLIND
165	60000AAAM	0	19103263	8647100	FREE MAIL FOR THE BLIND NON-PERM IMP
170	5910	16201	3242	2201	AGN INTL ECONOMY LETTER-POST
170	6170	0	0	0	CONGR FRANK/OTHER FRANK INTL ECONOMY LETTER-POST
170	75000BAAM	11508	6796	1331	INTL MAIL ECONOMY LP L/F/I/P NON-PERM IMP
170	75000BBAM	0	0	0	INTL MAIL ECONOMY LP L/F/I/P PERMIT IMP
170	8520	9878193	1432305	4392389	INTL ECONOMY LETTER-POST
175	5911	15724	803	8235	AGN INTL ECONOMY PARCEL POST
175	6171	4624	264	2132	CONGR FRANK/OTHER FRANK INTL ECONOMY PARCEL POST
175	76000BAAM	1994001	55426	931034	INTL MAIL ECONOMY PP L/F/I/P NON-PERM IMP
175	76000BBAM	14672	587	6109	INTL MAIL ECONOMY PP L/F/I/P PERMIT IMP
175	8530	21824559	806324	8358300	INTL ECONOMY PARCEL POST
180	2007	5137761	3876092	2100976	INTERNATIONAL ECONOMY PERIODICALS
185	5915	572058	680535	23535	AGN INTL AIRMAIL LETTER-POST
185	6175	24684	14923	2236	CONGR FRANK/OTHER FRANK INTL AIRMAIL LETTER-POST
185	77000BAAM	985902	435746	93425	INTL MAIL AIRMAIL LP L/F/I/P NON-PERM IMP
185	77000BBAM	0	0	0	INTL MAIL AIRMAIL LP L/F/I/P PERMIT IMP

185	10	215482143	150213875	18799414	INTL A' 'L LETTER-POST
195	3	992500	54251	184146	INTER INAL COMMERCIAL PACKAGES (ICP) AIRMAIL PARCEL P
195	3917	4770	145	869	AGN IN RMAIL PARCEL POST
195	6177	0	0	0	CONGR FRANK/OTHER FRANK INTL AIRMAIL PARCEL POST
195	79000BAAM	15255792	441982	3676118	INTL MAIL AIRMAIL PP L/F/I/P NON-PERM IMP
195	79000BBAM	21028	1445	3527	INTL MAIL AIRMAIL PP L/F/I/P PERMIT IMP
195	8550	67665522	2021503	15415660	INTL AIRMAIL PARCEL POST
205	25050	51387605	1456908	6843202	INTERNATIONAL EXPRESS MAIL
205	25054	779041	19443	126808	INTERNATIONAL COMMERCIAL PACKAGES (ICP) EXPRESS MAIL
210	25060	19606583	32567751	5390228	INTERNATIONAL SURFACE AIRLIFT (ISAL)
215	25055	24770154	54127375	3754315	INTERNATIONAL PRIORITY AIRMAIL (IPA)
216	25062	380547	834856	352824	GLOBAL DIRECT ENTRY OUTBOUND (GDEO)
216	25064	1993213	41384	110429	GLOBAL EXPRESS GUARANTEED (GXG)
217	533	63203492	0	0	FOREIGN POSTAL TRANSACTION REVENUE
220	0401700AS	14489	15665	0	CERT OF MAILING COM - BASIC (FORM 3817) INTL MAIL
220	0402700AS	0	0	0	CERT OF MAILING COM - BULK (FORM 3606) INTL MAIL
220	0403700AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) INTL MAIL
220	0404700AS	217	726	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) INTL MAIL
220	29007C0AS	33468	29082	0	POSTAGE DUE - FOREIGN ORIGIN INTL MAIL AIRMAIL
220	29007D0AS	98	405	0	POSTAGE DUE - FOREIGN ORIGIN INTL MAIL SURFACE
220	3000700AS	186580	41462	0	CUSTOMS CLEARANCE AND DELIVERY FEES INTL MAIL
220	3100700AS	26187	2432	0	UNDELIVERED INTL PARCEL POST (RETURNED INTL) INTL MAIL
220	3300700AS	40400	39147	0	INTERNATIONAL BRM SERVICE INTL MAIL
220	4100700AS	69679	71299	0	UNDELIVERED INTL LETTER POST (RETURNED INTL) INTL MAIL
220	534	5125417	0	0	INTERNATIONAL MISCELLANEOUS ITEM FEES
220	552	-12021	0	0	INTERNATIONAL REPLY COUPON REVENUE
225	25010	12669358	1128793	0	DOMESTIC REGISTERED TOTAL
230	010G000AS	7072352	5440271	0	INSURED VALUE $.01 TO $50
230	010H000AS	8465061	3847755	0	INSURED VALUE $50.01 TO $100
230	010J000AS	5585965	1745614	0	INSURED VALUE $100.01 TO $200
230	010K000AS	2224821	529719	0	INSURED VALUE $200.01 TO $300
230	010L000AS	1440672	277052	0	INSURED VALUE $300.01 TO $400
230	010M000AS	1434412	231357	0	INSURED VALUE $400.01 TO $500
230	010N000AS	537597	74666	0	INSURED VALUE $500.01 TO $600
230	010P000AS	590037	71956	0	INSURED VALUE $600.01 TO $700
230	010Q000AS	742780	80737	0	INSURED VALUE $700.01 TO $800
230	010R000AS	104193	10215	0	INSURED VALUE $800.01 TO $900
230	010S000AS	659544	58888	0	INSURED VALUE $900.01 TO $1000
230	010T000AS	1362669	74948	0	INSURED VALUE $1000.01 TO $5000
230	25170	278415	214165	0	ONLINE INSURED VALUE $.01 TO $50
230	25171	209174	95079	0	ONLINE INSURED VALUE $50.01 TO $100
230	25172	314336	98230	0	ONLINE INSURED VALUE $100.01 TO $200
230	8405	0	0	0	DOMESTIC STANDARD MAIL BULK INSURED
230	8410	203840	156800	0	DOMESTIC INSURED MAIL $.01 TO $50 APO/FPO
230	8420	320830	145832	0	DOMESTIC INSURED MAIL $50.01 TO $100 APO/FPO
230	8425	211711	66160	0	DOMESTIC INSURED MAIL $100.01 TO $200 APO/FPO
230	8430	84322	20077	0	DOMESTIC INSURED MAIL $200.01 TO $300 APO/FPO
230	8435	54602	10500	0	DOMESTIC INSURED MAIL $300.01 TO $400 APO/FPO

230	[illegible]0	54365	8769	0 DOMES[illegible]NSURED MAIL $400.01 TO $500 APO/FPO
230	[illegible]	20375	2830	0 DOME[illegible]SURED MAIL $500.01 TO $600 APO/FPO
235	[illegible]05	2229006	367479	0 COD TO[illegible]
235	2600000AS	62083	20694	0 FORM 3849-D COD NOTICE OF NONDELIV
235	3500000AS	0	0	0 COD ALTERATION OF CHARGES/DELIVERY
240	0700000AS	145473936	63249537	0 CERTIFIED
242	0800000AS	87040540	49737452	0 RETURN RECEIPT
242	0900000AS	20862934	6419365	0 RETURN RECEIPT AFTER MAILING-CERTIFIED
242	1000000AS	1857	571	0 RETURN RECEIPT AFTER MAILING-INSURED
242	1100000AS	393623	121115	0 RETURN RECEIPT AFTER MAILING-REGISTERED
242	1200000AS	3207373	1069124	0 RETURN RECEIPT FOR MERCHANDISE
242	1300000AS	1681729	480494	0 RESTRICTED DELIVERY
242	2100100AS	341078	262368	0 SIGNATURE CONFIRMATION - ELECTRONIC FIRST CLASS
242	2100200AS	831978	639983	0 SIGNATURE CONFIRMATION - ELECTRONIC PRIORITY
242	2100500AS	220156	169351	0 SIGNATURE CONFIRMATION - ELECTRONIC PSVC
242	2200100AS	320658	178144	0 SIGNATURE CONFIRMATION - RETAIL FIRST CLASS
242	2200200AS	1519115	843953	0 SIGNATURE CONFIRMATION - RETAIL PRIORITY
242	2200500AS	269948	149971	0 SIGNATURE CONFIRMATION - RETAIL PSVC
242	25167	72432	55717	0 RETURN RECEIPT-ELECTRONIC COPY OF SIGNATURE
242	9813	965391	7426082	0 DELIVERY CONFIRMATION FIRST CLASS - ELECTRONIC
242	9814	2023350	3678819	0 DELIVERY CONFIRMATION FIRST CLASS - RETAIL
242	9815	0	37433603	0 DELIVERY CONFIRMATION PRIORITY - ELECTRONIC
242	9816	8706452	19347671	0 DELIVERY CONFIRMATION PRIORITY - RETAIL
242	9817	4266650	32820383	0 DELIVERY CONFIRMATION PSVC - ELECTRONIC
242	9818	2339790	4254163	0 DELIVERY CONFIRMATION PSVC - RETAIL
242	9819	1624038	12492601	0 DELIVERY CONFIRMATION STANDARD MAIL - ELECTRONIC
242	9820	0	74397943	0 DELIVERY CONFIRMATION PSVC PARCEL SELECT - ELECTRONIC
250	831	41995769	45646456	0 DOMESTIC MONEY ORDERS
255	838	10551389	0	0 OUTSTANDING MONEY ORDERS INTO REVENUE
260	25025	4586194	0	0 STAMPED ENVELOPE EXCESS REVENUE
260	25026	416720	20836000	0 STAMPED CARD FEES
265	840	197325279	0	0 MAIL BOX RENT
267	832	659379	177556	0 INTERNATIONAL MONEY ORDERS
268	010G701AS	33389	25684	0 INSURED VALUE $.01 TO $50 INTL MAIL TO CANADA
268	010G702AS	249747	134998	0 INSURED VALUE $.01 TO $50 INTL MAIL NON-CANADA
268	010H701AS	64455	29298	0 INSURED VALUE $50.01 TO $100 INTL MAIL TO CANADA
268	010H702AS	269835	103783	0 INSURED VALUE $50.01 TO $100 INTL MAIL NON-CANADA
268	010J701AS	70212	21941	0 INSURED VALUE $100.01 TO $200 INTL MAIL TO CANADA
268	010J702AS	358623	99618	0 INSURED VALUE $100.01 TO $200 INTL MAIL NON-CANADA
268	010K701AS	61148	14559	0 INSURED VALUE $200.01 TO $300 INTL MAIL TO CANADA
268	010K702AS	158968	34559	0 INSURED VALUE $200.01 TO $300 INTL MAIL NON-CANADA
268	010L701AS	7361	1415	0 INSURED VALUE $300.01 TO $400 INTL MAIL TO CANADA
268	010L702AS	68659	12261	0 INSURED VALUE $300.01 TO $400 INTL MAIL NON-CANADA
268	010M701AS	16644	2684	0 INSURED VALUE $400.01 TO $500 INTL MAIL TO CANADA
268	010M702AS	39192	5938	0 INSURED VALUE $400.01 TO $500 INTL MAIL NON-CANADA
268	010N701AS	9459	1313	0 INSURED VALUE $500.01 TO $600 INTL MAIL TO CANADA
268	010N702AS	68824	9056	0 INSURED VALUE $500.01 TO $600 INTL MAIL NON-CANADA
268	010P701AS	5995	731	0 INSURED VALUE $600.01 TO $700 INTL MAIL TO CANADA

268	010[illegible]S	22132	2573	0	INSUR[illegible]ALUE $600.01 TO $700 INTL MAIL NON-CANADA
268	010[illegible]S	13141	1369	0	INSUR[illegible]LUE $700.01 TO $800 INTL MAIL NON-CANADA
268	010R[illegible]AS	17530	1653	0	INSURE[illegible]ALUE $800.01 TO $900 INTL MAIL NON-CANADA
268	010S702AS	41581	3585	0	INSURED VALUE $900.01 TO $1000 INTL MAIL NON-CANADA
268	010T702AS	22807	1655	0	INSURED VALUE $1000.01 TO $5000 INTL MAIL NON-CANADA
268	0800700AS	162633	92933	0	RETURN RECEIPT INTL MAIL
268	1300700AS	0	0	0	RESTRICTED DELIVERY INTL MAIL
268	25013	5255055	694734	0	INTL REGISTERED TOTAL
270	846	2200000	0	0	REIMBURSEMENT REVENUE
270	847	146343475	0	0	MISCELLANEOUS ITEM REVENUE
270	848	15447000	0	0	REVENUE FOREGONE
270	850	10656520	0	0	INVESTMENT INCOME
275	25015	0	2789936	0	USPS DOMESTIC REGISTERED TOTAL
275	25020	0	174	0	USPS INTL REGISTERED TOTAL
280	0700000BS	0	232692	0	CERTIFIED USPS
282	0800000BS	0	168809	0	RETURN RECEIPT USPS
282	0800700BS	0	0	0	RETURN RECEIPT INTL MAIL USPS
282	1300000BS	0	1790	0	RESTRICTED DELIVERY USPS
282	1300700BS	0	0	0	RESTRICTED DELIVERY INTL MAIL USPS
282	1900100BS	0	60176	0	DELIVERY CONFIRMATION - ELECTRONIC FIRST CLASS USPS
282	1900200BS	0	726535	0	DELIVERY CONFIRMATION - ELECTRONIC PRIORITY USPS
282	1900500BS	0	25255	0	DELIVERY CONFIRMATION - ELECTRONIC PSVC USPS
282	191Z510BS	0	0	0	DELIVERY CONFIRMATION - ELECTRONIC PSVC PARCEL SELECT USPS
282	2000100BS	0	21386	0	DELIVERY CONFIRMATION - RETAIL FIRST CLASS USPS
282	2000200BS	0	312157	0	DELIVERY CONFIRMATION - RETAIL PRIORITY USPS
282	2000500BS	0	4762	0	DELIVERY CONFIRMATION - RETAIL PSVC USPS
282	2100100BS	0	2611	0	SIGNATURE CONFIRMATION - ELECTRONIC FIRST CLASS USPS
282	2100200BS	0	7949	0	SIGNATURE CONFIRMATION - ELECTRONIC PRIORITY USPS
282	2100500BS	0	857	0	SIGNATURE CONFIRMATION - ELECTRONIC PSVC USPS
282	2200100BS	0	1936	0	SIGNATURE CONFIRMATION - RETAIL FIRST CLASS USPS
282	2200200BS	0	13087	0	SIGNATURE CONFIRMATION - RETAIL PRIORITY USPS
282	2200500BS	0	0	0	SIGNATURE CONFIRMATION - RETAIL PSVC USPS
282	3900000BS	0	0	0	RETURN RECEIPT-ELECTRONIC COPY OF SIGNATURE USPS
285	1700000BS	0	3685942	0	BRM SERVICE USPS
290	050E100BS	0	11346	0	SPECIAL HANDLING NOT MORE THAN 10 LBS 1-C USPS
290	050E200BS	0	35842	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PRIORITY USPS
290	050E500BS	0	59	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PSVC USPS
290	050F200BS	0	47621	0	SPECIAL HANDLING MORE THAN 10 LBS PRIORITY USPS
290	050F500BS	0	424	0	SPECIAL HANDLING MORE THAN 10 LBS PSVC USPS

PRELIMINARY REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR QUARTER 1
FISCAL YEAR 2005 (Oct. 1, 2004-Dec. 31, 2004) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 2004
(Data In Th ds)

Service Category	REVENUE Quarter 1 FY 2005	REVENUE Quarter 1 FY 2004	REVENUE Change FY 2005 over FY 2004 Amount	REVENUE Change FY 2005 over FY 2004 Percent	PIECES Quarter 1 FY 2005	PIECES Quarter 1 FY 2004	PIECES Change FY 2005 over FY 2004 Amount	PIECES Change FY 2005 over FY 2004 Percent	WEIGHT Quarter 1 FY 2005	WEIGHT Quarter 1 FY 2004	WEIGHT Change FY 2005 over FY 2004 Amount	WEIGHT Change FY 2005 over FY 2004 Percent
First-Class Mail:												
Single-Piece Letters, Flats, & Parcels	5,520,674	5,665,959	(145,285)	(2.6)	12,366,264	12,677,381	(311,117)	(2.5)	581,010	598,416	(17,407)	(2.9)
Nonautom. Presort Letters, Flats, & Parcels	211,206	236,890	(25,684)	(10.8)	520,084	576,253	(56,169)	(9.7)	29,049	32,435	(3,386)	(10.4)
Automation Presort Letters and Flats	3,586,002	3,324,704	261,299	7.9	11,922,989	11,016,955	906,034	8.2	525,369	486,040	39,329	8.1
Automation Carrier Route Presort Letters	54,878	59,319	(4,441)	(7.5)	194,380	208,128	(13,749)	(6.6)	8,364	9,722	(1,358)	(14.0)
Total Presort Letters, Flats, & Parcels	3,852,087	3,620,913	231,173	6.4	12,637,453	11,801,337	836,116	7.1	562,782	528,197	34,585	6.5
Single-Piece Cards	153,354	156,328	(2,974)	(1.9)	645,118	655,257	(10,139)	(1.5)	4,209	4,151	58	1.4
Nonautomation Presort Cards	20,029	22,344	(2,315)	(10.4)	94,451	105,361	(10,909)	(10.4)	867	757	109	14.4
Automation Presort Cards	121,259	114,428	6,831	6.0	665,773	628,320	37,453	6.0	7,683	6,183	1,500	24.3
Automation Carrier Route Presort Cards	3,256	3,408	(152)	(4.5)	19,148	20,046	(899)	(4.5)	186	160	26	16.5
Total Presort Cards	144,544	140,179	4,364	3.1	779,372	753,727	25,645	3.4	8,736	7,100	1,636	23.0
Domestic Mail Fees	77,330	78,252	(922)	(1.2)	-	-	-	-	-	-	-	-
Total First-Class Mail	9,747,989	9,661,632	86,357	0.9	26,428,207	25,887,702	540,505	2.1	1,156,737	1,137,865	18,872	1.7
Priority Mail	1,293,502	1,272,130	21,372	1.7	239,816	233,920	5,696	2.4	485,081	492,238	(7,157)	(1.5)
Domestic Mail Fees	475	401	75	18.7	-	-	-	-	-	-	-	-
Total Priority Mail	1,293,977	1,272,530	21,447	1.7	239,816	233,920	5,696	2.4	485,081	492,238	(7,157)	(1.5)
Express Mail	217,514	216,850	664	0.3	13,517	13,432	84	0.6	14,488	14,502	(14)	(0.1)
Mailgrams	187	159	27	17.2	434	371	63	16.9	-	-	-	-
Periodicals:												
In-County	19,413	18,607	806	3.2	203,448	194,453	8,995	4.6	68,009	64,611	3,398	5.3
Regular	447,807	447,857	(50)	(0.0)	1,622,199	1,624,924	(2,724)	(0.2)	853,396	846,990	6,406	0.8
Special Nonprofit	86,744	86,191	553	0.6	498,549	484,751	13,798	2.8	137,500	132,826	4,675	3.5
Classroom	4,281	3,927	353	9.0	15,972	12,054	3,918	32.5	10,117	9,420	697	7.4
Domestic Mail Fees	5,241	5,244	(3)	(0.1)	-	-	-	-	-	-	-	-
Total Periodical Mail	563,485	562,025	1,460	0.3	2,340,169	2,316,182	23,987	1.0	1,069,022	1,053,846	15,176	1.4
Standard Mail:												
Regular - Nonautomation Presort	307,244	323,585	(16,341)	(5.0)	842,680	897,503	(54,823)	(6.1)	159,009	166,110	(7,102)	(4.3)
- Automation Presort	2,624,320	2,420,320	204,000	8.4	12,659,995	11,592,223	1,067,772	9.2	1,166,107	1,075,371	90,736	8.4
Enhanced Carrier Route	1,540,533	1,423,297	117,236	8.2	8,943,479	8,253,636	689,843	8.4	1,576,700	1,485,403	91,297	6.1
Total Regular and ECR	4,472,097	4,167,202	304,895	7.3	22,446,154	20,743,363	1,702,792	8.2	2,901,816	2,726,884	174,932	6.4
Nonprofit - Nonautomation Presort	87,006	89,742	(2,736)	(3.0)	536,509	548,683	(12,174)	(2.2)	34,339	35,142	(803)	(2.3)
- Automation Presort	357,940	334,901	23,039	6.9	2,885,583	2,686,392	199,192	7.4	206,604	192,907	13,697	7.1
Nonprofit Enhanced Carrier Route	105,852	63,481	42,371	66.7	1,086,125	685,220	400,906	58.5	81,867	58,960	22,907	38.9
Total Nonprofit and Nonprofit ECR	550,797	488,124	62,673	12.8	4,508,217	3,920,295	587,923	15.0	322,810	287,009	35,801	12.5
Domestic Mail Fees	31,008	30,604	404	1.3	-	-	-	-	-	-	-	-
Total Standard Mail	5,053,902	4,685,930	367,972	7.9	26,954,372	24,663,658	2,290,714	9.3	3,224,626	3,013,893	210,733	7.0
Package Services:												
Parcel Post	401,995	408,222	(6,227)	(1.5)	123,359	124,847	(1,487)	(1.2)	633,611	667,545	(33,935)	(5.1)
Bound Printed Matter	146,680	147,966	(1,286)	(0.9)	140,177	138,941	1,235	0.9	345,981	340,159	5,823	1.7
Media Mail	88,714	93,740	(5,026)	(5.4)	46,947	50,794	(3,847)	(7.6)	91,421	94,655	(3,233)	(3.4)
Library Mail	7,874	8,263	(389)	(4.7)	4,202	4,488	(286)	(6.4)	7,754	7,823	(69)	(0.9)
Domestic Mail Fees	677	734	(56)	(7.7)	-	-	-	-	-	-	-	-
Total Package Services	645,939	658,925	(12,986)	(2.0)	314,685	319,071	(4,386)	(1.4)	1,078,767	1,110,182	(31,414)	(2.8)

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PRELIMINARY REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR QUARTER 1 FISCAL YEAR 2005 (Oct. 1, 2004-Dec. 31, 2004) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 2004

(Data In Th ds)

Service Category	REVENUE Quarter 1 FY 2005	REVENUE Quarter 1 FY 2004	REVENUE Change FY 2005 over FY 2004 Amount	REVENUE Change FY 2005 over FY 2004 Percent	PIECES Quarter 1 FY 2005	PIECES Quarter 1 FY 2004	PIECES Change FY 2005 over FY 2004 Amount	PIECES Change FY 2005 over FY 2004 Percent	WEIGHT Quarter 1 FY 2005	WEIGHT Quarter 1 FY 2004	WEIGHT Change FY 2005 over FY 2004 Amount	WEIGHT Change FY 2005 over FY 2004 Percent
U.S. Postal Service Mail	-	-	-	-	199,738	124,993	74,745	59.8	29,610	27,160	2,449	9.0
Free Mail for the Blind and Handicapped	-	-	-	-	19,177	18,518	660	3.6	8,762	9,414	(653)	(6.9)
Total Domestic Mail	17,522,993	17,058,052	464,941	2.7	56,509,915	53,577,846	2,932,069	5.5	7,067,093	6,859,100	207,992	3.0
International Mail:												
Economy - Letter-Post	9,906	11,113	(1,207)	(10.9)	1,442	1,921	(478)	(24.9)	4,396	4,403	(7)	(0.2)
- Parcel Post	23,854	23,213	641	2.8	863	830	34	4.1	9,306	9,431	(125)	(1.3)
- Periodicals	5,138	5,899	(761)	(12.9)	3,876	4,287	(411)	(9.6)	2,101	2,291	(190)	(8.3)
Total Economy Mail	38,897	40,224	(1,327)	(3.3)	6,182	7,038	(856)	(12.2)	15,803	16,125	(322)	(2.0)
Airmail - Letter-Post	217,065	197,360	19,705	10.0	151,345	150,657	688	0.5	18,919	16,114	2,804	17.4
- Parcel Post	83,940	68,390	15,550	22.7	2,519	2,034	485	23.8	19,280	16,090	3,190	19.8
Total Airmail	301,004	265,750	35,255	13.3	153,864	152,691	1,173	0.8	38,199	32,205	5,994	18.6
International Express Mail	52,167	42,356	9,811	23.2	1,476	1,255	221	17.6	8,970	5,349	1,621	30.3
International Surface Airlift Mail	19,607	19,491	115	0.6	32,568	32,356	211	0.7	5,390	5,563	(173)	(3.1)
International Priority Airmail	24,770	20,475	4,295	21.0	54,127	47,646	6,482	13.6	3,754	3,166	589	18.6
International Other Mail 1/	2,374	3,528	(1,154)	(32.7)	876	1,125	(249)	(22.1)	463	721	(258)	(35.8)
International Mail Subtotal	438,819	391,824	46,995	12.0	249,094	242,111	6,983	2.9	70,579	63,129	7,451	11.8
Foreign Postal Transactions	63,203	77,753	(14,550)	(18.7)	-	-	-	-	-	-	-	-
International Mail Fees	5,485	5,622	(137)	(2.4)	-	-	-	-	-	-	-	-
Total International Mail	507,507	475,199	32,308	6.8	249,094	242,111	6,983	2.9	70,579	63,129	7,451	11.8
Total All Mail	18,030,500	17,533,251	497,249	2.8	56,759,009	53,819,957	2,939,052	5.5	7,137,672	6,922,229	215,443	3.1
Domestic Special and Other Services:												
Registered	12,669	16,023	(3,354)	(20.9)	1,129	1,294	(165)	(12.8)				
Insurance	31,972	36,611	(4,639)	(12.7)	13,262	16,235	(2,973)	(18.3)				
Collect on Delivery	2,291	2,726	(435)	(15.9)	367	443	(76)	(17.1)				
Certified	145,474	154,812	(9,339)	(6.0)	63,250	67,310	(4,060)	(6.0)				
Delivery Receipt Services	136,689	126,212	10,477	8.3	251,979	227,219	24,760	10.9				
Money Orders	41,996	44,000	(2,004)	(4.6)	45,646	47,747	(2,100)	(4.4)				
Total Domestic Special Services	371,091	380,384	(9,293)	(2.4)	375,633	360,248	15,385	4.3				
Outstanding MO Taken into Revenue 2/	10,551	0	10,551	-								
Stamped Envelopes and Cards	5,003	5,712	(709)	(12.4)								
Box Rents	197,325	186,069	11,256	6.0								
Total Domestic Services	583,971	572,166	11,805	2.1								
International Special Services:												
Money Orders	659	772	(113)	(14.6)	178	213	(35)	(16.6)				
Other Special Services	7,017	6,756	261	3.9	1,296	1,304	(8)	(0.6)				
Total International Services	7,677	7,528	149	2.0	1,474	1,517	(43)	(2.9)				
Total Services	591,648	579,694	11,953	2.1								
Total Mail and Services	18,622,147	18,112,945	509,202	2.8								
Other Revenue	174,647	125,709	48,938	38.9								
Total Revenue	18,796,794	18,238,654	558,141	3.1								

Special Service Transactions
U.S. Postal Service Mail
Quarter 1, FY 2005 3/

Registered	2,790
Certified	233
Delivery Receipt Services	1,347
Mail Fee Services	3,886
Special Handling	95
Total	8,151

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PRELIMINARY REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR QUARTER 1
FISCAL YEAR 2005 (Oct. 1, 2004-Dec. 31, 2004) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 2004
(Data in Th· 1s)

RPW SUMMARY REP. OOTNOTES

1/ Beginning FY 2005, International Commercial Packages (ICP) Express Mail is reported with International Express Mail and ICP Airmail Parcel Post is reported with International Airmail Parcel Post. *Prior to FY 2005, ICP mail activity was reported in International Other Mail.*
2/ Outstanding Money Orders Taken Into Revenue are now reported on a quarterly basis.
3/ Not included elsewhere in this report.

- Report totals may not sum due to rounding.

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DATE	04/18/2005
FISCAL YEAR	2005
QUARTER	2

TWO-PAGE SUMMARY RPW DATA - SORTED BY TWO-PAGE CATEGORY CODE
FISCAL YEAR 2005, QUARTER 2

SUM_CODE	MAILCAT	REVENUE	PIECES	WEIGHT	LABEL
Ctrl+r					
5	0	4858696445	10664254385	513398190	1-C SINGLE-PIECE LETTERS, FLATS, AND PARCELS
10	0	200778517	496773444	27083755	1-C NONAUTOMATION PRESORT LETTERS, FLATS, AND PARCELS
15	0	3585133848	11940623976	521911420	1-C AUTOMATION PRESORT LETTERS AND FLATS
20	0	48021928	169970272	7184556	1-C AUTOMATION CARRIER ROUTE PRESORT LETTERS
25	0	149698585	630493930	4113884	1-C SINGLE-PIECE CARDS
30	0	20945667	99076910	823880	1-C NONAUTOMATION PRESORT MAILING CARDS
35	0	115142585	634334752	6970274	1-C AUTOMATION PRESORT CARDS
40	0	3576126	21096209	199217	1-C AUTOMATION CARRIER ROUTE PRESORT CARDS
45	0	77100679	239068433	0	1-C DOMESTIC MAIL FEES
50	0	1129488238	218819068	408131200	PRIORITY MAIL
55	0	344023	2515554	0	PRIORITY DOMESTIC MAIL FEES
60	0	215223553	13759314	12347313	DOMESTIC EXPRESS MAIL
65	0	246724	589097	0	MAILGRAMS
70	0	16699231	181215318	54281931	PERIODICALS IN-COUNTY
75	0	434202820	1642360179	795290749	PERIODICALS REGULAR
80	0	79996885	445674540	127641658	PERIODICALS SPECIAL NONPROFIT
85	0	5322801	21234550	10601137	PERIODICALS CLASSROOM
90	0	4250720	0	0	PERIODICALS DOMESTIC MAIL FEES
100	0	293038756	790128111	154641942	STANDARD MAIL REGULAR - NONAUTOMATION PRESORT
105	0	2594216588	12430292763	1161224084	STANDARD MAIL REGULAR - AUTOMATION PRESORT
110	0	1228807498	7450525533	1227038595	STANDARD MAIL ENHANCED CARRIER ROUTE
115	0	73381055	447635810	28512948	STANDARD MAIL NONPROFIT - NONAUTOMATION PRESORT
120	0	312713858	2504306074	175034946	STANDARD MAIL NONPROFIT - AUTOMATION PRESORT
125	0	62246018	704563571	51364358	STANDARD MAIL NONPROFIT ENHANCED CARRIER ROUTE
130	0	33337093	3801758	0	STANDARD MAIL DOMESTIC MAILING FEES
135	0	303203299	94416802	458089992	PACKAGE SERVICES PARCEL POST
140	0	154717224	144877170	351103311	PACKAGE SERVICES BOUND PRINTED MATTER
145	0	85438750	45338982	86901252	PACKAGE SERVICES MEDIA MAIL
150	0	6840432	3620279	6966907	PACKAGE SERVICES LIBRARY MAIL
155	0	692147	2356307	0	PACKAGE SERVICES DOMESTIC MAIL FEES
160	0	0	129186750	26301661	U.S. POSTAL SERVICE MAIL

16	0	0	16485506	80519	REE MAIL FOR THE BLIND AND HANDICAPPED
170	0	7924042	1248126	3634257	INTERNATIONAL ECONOMY - LETTER-POST
175	0	18537954	763179	6999123	INTERNATIONAL ECONOMY - PARCEL POST
180	0	4803340	3807008	1948212	INTERNATIONAL ECONOMY - PERIODICALS
185	0	171637287	114884982	15418075	INTERNATIONAL AIRMAIL - LETTER-POST
195	0	65321720	2045360	15662623	INTERNATIONAL AIRMAIL - PARCEL POST
205	0	48174413	1412966	6108851	INTERNATIONAL EXPRESS MAIL
210	0	16901977	24118443	5324127	INTERNATIONAL SURFACE AIRLIFT
215	0	24049290	51728033	3567368	INTERNATIONAL PRIORITY AIRMAIL
216	0	2486301	1028385	405473	INTERNATIONAL OTHER MAIL
217	0	57346908	0	0	INTERNATIONAL FOREIGN POSTAL TRANSACTIONS
220	0	6117431	224951	0	INTERNATIONAL MAIL FEES
225	0	14785735	1327711	0	DOMESTIC REGISTERED
230	0	29604274	12044473	0	DOMESTIC INSURANCE
235	0	1976029	334996	0	COLLECT ON DELIVERY
240	0	146245646	63585064	0	CERTIFIED
242	0	145114969	233568462	0	DELIVERY RECEIPT SERVICES
250	0	42393740	46079805	0	DOMESTIC MONEY ORDERS
255	0	10862682	0	0	OUTSTANDING MONEY ORDERS TAKEN INTO REVENUE
260	0	5175850	37387000	0	STAMPED ENVELOPES AND CARDS
265	0	195177436	0	0	BOX RENTS
267	0	606920	161046	0	INTERNATIONAL MONEY ORDERS
268	0	7221610	1429919	0	INTERNATIONAL OTHER SPECIAL SERVICES
270	0	199760346	0	0	OTHER REVENUE
275	0	0	2784408	0	USPS REGISTERED TRANSACTIONS
280	0	0	301635	0	USPS CERTIFIED TRANSACTIONS
282	0	0	1625287	0	USPS DELIVERY RECEIPT SERVICE TRANSACTIONS
285	0	0	3169258	0	USPS MAIL FEE SERVICE TRANSACTIONS
290	0	0	32856	0	USPS SPECIAL HANDLING TRANSACTIONS

SUMMARY RPW DATA - SORTED BY MAIL CATEGORY CODE WITHIN TWO-PAGE CATEGORY CODE
FISCAL YEAR 2005, QUARTER 2

SUM_CODE	MAILCAT	REVENUE	PIECES	WEIGHT	LABEL
5	1A000AAAM	0	119693	10116	1-C ABSENTEE BALLOTS NON-PERM IMP
5	100A0BBAM	31520253	91555033	1904421	1-C SINGLE-PIECE QBRM L/F/I/P PERMIT IMP
5	10010BAAM	4580489937	10155137129	473978191	1-C SINGLE-PIECE L/F/I/P NON-PERM IMP
5	10010EAAM	47745	31219	5850	1-C SINGLE-PIECE KEYS/ID DEVICES NON-PERM IMP
5	10012BAAM	55805676	111023709	5001557	1-C SINGLE-PIECE NONMACH L/F/I/P NON-PERM IMP
5	10012EAAM	3301	3029	115	1-C SINGLE-PIECE NONMACH KEYS/ID DEVICES NON-PERM IMP
5	1100	189928231	306384573	32497939	1-C SP LETTERS, FLATS, & PARCELS
5	1120	901302	0	0	1-C SP NONMACH LETTERS, FLATS, & PARCELS
10	1110	200132684	496773444	27083755	1-C NONAUTO PRES LETTERS, FLATS, & PARCELS
10	1130	645833	0	0	1-C NONAUTO PRES NONMACH LETTERS, FLATS, & PARCELS
15	1180	1253414023	4431701647	187298671	1-C 5-D AUTO LETTERS
15	1303	232199787	721529776	28922546	1-C MIXED AADC AUTO LETTERS
15	1304	199575896	642575174	25521039	1-C AADC AUTO LETTERS
15	1310	1780827654	5945571152	255571469	1-C 3-D AUTO LETTERS
15	1420	44125486	68664520	9622769	1-C 3-D AUTO FLATS
15	1430	621242	0	0	1-C 3-D AUTO NONMACH FLATS
15	1440	48172734	92691501	10093071	1-C 5-D AUTO FLATS
15	1453	7145668	11065138	1506229	1-C MIXED ADC AUTO FLATS
15	1454	16333901	26825068	3375626	1-C ADC AUTO FLATS
15	1460	2549802	0	0	1-C 5-D AUTO NONMACH FLATS
15	1472	39571	0	0	1-C MIXED ADC AUTO NONMACH FLATS
15	1473	128084	0	0	1-C ADC AUTO NONMACH FLATS
15	1500	0	0	0	1-C REPOSITIONABLE NOTE EXPERIMENT
20	1140	48021928	169970272	7184556	1-C CRT AUTO LETTERS
25	100A0DBAM	3878468	19392339	121202	1-C SINGLE-PIECE QBRM CARD PERMIT IMP
25	10010DAAM	127131843	529613762	3310086	1-C SINGLE-PIECE CARD NON-PERM IMP
25	1220	18688274	81487829	682596	1-C SP CARDS
30	1230	20945667	99076910	823880	1-C NONAUTO PRES CARDS
35	1280	40790187	232393875	2258190	1-C 5-D AUTO CARDS
35	1403	13909421	71898217	736305	1-C MIXED AADC AUTO CARDS
35	1404	10041519	53848743	636205	1-C AADC AUTO CARDS
35	1410	50401458	276193917	3339574	1-C 3-D AUTO CARDS
40	1240	3576126	21096209	199217	1-C CRT AUTO CARDS
45	0401100AS	609655	533434	0	CERT OF MAILING COM - BASIC (FORM 3817) 1-C
45	0402100AS	66720	7812	0	CERT OF MAILING COM - BULK (FORM 3606) 1-C
45	0403100AS	9721	823	0	CERT OF MAILING DUPL COPIES (FORM 3606) 1-C
45	0404100AS	848815	65927	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) 1-C
45	050E100AS	2040042	342864	0	SPECIAL HANDLING NOT MORE THAN 10 LBS 1-C
45	1400100AS	23793136	39655227	0	BRM-BASIC (WITHOUT ADV DEP ACC) 1-C

45	150' S	8874763	88747627	0	BRM-P OL (WITH ADV DEP ACC) 1-C
45	160 S	3753932	62565532	0	BRM-C BASIC (WITH ADV DEP ACC) 1-C
45	2300000AS	139728	137471	0	POSTAGE DUE FROM DEAD MAIL
45	25070	10307911	0	0	FORM 3547 - FIRST CLASS
45	25145	5731187	0	0	AUTO ADDRESS CORRECTION (FIRST CLASS)
45	2800100AS	0	2559262	0	MERCHANDISE RETURN SERVICE 1-C
45	3700100AS	348319	43539950	0	BRM-QBRM, HIGH VOLUME (ADV DEP/QTR FEE) 1-C
45	3800100AS	8627	862653	0	BRM-NONLETTER-SIZE WT-AVERAGED BRM 1-C
45	4000100AS	0	49851	0	FRIEND-TO-FRIEND 1-C
45	620	20568123	0	0	FIRST CLASS MISCELLANEOUS MAILING FEES
50	2001ABAAM	859040	47644	386492	PRIORITY MAIL SINGLE-PIECE BALLOON L/F/I/P NON-PERM IMP
50	20010BAAM	855197499	162749669	313521371	PRIORITY MAIL SINGLE-PIECE L/F/I/P NON-PERM IMP
50	20010CAAM	96751683	24995359	19420905	PRIORITY MAIL SINGLE-PIECE FLAT RATE ENV NON-PERM IMP
50	20010DAAM	170062	32004	200	PRIORITY MAIL SINGLE-PIECE CARD NON-PERM IMP
50	20010EAAM	76258	15734	17782	PRIORITY MAIL SINGLE-PIECE KEYS/ID DEVICES NON-PERM IMP
50	20010HAAM	20330602	2640846	12995755	PRIORITY MAIL SP FLAT RATE BOX EXPERIMENT NON-PERM IMP
50	7500	150075968	26792237	60889441	PRIORITY MAIL SINGLE-PIECE
50	7520	5873513	1525588	874053	PRIORITY MAIL SINGLE-PIECE FLAT RATE ENVELOPE
50	7540	193	62	49	PRIORITY MAIL SINGLE-PIECE PARCEL RETURN EXPERIMENT
50	7545	153420	19925	25152	PRIORITY MAIL SINGLE-PIECE FLAT RATE BOX EXPERIMENT
55	0401200AS	10216	11046	0	CERT OF MAILING COM - BASIC (FORM 3817) PRIORITY
55	0402200AS	1241	356	0	CERT OF MAILING COM - BULK (FORM 3606) PRIORITY
55	0403200AS	500	278	0	CERT OF MAILING DUPL COPIES (FORM 3606) PRIORITY
55	0404200AS	542	100	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) PRIORITY
55	050E200AS	45158	7589	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PRIORITY
55	050F200AS	0	0	0	SPECIAL HANDLING MORE THAN 10 LBS PRIORITY
55	1400200AS	174949	291583	0	BRM-BASIC (WITHOUT ADV DEP ACC) PRIORITY
55	1500200AS	86654	866537	0	BRM-HIGH VOL (WITH ADV DEP ACC) PRIORITY
55	25075	24190	0	0	FORM 3547 - PRIORITY
55	2800200AS	0	1280778	0	MERCHANDISE RETURN SERVICE PRIORITY
55	3800200AS	573	57287	0	BRM-NONLETTER-SIZE WT-AVERAGED BRM PRIORITY
60	25030	214574765	13716634	12309709	DOMESTIC EXPRESS MAIL
60	25040	648788	42680	37604	AGENCY EXPRESS MAIL
60	25045	0	0	0	FRANKED EXPRESS MAIL
65	410	246724	589097	0	MAILGRAMS
70	2001	16699231	181215318	54281931	PERIODICALS IN-COUNTY
70	2010	0	0	0	PERIODICALS IN-COUNTY REPOSITIONABLE NOTE EXPERIMENT
75	2004	434202820	1642360179	795290749	PERIODICALS REGULAR
75	2011	0	0	0	PERIODICALS REGULAR REPOSITIONABLE NOTE EXPERIMENT
80	2005	79996885	445674540	127641658	PERIODICALS SPECIAL NONPROFIT
80	2012	0	0	0	PERIODICALS SPECIAL NONPROFIT REPOSITIONABLE NOTE EXPERIMENT
85	2006	5322801	21234550	10601137	PERIODICALS CLASSROOM
85	2013	0	0	0	PERIODICALS CLASSROOM REPOSITIONABLE NOTE EXPERIMENT
90	25110	1485185	0	0	FORM 3579 - PERIODICALS
90	25150	2601384	0	0	AUTO ADDRESS CORRECTION (PERIODICALS)
90	420	164151	0	0	PERIODICALS APPLICATION FEES
100	3170	2682609	4697275	410227	STD MAIL PAID AT FIRST-CLASS RATES
100	3175	1050	273	19	STD MAIL PAID AT PRIORITY RATES

100	30	36083932	133677160	6563120	STD M TR BASIC NONAUTO PIECE RATE
100	31	9041626	36525146	1797575	STD M R BASIC NONAUTO DBMC PIECE RATE
100	3232	3010803	12408756	478801	STD MAIL LTR BASIC NONAUTO DSCF PIECE RATE
100	3240	35147347	55370171	26770488	STD MAIL LTR/NONLTR BASIC NONAUTO POUND RATE
100	3241	7993494	10696578	6356499	STD MAIL LTR/NONLTR BASIC NONAUTO DBMC POUND RATE
100	3242	2519376	4237730	1652116	STD MAIL LTR/NONLTR BASIC NONAUTO DSCF POUND RATE
100	3280	31939095	127377885	5373001	STD MAIL LTR 3/5-D NONAUTO PIECE RATE
100	3281	5232837	22428337	1068759	STD MAIL LTR 3/5-D NONAUTO DBMC PIECE RATE
100	3282	21294417	94368854	3086122	STD MAIL LTR 3/5-D NONAUTO DSCF PIECE RATE
100	3290	45449518	69011236	37062702	STD MAIL LTR/NONLTR 3/5-D NONAUTO POUND RATE
100	3291	33978335	51284820	29786976	STD MAIL LTR/NONLTR 3/5-D NONAUTO DBMC POUND RATE
100	3292	22061343	47331467	18897296	STD MAIL LTR/NONLTR 3/5-D NONAUTO DSCF POUND RATE
100	3295	-2444351	0	0	STD MAIL BCODE DISCOUNT RESIDUAL SHAPE NONAUTO RATE
100	3630	9063833	30934265	3439547	STD MAIL NONLTR 3/5-D NONAUTO PIECE RATE
100	3631	3857185	14186281	2009781	STD MAIL NONLTR 3/5-D NONAUTO DBMC PIECE RATE
100	3632	10202006	32693108	4629811	STD MAIL NONLTR 3/5-D NONAUTO DSCF PIECE RATE
100	3640	14071322	38215964	4521321	STD MAIL NONLTR BASIC NONAUTO PIECE RATE
100	3641	889461	2471254	392555	STD MAIL NONLTR BASIC NONAUTO DBMC PIECE RATE
100	3642	963518	2211551	345226	STD MAIL NONLTR BASIC NONAUTO DSCF PIECE RATE
105	3180	0	0	0	STD MAIL REPOSITIONABLE NOTE EXPERIMENT
105	3370	278949071	1374133339	63577199	STD MAIL LTR 3-D AUTO PIECE RATE
105	3371	399425382	2194644952	113070632	STD MAIL LTR 3-D AUTO DBMC PIECE RATE
105	3372	117023862	661151755	33455411	STD MAIL LTR 3-D AUTO DSCF PIECE RATE
105	3380	130388036	686252822	24323468	STD MAIL LTR 5-D AUTO PIECE RATE
105	3381	196881929	1164981827	52680247	STD MAIL LTR 5-D AUTO DBMC PIECE RATE
105	3382	402037268	2451446759	101504853	STD MAIL LTR 5-D AUTO DSCF PIECE RATE
105	3394	98474040	449653653	22025011	STD MAIL LTR MIXED AADC AUTO PIECE RATE
105	3395	8574167	43303875	2522618	STD MAIL LTR MIXED AADC AUTO DBMC PIECE RATE
105	3397	89851649	423828960	21402690	STD MAIL LTR AADC AUTO PIECE RATE
105	3398	24100085	126178454	7482045	STD MAIL LTR AADC AUTO DBMC PIECE RATE
105	3399	1977457	10631488	378306	STD MAIL LTR AADC AUTO DSCF PIECE RATE
105	3810	120284665	460860775	54782522	STD MAIL FLAT 3/5-D AUTO PIECE RATE
105	3811	111946006	466441691	66157226	STD MAIL FLAT 3/5-D AUTO DBMC PIECE RATE
105	3812	98833327	420567333	61582563	STD MAIL FLAT 3/5-D AUTO DSCF PIECE RATE
105	3820	11321640	37738799	4705923	STD MAIL FLAT BASIC AUTO PIECE RATE
105	3821	317908	1139451	153747	STD MAIL FLAT BASIC AUTO DBMC PIECE RATE
105	3822	61240	223507	26117	STD MAIL FLAT BASIC AUTO DSCF PIECE RATE
105	3830	154135367	378473779	156230048	STD MAIL FLAT 3/5-D AUTO POUND RATE
105	3831	129656939	399093452	137765115	STD MAIL FLAT 3/5-D AUTO DBMC POUND RATE
105	3832	193656141	609219864	211999749	STD MAIL FLAT 3/5-D AUTO DSCF POUND RATE
105	3833	410277	1990206	423241	STD MAIL LTR 3/5-D AUTO POUND RATE
105	3834	2897373	15659723	3305984	STD MAIL LTR 3/5-D AUTO DBMC POUND RATE
105	3835	2382	13432	2860	STD MAIL LTR 3/5-D AUTO DSCF POUND RATE
105	3840	21347698	46982858	19932689	STD MAIL FLAT BASIC AUTO POUND RATE
105	3841	844073	2013778	878210	STD MAIL FLAT BASIC AUTO DBMC POUND RATE
105	3842	163592	421957	169143	STD MAIL FLAT BASIC AUTO DSCF POUND RATE
105	3843	162779	741071	157021	STD MAIL LTR BASIC AUTO POUND RATE
105	3844	491950	2501696	529128	STD MAIL LTR BASIC AUTO DBMC POUND RATE

105	15	285	1507	318	STD MA TR BASIC AUTO DSCF POUND RATE
110	0	13127364	67666822	2714135	STD M R ECR BASIC PIECE RATE
110	61	11729662	67801658	4021049	STD MA R ECR BASIC DBMC PIECE RATE
110	3262	36309001	216125007	11820544	STD MAIL LTR ECR BASIC DSCF PIECE RATE
110	3263	6182659	38164561	1143694	STD MAIL LTR ECR BASIC DDU PIECE RATE
110	3265	1285745	7839908	249833	STD MAIL LTR ECR HIGH DENSITY PIECE RATE
110	3266	1171291	8190846	221541	STD MAIL LTR ECR HIGH DENSITY DBMC PIECE RATE
110	3267	12824909	92934127	4393661	STD MAIL LTR ECR HIGH DENSITY DSCF PIECE RATE
110	3268	1807375	13692238	513410	STD MAIL LTR ECR HIGH DENSITY DDU PIECE RATE
110	3270	10106824	35734519	12576421	STD MAIL LTR/NONLTR ECR BASIC POUND RATE
110	3271	31787265	137375324	44009002	STD MAIL LTR/NONLTR ECR BASIC DBMC POUND RATE
110	3272	236700313	1069200850	338131480	STD MAIL LTR/NONLTR ECR BASIC DSCF POUND RATE
110	3273	6175803	26962820	9585674	STD MAIL LTR/NONLTR ECR BASIC DDU POUND RATE
110	3350	7072892	46532181	1673892	STD MAIL LTR ECR SAT PIECE RATE
110	3351	7954275	60719660	1971234	STD MAIL LTR ECR SAT DBMC PIECE RATE
110	3352	61937823	491570021	30812036	STD MAIL LTR ECR SAT DSCF PIECE RATE
110	3353	17964191	149701593	4492545	STD MAIL LTR ECR SAT DDU PIECE RATE
110	3385	9719653	56840066	2061586	STD MAIL LTR ECR BASIC AUTO PIECE RATE
110	3386	20210101	134734013	6244524	STD MAIL LTR ECR BASIC AUTO DBMC PIECE RATE
110	3387	39857150	274876865	11203525	STD MAIL LTR ECR BASIC AUTO DSCF PIECE RATE
110	3388	1544930	11114596	287535	STD MAIL LTR ECR BASIC AUTO DDU PIECE RATE
110	3610	6698734	41867084	2953621	STD MAIL NONLTR ECR SAT PIECE RATE
110	3611	5100138	36691639	2868664	STD MAIL NONLTR ECR SAT DBMC PIECE RATE
110	3612	86463832	645252483	64381442	STD MAIL NONLTR ECR SAT DSCF PIECE RATE
110	3613	127780239	998283134	121824473	STD MAIL NONLTR ECR SAT DDU PIECE RATE
110	3620	13984025	72054307	7324030	STD MAIL NONLTR ECR BASIC PIECE RATE
110	3621	38408950	222017055	29646538	STD MAIL NONLTR ECR BASIC DBMC PIECE RATE
110	3622	189080395	1125475404	147704352	STD MAIL NONLTR ECR BASIC DSCF PIECE RATE
110	3623	5105784	31516690	3089268	STD MAIL NONLTR ECR BASIC DDU PIECE RATE
110	3650	2277040	9991926	3174430	STD MAIL LTR/NONLTR ECR SAT POUND RATE
110	3651	220639	1043764	363195	STD MAIL LTR/NONLTR ECR SAT DBMC POUND RATE
110	3652	29822553	172546856	49449300	STD MAIL LTR/NONLTR ECR SAT DSCF POUND RATE
110	3653	116366679	677992538	205963617	STD MAIL LTR/NONLTR ECR SAT DDU POUND RATE
110	3670	706358	4179638	359190	STD MAIL NONLTR ECR HIGH DENSITY PIECE RATE
110	3671	642556	4341591	619217	STD MAIL NONLTR ECR HIGH DENSITY DBMC PIECE RATE
110	3672	16550500	115737765	14100044	STD MAIL NONLTR ECR HIGH DENSITY DSCF PIECE RATE
110	3673	10168292	74221104	9825296	STD MAIL NONLTR ECR HIGH DENSITY DDU PIECE RATE
110	3680	234536	993260	314416	STD MAIL LTR/NONLTR ECR HIGH DENSITY POUND RATE
110	3681	88005	414591	137606	STD MAIL LTR/NONLTR ECR HIGH DENSITY DBMC POUND RATE
110	3682	15126858	70176033	24969150	STD MAIL LTR/NONLTR ECR HIGH DENSITY DSCF POUND RATE
110	3683	28512159	137950996	49843425	STD MAIL LTR/NONLTR ECR HIGH DENSITY DDU POUND RATE
115	3210	17930262	108023639	4789739	STD MAIL NONPROFIT LTR BASIC NONAUTO PIECE RATE
115	3211	1234849	8540160	483061	STD MAIL NONPROFIT LTR BASIC NONAUTO DBMC PIECE RATE
115	3212	1724952	12376863	445526	STD MAIL NONPROFIT LTR BASIC NONAUTO DSCF PIECE RATE
115	3220	3264404	8233289	3397446	STD MAIL NONPROFIT LTR/NONLTR BASIC NONAUTO POUND RATE
115	3221	31717	116076	36253	STD MAIL NONPROFIT LTR/NONLTR BASIC NONAUTO DBMC POUND RATE
115	3222	43223	153258	52930	STD MAIL NONPROFIT LTR/NONLTR BASIC NONAUTO DSCF POUND RATE
115	3300	21167430	137339897	5662137	STD MAIL NONPROFIT LTR 3/5-D NONAUTO PIECE RATE

115	1	667792	4912185	305927	STD M ONPROFIT LTR 3/5-D NONAUTO DBMC PIECE RATE
115	2	13362894	104636809	3593339	STD M NPROFIT LTR 3/5-D NONAUTO DSCF PIECE RATE
115	3310	3115992	7965260	3617620	STD MAIL NONPROFIT LTR/NONLTR 3/5-D NONAUTO POUND RATE
115	3311	283223	1204605	401739	STD MAIL NONPROFIT LTR/NONLTR 3/5-D NONAUTO DBMC POUND RATE
115	3312	548290	2463919	829129	STD MAIL NONPROFIT LTR/NONLTR 3/5-D NONAUTO DSCF POUND RATE
115	3315	-8349	0	0	STD MAIL NONPROFIT BCODE DISCOUNT RESIDUAL SHAPE NONAUTO RATE
115	3730	3605369	19437272	1758496	STD MAIL NONPROFIT NONLTR 3/5-D NONAUTO PIECE RATE
115	3731	445190	2744844	270823	STD MAIL NONPROFIT NONLTR 3/5-D NONAUTO DBMC PIECE RATE
115	3732	2092551	13292113	1174973	STD MAIL NONPROFIT NONLTR 3/5-D NONAUTO DSCF PIECE RATE
115	3740	3584163	14808178	1562567	STD MAIL NONPROFIT NONLTR BASIC NONAUTO PIECE RATE
115	3741	122661	585188	53726	STD MAIL NONPROFIT NONLTR BASIC NONAUTO DBMC PIECE RATE
115	3742	164442	802255	77517	STD MAIL NONPROFIT NONLTR BASIC NONAUTO DSCF PIECE RATE
120	3181	0	0	0	STD MAIL NONPROFIT REPOSITIONABLE NOTE EXPERIMENT
120	3430	66560996	515976645	26726355	STD MAIL NONPROFIT LTR 3-D AUTO PIECE RATE
120	3431	42004801	388933346	22855725	STD MAIL NONPROFIT LTR 3-D AUTO DBMC PIECE RATE
120	3432	10983991	106640677	4917175	STD MAIL NONPROFIT LTR 3-D AUTO DSCF PIECE RATE
120	3440	18948727	166215808	7104966	STD MAIL NONPROFIT LTR 5-D AUTO PIECE RATE
120	3441	20270595	217963374	11710105	STD MAIL NONPROFIT LTR 5-D AUTO DBMC PIECE RATE
120	3442	25402869	288668965	13458416	STD MAIL NONPROFIT LTR 5-D AUTO DSCF PIECE RATE
120	3454	29237599	203038870	9863895	STD MAIL NONPROFIT LTR MIXED AADC AUTO PIECE RATE
120	3455	619946	5040211	296742	STD MAIL NONPROFIT LTR MIXED AADC AUTO DBMC PIECE RATE
120	3457	24626333	181075981	9564954	STD MAIL NONPROFIT LTR AADC AUTO PIECE RATE
120	3458	1745431	15177645	917567	STD MAIL NONPROFIT LTR AADC AUTO DBMC PIECE RATE
120	3459	487387	4430791	163306	STD MAIL NONPROFIT LTR AADC AUTO DSCF PIECE RATE
120	3910	25268157	152217797	16742351	STD MAIL NONPROFIT FLAT 3/5-D AUTO PIECE RATE
120	3911	10493118	72366328	7938633	STD MAIL NONPROFIT FLAT 3/5-D AUTO DBMC PIECE RATE
120	3912	9258657	66133261	6041508	STD MAIL NONPROFIT FLAT 3/5-D AUTO DSCF PIECE RATE
120	3920	2711508	14346595	1607282	STD MAIL NONPROFIT FLAT BASIC AUTO PIECE RATE
120	3921	44307	263732	27945	STD MAIL NONPROFIT FLAT BASIC AUTO DBMC PIECE RATE
120	3922	7763	47625	4669	STD MAIL NONPROFIT FLAT BASIC AUTO DSCF PIECE RATE
120	3930	13934713	56531773	19407966	STD MAIL NONPROFIT FLAT 3/5-D AUTO POUND RATE
120	3931	3637253	18385971	5767561	STD MAIL NONPROFIT FLAT 3/5-D AUTO DBMC POUND RATE
120	3932	4127927	21934573	6795069	STD MAIL NONPROFIT FLAT 3/5-D AUTO DSCF POUND RATE
120	3933	38665	293419	62288	STD MAIL NONPROFIT LTR 3/5-D AUTO POUND RATE
120	3934	89150	803657	170777	STD MAIL NONPROFIT LTR 3/5-D AUTO DBMC POUND RATE
120	3935	1127	10564	2261	STD MAIL NONPROFIT LTR 3/5-D AUTO DSCF POUND RATE
120	3940	2159302	7530098	2807747	STD MAIL NONPROFIT FLAT BASIC AUTO POUND RATE
120	3941	28377	113481	42452	STD MAIL NONPROFIT FLAT BASIC AUTO DBMC POUND RATE
120	3942	4941	23834	7182	STD MAIL NONPROFIT FLAT BASIC AUTO DSCF POUND RATE
120	3943	19660	136444	29069	STD MAIL NONPROFIT LTR BASIC AUTO POUND RATE
120	3944	460	3746	796	STD MAIL NONPROFIT LTR BASIC AUTO DBMC POUND RATE
120	3945	98	863	184	STD MAIL NONPROFIT LTR BASIC AUTO DSCF POUND RATE
125	3320	1509618	11981092	634821	STD MAIL NONPROFIT LTR ECR BASIC PIECE RATE
125	3321	750485	7147473	528178	STD MAIL NONPROFIT LTR ECR BASIC DBMC PIECE RATE
125	3322	1960492	19604922	963288	STD MAIL NONPROFIT LTR ECR BASIC DSCF PIECE RATE
125	3323	855119	9097016	312198	STD MAIL NONPROFIT LTR ECR BASIC DDU PIECE RATE
125	3330	930943	5380994	1782579	STD MAIL NONPROFIT LTR/NONLTR ECR BASIC POUND RATE
125	3331	591299	4592910	1338276	STD MAIL NONPROFIT LTR/NONLTR ECR BASIC DBMC POUND RATE

125	12	2308535	18880771	5569196	STD M ONPROFIT LTR/NONLTR ECR BASIC DSCF POUND RATE
125	3	91256	800401	240277	STD M NPROFIT LTR/NONLTR ECR BASIC DDU POUND RATE
125	3335	57041	559222	23207	STD MA ONPROFIT LTR ECR HIGH DENSITY PIECE RATE
125	3336	98964	1221783	29499	STD MAIL NONPROFIT LTR ECR HIGH DENSITY DBMC PIECE RATE
125	3337	310355	4083619	163851	STD MAIL NONPROFIT LTR ECR HIGH DENSITY DSCF PIECE RATE
125	3338	711119	10158836	141237	STD MAIL NONPROFIT LTR ECR HIGH DENSITY DDU PIECE RATE
125	3340	976881	8800723	358818	STD MAIL NONPROFIT LTR ECR BASIC AUTO PIECE RATE
125	3341	1383804	15375602	865429	STD MAIL NONPROFIT LTR ECR BASIC AUTO DBMC PIECE RATE
125	3342	1200133	14119182	634528	STD MAIL NONPROFIT LTR ECR BASIC AUTO DSCF PIECE RATE
125	3343	132459	1676695	58675	STD MAIL NONPROFIT LTR ECR BASIC AUTO DDU PIECE RATE
125	3410	3758835	39578880	1837582	STD MAIL NONPROFIT LTR ECR SAT PIECE RATE
125	3411	413000	5581081	233665	STD MAIL NONPROFIT LTR ECR SAT DBMC PIECE RATE
125	3412	5590796	81026029	4057001	STD MAIL NONPROFIT LTR ECR SAT DSCF PIECE RATE
125	3413	7536086	119620913	3343891	STD MAIL NONPROFIT LTR ECR SAT DDU PIECE RATE
125	3710	930777	8945311	885943	STD MAIL NONPROFIT NONLTR ECR SAT PIECE RATE
125	3711	207699	2502395	153109	STD MAIL NONPROFIT NONLTR ECR SAT DBMC PIECE RATE
125	3712	3956397	50723038	4186383	STD MAIL NONPROFIT NONLTR ECR SAT DSCF PIECE RATE
125	3713	2013582	27966420	2431657	STD MAIL NONPROFIT NONLTR ECR SAT DDU PIECE RATE
125	3720	2814361	22335229	1953385	STD MAIL NONPROFIT NONLTR ECR BASIC PIECE RATE
125	3721	4037198	38444065	3805203	STD MAIL NONPROFIT NONLTR ECR BASIC DBMC PIECE RATE
125	3722	14501135	145010431	10964020	STD MAIL NONPROFIT NONLTR ECR BASIC DSCF PIECE RATE
125	3723	343792	3650097	297770	STD MAIL NONPROFIT NONLTR ECR BASIC DDU PIECE RATE
125	3750	92561	719566	195713	STD MAIL NONPROFIT LTR/NONLTR ECR SAT POUND RATE
125	3751	19044	195226	50287	STD MAIL NONPROFIT LTR/NONLTR ECR SAT DBMC POUND RATE
125	3752	590887	6230057	1711994	STD MAIL NONPROFIT LTR/NONLTR ECR SAT DSCF POUND RATE
125	3753	233859	2804745	729229	STD MAIL NONPROFIT LTR/NONLTR ECR SAT DDU POUND RATE
125	3770	56817	516518	29713	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY PIECE RATE
125	3771	52095	585338	28157	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY DBMC PIECE RATE
125	3772	1162673	13841345	733349	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY DSCF PIECE RATE
125	3773	48843	626197	46935	STD MAIL NONPROFIT NONLTR ECR HIGH DENSITY DDU PIECE RATE
125	3780	1060	7249	2200	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY POUND RATE
125	3781	0	0	0	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY DBMC POUND RATE
125	3782	11813	126862	30610	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY DSCF POUND RATE
125	3783	4205	45338	12505	STD MAIL NONPROFIT LTR/NONLTR ECR HIGH DENSITY DDU POUND RATE
130	0401400AS	313	347	0	CERT OF MAILING COM - BASIC (FORM 3817) STD MAIL REG
130	0401900AS	876	973	0	CERT OF MAILING COM - BASIC (FORM 3817) STD MAIL NONPROF
130	0402400AS	1608	342	0	CERT OF MAILING COM - BULK (FORM 3606) STD MAIL REG
130	0402900AS	1870	295	0	CERT OF MAILING COM - BULK (FORM 3606) STD MAIL NONPROF
130	0403400AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) STD MAIL REG
130	0403900AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) STD MAIL NONPROF
130	0404400AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) STD MAIL REG
130	0404900AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) STD MAIL NONPROF
130	25085	3531688	0	0	FORM 3547 - STANDARD MAIL
130	25120	51404	0	0	FORM 3579 - STANDARD MAIL
130	25155	3107792	0	0	AUTO ADDRESS CORRECTION (STANDARD MAIL)
130	3200400AS	3295007	2183510	0	STANDARD MAIL WEIGHTED FEE STD MAIL REGULAR
130	3200900AS	1154529	851516	0	STANDARD MAIL WEIGHTED FEE STD MAIL NONPROFIT
130	3400400AS	919595	510886	0	BULK PARCEL RETURN SERVICE STD MAIL REGULAR

130	340[illegible]S	457000	253889	0	BULK F[illegible]EL RETURN SERVICE STD MAIL NONPROFIT
130	0	20815411	0	0	STANI[illegible]MAIL BULK MAILING FEES
135	[illegible]65	3715654	340652	18123079	PSVC IN[illegible]A-BMC ALASKA BYPASS PARCEL POST
135	3600510AS	273160	78118	0	MAIL ENCLOSURE PSVC PARCEL POST
135	4100	5654383	863714	4065706	PSVC INTER-BMC MACH PARCEL POST
135	4105	1237340	275405	1498832	PSVC INTRA-BMC MACH PARCEL POST
135	4115	3610510	551264	2164696	PSVC BCODE INTER-BMC MACH PARCEL POST
135	4120	318801	71887	351623	PSVC BCODE INTRA-BMC MACH PARCEL POST
135	4125	411556	128820	214274	PSVC ORIGIN BMC PRES INTER-BMC MACH PARCEL POST
135	4130	10932	3587	8816	PSVC ORIGIN BMC PRES BCODE INTER-BMC MACH PARCEL POST
135	4135	1054	53	2676	PSVC ORIGIN BMC PRES INTER-BMC NONMACH PARCEL POST
135	4140	177553	40830	77001	PSVC BMC PRES INTER-BMC MACH PARCEL POST
135	4145	538450	125945	299555	PSVC BMC PRES BCODE INTER-BMC MACH PARCEL POST
135	4150	1423670	84105	1643282	PSVC INTER-BMC NONMACH PARCEL POST
135	4160	10247217	3275052	15373459	PSVC DBMC MACH PARCEL POST
135	4165	33619335	11162296	48118821	PSVC BCODE DBMC MACH PARCEL POST
135	4173	1007925	426367	3200696	PSVC DESTINATION SCF MACH PARCEL POST
135	4174	11097	2251	58853	PSVC DESTINATION SCF NONMACH PARCEL POST
135	4175	67735215	47768169	230827398	PSVC DESTINATION DELIV UNIT PARCEL POST
135	4180	13555	975	14454	PSVC BMC PRES INTER-BMC NONMACH PARCEL POST
135	4185	6332634	998220	13594774	PSVC DBMC NONMACH PARCEL POST
135	4190	280291	33270	796717	PSVC INTRA-BMC NONMACH PARCEL POST
135	4193	4984196	1789887	3603342	PSVC PARCEL SELECT PARCEL RETURN RBMC MACH EXPERIMENT
135	4194	4816	850	8036	PSVC PARCEL SELECT PARCEL RETURN RBMC MACH BALLOON EXP
135	4195	442158	112849	223817	PSVC PARCEL SELECT PARCEL RETURN RBMC NONMACH EXPERIMENT
135	4196	4359	630	6198	PSVC PARCEL SELECT PARCEL RETURN RBMC NONMACH BALLOON EXP
135	4197	8456	323	8180	PSVC PARCEL SELECT PARCEL RETURN RBMC NONMACH OVERSIZED EXP
135	4198	62	31	9	PSVC PARCEL SELECT PARCEL RETURN RDU EXPERIMENT
135	4199	68	9	57	PSVC PARCEL SELECT PARCEL RETURN RDU OVERSIZED EXPERIMENT
135	510BBBAAM	147607	8666	275957	PSVC PARCEL POST INTRA-BMC OVERSIZED L/F/I/P NON-PERM IMP
135	510BCBAAM	26138186	6081973	21304402	PSVC PARCEL POST INTRA-BMC MACH L/F/I/P NON-PERM IMP
135	510BDBAAM	17103	2808	28952	PSVC PARCEL POST INTRA-BMC MACH BALLOON L/F/I/P NON-PERM IMP
135	510BEBAAM	6149127	1386608	6890484	PSVC PARCEL POST INTRA-BMC NONMACH L/F/I/P NON-PERM IMP
135	510BFBAAM	276524	37640	262701	PSVC PARCEL POST INTRA-BMC NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510CCBAAM	1047050	358865	1123941	PSVC PARCEL POST INTRA-BMC BC MACH L/F/I/P NON-PERM IMP
135	510CDBAAM	9796	1580	14487	PSVC PARCEL POST INTRA-BMC BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510DBBAAM	213453	3802	136965	PSVC PARCEL POST INTER-BMC OVERSIZED L/F/I/P NON-PERM IMP
135	510DCBAAM	94763560	13682509	58012823	PSVC PARCEL POST INTER-BMC MACH L/F/I/P NON-PERM IMP
135	510DDBAAM	16980	1463	11962	PSVC PARCEL POST INTER-BMC MACH BALLOON L/F/I/P NON-PERM IMP
135	510DEBAAM	5654112	439045	5092400	PSVC PARCEL POST INTER-BMC NONMACH L/F/I/P NON-PERM IMP
135	510DFBAAM	136207	7225	68121	PSVC PARCEL POST INTER-BMC NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510ECBAAM	3183956	409617	2162370	PSVC PARCEL POST INTER-BMC BC MACH L/F/I/P NON-PERM IMP
135	510EDBAAM	0	0	0	PSVC PARCEL POST INTER-BMC BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510FBBAAM	87884	1024	50788	PSVC PARCEL POST INTER-BMC BMC PRES OVERSIZED L/F/I/P NON-PERM IMP
135	510FCBAAM	496406	78591	421861	PSVC PARCEL POST INTER-BMC BMC PRES MACH L/F/I/P NON-PERM IMP
135	510FDBAAM	0	0	0	PSVC PARCEL POST INTER-BMC BMC PRES MACH BALLOON L/F/I/P NON-PERM IMP
135	510FEBAAM	715827	26767	1041532	PSVC PARCEL POST INTER-BMC BMC PRES NONMACH L/F/I/P NON-PERM IMP
135	510FFBAAM	30648	1985	20962	PSVC PARCEL POST INTER-BMC BMC PRES NONMACH BALLOON L/F/I/P NON-PERM IMP

135	510G M	146329	18935	136125	PSVC EL POST INTER-BMC BMC PRES BC MACH L/F/I/P NON-PF MP
135	510G M	0	0	0	PSVC EL POST INTER-BMC BMC PRES BC MACH BALLOON L/F. N-PERM IMP
135	510HBBAAM	333442	23699	377234	PSVC PARCEL POST INTER-BMC OBMC PRES OVERSIZED L/F/I/P NON- RM IMP
135	510HCBAAM	1734391	323852	1104441	PSVC PARCEL POST INTER-BMC OBMC PRES MACH L/F/I/P NON-PERM IMP
135	510HDBAAM	25187	2385	28490	PSVC PARCEL POST INTER-BMC OBMC PRES MACH BALLOON L/F/I/P NON-PERM IMP
135	510HEBAAM	11886819	1889337	8452937	PSVC PARCEL POST INTER-BMC OBMC PRES NONMACH L/F/I/P NON-PERM IMP
135	510HFBAAM	768002	74146	629394	PSVC PARCEL POST INTER-BMC OBMC PRES NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510JCBAAM	2221756	527113	2822770	PSVC PARCEL POST INTER-BMC OBMC PRES BC MACH L/F/I/P NON-PERM IMP
135	510JDBAAM	59216	5537	40863	PSVC PARCEL POST INTER-BMC OBMC PRES BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510KBBAAM	9119	217	12777	PSVC PARCEL POST DBMC OVERSIZED L/F/I/P NON-PERM IMP
135	510KCBAAM	4100610	732324	2806948	PSVC PARCEL POST DBMC MACH L/F/I/P NON-PERM IMP
135	510KDBAAM	0	0	0	PSVC PARCEL POST DBMC MACH BALLOON L/F/I/P NON-PERM IMP
135	510KEBAAM	311235	52364	241203	PSVC PARCEL POST DBMC NONMACH L/F/I/P NON-PERM IMP
135	510KFBAAM	5820	610	7155	PSVC PARCEL POST DBMC NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510LCBAAM	0	0	0	PSVC PARCEL POST DBMC BC MACH L/F/I/P NON-PERM IMP
135	510LDBAAM	0	0	0	PSVC PARCEL POST DBMC BC MACH BALLOON L/F/I/P NON-PERM IMP
135	510MBBAAM	0	0	0	PSVC PARCEL POST DSCF OVERSIZED L/F/I/P NON-PERM IMP
135	510MCBAAM	43087	18609	45182	PSVC PARCEL POST DSCF MACH L/F/I/P NON-PERM IMP
135	510MDBAAM	0	0	0	PSVC PARCEL POST DSCF MACH BALLOON L/F/I/P NON-PERM IMP
135	510MEBAAM	325070	95292	145486	PSVC PARCEL POST DSCF NONMACH L/F/I/P NON-PERM IMP
135	510MFBAAM	32	8	57	PSVC PARCEL POST DSCF NONMACH BALLOON L/F/I/P NON-PERM IMP
135	510NABAAM	0	0	0	PSVC PARCEL POST DDU BALLOON L/F/I/P NON-PERM IMP
135	510NBBAAM	15304	3751	8557	PSVC PARCEL POST DDU OVERSIZED L/F/I/P NON-PERM IMP
135	510N0BAAM	69006	61014	25314	PSVC PARCEL POST DDU L/F/I/P NON-PERM IMP
140	3600520AS	49459	25563	0	MAIL ENCLOSURE PSVC BPM
140	4500	1235197	610232	936922	PSVC SP BOUND PRINTED MATTER FLATS
140	4501	154200	79961	86875	PSVC SP BCODE BOUND PRINTED MATTER FLATS
140	4502	16600502	12094884	17107773	PSVC PRESORTED BOUND PRINTED MATTER FLATS
140	4503	3468888	2705444	2846430	PSVC PRESORTED BCODE BOUND PRINTED MATTER FLATS
140	4504	6297144	6628652	10599037	PSVC PRESORTED DBMC BOUND PRINTED MATTER FLATS
140	4505	2595388	2947738	3229825	PSVC PRESORTED BCODE DBMC BOUND PRINTED MATTER FLATS
140	4506	7492255	10733517	16998758	PSVC PRESORTED DSCF BOUND PRINTED MATTER FLATS
140	4507	4191313	6560369	7201679	PSVC PRESORTED BCODE DSCF BOUND PRINTED MATTER FLATS
140	4508	70645	122024	190809	PSVC PRESORTED DDU BOUND PRINTED MATTER FLATS
140	4509	816767	644788	939645	PSVC CARRIER ROUTE BOUND PRINTED MATTER FLATS
140	4510	2566165	3066430	4217437	PSVC CARRIER ROUTE DBMC BOUND PRINTED MATTER FLATS
140	4511	6614598	11251896	15914535	PSVC CARRIER ROUTE DSCF BOUND PRINTED MATTER FLATS
140	4512	665164	1408057	1895895	PSVC CARRIER ROUTE DDU BOUND PRINTED MATTER FLATS
140	4550	1905266	780333	2422198	PSVC SP BOUND PRINTED MATTER PARCELS
140	4551	883369	353167	1207521	PSVC SP BCODE BOUND PRINTED MATTER PARCELS
140	4552	8983170	5419197	13881389	PSVC PRESORTED BOUND PRINTED MATTER PARCELS
140	4553	8959415	5432260	15342218	PSVC PRESORTED BCODE BOUND PRINTED MATTER PARCELS
140	4554	12605819	10533109	39668012	PSVC PRESORTED DBMC BOUND PRINTED MATTER PARCELS
140	4555	39263923	35147752	111511064	PSVC PRESORTED BCODE DBMC BOUND PRINTED MATTER PARCELS
140	4556	4826086	5336090	19958969	PSVC PRESORTED DSCF BOUND PRINTED MATTER PARCELS
140	4557	2466969	3503992	11100172	PSVC PRESORTED DDU BOUND PRINTED MATTER PARCELS
140	4558	161592	97619	277463	PSVC CARRIER ROUTE BOUND PRINTED MATTER PARCELS
140	4559	313132	299929	894870	PSVC CARRIER ROUTE DBMC BOUND PRINTED MATTER PARCELS

140	0	2925286	3829420	11737032	PSVC ER ROUTE DSCF BOUND PRINTED MATTER PARCELS
140	1	5450043	9096434	27300823	PSVC ER ROUTE DDU BOUND PRINTED MATTER PARCELS
140	4590	261	85	231	PSVC BOUND PRINTED MATTER PARCEL RETURN RBMC EXPERIMEN
140	520R0FAAM	522529	331086	351004	PSVC BPM SINGLE-PIECE BC L/F NON-PERM IMP
140	520R0GAAM	1589816	782309	1907486	PSVC BPM SINGLE-PIECE BC I/P NON-PERM IMP
140	520T0FAAM	0	0	0	PSVC BPM PRESORTED BC L/F NON-PERM IMP
140	520T0GAAM	52941	37550	84897	PSVC BPM PRESORTED BC I/P NON-PERM IMP
140	520U0FAAM	24100	19904	31571	PSVC BPM PRESORTED DBMC L/F NON-PERM IMP
140	520U0GAAM	143752	100291	526363	PSVC BPM PRESORTED DBMC I/P NON-PERM IMP
140	520V0FAAM	0	0	0	PSVC BPM PRESORTED DBMC BC L/F NON-PERM IMP
140	520V0GAAM	4916	4025	13313	PSVC BPM PRESORTED DBMC BC I/P NON-PERM IMP
140	520W0FAAM	8252	9377	8967	PSVC BPM PRESORTED DSCF L/F NON-PERM IMP
140	520W0GAAM	88877	75715	373281	PSVC BPM PRESORTED DSCF I/P NON-PERM IMP
140	520X0FAAM	1171	1858	1114	PSVC BPM PRESORTED DDU L/F NON-PERM IMP
140	520X0GAAM	14551	15182	69896	PSVC BPM PRESORTED DDU I/P NON-PERM IMP
140	520Y0FAAM	0	0	0	PSVC BPM CARRIER ROUTE DBMC L/F NON-PERM IMP
140	520Y0GAAM	0	0	0	PSVC BPM CARRIER ROUTE DBMC I/P NON-PERM IMP
140	520Z0FAAM	0	0	0	PSVC BPM CARRIER ROUTE DSCF L/F NON-PERM IMP
140	520Z0GAAM	1787	1295	15216	PSVC BPM CARRIER ROUTE DSCF I/P NON-PERM IMP
140	52010FAAM	4389591	2176307	2302758	PSVC BPM SINGLE-PIECE L/F NON-PERM IMP
140	52010GAAM	5557885	2224524	6808855	PSVC BPM SINGLE-PIECE I/P NON-PERM IMP
140	52020FAAM	350450	195398	340874	PSVC BPM PRESORTED L/F NON-PERM IMP
140	52020GAAM	400411	216867	798323	PSVC BPM PRESORTED I/P NON-PERM IMP
140	52030FAAM	0	0	0	PSVC BPM CARRIER ROUTE L/F NON-PERM IMP
140	52030GAAM	4180	2103	1811	PSVC BPM CARRIER ROUTE I/P NON-PERM IMP
140	521A0FAAM	0	0	0	PSVC BPM CARRIER ROUTE DDU L/F NON-PERM IMP
140	521A0GAAM	0	0	0	PSVC BPM CARRIER ROUTE DDU I/P NON-PERM IMP
140	521F0FAAM	0	0	0	PSVC BPM PRESORTED DSCF BC L/F NON-PERM IMP
145	3600530AS	234083	138358	0	MAIL ENCLOSURE PSVC MEDIA MAIL
145	4300	5755715	2823684	6625886	PSVC SP MEDIA MAIL
145	4305	3794614	2045885	4308389	PSVC SP BCODE MEDIA MAIL
145	4320	1752228	1060087	2283177	PSVC BASIC PRESORT MEDIA MAIL
145	4325	12001136	7357803	16763738	PSVC BASIC PRESORT BCODE MEDIA MAIL
145	4330	701499	627562	1025200	PSVC 5-D MEDIA MAIL
145	530P0BAAM	61292	38968	205739	PSVC MEDIA MAIL 5-DIGIT PRES L/F/I/P NON-PERM IMP
145	530R0BAAM	3322670	1779479	4090479	PSVC MEDIA MAIL SINGLE-PIECE BC L/F/I/P NON-PERM IMP
145	53010BAAM	57196253	29273737	51008683	PSVC MEDIA MAIL SINGLE-PIECE L/F/I/P NON-PERM IMP
145	531D0BAAM	619170	331731	589864	PSVC MEDIA MAIL BASIC PRESORT L/F/I/P NON-PERM IMP
145	531E0BAAM	89	46	97	PSVC MEDIA MAIL BASIC PRESORT BC L/F/I/P NON-PERM IMP
150	3600540AS	8351	5994	0	MAIL ENCLOSURE PSVC LIBRARY MAIL
150	4400	543690	222767	836576	PSVC SP LIBRARY MAIL
150	4405	341538	193227	409443	PSVC SP BCODE LIBRARY MAIL
150	4420	54230	31747	63631	PSVC BASIC PRESORT LIBRARY MAIL
150	4425	4110	2543	5489	PSVC BASIC PRESORT BCODE LIBRARY MAIL
150	4430	3503	2992	3828	PSVC 5-D LIBRARY MAIL
150	540P0BAAM	13176	20001	24724	PSVC LIBRARY MAIL 5-DIGIT PRES L/F/I/P NON-PERM IMP
150	540R0BAAM	216662	145420	276169	PSVC LIBRARY MAIL SINGLE-PIECE BC L/F/I/P NON-PERM IMP
150	54010BAAM	5451266	2878958	5148606	PSVC LIBRARY MAIL SINGLE-PIECE L/F/I/P NON-PERM IMP

150	541D M	203907	122624	198441	PSVC RY MAIL BASIC PRESORT L/F/I/P NON-PERM IMP
150	541E M	0	0	0	PSVC RY MAIL BASIC PRESORT BC L/F/I/P NON-PERM IMP
155	0401[illegible]AS	9412	10459	0	CERT O[illegible]AILING COM - BASIC (FORM 3817) PSVC
155	0402500AS	0	0	0	CERT OF MAILING COM - BULK (FORM 3606) PSVC
155	0403500AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) PSVC
155	0404500AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) PSVC
155	050E500AS	52273	8785	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PSVC
155	050F500AS	16697	2024	0	SPECIAL HANDLING MORE THAN 10 LBS PSVC
155	060A500AS	104	232	0	PARCEL AIRLIFT (PAL) NOT MORE THAN 2 POUNDS PSVC
155	060B500AS	0	0	0	PARCEL AIRLIFT (PAL) > 2 LBS, NOT > THAN 3 LBS PSVC
155	060C500AS	0	0	0	PARCEL AIRLIFT (PAL) > 3 LBS, NOT > THAN 4 LBS PSVC
155	060D500AS	5016	2951	0	PARCEL AIRLIFT (PAL) OVER 4 LBS PSVC
155	25090	39940	0	0	FORM 3547 - PACKAGE SERVICES, PARCEL POST
155	25095	98802	0	0	FORM 3547 - PACKAGE SERVICES, BPM
155	25100	20277	0	0	FORM 3547 - PACKAGE SERVICES, MEDIA
155	25105	8026	0	0	FORM 3547 - PACKAGE SERVICES, LIBRARY
155	25125	854	0	0	FORM 3579 - PACKAGE SERVICES, PARCEL POST
155	25130	426	0	0	FORM 3579 - PACKAGE SERVICES, BPM
155	25135	228	0	0	FORM 3579 - PACKAGE SERVICES, MEDIA
155	25140	237	0	0	FORM 3579 - PACKAGE SERVICES, LIBRARY
155	25160	312969	0	0	AUTO ADDRESS CORRECTION (PACKAGE SERVICES)
155	2800500AS	0	2331856	0	MERCHANDISE RETURN SERVICE PSVC
155	448	126885	0	0	PACKAGE SERVICES MISCELLANEOUS MAILING FEES
160	10000AABM	0	2294506	164831	1-C NON-PERM IMP USPS
160	10000ABBM	0	121043851	4818037	1-C PERMIT IMP USPS
160	20000AABM	0	549829	708125	PRIORITY MAIL NON-PERM IMP USPS
160	20000ABBM	0	2929286	5670626	PRIORITY MAIL PERMIT IMP USPS
160	25035	0	236375	1334753	USPS EXPRESS MAIL
160	40000AABM	0	0	0	STD MAIL REG NON-PERM IMP USPS
160	40000ABBM	0	13939	87	STD MAIL REG PERMIT IMP USPS
160	50000AABM	0	159842	212285	PSVC NON-PERM IMP USPS
160	50000ABBM	0	1371947	13184836	PSVC PERMIT IMP USPS
160	5110	0	364804	78012	USPS 1-C SP LTRS, FLATS, & PARCELS
160	5230	0	64962	116885	USPS PRIORITY MAIL
160	5900	0	2220	690	USPS INTL ECONOMY LETTER-POST/PARCEL POST
160	5905	0	155189	12492	USPS INTL AIRMAIL LETTER-POST/PARCEL POST
160	70000AABM	0	0	0	INTL MAIL NON-PERM IMP USPS
160	70000ABBM	0	0	0	INTL MAIL PERM IMP USPS
165	5920	0	55669	171019	INTL ECONOMY FREE MATTER FOR THE BLIND
165	60000AAAM	0	16429837	7880887	FREE MAIL FOR THE BLIND NON-PERM IMP
170	5910	29137	5888	6266	AGN INTL ECONOMY LETTER-POST
170	6170	2072	441	1045	CONGR FRANK/OTHER FRANK INTL ECONOMY LETTER-POST
170	75000BAAM	8869	5916	819	INTL MAIL ECONOMY LP L/F/I/P NON-PERM IMP
170	75000BBAM	0	0	0	INTL MAIL ECONOMY LP L/F/I/P PERMIT IMP
170	8520	7883965	1235881	3626127	INTL ECONOMY LETTER-POST
175	5911	34392	830	14531	AGN INTL ECONOMY PARCEL POST
175	6171	469	13	194	CONGR FRANK/OTHER FRANK INTL ECONOMY PARCEL POST
175	76000BAAM	1686119	48979	782033	INTL MAIL ECONOMY PP L/F/I/P NON-PERM IMP

175	760[illegible]M	0	0	0	INTL M[illegible]CONOMY PP L/F/I/P PERMIT IMP
175	[illegible]0	16816974	713357	6202365	INTL E[illegible]MY PARCEL POST
180	[illegible]2007	4803340	3807008	1948212	INTERN[illegible]ONAL ECONOMY PERIODICALS
185	5915	210181	223953	15949	AGN INTL AIRMAIL LETTER-POST
185	6175	37294	12311	3633	CONGR FRANK/OTHER FRANK INTL AIRMAIL LETTER-POST
185	77000BAAM	1294549	497758	120937	INTL MAIL AIRMAIL LP L/F/I/P NON-PERM IMP
185	77000BBAM	0	0	0	INTL MAIL AIRMAIL LP L/F/I/P PERMIT IMP
185	8540	170095263	114150960	15277555	INTL AIRMAIL LETTER-POST
195	25053	949603	48979	170845	INTERNATIONAL COMMERCIAL PACKAGES (ICP) AIRMAIL PARCEL POST
195	5917	7157	315	1112	AGN INTL AIRMAIL PARCEL POST
195	6177	121125	1521	27237	CONGR FRANK/OTHER FRANK INTL AIRMAIL PARCEL POST
195	79000BAAM	13757346	495060	3258554	INTL MAIL AIRMAIL PP L/F/I/P NON-PERM IMP
195	79000BBAM	15690	574	4122	INTL MAIL AIRMAIL PP L/F/I/P PERMIT IMP
195	8550	50470799	1498911	12200753	INTL AIRMAIL PARCEL POST
205	25050	47542631	1396651	6007610	INTERNATIONAL EXPRESS MAIL
205	25054	631782	16315	101241	INTERNATIONAL COMMERCIAL PACKAGES (ICP) EXPRESS MAIL
210	25060	16901977	24118443	5324127	INTERNATIONAL SURFACE AIRLIFT (ISAL)
215	25055	24049290	51728033	3567368	INTERNATIONAL PRIORITY AIRMAIL (IPA)
216	25062	432177	984278	303329	GLOBAL DIRECT ENTRY OUTBOUND (GDEO)
216	25064	2054124	44107	102144	GLOBAL EXPRESS GUARANTEED (GXG)
217	533	57346908	0	0	FOREIGN POSTAL TRANSACTION REVENUE
220	0401700AS	24319	19505	0	CERT OF MAILING COM - BASIC (FORM 3817) INTL MAIL
220	0402700AS	0	0	0	CERT OF MAILING COM - BULK (FORM 3606) INTL MAIL
220	0403700AS	0	0	0	CERT OF MAILING DUPL COPIES (FORM 3606) INTL MAIL
220	0404700AS	0	0	0	CERT OF MAILING FIRM MAIL BOOKS (FORM 3877) INTL MAIL
220	29007C0AS	40937	25050	0	POSTAGE DUE - FOREIGN ORIGIN INTL MAIL AIRMAIL
220	29007D0AS	8112	914	0	POSTAGE DUE - FOREIGN ORIGIN INTL MAIL SURFACE
220	3000700AS	203670	45260	0	CUSTOMS CLEARANCE AND DELIVERY FEES INTL MAIL
220	3100700AS	98956	5649	0	UNDELIVERED INTL PARCEL POST (RETURNED INTL) INTL MAIL
220	3300700AS	73924	65119	0	INTERNATIONAL BRM SERVICE INTL MAIL
220	4100700AS	55558	63454	0	UNDELIVERED INTL LETTER POST (RETURNED INTL) INTL MAIL
220	534	5622721	0	0	INTERNATIONAL MISCELLANEOUS ITEM FEES
220	552	-10768	0	0	INTERNATIONAL REPLY COUPON REVENUE
225	25010	14785735	1327711	0	DOMESTIC REGISTERED TOTAL
230	010G000AS	6588468	5068053	0	INSURED VALUE $.01 TO $50
230	010H000AS	7147320	3248782	0	INSURED VALUE $50.01 TO $100
230	010J000AS	5362248	1675702	0	INSURED VALUE $100.01 TO $200
230	010K000AS	2050438	488199	0	INSURED VALUE $200.01 TO $300
230	010L000AS	1272681	244746	0	INSURED VALUE $300.01 TO $400
230	010M000AS	1579487	254756	0	INSURED VALUE $400.01 TO $500
230	010N000AS	711415	98808	0	INSURED VALUE $500.01 TO $600
230	010P000AS	621709	75818	0	INSURED VALUE $600.01 TO $700
230	010Q000AS	231284	25140	0	INSURED VALUE $700.01 TO $800
230	010R000AS	332331	32582	0	INSURED VALUE $800.01 TO $900
230	010S000AS	660838	59003	0	INSURED VALUE $900.01 TO $1000
230	010T000AS	1550910	75403	0	INSURED VALUE $1000.01 TO $5000
230	25170	259087	199298	0	ONLINE INSURED VALUE $.01 TO $50
230	25171	210960	95891	0	ONLINE INSURED VALUE $50.01 TO $100

230	2	325386	101683	0	ONLIN[illegible]IRED VALUE $100.01 TO $200
230	5	17	4	0	DOME[illegible]TANDARD MAIL BULK INSURED
230	8410	156637	120490	0	DOMES[illegible] INSURED MAIL $.01 TO $50 APO/FPO
230	8420	214163	97347	0	DOMESTIC INSURED MAIL $50.01 TO $100 APO/FPO
230	8425	160675	50211	0	DOMESTIC INSURED MAIL $100.01 TO $200 APO/FPO
230	8430	61440	14628	0	DOMESTIC INSURED MAIL $200.01 TO $300 APO/FPO
230	8435	38135	7334	0	DOMESTIC INSURED MAIL $300.01 TO $400 APO/FPO
230	8440	47328	7634	0	DOMESTIC INSURED MAIL $400.01 TO $500 APO/FPO
230	8445	21317	2961	0	DOMESTIC INSURED MAIL $500.01 TO $600 APO/FPO
235	25005	1974879	334996	0	COD TOTAL
235	2600000AS	1150	383	0	FORM 3849-D COD NOTICE OF NONDELIV
235	3500000AS	0	0	0	COD ALTERATION OF CHARGES/DELIVERY
240	0700000AS	146245646	63585064	0	CERTIFIED
242	0800000AS	89876373	51357927	0	RETURN RECEIPT
242	0900000AS	26657223	8202223	0	RETURN RECEIPT AFTER MAILING-CERTIFIED
242	1000000AS	195804	60248	0	RETURN RECEIPT AFTER MAILING-INSURED
242	1100000AS	830138	255427	0	RETURN RECEIPT AFTER MAILING-REGISTERED
242	1200000AS	2545203	848401	0	RETURN RECEIPT FOR MERCHANDISE
242	1300000AS	1625817	464519	0	RESTRICTED DELIVERY
242	2100100AS	320498	246537	0	SIGNATURE CONFIRMATION - ELECTRONIC FIRST CLASS
242	2100200AS	663698	510536	0	SIGNATURE CONFIRMATION - ELECTRONIC PRIORITY
242	2100500AS	112503	86541	0	SIGNATURE CONFIRMATION - ELECTRONIC PSVC
242	2200100AS	301751	167639	0	SIGNATURE CONFIRMATION - RETAIL FIRST CLASS
242	2200200AS	1947883	1082158	0	SIGNATURE CONFIRMATION - RETAIL PRIORITY
242	2200500AS	187503	104169	0	SIGNATURE CONFIRMATION - RETAIL PSVC
242	25167	72515	55781	0	RETURN RECEIPT-ELECTRONIC COPY OF SIGNATURE
242	9813	1171623	9012485	0	DELIVERY CONFIRMATION FIRST CLASS - ELECTRONIC
242	9814	2077839	3777889	0	DELIVERY CONFIRMATION FIRST CLASS - RETAIL
242	9815	0	35370045	0	DELIVERY CONFIRMATION PRIORITY - ELECTRONIC
242	9816	8539085	18975745	0	DELIVERY CONFIRMATION PRIORITY - RETAIL
242	9817	4159717	31997821	0	DELIVERY CONFIRMATION PSVC - ELECTRONIC
242	9818	2223516	4042757	0	DELIVERY CONFIRMATION PSVC - RETAIL
242	9819	1606278	12355986	0	DELIVERY CONFIRMATION STANDARD MAIL - ELECTRONIC
242	9820	0	54593628	0	DELIVERY CONFIRMATION PSVC PARCEL SELECT - ELECTRONIC
250	831	42393740	46079805	0	DOMESTIC MONEY ORDERS
255	838	10862682	0	0	OUTSTANDING MONEY ORDERS INTO REVENUE
260	25025	4428110	0	0	STAMPED ENVELOPE EXCESS REVENUE
260	25026	747740	37387000	0	STAMPED CARD FEES
265	840	195177436	0	0	MAIL BOX RENT
267	832	606920	161046	0	INTERNATIONAL MONEY ORDERS
268	010G701AS	54093	41610	0	INSURED VALUE $.01 TO $50 INTL MAIL TO CANADA
268	010G702AS	323220	174713	0	INSURED VALUE $.01 TO $50 INTL MAIL NON-CANADA
268	010H701AS	80553	36615	0	INSURED VALUE $50.01 TO $100 INTL MAIL TO CANADA
268	010H702AS	200029	76934	0	INSURED VALUE $50.01 TO $100 INTL MAIL NON-CANADA
268	010J701AS	132005	41251	0	INSURED VALUE $100.01 TO $200 INTL MAIL TO CANADA
268	010J702AS	318151	88375	0	INSURED VALUE $100.01 TO $200 INTL MAIL NON-CANADA
268	010K701AS	130036	30961	0	INSURED VALUE $200.01 TO $300 INTL MAIL TO CANADA
268	010K702AS	268541	58379	0	INSURED VALUE $200.01 TO $300 INTL MAIL NON-CANADA

268	010' S	39348	7567	0	INSUR' LUE $300.01 TO $400 INTL MAIL TO CANADA
268	010 S	116590	20820	0	INSUR LUE $300.01 TO $400 INTL MAIL NON-CANADA
268	010M701AS	65949	10637	0	INSURED VALUE $400.01 TO $500 INTL MAIL TO CANADA
268	010M702AS	88200	13364	0	INSURED VALUE $400.01 TO $500 INTL MAIL NON-CANADA
268	010N701AS	2278	316	0	INSURED VALUE $500.01 TO $600 INTL MAIL TO CANADA
268	010N702AS	51547	6783	0	INSURED VALUE $500.01 TO $600 INTL MAIL NON-CANADA
268	010P701AS	22530	2748	0	INSURED VALUE $600.01 TO $700 INTL MAIL TO CANADA
268	010P702AS	25241	2935	0	INSURED VALUE $600.01 TO $700 INTL MAIL NON-CANADA
268	010Q702AS	6197	646	0	INSURED VALUE $700.01 TO $800 INTL MAIL NON-CANADA
268	010R702AS	5247	495	0	INSURED VALUE $800.01 TO $900 INTL MAIL NON-CANADA
268	010S702AS	8568	739	0	INSURED VALUE $900.01 TO $1000 INTL MAIL NON-CANADA
268	010T702AS	77869	3795	0	INSURED VALUE $1000.01 TO $5000 INTL MAIL NON-CANADA
268	0800700AS	281400	160800	0	RETURN RECEIPT INTL MAIL
268	1300700AS	1539	440	0	RESTRICTED DELIVERY INTL MAIL
268	25013	4922477	648996	0	INTL REGISTERED TOTAL
270	846	12800000	0	0	REIMBURSEMENT REVENUE
270	847	151880841	0	0	MISCELLANEOUS ITEM REVENUE
270	848	15405000	0	0	REVENUE FOREGONE
270	850	19674505	0	0	INVESTMENT INCOME
275	25015	0	2784408	0	USPS DOMESTIC REGISTERED TOTAL
275	25020	0	0	0	USPS INTL REGISTERED TOTAL
280	0700000BS	0	301635	0	CERTIFIED USPS
282	0800000BS	0	186273	0	RETURN RECEIPT USPS
282	0800700BS	0	0	0	RETURN RECEIPT INTL MAIL USPS
282	1300000BS	0	1085	0	RESTRICTED DELIVERY USPS
282	1300700BS	0	0	0	RESTRICTED DELIVERY INTL MAIL USPS
282	1900100BS	0	59811	0	DELIVERY CONFIRMATION - ELECTRONIC FIRST CLASS USPS
282	1900200BS	0	791091	0	DELIVERY CONFIRMATION - ELECTRONIC PRIORITY USPS
282	1900500BS	0	29470	0	DELIVERY CONFIRMATION - ELECTRONIC PSVC USPS
282	191Z510BS	0	2036	0	DELIVERY CONFIRMATION - ELECTRONIC PSVC PARCEL SELECT USPS
282	2000100BS	0	64598	0	DELIVERY CONFIRMATION - RETAIL FIRST CLASS USPS
282	2000200BS	0	463255	0	DELIVERY CONFIRMATION - RETAIL PRIORITY USPS
282	2000500BS	0	3579	0	DELIVERY CONFIRMATION - RETAIL PSVC USPS
282	2100100BS	0	98	0	SIGNATURE CONFIRMATION - ELECTRONIC FIRST CLASS USPS
282	2100200BS	0	6492	0	SIGNATURE CONFIRMATION - ELECTRONIC PRIORITY USPS
282	2100500BS	0	366	0	SIGNATURE CONFIRMATION - ELECTRONIC PSVC USPS
282	2200100BS	0	3484	0	SIGNATURE CONFIRMATION - RETAIL FIRST CLASS USPS
282	2200200BS	0	13649	0	SIGNATURE CONFIRMATION - RETAIL PRIORITY USPS
282	2200500BS	0	0	0	SIGNATURE CONFIRMATION - RETAIL PSVC USPS
282	3900000BS	0	0	0	RETURN RECEIPT-ELECTRONIC COPY OF SIGNATURE USPS
285	1700000BS	0	3169258	0	BRM SERVICE USPS
290	050E100BS	0	32350	0	SPECIAL HANDLING NOT MORE THAN 10 LBS 1-C USPS
290	050E200BS	0	146	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PRIORITY USPS
290	050E500BS	0	41	0	SPECIAL HANDLING NOT MORE THAN 10 LBS PSVC USPS
290	050F200BS	0	0	0	SPECIAL HANDLING MORE THAN 10 LBS PRIORITY USPS
290	050F500BS	0	319	0	SPECIAL HANDLING MORE THAN 10 LBS PSVC USPS

PRELIMINARY REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR QUARTER 2
FISCAL YEAR 2005 (Jan. 1, 2005-Mar. 31, 2005) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 2004
(Data in Th ds)

Service Category	REVENUE Quarter 2 FY 2005	REVENUE Quarter 2 FY 2004	REVENUE Change FY 2005 over FY 2004 Amount	REVENUE Change FY 2005 over FY 2004 Percent	PIECES Quarter 2 FY 2005	PIECES Quarter 2 FY 2004	PIECES Change FY 2005 over FY 2004 Amount	PIECES Change FY 2005 over FY 2004 Percent	WEIGHT Quarter 2 FY 2005	WEIGHT Quarter 2 FY 2004	WEIGHT Change FY 2005 over FY 2004 Amount	WEIGHT Change FY 2005 over FY 2004 Percent
First-Class Mail:												
Single-Piece Letters, Flats, & Parcels	4,858,696	5,159,532	(300,836)	(5.8)	10,664,254	11,317,595	(653,340)	(5.8)	513,398	542,998	(29,600)	(5.5)
Nonautom. Presort Letters, Flats, & Parcels	200,779	226,002	(25,224)	(11.2)	496,773	560,863	(64,090)	(11.4)	27,084	30,016	(2,932)	(9.8)
Automation Presort Letters and Flats	3,585,134	3,474,319	110,815	3.2	11,940,624	11,514,557	426,067	3.7	521,911	502,252	19,660	3.9
Automation Carrier Route Presort Letters	48,022	54,920	(6,898)	(12.6)	169,970	193,690	(23,719)	(12.2)	7,185	8,992	(1,808)	(20.1)
Total Presort Letters, Flats, & Parcels	3,633,934	3,755,241	78,693	2.1	12,607,368	12,269,110	338,258	2.8	556,180	541,260	14,920	2.8
Single-Piece Cards	149,699	153,323	(3,624)	(2.4)	630,494	643,350	(12,856)	(2.0)	4,114	4,108	6	0.1
Nonautomation Presort Cards	20,946	21,044	(98)	(0.5)	99,077	99,392	(315)	(0.3)	824	726	97	13.4
Automation Presort Cards	115,143	112,932	2,211	2.0	634,335	621,266	13,069	2.1	6,970	6,225	745	12.0
Automation Carrier Route Presort Cards	3,576	3,569	7	0.2	21,096	21,022	75	0.4	199	202	(2)	(1.2)
Total Presort Cards	139,664	137,545	2,120	1.5	754,508	741,679	12,829	1.7	7,993	7,154	840	11.7
Domestic Mail Fees	77,101	76,360	741	1.0	-	-	-	-	-	-	-	-
Total First-Class Mail	9,059,094	9,282,000	(222,906)	(2.4)	24,656,624	24,971,734	(315,110)	(1.3)	1,081,685	1,095,519	(13,834)	(1.3)
Priority Mail	1,129,488	1,093,660	35,828	3.3	218,819	213,036	5,783	2.7	408,131	395,372	12,759	3.2
Domestic Mail Fees	344	454	(110)	(24.3)	-	-	-	-	-	-	-	-
Total Priority Mail	1,129,832	1,094,115	35,717	3.3	218,819	213,036	5,783	2.7	408,131	395,372	12,759	3.2
Express Mail	215,224	212,649	2,575	1.2	13,759	13,579	180	1.3	12,347	12,100	247	2.0
Mailgrams	247	173	74	42.6	589	406	183	45.1	-	-	-	-
Periodicals:												
In-County	16,699	16,889	(189)	(1.1)	181,215	182,081	(865)	(0.5)	54,282	55,315	(1,033)	(1.9)
Regular	434,203	433,972	230	0.1	1,642,360	1,630,205	12,156	0.7	795,291	786,905	8,386	1.1
Special Nonprofit	79,997	83,906	(3,909)	(4.7)	445,675	474,347	(28,672)	(6.0)	127,642	128,765	(1,124)	(0.9)
Classroom	5,323	5,274	49	0.9	21,235	22,662	(1,428)	(6.3)	10,601	10,133	468	4.6
Domestic Mail Fees	4,251	4,880	(630)	(12.9)	-	-	-	-	-	-	-	-
Total Periodical Mail	540,472	544,921	(4,449)	(0.8)	2,290,485	2,309,295	(18,810)	(0.8)	987,815	981,118	6,697	0.7
Standard Mail:												
Regular - Nonautomation Presort	293,039	317,771	(24,732)	(7.8)	790,128	870,418	(80,290)	(9.2)	154,642	163,811	(9,170)	(5.6)
- Automation Presort	2,594,217	2,465,357	128,859	5.2	12,430,293	11,735,619	694,674	5.9	1,161,224	1,096,349	64,875	5.9
Enhanced Carrier Route	1,228,807	1,189,313	39,494	3.3	7,450,528	7,178,430	272,096	3.8	1,227,039	1,163,092	63,946	5.5
Total Regular and ECR	4,116,063	3,972,441	143,622	3.6	20,670,946	19,784,466	886,480	4.5	2,542,905	2,423,253	119,652	4.9
Nonprofit - Nonautomation Presort	73,381	82,094	(8,713)	(10.6)	447,636	504,152	(56,516)	(11.2)	28,513	30,833	(2,320)	(7.5)
- Automation Presort	312,714	303,000	9,714	3.2	2,504,306	2,421,115	83,191	3.4	175,035	166,077	8,958	5.4
Nonprofit Enhanced Carrier Route	62,246	60,241	2,005	3.3	704,564	665,309	39,254	5.9	51,364	47,733	3,631	7.6
Total Nonprofit and Nonprofit ECR	448,341	445,335	3,006	0.7	3,656,505	3,590,575	65,930	1.8	254,912	244,643	10,269	4.2
Domestic Mail Fees	33,337	33,908	(571)	(1.7)	-	-	-	-	-	-	-	-
Total Standard Mail	4,597,741	4,451,684	146,057	3.3	24,327,452	23,375,042	952,410	4.1	2,797,817	2,667,896	129,921	4.9
Package Services:												
Parcel Post	303,203	296,715	6,489	2.2	94,417	87,218	7,199	8.3	458,090	444,371	13,719	3.1
Bound Printed Matter	154,717	153,318	1,400	0.9	144,877	139,358	5,519	4.0	351,103	337,551	13,552	4.0
Media Mail	85,439	90,533	(5,094)	(5.6)	45,339	48,430	(3,091)	(6.4)	86,901	91,841	(4,939)	(5.4)
Library Mail	6,840	7,432	(592)	(8.0)	3,620	4,036	(416)	(10.3)	6,967	6,991	(24)	(0.3)
Domestic Mail Fees	692	597	95	15.9	-	-	-	-	-	-	-	-
Total Package Services	550,892	548,595	2,297	0.4	288,253	279,043	9,211	3.3	903,061	880,754	22,308	2.5

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PRELIMINARY REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR QUARTER 2
FISCAL YEAR 2005 (Jan. 1, 2005-Mar. 31, 2005) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 2004
(Data in Thr ds)

Service Category	REVENUE Quarter 2 FY 2005	REVENUE Quarter 2 FY 2004	REVENUE Change FY 2005 over FY 2004 Amount	REVENUE Change FY 2005 over FY 2004 Percent	PIECES Quarter 2 FY 2005	PIECES Quarter 2 FY 2004	PIECES Change FY 2005 over FY 2004 Amount	PIECES Change FY 2005 over FY 2004 Percent	WEIGHT Quarter 2 FY 2005	WEIGHT Quarter 2 FY 2004	WEIGHT Change FY 2005 over FY 2004 Amount	WEIGHT Change FY 2005 over FY 2004 Percent
U.S. Postal Service Mail	-	-	-	-	129,187	128,368	819	0.6	26,302	26,857	(555)	(2.1)
Free Mail for the Blind and Handicapped	-	-	-	-	16,486	17,707	(1,222)	(6.9)	8,052	8,224	(172)	(2.1)
Total Domestic Mail	16,093,502	16,134,137	(40,634)	(0.3)	51,941,653	51,308,209	633,445	1.2	6,225,211	6,067,842	157,370	2.6
International Mail:												
Economy - Letter-Post	7,924	12,321	(4,397)	(35.7)	1,248	2,107	(859)	(40.8)	3,634	5,132	(1,498)	(29.2)
- Parcel Post	18,538	18,211	327	1.8	763	627	136	21.7	6,999	7,520	(521)	(6.9)
- Periodicals	4,803	5,834	(1,030)	(17.7)	3,807	4,248	(441)	(10.4)	1,948	2,283	(334)	(14.7)
Total Economy Mail	31,265	36,366	(5,101)	(14.0)	5,818	6,982	(1,164)	(16.7)	12,582	14,935	(2,353)	(15.8)
Airmail - Letter-Post	171,637	174,329	(2,692)	(1.5)	114,885	124,200	(9,315)	(7.5)	15,418	15,187	231	1.5
- Parcel Post	65,322	56,248	9,073	16.1	2,045	1,691	354	20.9	15,663	13,038	2,624	20.1
Total Airmail	236,959	230,578	6,381	2.8	116,930	125,892	(8,961)	(7.1)	31,081	28,225	2,855	10.1
International Express Mail	48,174	40,631	7,543	18.6	1,413	1,247	166	13.3	6,109	4,832	1,277	26.4
International Surface Airlift Mail	16,902	16,740	162	1.0	24,118	23,730	388	1.6	5,324	5,272	52	1.0
International Priority Airmail	24,049	22,562	1,487	6.6	51,728	49,274	2,454	5.0	3,567	3,440	127	3.7
International Other Mail 1/	2,486	3,361	(874)	(26.0)	1,028	1,319	(291)	(22.0)	405	752	(347)	(46.1)
International Mail Subtotal	359,836	350,238	9,599	2.7	201,036	208,444	(7,407)	(3.6)	59,068	57,457	1,611	2.8
Foreign Postal Transactions	57,347	61,620	(4,273)	(6.9)	-	-	-	-	-	-	-	-
International Mail Fees	6,117	6,115	2	0.0	-	-	-	-	-	-	-	-
Total International Mail	423,301	417,972	5,328	1.3	201,036	208,444	(7,407)	(3.6)	59,068	57,457	1,611	2.8
Total All Mail	16,516,803	16,552,109	(35,306)	(0.2)	52,142,690	51,516,652	626,038	1.2	6,284,279	6,125,298	158,981	2.6
Domestic Special and Other Services:												
Registered	14,786	12,730	2,056	16.1	1,328	1,156	172	14.9				
Insurance	29,604	29,538	67	0.2	12,044	12,965	(921)	(7.1)				
Collect on Delivery	1,976	2,623	(647)	(24.7)	335	468	(133)	(28.4)				
Certified	146,246	162,911	(16,666)	(10.2)	63,585	70,831	(7,246)	(10.2)				
Delivery Receipt Services	145,115	139,702	5,413	3.9	233,568	205,041	28,528	13.9				
Money Orders	42,394	44,748	(2,355)	(5.3)	46,080	48,632	(2,552)	(5.2)				
Total Domestic Special Services	380,120	392,253	(12,132)	(3.1)	356,941	339,093	17,848	5.3				
Outstanding MO Taken into Revenue 2/	10,863	0	10,863	-								
Stamped Envelopes and Cards	5,176	5,347	(171)	(3.2)								
Box Rents	195,177	196,933	(1,755)	(0.9)								
Total Domestic Services	591,336	594,532	(3,196)	(0.5)								
International Special Services:												
Money Orders	607	814	(207)	(25.4)	161	196	(35)	(17.8)				
Other Special Services	7,222	6,321	901	14.3	1,430	1,284	146	11.3				
Total International Services	7,829	7,134	694	9.7	1,591	1,480	111	7.5				
Total Services	599,165	601,666	(2,501)	(0.4)								
Total Mail and Services	17,115,968	17,153,775	(37,807)	(0.2)								
Other Revenue	199,760	153,076	46,684	30.5								
Total Revenue	17,315,728	17,306,851	8,877	0.1								

Special Service Transactions
U.S. Postal Service Mail
Quarter 2, FY 2005 3/

Registered	2,784
Certified	302
Delivery Receipt Services	1,625
Mail Fee Services	3,169
Special Handling	33
Total	7,913

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PRELIMINARY REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR QUARTER 2
FISCAL YEAR 2005 (Jan. 1, 2005-Mar. 31, 2005) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 2004
(Data In Tho)

RPW SUMMARY REPOR JOTNOTES

1/ Beginning FY 2005, International Commercial Packages (ICP) Express Mail is reported with International Express Mail and *ICP Airmail Parcel Post* is reported with International Airmail *Parcel Post*. Prior to FY 2005, ICP mail activity was reported in International Other Mail.
2/ Outstanding Money Orders Taken Into Revenue are now reported on a quarterly basis.
3/ Not included elsewhere in this report.

- Report totals may not sum due to rounding.

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1 CHAIRMAN OMAS: Is there any additional
2 cross-examination for Witness Pafford?
3 (No response.)
4 CHAIRMAN OMAS: There being none, this
5 brings us to oral cross-examination.
6 One participant has requested oral cross-
7 examination, Val-Pak Direct Marketing Systems, Inc.
8 and Val-Pak Dealers Association, Inc., Mr. Olson.
9 Mr. Olson, will you begin?
10 MR. OLSON: Thank you, Mr. Chairman.
11 CROSS-EXAMINATION
12 BY MR. OLSON:
13 Q Good morning, Mr Pafford.
14 A Good morning.
15 Q Could you turn to page 8 of your testimony,
16 please? There you discuss the bulk mail revenue
17 pieces and weight system, the BRPW, and explain it
18 briefly.
19 When you get to Lines 14 through 17 you list
20 a number of categories of mail for which data is
21 collected in the BRPW, correct?
22 A That's correct, yes.
23 Q You've got certain first class and certain
24 Priority Mail, certain periodicals, certain package
25 services, and then you have one called nonprofit and

1 regular standard mail. You don't have in that list
2 standard ECR. Is there a reason for that?
3 A That would be included as a category under
4 nonprofit and regular. ECR would include -- it would
5 include ECR, auto, you know, nonauto.
6 Q So you're saying when you wrote the words
7 nonprofit and regular standard mail you meant that to
8 include standard regular, standard nonprofit, ECR and
9 nonprofit ECR?
10 A That's correct, yes.
11 Q Okay. But you do realize those are all four
12 separate products, correct?
13 A Yes, I understand that. Yes.
14 Q Could you go to page 6 of your testimony and
15 take a look at Line 9? There you talk about OTIS RPW
16 tests being conducted by trained data collectors, and
17 then you seem to indicate that in the past those data
18 collectors needed to be able to be, and this is Line
19 16, knowledgeable in determining the subclass or rate
20 category at which the mail piece was mailed based on
21 the indicia postage markings and endorsements,
22 correct?
23 A That's right.
24 Q Then you indicate that a newer system using
25 other OTIS RPW data collectors record what you call in

1 Line 21 observable mail characteristics and
2 accordingly use standardized computer code rather than
3 data collectors' expertise to make the rate category
4 determination.
5 That's what I want to ask you about.
6 Apparently that includes use of this laptop software
7 in Line 14?
8 A That's right. Our data collectors would
9 enter mail characteristics about those mail pieces
10 into a laptop computer.
11 Q Exactly what are the observable mail
12 characteristics that you record?
13 A Well, it would be things like mail class,
14 mail preparation, mail prep, sortation, shape or mail
15 type, revenue pieces, weight. All kinds of additional
16 information.
17 Q If there is an indicia or other marking that
18 indicates the rate category is that recorded?
19 A Indicia is recorded also. Correct.
20 Q And that's how you determine the rate
21 category primarily from the indicia?
22 A Well, it's a combination of class, indicia.
23 It depends on the mail class that we're talking about
24 as to what all is used to determine a rate category.
25 Q Let me take one product as an illustration

1 and just talk about ECR letters. How would you
2 distinguish between automation letters, basic letters,
3 high density letters, saturation letters?
4 A Okay. Those are based on the markings on
5 the mail pieces. For example, one marking would be
6 like ECR LOT, for example, and whatever markings are
7 on those mail pieces our data collectors would then
8 record that in the software. Then we would do a rate
9 look up against the rate table based on whatever those
10 characteristics are.
11 I don't have the screen in front of me to go
12 through all the options and markings that are on these
13 mail pieces, so I'm not sure I can help you determine
14 exactly what rate category that would go into.
15 Q Is it a fair conclusion to say that the data
16 collector in this new system records the observable
17 mail characteristics as you've described them and then
18 the computer analyzes that and determines what the
19 rate category is?
20 A That's correct. I will add that if we're
21 focusing on standard mail, and maybe I can head this
22 off a little bit. While we collect all this
23 information in the sampling system when we come to
24 produce the report, the RPI report and the rate
25 category details, all that information is taken out of

1 the PostalOne system now. It used to be PERMIT. It's
2 now PostalOne.
3 While we collect all this information for
4 purposes of RPW reporting, we would replace that with
5 data out of the PostalOne or actually the BRPW system,
6 which includes PostalOne plus a sample of nonpermit
7 offices.
8 Q That's what makes this confusing because
9 you're collecting information on observations of the
10 piece, but then you appear to discard that data and
11 rather use the PostalOne, which I understand to be a
12 reliable record, one would hope, of the revenue
13 actually paid for the pieces that are being entered.
14 Is that why you use PostalOne?
15 A It's more accurate. It's equivalent, mostly
16 equivalent to a census system. You know, we don't
17 rely on sample based estimates as much, so most --
18 it's more reliable statistically to determine
19 reliability.
20 We get better precision or estimates through
21 BRPW, which includes PostalOne plus a small sample of
22 nonpermit offices.
23 Q I'm sure there's a good answer to this, but
24 why would you go to all the trouble to record this
25 information if you then discard it?

1 A Well, there's many uses for this data. The
2 PostalOne system that we have in place can't determine
3 or provide us all the information we need. A lot of
4 the other uses of the data, a request we get for this
5 data, we can fill out of the sampling system.
6 Let me give you an example not related to
7 standard mail, but let's say stamped and metered. We
8 collect origin destination, origin zip codes, so for
9 requests that ask for a volume or service for origin
10 destination pairs, for example, since we record the
11 origin zip on the mail pieces we sample then we can
12 estimate. We can estimate volume or transit time
13 between origin destination pairs so we can get that
14 out of the sampling system.
15 When you go to say the permit system a lot
16 of times you don't have origin zip mail, origin or
17 destination zip combinations in say a system like
18 that, so for this particular use here I think you're
19 trying to focus on with standard mail it's best -- we
20 get the best data out of the PostalOne system, so
21 we're going to use that data.
22 Q The example you gave us, the use to which
23 you put the information collected by the data
24 collectors using these new laptops with the new
25 software. That was a service issue.

1 Is there any purpose for these recordations
2 of mail characteristics that pertain to the process by
3 which costs are determined for pieces of mail or
4 revenue is calculated or volume is calculated or
5 weight is calculated?
6 A Yes. Basically for nonbulk items, nonbulk
7 mail, we would use the data out of the sampling
8 system, the estimates out of that, basically stamped
9 and metered volumes which would go into the equations
10 that compute unit cost.
11 Q So OTIS RPW includes both the bulk mail
12 revenue pieces and weight system that we just
13 discussed a minute ago where we talked about standard
14 regular and standard ECR, as well as other systems?
15 How do you integrate them?
16 A Yes. Basically the data is collected in the
17 sampling system for all mail, and we compute estimates
18 for all rate categories through the sampling system.
19 They're at the rate category level, okay, so for items
20 that are bulk mail related rate categories let's take
21 standard mail. We also will collect that data through
22 BRPW, which is a combination of PostalOne plus a small
23 sample of nonpermit offices.
24 That data comes and is computed and
25 estimated at the rate category level. We will then

1 replace those rate category level revenue pieces and
2 weight with the BRPW data. We'll replace the sampling
3 system data.
4 Q Okay. So for the data collectors they are
5 recording mail characteristics of all mail
6 irrespective of whether it's stamped or metered or
7 indicia, correct?
8 A Right.
9 Q And whether it's single piece or bulk or
10 whatever? It's simply across the board?
11 A That's right.
12 Q And then for the bulk categories like
13 standard ECR you do not use the results for purposes
14 of determining revenue pieces and weight?
15 A That's right. For the bulk mail categories,
16 right.
17 Q Would it be true then that for purposes of
18 producing an RPW report or a billing determinants
19 report that it really doesn't matter if the old system
20 worked better where the data collectors had to be
21 knowledgeable about determining the subclass or rate
22 category and the new system where the computer does
23 it?
24 In other words, the mailers could care less
25 whether you've improved the system from the standpoint

1 of the RPW reports?

2 A From the standpoint of the RPW report for

3 bulk mail items that's correct. The changes we put

4 into the system would not affect those items, revenue

5 pieces and weight for those categories.

6 Q Your testimony gave me the impression that

7 there were a variety of improvements since the last

8 case. Were there improvements in the way that the

9 permit system and this small sample you said of was it

10 nonpermit offices? What was the sample of?

11 A Right. The BRPW system is composed of

12 PostalOne data, but of course not all offices, not all

13 postal system post offices enter data into PostalOne

14 so we have to supplement that. We have to supplement

15 that estimate with a small sample. We compute

16 basically there are sample based estimates for that

17 small component. We add that into the census data

18 from PostalOne.

19 In terms of improvements, yes, we think

20 we've improved that component also. We changed from

21 PERMIT to PostalOne, you know, from my understanding

22 an improved system. In addition to that we updated

23 our panel, our sample of panel offices, the beginning

24 of fiscal year 2004 so we feel like we have a more --

25 what do I want to say? A sample that's more up-to-

1 date based on a population of offices, a more current
2 population of offices.
3 We also have a little bit larger sample size
4 for those nonautomated offices, so we feel like the
5 estimates we're getting out of the BRPW system are,
6 you know, equal or better.
7 The way we look at that is in terms of say
8 the coefficients of variation are the estimates you'll
9 see in my testimony. We produce revenue pieces in
10 weight and corresponding confidence intervals, and
11 those have been maintained or improved since the last
12 rate case.
13 Q Good. Let me change topics a bit and ask
14 you if you are familiar with Library Reference K-77,
15 the billing determinants?
16 A I'm not familiar with that. I'm not that
17 familiar with that.
18 Q Are the billing determinants prepared by you
19 or people who work for you?
20 A No.
21 Q Do you know who prepares billing
22 determinants reports?
23 A No, I'd have to consult my colleagues on
24 that.
25 Q To your knowledge, do the data for standard

1 mail which were found in the RPW reports, correspond
2 to the rate categories for standard mail?
3 A They would in the totals I think, the
4 detailed breakouts. I'm not sure of the construction
5 of that process, but at the total marginal levels they
6 should be the same as the BRPW report I would think.
7 Q So if the billing determinants were to
8 report a particular level of volume and revenue for
9 say ECR saturation letters would that number be
10 identical to the volume and revenues in the RPW
11 report?
12 A You know, I have not studied that. I would
13 think they would be, but I have not studied that. I
14 would hate to comment definitely -- you know,
15 definitively -- on that.
16 Q Would you think they should be?
17 A You know, I'm not sure what really the
18 methodological underpinnings of that would be, so I
19 would not want to say to that.
20 Q I know you just said you weren't vastly
21 familiar with the billing determinants, but can you
22 tell me? Can you explain to me the difference between
23 the RPW report and the billing determinants?
24 A The RPW report is just national level
25 estimates of revenue pieces and weight by rate

1 category, and the billing determinants would be much
2 more detailed information. At what level the cross
3 tabs and so forth that go on that, I'm not sure.
4 Q Library Reference 87, the RPW report, is
5 sponsored in this proceeding by Witness Loetscher, I
6 believe.
7 A Yes, Loetscher. Witness Loetscher.
8 Q Does he work for you? With you?
9 A No. He works for I think Christensen
10 Associates. It's a contractor.
11 Q I'm sorry. I do recall that now.
12 A Yes.
13 Q Is he under your aegis as a contractor?
14 A We work with them because they process and
15 -- let's see. They provide some of the data that we
16 get for estimates of these -- the RPW estimates by
17 shape, for example, so we work with them and they
18 provide us data of estimates of RPW report style data
19 by shape.
20 We consult with them and get those kinds of
21 data from them, but are they under the direction of
22 us? For things like that, yes, but not billing
23 determinants if that's what you're speaking of.
24 Q If the billing determinants are more
25 detailed than the RPW report going down below the

1 subclass level into all the rate categories --
2 A Right.
3 Q I think that's what you said.
4 A Yes. Right.
5 Q Is there a reason, to your knowledge, as to
6 why the Postal Service puts forth both reports? There
7 may be a rule. I frankly don't recall right now.
8 A Yes.
9 Q I'm not asking you about that, but does it
10 provide useful information in your view, different
11 information?
12 A The RPW report is really a management
13 summary, an executive summary level report that we
14 discuss with the chief financial officer every month
15 and every quarter. That's the purpose of that report.
16 As far as the billing determinants go
17 they're for helping establish, you know, actual rate
18 level, rate level data, so it's really a different
19 purpose, these two things.
20 Q So as between the two for rate setting
21 purposes the billing determinants are the controlling
22 document?
23 A You know, I don't help establish the rates.
24 We provide the basic foundational data at the rate
25 category level and turn that over to our pricing,

1 marketing and all other kinds of users so that's the
2 extent that I know of that. I couldn't say.
3 Q Do both the billing determinants and the RPW
4 report use the data that you get from PostalOne?
5 A I think in some form or the other, yes, they
6 would, but again I don't know. I can't speak to the
7 billing determinants.
8 Q But you can speak to the RPW report and you
9 can say there it's based on PostalOne, as well as the
10 small survey you described earlier?
11 A For standard mail categories specifically.
12 Q That's really what I'm focused on today.
13 A Right.
14 Q I should have specified that.
15 A For other categories like first class it's a
16 combination of our sample base estimates and the BRPW.
17 Q Let me ask you this. In the RPW report is
18 there anywhere where a piece is described as a letter
19 within standard ECR or is it at a higher level than
20 that?
21 A A higher level. Right.
22 Q Are you familiar with the response that
23 Witness Kelley made to our interrogatory to him, Val-
24 Pak/USPS-T-16-2, and he provided as an attachment to
25 that response what is labeled Alternative Attachment

1 B? Does that sound familiar?

2 A No. I have not looked at that.

3 MR. OLSON: I'm going to ask if I may

4 distribute copies of this, Mr. Chairman, and then ask

5 some questions. If the witness knows them, fine.

6 Otherwise I'll deal with some questions for Mr. Kelley

7 later.

8 BY MR. OLSON:

9 Q Obviously if this is something you can't

10 help me with I'll ask Witness Kelley later, but let me

11 just ask you a couple of questions and see if you can

12 help.

13 Would you please first look at Line 20 on

14 that sheet, which is described as Letter ECR SAT Piece

15 Rate, which I take it to mean saturation letters paid

16 at a piece rate, paying the minimum per piece rate.

17 Do you think that's a fair assumption?

18 A Right. That's my understanding.

19 MR. HOLLIES: Mr. Chairman, I note that the

20 witness indicated he had no familiarity with this

21 before it was presented to him by counsel. I also

22 notice that he was looking at it pretty steadily and

23 that his review of it was interrupted by questions

24 from counsel.

25 I guess I would just ask that if he's going

1 to ask questions about it he should give the witness
2 time to take a look at it. This is a fairly
3 complicated display of numbers. It's the kind of
4 cross-examination exhibit that really ought to have
5 been provided in advance if he wishes to ask questions
6 right off the bat.
7 MR. OLSON: Mr. Chairman, I'd be glad to let
8 the witness take all the time he wants. I'll focus
9 the witness' attention. The only questions I'm going
10 to have are about Lines 20, 21 and 22.
11 If you look at those and then let me know
12 when you're ready, I'll be glad to ask fairly simple
13 questions.
14 CHAIRMAN OMAS: Thank you, Mr. Olson.
15 MR. OLSON: Yes.
16 (Pause.)
17 THE WITNESS: Okay. I'm ready.
18 MR. OLSON: Okay. Thanks.
19 THE WITNESS: Thank you.
20 BY MR. OLSON:
21 Q Do you notice, by the way, about a quarter
22 of the way down the page, as well as two-thirds of the
23 way down the page, the source is to the RPW report,
24 Library Reference K-87?
25 A Hold on one second. Yes, I see that.

1 Q Okay. And then it has specific worksheets
2 that it references which you may or may not be
3 familiar with. I don't know. I'm not sure that's
4 critical, but I just wanted to let you know where the
5 numbers were coming from.
6 A Uh-huh.
7 Q Let's go back to Line 20. Do you see
8 Letters way at the top, and the columns are labeled
9 way at the top where it has a D?
10 A I see the column headings Letter/Parcels,
11 Non-Letters, Total.
12 Q Right. And above that there's a strip that
13 has a letter in it?
14 A Right. Column D.
15 Q Okay. That's the column I want to ask you
16 about. I could have just said Letters, I guess. If
17 you take a look at that Column D, Letters, on Line 20
18 you see the volume figure of 2,764,144,185. Do you
19 see that number?
20 A I do.
21 Q Okay. That's presumably the number of ECR
22 saturation letters entered and paid at the minimum
23 piece rate, correct, as best we can tell at the
24 moment?
25 A Well, I can look at the rate category. If

1 you look at the rate it's probably letters, ECR
2 saturation, and these would be the letters.
3 What they call on the postage statement
4 Letters would be what they call the Processing
5 category on a postage statement, so my assumption is
6 it's that rate category, and then the processing
7 category is probably checked Letters on a postage
8 statement.
9 Q When we look to see where that volume number
10 came from it appears to be the sum of the letter
11 pieces for Mail Code 3350, Nationwide Letters Not Drop
12 Shipped; 3351, DBMC Drop Shipped; 3352, DSCF Drop
13 Shipped; 3352, DDU Drop Shipped.
14 Do you recognize those mail codes as being
15 RPW mail codes?
16 A No, I don't.
17 Q Do you have any idea what those codes
18 reflect?
19 A I do not, no.
20 Q If the number, 2.7 billion, is the sum of
21 what I've just said, nationwide letters that are not
22 drop shipped, DBMC, DSCF entered or DDU entered,
23 chances are that's all ECR saturation letters paid at
24 the piece rate though I guess. That isn't a question
25 I guess.

1 MR. HOLLIES: Mr. Chairman, the Postal
2 Service objects to this testimony from counsel. The
3 witness has expressed his unfamiliarity with the
4 foundation for the numbers that he is asking about,
5 and he is now proceeding to tell us about them. The
6 Postal Service objects to that.
7 MR. OLSON: Let me ask a different question
8 that perhaps the witness can help with. If not, we'll
9 move on.
10 CHAIRMAN OMAS: Thank you.
11 BY MR. OLSON:
12 Q If you look in the same Line 20 for Letters
13 and you look to Column E, Flats, the number there is
14 18 million flats in the Letter category. Would you be
15 able to shed any light on why flat shaped pieces are
16 paid at a letter category?
17 A What I can tell you is that that data would
18 be identified from the postage statement and checked
19 as Flat Mail Processing category on the postage
20 statement.
21 As to why, you know, the flat mail
22 processing category is checked, I would not be able to
23 tell you that. We're relying on that data coming out
24 of the PostalOne system. It's my understanding that
25 that's the mail processing category code on the

1 mailing statement is what that would correlate to.
2 Q Are you saying that there is a separate
3 entry for shape and mail processing categories so that
4 it would appear both for one purpose as a letter and
5 one purpose as a flat?
6 A I'm saying the postage statements identify
7 mail categories -- letters, flats and so forth -- and
8 that's generally how the -- it's my understanding
9 that's how we get this distinction between letters,
10 flats, parcels.
11 Q Then from RPW where does the 2.7 billion
12 number come from? It's not coming from the mail
13 processing category. What's it coming from, a revenue
14 category?
15 A From the postage system we get this data by
16 finance number and what we call VIP. Basically it's
17 rate category by finance number level detail. Then we
18 aggregate that up to the summary level and say report
19 categories that appear on the RPW report. That's at
20 the level that we get that.
21 Q Okay. So the PostalOne information reports
22 both rate category and mail processing category,
23 correct?
24 A No. The data that we get extracted from the
25 PostalOne system is aggregated to the rate category

1 level. It's at the rate category level. It's not
2 disaggregated to this level, to the mail processing
3 category. We get it aggregated for purposes of my
4 testimony.
5 Q Well, the source of the information is
6 Library Reference K-87, the RPW report. Do you think
7 that --
8 MR. HOLLIES: Excuse me. The Postal Service
9 objects to that characterization. Library Reference
10 87 is one that was provided by Witness Loetscher. It
11 is not the report provided by this witness.
12 MR. OLSON: I didn't say it was the report.
13 As a matter of fact, I introduced Mr. Loetscher's name
14 into the discussion, counsel, and I asked him if he
15 knew about it. It was the RPW report. He's the RPW
16 witness discussing these issues.
17 I don't see the problem, Mr. Chairman.
18 CHAIRMAN OMAS: I'll allow it.
19 THE WITNESS: Can you -- I'm sorry -- repeat
20 that question?
21 MR. OLSON: Sure.
22 BY MR. OLSON:
23 Q What I'm trying to get at is the reason I'm
24 asking you is you know RPW --
25 A That's correct.

1 Q -- and essentially kind of come from RPW.
2 I'm trying to figure out how a piece can be
3 simultaneously identified for rate category purposes
4 as a letter, but a mail processing category as a flat.
5 I think what you said was you check a box as
6 a flat, but you can't explain why that box would be
7 checked. Is that in essence what you said?
8 A Well, I'm not an expert in that area of
9 filling out postage statements. What I can testify to
10 is that we get the data out of the PostalOne system,
11 which is aggregated to a rate category level.
12 It's aggregated across these mail processing
13 categories, which I assume, having not reviewed this
14 before, I'm making an assumption that the Letter,
15 Flat, Parcel column headings are mail processing
16 categories from the postage statements.
17 The data we get out of there that I can
18 testify to that's summarized in my testimony would be
19 aggregated across those categories up to the rate
20 category level, which then we add up and summarize and
21 compute estimates for the Postal Service, and we add
22 to that estimates due for the nonpermit offices,
23 nonPostalOne offices.
24 As to why, I think you said something about
25 letter shape versus the processing category. I don't

1 think I can help you in that area.

2 MR. OLSON: Thank you. Thank you, Mr.

3 Chairman. Thank you, Mr Pafford. I think that

4 concludes my questions.

5 MR. OLSON: Thank you, Mr. Olson.

6 THE WITNESS: Thank you.

7 CHAIRMAN OMAS: Are there any other parties

8 who wish to cross-examine this witness?

9 (No response.)

10 CHAIRMAN OMAS: Are there any questions from

11 the bench?

12 (No response.)

13 CHAIRMAN OMAS: There being none, Mr.

14 Hollies, would you like some time with your witness?

15 MR. HOLLIES: Yes. I'd like about five

16 minutes.

17 CHAIRMAN OMAS: Thank you. We'll take a

18 break and be back at say 10:30.

19 (Whereupon, a short recess was taken.)

20 CHAIRMAN OMAS: Mr. Hollies?

21 MR. HOLLIES: The Postal Service has no

22 redirect.

23 Earlier this morning you requested a report

24 on settlement. Mr. Foucheaux is here and can provide

25 that at this time if that's what you'd like.

1 CHAIRMAN OMAS: Mr. Foucheaux, would you
2 mind coming to the mike, please? You can come stand
3 up front. You don't have to sit back there. Be
4 visible to all, Mr. Foucheaux. Welcome.
5 MR. FOUCHEAUX: Thank you, Mr. Chairman. I
6 was listening to the hearings on my transistor radio
7 this morning, and I noted that you might be expecting
8 some elaboration of the written report on settlement
9 that was filed yesterday.
10 CHAIRMAN OMAS: That would be nice.
11 MR. FOUCHEAUX: I was expecting to show up
12 sometime today. I thought it would take place at the
13 end of the hearings, but this is much better. Then my
14 day will be free for other things.
15 We did file a formal report on settlement up
16 to now, and there isn't a lot that's happened on the
17 surface since I last reported after the prehearing
18 conference on May 5.
19 If you remember, at that time I reported
20 that there was substantial interest in settlement, but
21 that most of the parties had reserved judgment on
22 whether or not they would be willing to settle pending
23 the cross-examination and discovery of the Postal
24 Service's direct case.
25 I think that's largely the situation we're

1 still in, although we have made a considerable amount
2 of progress in the drafting of a written agreement. I
3 started sending out early drafts to counsel
4 representing most of the parties in the case very
5 early on, and we have been refining that document ever
6 since.
7 On Friday I sent out a version of it, a late
8 version of it, to the entire service list and am
9 getting responses now. My intention is to make
10 corrections and refinements to the document as a
11 result of the feedback I'm getting and to file a
12 settlement agreement available for signature next
13 week. I hope it develops that way.
14 All of my predictions haven't come to pass
15 so far, so I hesitate to guarantee that that will
16 happen, but I think I'm reasonably confident that I
17 will be filing an agreement available for signature
18 next week.
19 Basically I think there still is a
20 substantial, if not a majority, sentiment among the
21 parties, the active parties in the case, in favor of
22 settling on the rates that the Postal Service has
23 proposed. There are, however, some pockets of
24 opposition, as we might have predicted at the
25 beginning.

1 I'm hesitant to specify in too much detail
2 what those are. I think they will be apparent when
3 parties file direct cases on the 14th, but I still
4 have hopes that we can come to some kind of an
5 accommodation and agreement among even those parties
6 that might be resisting, either the general terms of
7 the agreement or the language of the stipulation and
8 agreement.
9 Right now it seems that at a minimum we're
10 probably looking at two parties filing direct cases
11 that oppose settlement, although, as I said, we're
12 still negotiating, and I do have hopes that at least
13 one of those we might be able to persuade not to file
14 a direct case.
15 Other than that, I don't know of any other
16 party that is intending at this time to file a direct
17 case, but that could change. There is a somewhat
18 delicate balance among some of the parties who have
19 potentially conflicting interests. If some of them
20 file cases, the others will.
21 At the moment I think everybody is united in
22 agreement, everybody that's in the majority I've been
23 speaking of; united in agreement on the Postal
24 Service's proposed rates. As I said, there's a couple
25 of other parties that might -- probably will --

1 disagree with that.

2 Even if we do have direct cases filed by

3 intervenors or other participants, based on the nature

4 of the activities in discovery and cross-examination

5 up to now I would anticipate that dealing with that

6 testimony would be more along the lines that we

7 encountered in the last general rate case where, as

8 you recall, we had a pretty solid settlement with one

9 major party opposing and filing testimony and followup

10 testimony directed at that.

11 That's probably going to be the situation in

12 this case unless -- I'm reluctant to make any firm

13 predictions because I'm often wrong when I do that,

14 but what I expect will happen is that we will have

15 some significant and not frivolous certainly

16 opposition on reasonable bases to the settlement

17 agreement and that we'll just have to work that

18 through in the remainder of the hearing.

19 I don't anticipate that that whole process

20 will entail any significant change in the procedural

21 schedule, but my view on that could change depending

22 on what is actually filed and the issues that are

23 raised.

24 I'm trying to balance my irrational

25 exuberance over the prospects of settlement against my

1 otherwise pessimistic nature particularly opposed to
2 rate making, but I think I can conclude, having
3 balanced those two warring forces, that I do believe
4 that settlement is a very likely possibility.
5 As we know in postal rate making,
6 settlements are not always unanimous and they're not
7 always unopposed, so I expect this to be a
8 nonunanimous settlement agreement that will be signed
9 by a significant number of the parties, but there will
10 be some serious opposition to it.
11 CHAIRMAN OMAS: Thank you, Mr. Foucheaux.
12 MR. FOUCHEAUX: I'll be happy to answer any
13 questions.
14 CHAIRMAN OMAS: Are there any questions from
15 the audience?
16 (No response.)
17 CHAIRMAN OMAS: There being none, I guess we
18 can excuse you, Mr. Foucheaux.
19 MR. FOUCHEAUX: Thank you. It's been a
20 pleasure.
21 CHAIRMAN OMAS: You're welcome.
22 Mr Pafford, would you please stand so that I
23 can thank you for your contribution to this case?
24 Thank you, and you are excused.
25 (Witness excused.)

1 CHAIRMAN OMAS: Ms. Portonovo, would you
2 introduce your next witness?
3 MS. PORTONOVO: Thank you, Mr. Chairman.
4 The Postal Service calls Marc A. Smith to the stand.
5 CHAIRMAN OMAS: Mr. Smith, would you raise
6 your right hand, please?
7 Whereupon,
8 MARC A. SMITH
9 having been duly sworn, was called as a
10 witness and was examined and testified as follows:
11 CHAIRMAN OMAS: Please be seated.
12 (The document referred to was
13 marked for identification as
14 Exhibit No. USPS-T-13.)
15 DIRECT EXAMINATION
16 BY MS. PORTONOVO:
17 Q Mr. Smith, you have before you two copies of
18 a document entitled Direct Testimony of Marc A. Smith
19 on Behalf of the United States Postal Service marked
20 as USPS-T-13. Are you familiar with the contents of
21 those documents?
22 A Yes.
23 Q Were they prepared by you or under your
24 direct supervision?
25 A Yes. They were prepared by me.

1 Q And if the contents of those documents were
2 given as oral testimony today, would they be the same?
3 A Yes.
4 Q Do you have any library references
5 associated with the testimony?
6 A I have four library references, Library
7 References 52, K-52, 53, 54 and 62.
8 MS. PORTONOVO: Thank you.
9 With that I would like to move the testimony
10 and the associated library references into evidence.
11 CHAIRMAN OMAS: Is there any objection?
12 (No response.)
13 CHAIRMAN OMAS: Hearing none, I will direct
14 counsel to provide the reporter with two copies of the
15 corrected direct testimony of Marc A. Smith. That
16 testimony is received into evidence. However, as is
17 our practice it will not be transcribed.
18 (The document referred to,
19 previously identified as
20 Exhibit No. USPS-T-13, was
21 received in evidence.)
22 CHAIRMAN OMAS: Mr. Smith, have you had an
23 opportunity to examine the packet of written cross-
24 examination presented to you today?
25 THE WITNESS: Yes, I have.

1 CHAIRMAN OMAS: If those questions in that
2 packet were asked of you orally today would your
3 answers be the same --
4 THE WITNESS: Yes.
5 CHAIRMAN OMAS: -- as those you provided in
6 writing?
7 THE WITNESS: Yes. Yes, they would.
8 CHAIRMAN OMAS: Are there any corrections or
9 additions you would like to make to those answers?
10 THE WITNESS: Just one. Let's see. In the
11 response, ABA/USPS-T-21-47, in referencing POIR No. 1
12 I omitted the word "No. 1" and so we've written that
13 in. That's all.
14 CHAIRMAN OMAS: That's it? Counsel, would
15 you please provide two copies of the corrected
16 designated written cross-examination of Witness Smith?
17 That material is received into evidence and is to be
18 transcribed into the record.
19 (The document referred to,
20 previously identified as
21 Exhibit No. USPS-T-13, was
22 received in evidence.)
23 //
24 //
25 //

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Request of the United States Postal Service for a Recommended Decision on Changes in Rates of Postage and Fees for Postal Services

Docket No. R2005-1

DESIGNATION OF WRITTEN CROSS-EXAMINATION
OF UNITED STATES POSTAL SERVICE
WITNESS MARC A. SMITH
(USPS-T-13)

Party	Interrogatories
American Bankers Association and National Association of Presort Mailers	ABA&NAPM/USPS-T13-1-2, 4, 7-10, 12-13
	ABA&NAPM/USPS-T21-21, 27b, 30, 33-46, 47d, 48-54, 59a redirected to T13
Office of the Consumer Advocate	OCA/USPS-T13-1-3
Pitney Bowes Inc.	ABA&NAPM/USPS-T21-39, 43-45, 50 redirected to T13
Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association Inc.	VP/USPS-T2-4a redirected to T13
	VP/USPS-T28-44b redirected to T13

Respectfully submitted,

Steven W. Williams
Secretary

INTERROGATORY RESPONSES OF
UNITED STATES POSTAL SERVICE
WITNESS MARC A. SMITH (T-13)
DESIGNATED AS WRITTEN CROSS-EXAMINATION

Interrogatory	Designating Parties
ABA&NAPM/USPS-T13-1	ABA&NAPM
ABA&NAPM/USPS-T13-2	ABA&NAPM
ABA&NAPM/USPS-T13-4	ABA&NAPM
ABA&NAPM/USPS-T13-7	ABA&NAPM
ABA&NAPM/USPS-T13-8	ABA&NAPM
ABA&NAPM/USPS-T13-9	ABA&NAPM
ABA&NAPM/USPS-T13-10	ABA&NAPM
ABA&NAPM/USPS-T13-12	ABA&NAPM
ABA&NAPM/USPS-T13-13	ABA&NAPM
ABA&NAPM/USPS-T21-21 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-27b redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-30 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-33 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-34 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-35 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-36 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-37 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-38 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-39 redirected to T13	ABA&NAPM, Pitney Bowes
ABA&NAPM/USPS-T21-40 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-41 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-42 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-43 redirected to T13	ABA&NAPM, Pitney Bowes
ABA&NAPM/USPS-T21-44 redirected to T13	ABA&NAPM, Pitney Bowes
ABA&NAPM/USPS-T21-45 redirected to T13	ABA&NAPM, Pitney Bowes
ABA&NAPM/USPS-T21-46 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-47d redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-48 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-49 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-50 redirected to T13	ABA&NAPM, Pitney Bowes
ABA&NAPM/USPS-T21-51 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-52 redirected to T13	ABA&NAPM

Interrogatory	Designating Parties
ABA&NAPM/USPS-T21-53 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-54 redirected to T13	ABA&NAPM
ABA&NAPM/USPS-T21-59a redirected to T13	ABA&NAPM
OCA/USPS-T13-1	OCA
OCA/USPS-T13-2	OCA
OCA/USPS-T13-3	OCA
VP/USPS-T2-4a redirected to T13	Valpak
VP/USPS-T28-44b redirected to T13	Valpak

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

ABA&NAPM-USPS-T13-1

In ABA&NAPM/USPS-T21-38, which was re-directed to you from USPS witness Abdirahman, one issue we were seeking to address was the following. If the Postal Service is replacing MLOCR's with DIOSS and DIOSS-EC this year and next, what is the unit cost associated with DIOSS in test year TY2006? Your response states "I do not have unit operating costs for DIOSS".

a. If DIOSS is going to be the main automation machinery in place, or a major operating part of what is in place, by the test year for this rate case, why do you not have unit mail processing costs for it?
b. How reliable are your test year unit mail processing costs without the DIOSS unit costs?
c. Since there are already several DIOSS and DIOSS-ES machines operating in the field, why were no unit mail processing costs by relevant cost pool developed for this rate case?

Response:

a. Based on the projections made during the preparation of the case, DIOSS is not going to be the main automation machinery in place during the test year, nor will it be a major part of what is in place by the test year. The DIOSS-ECs and the DIOSS which are being deployed as replacements for MLOCRs have a projected deployment start of January, 2006. The mid-test year deployment is projected as 100 DIOSS-ECs/DIOSS out of the total deployment of 612. The number of MLOCRs projected to be removed by mid-test year is 96, so 779 MLOCRs of the currently deployed 875 MLOCRs are projected to be in use.

My testimony provides the piggyback factors by mail processing labor cost pool. In many cases cost pools include different types or models of equipment, and so the piggyback factors reflect the mix of equipment contained in the cost pool. I don't have the data to do

calculations for specific types of DBCSs. The calculation of the OCR piggyback factor is done using the combined projected costs for MLOCRs and DIOSS-ECs/DIOSS for the test year.

b. As indicated in response to part a, test year OCR piggyback factors include costs for the projected test year deployments of DIOSS-ECs and DIOSS, which are to be used in replacing MLOCRs.

c. See response to a. There is no "DIOSS-ES" machine. If you mean DIOSS-EC, no DIOSS-ECs were deployed in FY2004.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

ABA&NAPM-USPS-T13-2

In your response to ABA&NAPM-USPS-T21-40 c., redirected from USPS witness Abdirahman, you note "Finally, this [the reduction in unit costs for MODS 15 LD 15] may also reflect mail piece improvements, such as better barcodes."

a Are you referring to mailer applied barcodes, presort bureau applied barcodes or USPS applied barcodes at an originating plant?

b What percentage of REC activity entails reading a bad quality barcode, as opposed for example to reading a hand written letter or a metered letter with a typed address and no barcode?

c If you agreed in a. that some of the "better barcodes" are mailer applied please answer the following. Do you agree that whatever portion of the MODS 15 LD 15 cost reduction from 0.13 to 0.06 cents is due to better barcodes applied by mailers represents an increase in avoided costs for the USPS?

d If you answered "yes" to c., please show in detail how worksharing mailers get credit for this increase in costs they avoid for USPS.

Response:

a I was referring to improvements in mailer and presort bureau applied barcodes.

b RBCS operations do not read barcodes, and therefore data is not collected on how many barcoded pieces are sent to RBCS.

c-d Redirected to witness Abdirahman, USPS-T-21.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

ABA&NAPM-USPS-T13-4

In your response to ABA&NAPM-USPS-T21-42 a., redirected from USPS witness Abdirahman, you state with regard to MODS 17 1OPBULK and referring to USPS-T-11, p. 39, "Standard Mail accounts for about 68 percent of the labor costs in this cost pool and First-Class presort accounts for about 4 percent."

a. Isn't it ALSO true that First Class single piece has far larger costs than First Class presort in this area, over 13% of the total compared to 4% for presort?

b In reference to your answer to T21-42. b., you state "some of this processing" for presort FCLM is included in this cost pool. What other cost pools include these activities for presort FCLM?

c Do these other cost pools also cover the same activities for single piece FCLM? If not why not? Why would the same activities be measured differently for single piece and presort when one of the major goals of cost finding systems is to estimate differences in these costs between rate categories within a subclass?

Response:

a It is true, as shown USPS-T-11, p. 39, that First Class single piece has over 13 percent of MODS 17 1OPBULK volume variable labor costs. Please note that these comparisons include all shapes. The percentages for letters alone is about 7.5 percent for First-Class single piece and 3.2 percent for First-Class presort.

b MODS 17 1OPPREF.

c Yes, the MODS 17 1OPPREF cost pool includes the same activities for First-Class single piece letters.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

ABA&NAPM-USPS-T13-7

In your response to ABA&NAPM-USPS-T21-43, redirected from USPS witness Abdirahman, you state that your current list of 3 digit code operations for MODS 17 1OPPREF "differs from the list of operations contained in the question". The list in the question is from R2000-1, the last litigated rate case. For all MODS 3 digit code operations, grouped by MODS or NONMODS category, please show side by side charts of the "old" MODS groupings and operations codes and corresponding "new" MODS groupings with changed, added, or deleted operations codes.

Response:

A discussion of the changes in mail processing cost pools from R2000-1 to R2005-1 can be found in witness Van-Ty-Smith's testimonies for R2001-1, USPS-T-13, pages 3 to 5 and for this docket, USPS-T11, pages 4 to 7. Also, see the responses of witness Van-Ty-Smith, USPS-T-11 to Time Warner interrogatories TW/USPS-T11- 1, 5-9 and witness McCrery, USPS-T-29, responses to Time Warner interrogatories TW/USPS-T11- 5-9.

As discussed in witness Van-Ty-Smith's response to TW/USPS-T11- 1, new cost pools were provided for ISCs and PMPCs, AFSM 100s, as well as the result of a realigning of allied operations and the combining of the MODS LDC 41-44, 48 cost pools with the non-MODS cost pools.

The nature of these changes is hard or, in some cases, impossible to depict in tables. Below I provide additional details on what has changed, which should be more useful.

In the realignment of allied operations there is no cross walk possible or at best an incomplete one, since, as indicated in my response to ABA&NAPM/USPS-T21-36, many of the new cost pools involve operations that

didn't exist in base year 1998 or 1999 and the MODS operations themselves have been redefined. This can be seen by comparing the MODS operations in allied cost pools such as MODS 17 1OPPREF, MODS 17 1OPBULK, MODS 17 1POUCHNG for both dockets R2000-1 and R2005-1. (For Docket R2000-1, please refer to Table I-2B in Part I of LR-I-106 at pages I-12 to I-28 for the list of MODS 3-digit code operations by cost pool for BY 1998. For Docket R2005-1, please refer to Table I-2B in Part I of LR-K-55 at pages I-12 to I-20 for the list of MODS 3-digit code operations by cost pool for BY 2004.) The work hours are significantly lower for opening and pouching cost pools for FY 2004, due in part to the shift in work to the new cost pools of MODS 13 1TRAYSRT, MODS 17 1DSPATCH and MODS 17 1OPTRANS. MODS 13 1TRAYSRT and MODS 17 1DSPATCH both utilize equipment that was not available or at least as widely used. In addition, some of the work previously done in opening and pouching is now done in SPBS operations. There are no clean cross-walks from the old cost pools to the new.

Likewise, the combining of the MODS LDC 41-44, 48 cost pools with the new MODS cost pools has no clean MODS code cross-walk, and one that is impossible to depict in a table. The old MODS LDC 41-44, 48 cost pools were MODS and LDC based. By that, I mean that MODS data are used to define the cost pools. In contrast the new cost pools for Post Offices, Stations and Branches (e.g. Allied, Automation/Mechanization, etc.) are defined by the use of IOCS. In our response to ABA&NAPM-USPS-T21-25, we did provide

approximate cross-walked costs for test year 2006, which allows comparisons with the previous rate case costs.

Changes in sorting equipment also limit the usefulness of tabular comparisons For instance, compare MODS 11 BCS cost pool of the R2000-1 with the R2005-1 barcode sorter cost pools, MODS 11 BCS and MODS 11 BCS/DBCS. The main or general idea is that the R2000-1 MODS 11 BCS cost pool covered all barcode sorters at plants (and other large processing facilities), while R2005-1 MODS 11 BCS includes only MPBCS operations, while the rest of the barcode sorter operations went into MODS 11 BCS/DBCS. Trying to do a more detailed cross walk quickly runs into difficulties, since there are a lot of new barcode sorter operations, particularly DBCS operations in FY 2004. DIOSS can be run in OCR, ISS, and OSS mode in FY 2004. There is DBCS EC and also CIOSS for PARS. These operations were not in the 1998 MODS.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

ABA&NAPM-USPS-T13-8

In your response to ABA&NAPM-USPS-T21-44 a., redirected from USPS witness Abdirahman, you state that wage increases in the 1PLATFRM activity for MODS 17 "have almost been offset by the declines in variabilities and piggyback factors."

a. Is this an accident or by design in rate case cost modeling?
b. Is this an accident or by design in terms of management goals for keeping unit wage costs adjusted for productivity constant in order to keep costs stable and rates the same?
c. If management goals are involved in your answer to b., why would management settle on keeping unit wage costs steady rather than lowering them, as happens when a piece of letter mail is processed by worksharing mailers rather than the Postal Service?

Response:

a There was no "design" or plan to have declines in variabilities and piggyback factors offset wage rate increases, for the 1PLATFORM cost pool or any other cost pool. The development of the wage projections, mail processing variabilities and mail processing cost pool piggyback factors are discussed in the testimony of witness Tayman, USPS-T-6, pages 29 to 31, the testimony of witness Bozzo, USPS-T-12, and my testimony, USPS-T-13, pages 52-57, respectively. Also see witness Bozzo's response to question ABA&NAPM/USPS-T13-5.

b.-c. See the response to part a.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

ABA&NAPM-USPS-T13-9

In your response to ABA&NAPM-USPS-T21-44 g., [and -50 h.] redirected from USPS witness Abdirahman, you state: "There is no costing of the time mail is staged on the dock waiting to be worked".

a. If there is labor available to work mail that is staged on the dock, e.g. at 7 p.m. but it is not worked until a later time, say 8 p.m. please confirm that there is a true dollar cost, and an economic opportunity cost, associated with not moving that mail to the processing stations inside a USPS plant.

b. Assume, hypothetically, the time example in a. with the further proviso that the 7 p.m. time is a locally mandated time for worksharing mailers to enter their presort automation mail at the USPS plant unloading dock. Assume further that if the mandated time of entry were moved from 7 to 8 p.m., more of that presort mail would have been presorted to 5 digits and less to 3 digits.
Please confirm that moving the mandated entry time would avoid more costs for the Postal Service.

c. Please confirm that in the example in b. there is a measurable social and private cost to the one hour that the presorted mail sits on the dock before being worked consisting of: (a) the avoided costs that were not avoided; (b) the wage bill for the available USPS employees that did not start working the staged mail on the dock.

Response:

a. No. I cannot confirm this. If the mail was "worked" later in the tour, during a slow period, and the mail was processed and dispatched consistent with service standards, there may not be any "true dollar cost" or "opportunity cost" associated with not moving this mail into the plant until 8 p.m.

b. Confirmed. It is my understanding that mailers are often allowed to enter mail later than the required entry time, in exchange for taking on more of the mail processing.

c. No, I cannot confirm this. Based on my response to part a, there may not be any "true dollar cost" or "wage costs" consequence. In addition, from a

social point of view, there is not any savings or costs associated with shifting workload between the presort bureau and the Postal Service.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

ABA&NAPM-USPS-T13-10

In your response to ABA&NAPM-USPS-T21-46 c., redirected from USPS witness Abdirahman, you state with respect to PostalOne! that "Customers provide the staff for the AAA and SWYB done on their sites and may purchase the equipment used in their mail production facilities as well." You go on to state that these customer activities "should enable reductions [in] the 1SCAN cost pool".

a Shouldn't these savings have been realized at least in past by TY2006 given the already wide distribution and operationalization of PostalOne! in 2004?

b. Please confirm that the worksharing mailer staffing you refer to in the quote above entails for worksharing mailers labor costs but avoids costs for the Postal Service.

c Please state where these avoided costs should appear, or should have appeared, in your TY2006 cost models by MODS and operation code(s).

Response:

a The *Postal One!* Transportation Management systems program began in FY 2001. Thus, FY 2004 costs should reflect the savings obtained, and these savings would also apply for the test year.

b I am told that while some customers may provide additional staff to perform the AAA and SWYB done on their sites, others do not need to add staff. Either way this "should enable reductions [in] the 1SCAN cost pool."

c. Redirected to witness Abdirahman.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

ABA&NAPM-USPS-T13-12

In your response to ABA&NAPM-USPS-T21-21, redirected from USPS witness Abdirahman, you state there is a "shift" going on within USPS from the older MPBCS machinery to the newer DBCS machinery.

a. Are the unit costs, and the throughput productivity in pph, for labor and machinery per hour using DBCS higher or lower than for MPBCS?
b. Is the reduction in unit costs noted in the interrogatory due solely to the mix shift between lower utilization of MPBCS and higher utilization of DBCS?
c. Why would your cost measurement system show the per piece or unit cost of processing a letter on MPBCS going down solely as a result of putting more mail on DBCS machines and less on MPBCS? When you run an hour's worth of mail through MPBCS, wouldn't the unit cost be the same as in R2000-1adjusted up for wage rate increases?

Response:

a The throughput and productivity for the DBCS is higher than for the MPBCS, as indicated in witness McCrery's testimony, USPS-T-29. I don't have the unit costs (per piece processed) for MPBCS and DBCS.

b Not solely, but the shift from the use of MPBCS to the use of DBCS is the primary reason for the decline in the MPBCS unit costs. Changes in wage rates and other factors will affect the amount of the decline.

c The decline in the MPBCS cost pool unit costs between R2001-1 and R2005-1 occurs because the unit costs shown in USPS-LR-K-53, spreadsheet shp06usps.xls, sheet "Letters (4)" and USPS-LR-J-53, spreadsheet shp03usps.xls, sheet "Letters (4)" are cost per RPW piece, not the cost per piece processed on MPBCS. MPBCS labor costs have declined as a share of the letter processing costs, so its unit cost per RPW piece is declining.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

ABA&NAPM-USPS-T13-13

In your response to ABA&NAPM-USPS-T21-34 redirected from USPS witness Abdirahman, you state that the bar code sorter unit costs have increased even more than indicated in the original interrogatory, from 2.10 cents to 2.42 cents.

a. With this in mind, please be responsive to question a. Put differently, why is the USPS changing its mix of sorting equipment to "newer technology" barcode sorters if it is simply adding to unit costs rather than making the process more cost-efficient.

b. In your answer you stated the newer BCS technology creates an "overall decline" in unit mail processing costs. Please be specific and show by cost pool or operation code within a MODS cost pool, exactly where DBCS is driving down unit mail processing costs and by how much.

c. Is DBCS driving down unit mail processing costs for certain types of mail by more than it is for others, for single piece more than metered, for single piece more than automated presort, or vice versa?

d If your answer to c. is anything other than an unequivocal "no", please explain or redirect this question to someone who can explain fully why USPS R&D and/or investment strategy would emphasize improving cost efficiencies for one type of mail over another.

Response:

a As noted in the response to ABA&NAPM/USPS-T13-12c, the unit costs referred to by the question are cost per RPW piece. The rise of the unit cost per RPW piece for the barcode sorters (all types at plants) between R2000-1 and R2005-1 is likely occurring in part because of a substitution of sorting by barcode sorters instead of manual sorting, and also due to a growth in the percentage of single-piece letters that are DPSed. This increase in unit costs is a good thing if the increased use of barcode sorters leads to larger savings per piece in other operations. This same type of question or issue was also addressed in the Docket No. R2001-1 testimony of witness Kingsley, USPS-T-39, pages 35 to 36.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

b. I do not have any information on the specific impact of the increased use of DBCS. In my response to ABA&NAPM/USPS-T21-34, I indicated that the decline in First-Class single piece letter unit costs was due to the growth in automation between the test years of dockets R2000-1 and R2005-1. The increased use of the DBCS is one element of that growth in automation.

c. DBCS and letter automation improvements in general may well be driving down unit costs more for certain types of letter mail than others. For instance, improvements in RBCS no doubt have a bigger impact on single-piece letter costs than for presort letters. These differences in the impact of automation across various types of mail have probably changed over time as different elements of automation were introduced. For instance, it is possible that cost savings were larger for presorted letters than for single-piece letters in the early automation efforts.

d. The Postal Service pursues cost savings for all its products. However, technological advancements obtained by the Postal Service will sometimes or even most times have more applicability to certain products than others. The nature of the technological advances which the Postal Service is able to obtain will determine how these advances relate to all products and services.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-21. Please explain what factors have caused the MODS 11 BCS/ unit cost for BMM to fall from 0.512 cents in R2001-1 to 0.252 cents in this case (ref. LR-K-48, page 2 and LR-J-60, page 8, rev. 11/05/01); while the unit costs for the MODS 11 BCS/DBCS operation have risen from 1.634 cents to 2.002 cents.

RESPONSE

The "MODS 11 BCS/" cost pool is for MPBCS, while "MODS 11 BCS/DBCS" is primarily DBCS. The changes in costs per piece for these two cost pools are due the removals of MPBCS and the workload shift to DBCS.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-27. Since it appears that you could be using a single piece metered benchmark for mail processing costs, please answer the following questions:

a. Why would single piece metered letters be any more likely to be the mailstream most likely to convert to worksharing than any other single piece letter?

b. According to the figures in LR-K-53, "calculated total" in column BN relative to those in the last fully litigated case in R2000-1, mail processing unit costs have come down by 0.879 cents for single piece letters but have increased for single piece metered letters by 0.136 cents. Why would metering a letter rather than putting a stamp on it and depositing it, for example, in a USPS blue collection box with a stamped letter, cause the two single piece letter mail processing costs to have exhibited such totally different cost dynamics between R2000-1 and R2005-1?

RESPONSE:

a See witness Abdirahman's response to part a.

b. The unit cost changes you cite indicate that the cost difference between First-Class single-piece letters and First-Class single-piece metered letters has narrowed by approximately 1 cent (from 1.53 cents for R2000-1 to 0.52 cents for R2005-1). Most of the narrowing of the difference is due to greater declines or smaller increases for First-Class single-piece letters (vs. the First-Class single-piece metered letters) on manual letter sorting (at plants, stations and branches), allied operations and RBCS costs (see LR-K-53, shp06usps.xls, sheet "Letters (4)" and LR-I-81, mpshusty.xls, sheet "Letters (4)"). These declines most likely reflect gains from automation that were bigger for First-Class single-piece letters as a whole, than for the metered letters. This may have resulted from differences in mail piece characteristics between single-piece letters and metered single-

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

piece letters. Non-metered single-piece letters may have a higher share of pieces which are script addressed, for instance. All differences in characteristics have played a role in the narrowing of the unit costs, not just different "indicia" as indicated in your question.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-30. For the following cost pools for BMM, please explain why the unit mail processing costs have fallen so dramatically since R2001-1, and list the craft wages associated with each activity for the appropriate time periods.

1OPBULK from 0.154 cents to 0.032 cents in R2005-1
1OPPREF from 0.525 cents to 0.321 cents in R2005-1
1POUCHNG from 0.368 cents to 0.023 cents in R2005-1

RESPONSE:

Much of the work previously done in these cost pools is now included in the new cost pools such as 1TRAYSRT, 1DSPATCH, 1OPTRANS. See the responses of witness Van-Ty-Smith, USPS-T-11 to Time Warner interrogatories TW/USPS-T11- 1, 5-9 and witness McCrery, USPS-T-29, responses to Time Warner interrogatories TW/USPS-T11- 5-9

The mail handler wages projected for test year 2003 (from Docket No. R2001-1) is $29.98, while the test year 2006 mail handler wage is projected to be $34.49. See USPS-LR-K-50, page 428 and USPS-LR-J-50, page 456.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-33. Please explain the two new cost pools for MODS 12, AFSM100 and FSM/1000.

RESPONSE:

See USPS-LR-K-1, page 3-6. See also USPS-LR-K-55, pages I-14 and I-15. To learn more about this equipment see witness McCrery's testimony, USPS-T-29, at pages 12-13.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-34. In MODS 11 BCS/ the unit cost for single piece letters from R2000-1 was 2.10 cents for the test year, whereas in R2005-1 the test year unit cost for the new MODS11 category BCS/DBCS is higher, at 2.13 cents.

a. If unit costs are going up, where are the alleged efficiencies from conversion to DBCS?
b. Is this a weighted average number between BCS and DBCS?
c. What are the factor(s) driving up the unit costs of MODS11?
d. Are the MODS11 cost pools additive? That is, for example, for the First Class automated letter category, is the appropriate comparison with R2000-1's unit cost of 1.17 cents the R2005-1 0.98 cent cell or the 0.98 cent cell plus the 0.10 cent cell?

RESPONSE:

a The efficiencies are demonstrated by the overall decline in the mail processing unit cost from test year 2000 (of Docket No. 2000-1) of 12.30 cents to test year 2006 mail processing unit costs of 11.42 cents (see LR-K-53, shp06usps.xls, sheet "Letters (4)" and LR-I-81, mpshusty.xls, sheet "Letters (4)").

Please note that the comparison you've made is incomplete, in that MODS 11 BCS for test year 2000 included all types of BCS (MPBCS, DBCS and CSBCS) at plants. For test year 2006, MPBCS costs at plants are still included in MODS 11 BCS, but DBCS and CSBCS costs are included in MODS 11 BCS/DBCS. So the comparable unit cost for test year 2006 is 2.42 cents (0.29 + 2.13), adding in the 0.29 cents for MODS 11 BCS. As a result, there is an even larger increase 2.10 cents vs. 2.42 cents, than your question indicated. The reason overall costs are lower is that the growth in automation, while increasing processing unit costs for all BCS in total, has lowered other processing costs by

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more, particularly manual letter sorting.

b See response to part a.

c See response to part a.

d See response to part a.

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REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-35. What has become of the following cost pools from R2000-1, which do not appear in R2005-1: MODS 41, 42, 43, 44 and 48 (two cost pools); MODS 99 1SUPP_F4? Please cross-walk these to any new replacement cost pools, and include the unit cost levels from the updated old cost pools that are cross-walked, not just the operations. Please do the cross walks by 2 digit as well as 3 digit MODS categories.

RESPONSE:

See the testimony of witness Van-Ty-Smith, USPS-T-11, page 5 for a discussion of the fate of "MODS 41, 42, 43, 44 and 48 (two cost pools); MODS 99 1SUPP_F4 "

An approximate cross walk of the "new" cost pools to the "old" is provided in the Attachment to this response for First-Class single-piece letters and First-Class single-piece metered letters. Page one of this Attachment shows the mail processing unit costs after "cross walking" to the "old" cost pools. The unit costs for the "new" cost pools for these categories of letters can be found in USPS-LR-K-53, page 67, columns BE to BL (or see shp06usps.xls, sheet "Letters (4).") The unit costs for the "new" cost pools are also shown at the top of the Attachment pages 3 and 4. The calculations are shown in spreadsheet provided with this response. Please note, this is not likely the same result one would obtain if indeed the "old" cost pools had been used in the work of witness Van-Ty-Smith, USPS-T-11. Results would differ to the extent the use of the "old" cost pools would have changed the base year and test year costs.

This calculation is based on a cross walk of "new" cost pool labor costs to "old" cost pool labor costs. This cross walk is shown on page 2 of the Attachment. The labor costs for "Breaks" and "Clocking In/Out" spread proportionately by column for each

RESPONSE OF POSTAL SERVICE WITNESS SMITH
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REDIRECTED FROM WITNESS ABDIRAHMAN

column of the top table on page 2 of the Attachment to be consistent with the "old" cost pools. In addition, some of the costs for the "old" cost pools that you list in your question are now part of window service and administrative costs. To reflect putting these costs back into the "old" cost pool costs, the "old" unit costs are adjusted for the categories that you list in the question. The adjustment is based on amount of costs which shift to window and administrative costs under the "new" cost pools as shown on page 2 of the Attachment. Pages 3 and 4 of the Attachment show the "crosswalking" of the "new" cost pool unit costs to the "old" cost pool unit costs based on the labor cost cross walk from page 2. The results are fairly consistent with the corresponding costs from Docket R2001-1, USPS-LR-J-53, page 67, except that the test year 2006 manual letter sorting costs are much lower than for the test year 2003.

 Attachment to Response of
United States Postal Service
Witness Smith to
ABA&NAPM-T21-35

Approximate Cross Walked Unit Costs From "New" to "Old" Function 4 Processing Cost Pools
Cents Per Piece

MODS 99 1SUPP_F4

Old" Cost Pools	LD41	LD42	LD43	LD44	LD48 EXP	LD48 OTH	LD48_ADM	LD48_SSV
First-Class Single-Piece Letters	0.04	0.00	0.46	0.15	0.00	0.17	0.13	0.07
First-Class Single-Piece Metered Letters	0.04	0.00	0.45	0.15	0.00	0.17	0.14	0.08

Old" Cost Pools	ALLIED	AUTO/MEC	EXPRESS	MANF	MANL	MANP	MISC	REGISTRY	Total
First-Class Single-Piece Letters	0.65	0.34	0.00	0.01	0.85	0.00	0.26	0.03	3.17
First-Class Single-Piece Metered Letters	0.64	0.36	0.00	0.02	0.80	0.00	0.29	0.05	3.20

0.1121557 0.062951 0.13206383 0.1027445 0.0361465 0.068174 0.0352987 0.0683022 0.09756453 0.053141231

Crosswalk of MODS Function 4 "NEW" Cost Pool Costs to the "OLD" cost pool costs for BY 04

	pool	poolmod										
	Frequency	LD41	LD42	LD43	LD44	LD48 EXP	LD48 OTH	LD48_ADM	LD48_SSV	SubTotal	nonMODS	Total
	ALLIED	1283.8	60.065	125752	46689	874.03	39142	13739	7908.5	235249	652663.1	887912.1
	AUTOMEC	16998	273.26	2942.2	423.83	0	698.18	389.34	408.03	22132	167839.6	189971.6
	EXPRS IN	0	0	1317.8	367.49	6989.8	5766.8	1825.7	3856.2	20124	14873.74	34997.74
	EXPRSOUT	0	0	976.71	165.54	16227	11144	3530.4	2525	34569	13906.75	48475.75
	MANF	122.37	0	117159	12210	0	10483	2744.2	1625.5	144343	397533.6	541876.6
	MANL	384.53	0	147018	43863	0	16716	6678.5	4742.4	219402	546166.4	765568.4
	MANP	0	8.5287	103180	1859.4	0	6658.6	2948.8	1810	116466	194919.7	311385.7
	MISC	317.4	23.154	33979	8013.4	192.85	56102	30995	48713	178336	351568.7	529904.7
	REGISTRY	0	0	3505.8	878.77	173.37	3894.4	4179.8	9253	21885	39958.03	61843.03
Breaks	Z BREAKS	2631.7	27.381	90352	18060	934.84	17313	7105.6	7359.9	141784	255157.4	396941.4
Window	9	142.39	11.293	11369	7874.9	0	26890	29302	5057.3	80647	**1527157**	1607804
Admin	10	1109.1	20.882	23708	7907	542.54	47133	89823	10293	180537	**464119.6**	644656.6
Admin	17	0	10.393	1202.9	903.6	0	3156.2	1380.5	1202.4	7856	**16731.49**	24587.49
Window	24	0	0	646.71	4745.3	0	1462.8	2083.8	198.06	9136.6	**42410.04**	51546.64
Window	25	0	0	1281	736.77	0	1051.3	973.14	551.64	4593.8	**12669.2**	17263
Window	28	0	0	171.76	350.46	0	325.47	766.43	214.37	1828.5	**26006.69**	27835.19
Clocking In/Out	6522	475.66	0	19593	3262	128.47	6016.5	2833.7	2036.1	34345	77814.8	112159.8
	Total	23464.7	434.959	684154	156310	25862.5	253953	201299	107755	1453233	4 801 496	6254728.8
		1251.49	42.568	38379.37	22518.03	542.54	80016.77	124328.87	17516.77	284598.9	2 089 094	2373692.9
	Adjustment	1.06	1.11	1.06	1.17	1.02	1.46	2.62	1.19	1.24	1.00	

Ratios for Window & Administration Costs

Costs in Window & Admin. Under "New" and "Old" Cost Pools

Crosswalk of MODS Function 4 "NEW" Cost Pool Costs to the "OLD" cost pool costs for BY 04
With Modified Matrix Needed for "Cross Walking"

Frequency	LD41	LD42	LD43	LD44	LD48 EXP	LD48 OTH	LD48_ADM	LD48_SSV	ALLIED	AUTOMEC	EXPRS IN	EXPRSOUT	MANF	MANL	MANP	MISC	REGISTRY			
ALLIED	1,480	64	149,830	53,274	703	43,102	14,453	8,864	701,296									972,866	84953.56	
AUTOMEC	19,593	292	3,506	484	-	769	410	447		180,346								205,845	15873.32	
EXPRS IN	-	-	1,570	419	7,290	6,350	1,921	4,225			15,982							37,756	2758.525	89.726
EXPRSOUT	-	-	1,164	189	16,923	12,271	3,714	2,766				14,943						51,970	3493.922	
MANF	141	-	139,592	13,932	-	11,543	2,887	1,781					427,156					597,032	55155.12	
MANL	443	-	175,168	50,050	-	18,407	7,025	5,195						586,864				843,153	77584.28	
MANP	-	9	122,936	2,122	-	7,332	3,102	1,983							209,444			346,928	35542.35	
MISC	366	25	40,485	9,144	201	61,777	32,605	53,366								377,766		575,735	45830.06	
REGISTRY	-	-	4,177	1,003	181	4,288	4,397	10,137									42,938	67,118	5275.018	
Break & Clocking Deducted	20,357	408	574,209	136,988	24,799	230,624	191,360	98,359		4 468,524										
Ratio	1.15	1.07	1.19	1.14	1.04	1.10	1.05	1.10		1.07										

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First-Class Single-Piece Letters Costs Cross Walked to "Old" Cost Pools
From "New" Cost Pools

shp06usps.xls
Sheet Letters (4)

New" Cost Pools	
ALLIED	0 90
AUTO/MEC	0 39
EXPRS	0 00
MANF	0 02
MANL	1 22
MANP	0 01
MISC	0 40
REGISTRY	0 04
	2 97

Old" Cost Pools	LD41	LD42	LD43	LD44	LD48 EXP	LD48 OTH	LD48_ADM	LD48_SSV	ALLIED	AUTO/MEC	EXPRS IN	EXPRSOU	MANF	MANL	MANP	MISC	REGISTRY	
ALLIED	0 2%	0 0%	15 4%	5 5%	0 1%	4 4%	1 5%	0 9%	72.1%	0 0%	0 0%	0.0%	0 0%	0.0%	0.0%	0 0%	0.0%	100 0%
AUTO/MEC	9 5%	0 1%	1 7%	0 2%	0 0%	0 4%	0 2%	0 2%	0.0%	87.6%	0 0%	0 0%	0.0%	0 0%	0 0%	0 0%	0.0%	100 0%
EXPRS	0 0%	0 0%	3 0%	0 7%	27 0%	20 8%	6 3%	7 8%	0 0%	0 0%	34.5%		0.0%	0.0%	0 0%	0.0%	0 0%	100 0%
MANF	0 0%	0 0%	23 4%	2 3%	0 0%	1 9%	0 5%	0 3%	0 0%	0 0%	0 0%	0 0%	71.5%	0.0%	0.0%	0 0%	0.0%	100 0%
MANL	0 1%	0 0%	20 8%	5 9%	0 0%	2 2%	0 8%	0 6%	0 0%	0 0%	0 0%	0 0%	0 0%	69 6%	0.0%	0 0%	0 0%	100.0%
MANP	0 0%	0 0%	35 4%	0 6%	0 0%	2 1%	0 9%	0 6%	0 0%	0 0%	0 0%	0 0%	0.0%	0 0%	60 4%	0 0%	0 0%	100 0%
MISC	0 1%	0 0%	7 0%	1 6%	0 0%	10 7%	5 7%	9 3%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	65 6%	0 0%	100.0%
REGISTRY	0 0%	0 0%	6 2%	1 5%	0 3%	6 4%	6 6%	15 1%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	64 0%	100.0%

Old" Cost Pools	LD41	LD42	LD43	LD44	LD48 EXP	LD48 OTH	LD48_ADM	LD48_SSV	ALLIED	AUTO/MEC	EXPRS IN	EXPRSOU	MANF	MANL	MANP	MISC	REGISTRY	
ALLIED	0 00	0 00	0 14	0 05	0 00	0 04	0 01	0 01	0 65	-	-	-	-	-	-	-	-	
AUTO/MEC	0 04	0 00	0 01	0 00	-	0 00	0 00	0 00	-	0 34	-	-	-	-	-	-	-	
EXPRS	-	-	0 00	0 00	0 00	0 00	0 00	0 00	-	-	0 00	-	-	-	-	-	-	
MANF	0.00	-	0 00	0 00	-	0 00	0 00	0 00	-	-	-	-	0 01	-	-	-	-	
MANL	0.00	-	0 25	0 07	-	0 03	0 01	0 01	-	-	-	-	-	0.85	-	-	-	
MANP	-	0 00	0 00	0.00	-	0.00	0.00	0.00	-	-	-	-	-	-	0.00	-	-	
MISC	0.00	0 00	0 03	0 01	0 00	0 04	0.02	0 04	-	-	-	-	-	-	-	0 26	-	
REGISTRY	-	-	0 00	0 00	0.00	0 00	0.00	0.01	-	-	-	-	-	-	-	-	0 03	
Total	0 04	0.00	0.44	0.13	0.00	0.11	0.05	0.06	0 65	0 34	0 00	-	0.01	0.85	0.00	0 26	0 03	2 97
Adjusted	0 04	0 00	0.46	0.15	0.00	0.17	0.13	0.07	0.65	0.34	0.00	-	0.01	0.85	0 00	0.26	0.03	3.17

First Class Single Piece Metered Letters — [illegible]
From New Cost Pools

ship06usps.xls
Sheet Letters (4)

New Cost Pools	
ALLIED	0.88
AUTO/MEC	0.41
EXPRS	0.00
MANF	0.03
MANL	1.15
MANP	0.01
MISC	0.45
REGISTRY	0.07
	3.00

Old Cost Pools	LD41	LD42	LD43	LD44	LD48 EXP	LD48 OTH	LD48_ADM	LD48_SSV	ALLIED	AUTO/MEC	EXPRS IN	EXPRSOU	MANF	MANL	MANP	MISC	REGISTRY	
ALLIED	0.2%	0.0%	15.4%	5.5%	0.1%	4.4%	1.5%	0.9%	72.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
AUTO/MEC	9.5%	0.1%	1.7%	0.2%	0.0%	0.4%	0.2%	0.2%	0.0%	87.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
EXPRS	0.0%	0.0%	3.0%	0.7%	27.0%	20.8%	6.3%	7.8%	0.0%	0.0%	34.5%		0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
MANF	0.0%	0.0%	23.4%	2.3%	0.0%	1.9%	0.5%	0.3%	0.0%	0.0%	0.0%	0.0%	71.5%	0.0%	0.0%	0.0%	0.0%	100.0%
MANL	0.1%	0.0%	20.8%	5.9%	0.0%	2.2%	0.8%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	69.6%	0.0%	0.0%	0.0%	100.0%
MANP	0.0%	0.0%	35.4%	0.6%	0.0%	2.1%	0.9%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	60.4%	0.0%	0.0%	100.0%
MISC	0.1%	0.0%	7.0%	1.6%	0.0%	10.7%	5.7%	9.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	65.6%	0.0%	100.0%
REGISTRY	0.0%	0.0%	6.2%	1.5%	0.3%	6.4%	6.6%	15.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	64.0%	100.0%

Old Cost Pools	LD41	LD42	LD43	LD44	LD48 EXP	LD48 OTH	LD48_ADM	LD48_SSV	ALLIED	AUTO/MEC	EXPRS IN	EXPRSOU	MANF	MANL	MANP	MISC	REGISTRY	
ALLIED	0.00	0.00	0.14	0.05	0.00	0.04	0.01	0.01	0.64	-	-	-	-	-	-	-	-	
AUTO/MEC	0.04	0.00	0.01	0.00	-	0.00	0.00	0.00	-	0.36	-	-	-	-	-	-	-	
EXPRS	-	-	0.00	0.00	0.00	0.00	0.00	0.00	-	-	0.00	-	-	-	-	-	-	
MANF	0.00	-	0.01	0.00	-	0.00	0.00	0.00	-	-	-	-	0.02	-	-	-	-	
MANL	0.00	-	0.24	0.07	-	0.03	0.01	0.01	-	-	-	-	-	0.80	-	-	-	
MANP	-	0.00	0.00	0.00	-	0.00	0.00	0.00	-	-	-	-	-	-	0.00	-	-	
MISC	0.00	0.00	0.03	0.01	0.00	0.05	0.03	0.04	-	-	-	-	-	-	-	0.29	-	
REGISTRY	-	-	0.00	0.00	0.00	0.00	0.00	0.01	-	-	-	-	-	-	-	-	0.05	
Total	0.04	0.00	0.43	0.13	0.00	0.12	0.05	0.07	0.64	0.36	0.00	-	0.02	0.80	0.00	0.29	0.05	3.00
Adjusted	0.04	0.00	0.45	0.15	0.00	0.17	0.14	0.08	0.64	0.36	0.00	-	0.02	0.80	0.00	0.29	0.05	3.20

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-36. Please explain fully how the following new cost pools relate to the cost pools from R2000-1, cross walk them from new to old at the 2 digit and 3 digit MODS levels, operation to operation, and by unit cost: MODS 13, 1TRAYSRT; MODS17 1CANCEL, 1DSPATCH, 1FLATPRP, 1MTRPREP, 1OPTRANS, 1PRESORT; MODS 19 INTL ISC, and PMPC.

RESPONSE:

See the responses of witness Van-Ty-Smith, USPS-T-11 to Time Warner interrogatories TW/USPS-T11- 1, 5-9 and witness McCrery, USPS-T-29, responses to Time Warner interrogatories TW/USPS-T11- 5-9. These responses relate the old and new cost pools For a more detailed comparison see LR-K-55, pages I-15 to I-19 and for Docket No. 2000-1, LR-I-106, part I

It is not possible to provide unit costs for the old cost pools since many of the new cost pools involve operations that didn't exist in base year 1998 or 1999 (or test year 2000). In addition, the MODS operations themselves have been redefined. Again, see the responses of witness Van-Ty-Smith, USPS-T-11 to Time Warner interrogatories TW/USPS-T11- 1, 5-9 and witness McCrery, USPS-T-29, responses to Time Warner interrogatories TW/USPS-T11- 5-9. See also LR-K-55, pages I-15 to I-19 and for Docket No. 2000-1, LR-I-106, part I.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-37. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 1 of 4, please respond to the following:

a. For MODS 11 BCS/, why have unit costs for bar code sorting gone down for a First Class presort automated letter from 1.17 cents in R2000-1 to 0.10 cents in R2005-1?

b. If the new MODS category in R2005-1, MODS 11 BCS/DBCS, is a unit cost measurement that applies to the overwhelming majority of First Class presort automated letters, then is the cost difference between R2000-1 and R2005-1 the difference between the old MODS number of 1.17 cents and the new MODS 11 category number of 0.98 cents? Please fully explain your answer, and list the percentages of FCLM automation presort that are measured using the old MODS 11 category and the new MODS 11 category for this case.

c. If your answer to b. is "No", please provide an apples to apples comparison of how the actual unit costs for the barcoding operation for FCLM automation presort have changed since R2000-1 and R2005-1.

Response

a See my response to ABA&NAPM/USPS-T21-21 filed on May 26, 2005.

b-c See my responses to ABA&NAPM/USPS-T21-21 and 34 filed on May 26, 2005.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-38. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 1 of 4, please respond to the following concerning First Class automated presort letters:

a What is the source or sources of the decline in unit OCR costs from 0.09 cents in R2000-1 to 0.08 cents in R2005-1?
b If you are still realizing dynamic efficiencies from the OCR technology, why is your capital expenditures budget replacing all OCRs with DIOSS technology over the next couple years?
c Please supply all operating efficiency information you have on DIOSS machinery productivity and unit costs including purchase prices in a format that is comparable to the OCR unit costs noted in a.

Response

a I don't know. Wage rates are higher, variabilities and piggyback factors are about the same, so perhaps it is due to improved prebarcoding by mailers which lessens the use of OCRs. Also see the response of witness Abdirahman to Presiding Officer's Information Request No. 1, part A.

b See the testimony of witness McCrery, USPS-T-29, pages 4-7 and page 7 of USPS-LR-K-49.

c The through put rates for DIOSS are provided in the testimony of witness McCrery, USPS-T-29, pages 6-7. The DIOSS purchase price is $764,275. I do not know what is meant by providing this cost "in a format that is comparable to the OCR unit costs noted in a." I do not have unit operating costs for DIOSS.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-39. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 1 of 4, please respond to the following concerning First Class automated presort letters:

a. The unit costs for occasionally processing letter trays on mechanized sack sorting equipment has fallen from 0.02 cents in R2000-1 to 0.01 cents in R2005-1. Does this change reflect an increase in efficiency or fewer letter trays being processing in this manner, or other factors? Please fully explain your answer.
b. The unit costs for manually sorting these letters has fallen from 0.31 cents in R2000-1 to 0.19 cents in R2005-1. How do you reconcile the reduction in unit cost for a "manual" activity when wage rates have in fact risen between the two cases?

Response:

a I don't know what has caused this change, however I am told that there has been a concerted effort to remove letter trays off sack sorting equipment and onto more appropriate mechanized sorting equipment, such as the Low Cost Tray Sorter (see USPS-T-29, page 25). *This cost is a very small contributor to the* overall unit cost of 3.5 cents for this category (see LR-K-53, page 67).

b The decline in manual letter sorting unit costs at plants appears to reflect the reduction in the use of manual letter sorting or the share of sorting done manually. Most likely this reflects automation and/or mail piece improvements. In addition, I am told that Manual Incoming Secondary distribution has been shifted to Stations and Branches where there is a better supply of scheme trained clerks.

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ABA&NAPM/USPS-T21-40. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 2 of 4, please respond to the following concerning First Class automated presort letters:

a. Please confirm that the MODS 15 LD15 activity refers to RBCS keying activities and supervision of same.
b. Please state what the change in wage rates has been for this activity between R2000-1, R2001-1 and R2005-1.
c. Unless there has been a reduction in wages in this manual activity, please explain why unit labor costs have fallen from 0.13 cents in R2000-1 to 0.06 cents in R2005-1. If the explanation is technological please be detailed and specific as to what specific brand name technologies have increased labor productivity in RBCS operations.
d. If the explanation sought in c. has to do with better direct read rates for equipment installed at USPS mail processing facilities, please provide a detailed explanation linking the reduction in RBCS unit costs due to improved technology within USPS mail processing factories.
e. Are there any remaining LMLM costs associated with the LD15 activity?
f. Please provide the MODS hours for MODS 15 codes 383, 384, 775 and 779.

Response:

a. No, the MODS 15 LDC 15 cost pool also includes LMLM operation and other activities, see LR-K-55, page I-17, which can also be found at USPS-LR-55-C.exe, directory lr-k-55 part 1, spreadsheet R2005 lr-k-55_pt1.xls, sheet Table I-2B, Plants-no ISC & PMPC.

b. Most of LDC 15 costs concerns the work at Remote Encoding Centers (REC). The REC wage rates for the test years in R2000-1, R2001-1 and R2005-1 are respectively $17.786, $20.409 and $20.795. (The source of this information is from part 8 of the following library references: LR-I-106, LR-J-55 and LR-K-55.)

c. The unit costs you cite include labor and piggyback or indirect costs, not just labor costs. I can think of four possible reasons for this decline. First, the RCR,

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a plant component of RBCS, resolves 72.5 percent of the letter images it processes as opposed to 55 percent resolution in R2000-1 (witness McCrery, USPS-T-29, page 5 and also see Docket No. R2000-1, witness Kingsley, USPS-T-10, page 5). This reduces the amount of RBCS keying required for letters. Second, there may have been a reduction in the LMLM costs for First-Class automation presort due to the ICS program (see witness McCrery, USPS-T-29, pages 7-8). Third, the piggyback ratio for the operation has declined from 1.958 in R2000-1 (see LR-I-81, MPSHUSTY.xls, sheet "Pool") to 1.779 in this case (see LR-K-55, page 14). Finally, this may also reflect mail piece improvements, such as better barcodes.

d See my response to part c.

e Yes, see my response to part a.

f See LR-K-55, page I-17, which can also be found at USPS-LR-55-C.exe, directory lr-k-55 part 1, spreadsheet R2005 lr-k-55_pt1.xls, sheet Table I-2B, Plants-no ISC & PMPC.

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ABA&NAPM/USPS-T21-41. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", please respond to the following concerning First Class automated presort letters:

a What percentage of such letters is received at postal facilities for further processing on (i) rolling stocks; (2) pallets; (3) other—please specify.
b At postal processing facilities would you agree that the basic physical unit of output is a sleeved and banded tray, as opposed to an individual letter?
c. Would you agree that other than collection box mail, that the basic physical unit of mail input is also a sleeved and banded tray?
d. Do you collect, or have you collected in any special studies measurements of mail processing costs where the basic unit is a sleeved and banded tray, for example, in transportation costs? If so, please provide these studies.

Response:

a We do not have this information.

b Not fully. A tray based unit of output would work for the operations that involve tray handling. (Some of these operations, however are for unbanded and/or unsleeved trays.) Many operations involve piece distribution so the <u>piece</u> is needed as a unit of output for these operations. Trays of mail can be of different presort levels, and can be automation or non-automation rate. So the workload for a "tray" mail can vary depending on its makeup.

c No. See my response to b.

d We do not have this information.

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ABA&NAPM/USPS-T21-42. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 2 of 4, please respond to the following concerning First Class automated presort letters:

a. For the MODS 17 1OPBULK cost pool, are the MODS hours calculated for First Class and Standard Class mail together, as might be inferred from the MODS 3 digit codes, all of which state "BBM" whether for incoming or outgoing activities?
b. Does this activity relate mainly to non-automation presort letter operations, and if so, please explain why First Class presort automation letters have positive unit costs of 0.06 cents in R2000-1 for this activity and 0.01 cents in R2005-1.
c. Please explain the reasons for the reduction in unit costs noted in b.

Response:

a. All of the operation names for the MODS 3-digit codes for MODS 17 1OPBULK include "STANDARD," indicating that these operations are primarily for Standard Mail (See page I-18 of LR-K-55 and this can be found at USPS-LR-55-C.exe, directory lr-k-55 part 1, spreadsheet R2005 lr-k-55_pt1.xls, sheet Table I-2B, Plants-no ISC & PMPC.). However, as shown in witness Van-Ty-Smith, USPS-T-11, page 39, Standard Mail accounts for about 68 percent of the labor costs in this cost pool and First-Class presort accounts for about 4 percent.

b. No. These operations are used for initial separation of letter trays, flat trays, flat bundles, newspaper bundles, sacks, parcels, and IPP/SPRs into mail transport equipment, in preparation for further sorting. First-Class presort automation letters require such processing. Some of this processing is provided in the operations included in the MODS 17 1OPBULK cost pool.

c. See my response to ABA&NAPM-T21-30. In addition, there is a lower volume

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variability and piggyback factor for this cost pool for the R2005-1 test year as compared to the R2000-1 test year, which offset the increased wages.

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ABA&NAPM/USPS-T21-43. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 2 of 4, please respond to the following concerning First Class automated presort letters:

a Please provide a complete definition of what the cost pool MODS 17 1OPPREF entails. For codes 110, 111, 112, 113, 114, 180-184, 343 and 344, please provide complete definitions or cite the source where such definitions are provided.

b Please explain what factors have caused the unit costs for this cost pool to decline from 0.21 cents in R2000-1 to 0.15 cents in R2005-1?

Response:

a The operations in the MODS 17 1OPPREF cost pool are used for initial separation of letter trays, flat trays, flat bundles, newspaper bundles, sacks, parcels, and IPP/SPRs into mail transport equipment, in preparation for further sorting, primarily for PREF mail classes. The workload in these units may require the dumping of sacks, setting up the work area, moving containers of working mail into the unit, removing strapping and sleeves from trays, and the staging of worked containers. The MODS operations for this cost pool are shown in LR-K-55, page I-18, which differs from the list of operations contained in the question. (This can also be found at USPS-LR-55-C.exe, directory lr-k-55 part 1, spreadsheet R2005 lr-k-55_pt1.xls, sheet Table I-2B, Plants-no ISC & PMPC). This cost pool was modified as discussed by witness Van-Ty-Smith, USPS-T-11, pages 6-7.

b See my response to ABA&NAPM-T21-30. In addition, there is a lower volume variability and piggyback factor for this cost pool for the R2005-1 test year, which

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offset the increased wages.

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ABA&NAPM/USPS-T21-44. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 2 of 4, please respond to the following concerning First Class automated presort letters:

a For the MODS 17 activity 1PLATFRM, please explain why unit costs have gone up since R2000-1, from 0.29 cents to 0.30 cents.
b What distinctive factors associated with platform activities have caused this cost pool to increase, when many other cost pools have decreased?
c For MODS codes 210-234 and 351, 352 and 454, please provide complete definitions or cite the source where such definitions are provided.
d Is the lack of progress in controlling costs in this MODS cost pool due to major redundancies in the Postal Service's distribution infrastructure, for example, sending mail through intermediate facilities rather than directly to SCF's.
e Do you have a breakdown of MODS productivities and unit costs for this operation as between BMC's, ADC's, AADC's, SCF's and other facilities which letter mail goes through. If so, please break down the overall unit platform costs and cost dynamics by type of USPS facility.
f Does this cost pool measure the time that workshared mail delivered to a USPS facility remains on the dock, or otherwise idle, before being broken down and processed further at the USPS facility or grouped for dispatch to another facility?
g If your answer to f. is other than an unequivocal "yes", please explain how this downtime is costed, in what cost pool(s) it is found, and what the measurement of it is by three digit MODS code(s).

Response

a Unit costs have gone up due to the wage increases between test year FY2001 and test year FY 2006, which have almost been offset by the declines in variabilities and piggyback factors.

b Overall workhours have declined in this operation from FY98 to FY2004 from 42.8 billion to 41.7 billion, while volumes have increased during this period. This would suggest productivity improvements in this operation. The LDC 17

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realignment of operations did not involve any significant change in the activities that constitute this cost pool.

c The operations in the 1PLATFRM cost pool are used for the loading and unloading of containers or individual sacks, parcels, trays, and bundles of mail on and off all types of vehicular transportation on the platform. This also includes work to perform any separation of mails on the platform required to (1) load a vehicle, or (2) move load to next handling operation. These operations also include transporting mail to and from the platform (manually or with powered equipment) as well as the work of expeditors, elevator operators, traffic direction, and control center operations supporting platform movements The MODS operations for this cost pool are shown in LR-K-55, page I-18 and I-19, which differs from the list of operations contained in the question . (This can also be found at USPS-LR-55-C.exe, directory lr-k-55 part 1, spreadsheet R2005 lr-k-55_pt1.xls, sheet Table I-2B, Plants-no ISC & PMPC).

d See my response to part b.

e No, we do not have this information. Some unit cost information for platforms is provided in LR-K-53, for the cost pools MODS 17 1PLATFRM and BMC PLA (platforms).

f No.

g. There is no costing of the time mail is staged on the dock waiting to be worked.

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ABA&NAPM/USPS-T21-45. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 2 of 4, please respond to the following concerning First Class automated presort letters:

a Please provide a complete definition of what the cost pool MODS 17 1POUCHING entails. For codes 120-129, 208, 209 and 345 please provide complete definitions or cite the source where such definitions are provided.
b Please explain why unit costs have fallen for this activity from 0.14 cents in R2000-1 to 0.01 cent in R2005-1.

Response:

a The operations in the 1POUCHING cost pool are used for the separation of all mail types into sacks or pouches and the dumping of sacks or containers onto a conveyor or fixed table. The work content also includes setting up the work area, moving containers of working mail into the unit, removing strapping and sleeves from trays, the removal of worked sacks/pouches from racks onto MTE, and the staging of worked containers. The MODS operations for this cost pool are shown in LR-K-55, page I-19, which differs from the list of operations contained in the question. (This can also be found at USPS-LR-55-C.exe, directory lr-k-55 part 1, spreadsheet R2005 lr-k-55_pt1.xls, sheet Table I-2B, Plants-no ISC & PMPC). This cost pool was modified as discussed by witness Van-Ty-Smith, USPS-T-11, pages 6-7. See also my response to ABA&NAPM-T21-30.

b See my response to ABA&NAPM-T21-30. In addition, there is a lower volume variability and piggyback factor for this cost pool, which offset the increased wages.

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ABA&NAPM/USPS-T21-46. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 2 of 4, please respond to the following concerning First Class automated presort letters:

a For the MODS 17 activity 1SCAN, please explain why the unit costs have doubled since R2000-1 from 0.02 cents per piece to 0.04 cents per piece.
b Since this air transport activity does not involve piece distribution activities, please explain how you arrive at a per-piece unit cost.
c Please explain fully how POSTAL ONE affects this MODS category and provide any data you may have which distinguishes pre- from post- POSTAL ONE unit costs for this cost pool.

Response:

a The main reason for the cost increase is that 1SCAN was expanded adding the SWYB operations formerly in the Pouching cost pool (see witness Van-Ty-Smith, USPS-T-11, page 6, lines 29-31). Test year to test year wage increases contributed to this as well, while piggyback factor increases offset the variability declines for this cost pool.

b As true for all costs pools, the unit cost for this cost pool is obtained by dividing the costs for a category of mail, like First-Class presort automation, by the RPW volumes for this category.

c I am told these operations are impacted by the *PostalOne!* Transportation Management systems. Customer sites with this form of *PostalOne!* include shipping systems functionally similar to Postal AAA and/or SWYB systems thereby reducing the need for this work at plants and AMCs. Customers provide the staff for the AAA and SWYB done on their sites and may purchase the equipment used in their mail production facilities as well. So *PostalOne!*

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Transportation Management systems should enable reductions the 1SCAN cost pool and also reduce the 1SCAN unit costs for the classes or categories of mail prepared by mailers using these systems.

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ABA&NAPM/USPS-T21-47. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 3 of 4, please respond to the following concerning First Class automated presort letters:

a. In defining the costs related to computerized forwarding systems (CFS), namely cost pool MODS 49 LD49, in response to an ABA/NAPM interrogatory in R2000-1, the Postal Service stated "First Class presort mailers are required to meet strict addressing standards. However, these costs are not included in the cost models." Please confirm that whether or not the Postal Service includes such costs in their cost models, the presort mailers costs avoid these costs for the Postal Service.
b. Consider a hypothetical mail processing - related, transportation - related, cost incurred by presort mailers that, were it not incurred by them, would be incurred by the Postal Service. Assume further that the Postal Service does not measure this cost or define it in a cost pool because in fact it does not have to engage in the activity since presort mailers are. Please confirm that such an activity would be an avoided cost for the Postal Service.
c Please confirm that if the presort industry supplied the Postal Service or the Commission with essentially MODS productivities for such activities, an adjustment for USPS wage rates could be applied to the productivity data and unit costs avoided estimated.
d. Please explain the reduction in unit costs for this activity that are measured by the Postal Service, from 0.22 cents in R2000-1 to 0.13 cents in R2005-1.

Response:

a.-c. Retained by witness Abdirahman.

d. The decline in unit costs suggests productivity gains or lessening of the share of mail requiring CFS work. This decline occurred despite the test year to test year wage increases, which were only partly offset by the lower variability for this cost pool. Please note that there were unit cost declines of similar magnitudes for both First-Class single-piece letters (0.28 to 0.21 cents) and First-Class non-carrier route presort letters (0.24 to 0.17 cents). In addition, it is important to remember that our methods for splitting First-Class presort letter costs into

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automation and non-automation may not be accurate, as indicated in witness Abdirahman's response to Presiding Officer's Information Request No. 1, part A. While automation letter CFS unit costs declined as your question indicates, the CFS unit cost for First-Class presort non-automation letters increased from 0.43 cents to 1.09 cents.

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ABA&NAPM/USPS-T21-48. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 3 of 4, please respond to the following concerning First Class automated presort letters:

a. Please provide a complete definition for MODS 79 LD79 and all three-digit MODS codes within that cost pool.
b. Please explain why unit costs in this area have more than quadrupled between R2000-1 and R2005-1, from 0.02 cents to 0.09 cents for FCLM automation presort, and have increased by ten times for metered mail and more than doubled for single piece mail.

Response:

a. This cost pool covers the bulk mail entry units. A listing of MODS operations is shown on page I-20 of LR-K-55. (This can also be found at USPS-LR-55-C.exe, directory lr-k-55 part 1, spreadsheet R2005 lr-k-55_pt1.xls, sheet Table I-2B, Plants-no ISC & PMPC).

b. The increase in the variability from .299 to .83 is the main factor in the higher unit costs.

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ABA&NAPM/USPS-T21-49. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 3 of 4, please respond to the following concerning First Class automated presort letters:

a Please provide a detailed and complete list of the support activities that constitute MODS 99 1SUPP F1. Provide a sufficient definition for each so that it is clear as to what each activity entails.
b Please explain why unit costs for this cost pool nearly tripled between R2000-1 and R2005-1, from 0.04 cents to 0.11 cents.

Response:

a See the list of MODS operations for this cost pool on page I-20 of LR-K-55, under the cost pools 1MISC and 1SUPPORT, which are both included in MODS 99 1SUPP F1. (This can also be found at USPS-LR-55-C.exe, directory lr-k-55 part 1. spreadsheet R2005 lr-k-55_pt1.xls, sheet Table I-2B, Plants-no ISC & PMPC).

b The main factors in this increase is the doubling of the volume variability from 0 39 to 0.83 and also the increase in wages (cost per work hour), which is partially offset by the decline in the piggyback factor. Finally please note that these costs are distributed in proportion to all function 1 costs. As a result, changes by class/category in the unit costs for this cost pool will also mirror relative changes in the other MODS cost pools.

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ABA&NAPM/USPS-T21-50. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 4 of 4, please respond to the following concerning First Class automated presort letters:

a Please provide a detailed list of the allied and platform activities that constitute the NONMODS ALLIED cost pool. Provide a sufficient definition for each so that it is clear as to what each activity entails.
b Please explain how you calculate a per piece unit cost for this activity since you stated in response to an ABA/NAPM interrogatory in R2000-1 that it "does not involve piece distribution".
c What is the volume percentage of First Class automated presort mail that enters this cost pool? Of FCLM metered mail? Of FCLM single piece mail?
d Why have unit costs in this activity increased from 0.19 cents in R2000-1 to 0.27 cents in R2005-1? Why have they doubled for metered mail, from 0.44 cents to 0.88 cents and almost doubled for single piece mail, from 0.54 to 0.90 cents?
e Is the lack of progress in controlling costs in this NONMODS cost pool due to major redundancies in the Postal Service's distribution infrastructure, for example, sending mail through intermediate facilities rather than directly to SCF's.
f Do you have a breakdown of NONMODS productivities and unit costs for this operation as between BMC's, ADC's, AADC's, SCF's and other facilities which letter mail goes through. If so, please break down the overall unit platform costs and cost dynamics by type of USPS facility.
g Does this cost pool measure the time that workshared mail delivered to a USPS facility remains on the dock, or otherwise idle, before being broken down and processed further at the USPS facility or grouped for dispatch to another facility?
h If your answer to e. is other than an unequivocal "yes", please explain how this downtime is costed, in what cost pool(s) it is found, and what the measurement of it is.

Response:

a See USPS-LR-K-1, page 3-11 and LR-K-55, page II-25. The activities included in this cost pool are platform work, mail preparation, canceling, facing, banding, culling, separating mail (in trays, sacks, bundles or other containers) mainly by carrier route and transporting this mail to each carrier and preparing collection

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mail for dispatch to the plant.

b As true for all costs pools, the unit cost for this cost pool is obtained by dividing the costs for a category of mail, like First-Class presort automation, by the RPW volumes for this category.

c We do not have this information.

d The comparison of the R2005-1 NONMODS ALLIED unit costs and R2000-1 NONMODS ALLIED unit costs as done in the question is not an apples to apples comparison. This is because of the consolidation of the MODS and non-MODS cost pools for post-offices, stations, and branches discussed by witness Van-Ty-Smith, USPS-T-11, page 5 and also my response to ABA&NAPM/USPS-T21-35. The correct comparison can be made by using the "cross-walked R2005-1" NONMODS ALLIED unit costs from the first page of the attachment to my response to ABA&NAPM/USPS-T21-35 (for First-Class single piece and metered letters) and the same calculation done for First-Class non-carrier route presort automation letters which is attached to this response. Based on these cross-walked unit costs we can make the following comparisons for NONMODS ALLIED unit costs for First-Class letters in cents per piece:

Class/Category	R2005-1	R2000-1
First-Class Single-Piece	0.65	0.54
First-Class Single-Piece Metered	0.64	0.44
First-Class Presort Automation	0.20	0.19

The increases shown above are consistent with the increased wages and cost

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pool piggyback factors, which are only somewhat offset by the decline in cost pool variability between the R2005-1 and R2000-1 test years.

e. I have no information on the amount of progress (or its sources) on controlling costs for these operations.

f. No I don't have this information.

g. No.

h. There is no costing of the time mail is staged on the dock waiting to be worked.

Attachment to Response of
United States Postal Service
[illegible] Smith to
ANA/USPS-T21-50

First Class Non Carrier Route Flats & Automation Letters [illegible]
From "New" Cost Pools

shp06usps.xls
Sheet Letters (4)

New" Cost Pools	
ALLIED	0.273504
AUTO/MEC	0.195602
EXPRS	0.000119
MANF	0.004579
MANL	0.274022
MANP	0.003003
MISC	0.123471
REGISTRY	0.002845
	0.88

									Non-MODS								
Old" Cost Pools	LD41	LD42	LD43	LD44	LD48 EXP	LD48 OTH	LD48_ADM	LD48_SSV	ALLIED	AUTO/MEC	EXPRS IN	MANF	MANL	MANP	MISC	REGISTRY	
ALLIED	0.2%	0.0%	15.4%	5.5%	0.1%	4.4%	1.5%	0.9%	72.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
AUTO/MEC	9.5%	0.1%	1.7%	0.2%	0.0%	0.4%	0.2%	0.2%	0.0%	87.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
EXPRS	0.0%	0.0%	3.0%	0.7%	27.0%	20.8%	6.3%	7.8%	0.0%	0.0%	34.5%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
MANF	0.0%	0.0%	23.4%	2.3%	0.0%	1.9%	0.5%	0.3%	0.0%	0.0%	0.0%	71.5%	0.0%	0.0%	0.0%	0.0%	100.0%
MANL	0.1%	0.0%	20.8%	5.9%	0.0%	2.2%	0.8%	0.6%	0.0%	0.0%	0.0%	0.0%	69.6%	0.0%	0.0%	0.0%	100.0%
MANP	0.0%	0.0%	35.4%	0.6%	0.0%	2.1%	0.9%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	60.4%	0.0%	0.0%	100.0%
MISC	0.1%	0.0%	7.0%	1.6%	0.0%	10.7%	5.7%	9.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	65.6%	0.0%	100.0%
REGISTRY	0.0%	0.0%	6.2%	1.5%	0.3%	6.4%	6.6%	15.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	64.0%	100.0%

									Non-MODS							
Old" Cost Pools	LD41	LD42	LD43	LD44	LD48 EXP	LD48 OTH	LD48_ADM	LD48_SSV	ALLIED	AUTO/MEC	EXPRS IN	MANF	MANL	MANP	MISC	REGISTRY
ALLIED	0.00	0.00	0.04	0.01	0.00	0.01	0.00	0.00	0.20	-	-	-	-	-	-	-
AUTO/MEC	0.02	0.00	0.00	0.00	-	0.00	0.00	0.00	-	0.17	-	-	-		-	-
EXPRS	-	-	0.00	0.00	0.00	0.00	0.00	0.00	-	-	0.00	-	-	-	-	-
MANF	0.00	-	0.00	0.00	-	0.00	0.00	0.00	-	-	-	0.00	-	-	-	-
MANL	0.00	-	0.06	0.02	-	0.01	0.00	0.00	-	-	-	-	0.19	-	-	-
MANP	-	0.00	0.00	0.00	-	0.00	0.00	0.00	-	-	-	-	-	0.00	-	-
MISC	0.00	0.00	0.01	0.00	0.00	0.01	0.01	0.01	-	-	-	-	-	-	0.08	-
REGISTRY	-	-	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	-	-	-	-	0.00
Total	0.02	0.00	0.11	0.03	0.00	0.03	0.01	0.02	0.20	0.17	0.00	0.00	0.19	0.00	0.08	0.00	0.88
Adjusted	**0.02**	**0.00**	**0.12**	**0.04**	**0.00**	**0.05**	**0.04**	**0.02**	**0.20**	**0.17**	**0.00**	**0.00**	**0.19**	**0.00**	**0.08**	**0.00**	**0.93**

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-51. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 4 of 4, please respond to the following concerning First Class automated presort letters:

a Please provide a detailed list of the automation and mechanization activities that constitute the NONMODS AUTO/MECH cost pool. Provide a sufficient definition for each so that it is clear as to what each activity entails.

b. The unit costs are identical at 0.20 cents as between R2000-1 and R2005-1 for the NONMODS AUTO/MECH activity, whereas in MODS facilities corresponding automation activities appear to have experienced reduced costs. Please explain why these costs have remained the same at NONMODS facilities.

Response:

a USPS-LR-K-1, page 3-11 and LR-K-55, page II-25. This includes sorting with CSBCS, DBCS, OCRs, FSMs and other equipment located at stations, branches and post-offices

b The comparison of the R2005-1 NONMODS AUTO/MECH unit costs and R2000-1 NONMODS AUTO/MECH unit costs as done in the question is not an apples to apples comparison. This is because of the consolidation of the MODS and non-MODS cost pools for post-offices, stations, and branches discussed by witness Van-Ty-Smith, USPS-T-11, page 5 and also my response to ABA&NAPM/USPS-T21-35. The correct comparison can be made by using the "cross-walked R2005-1" NONMODS AUTO/MECH unit costs from the attachment to my response to ABA&NAPM/USPS-T21-50. The cross-walked unit cost is 0.17 cents per piece which does indeed conform to the expectations. This decline occurred despite the wage increases between the R2005-1 and R2000-1 test

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

years, which was only partly offset by the decline in this cost pool's volume variability.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-52. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 4 of 4, please respond to the following concerning First Class automated presort letters:

a Please explain why unit costs between R2000-1 and R2005-1 have dropped in the NONMODS MANL cost pool for single piece and automated presort letters in First Class, but has increased for metered letters. What are the differences in manual activities applied to each type of mail that would account for this?

b What has been the change in the craft wage associated with this cost pool between R2000-1 and R2005-1?

c Please explain all factors that have led to the changes in unit costs for each of the types of mail noted in a., in particular why they have in the case of single piece and automation presort letters offset the presumed wage increase noted in your answer to b.

Response:

a There are likely differences in characteristics for single piece, metered and automated presort letters which would account for differences in the changes in NONMODS MANL unit costs, as discussed in my response to ABA&NAPM/USPS-T21-27b. However, the claim you make in your question that NONMODS MANL cost pool unit costs between R2000-1 and R2005-1 "has increased for metered letters" is not true. The comparison of the R2005-1 metered NONMODS MANL unit costs of 1.15 cents (see LR-K-53, page 67, cell BI47) and R2000-1 metered NONMODS MANL unit costs of 1.08 cents (see LR-I-81, spreadsheet MPSHUSTY, sheet TY Letters (4), cell AX47) is not an apples to apples comparison. This is because of the consolidation of the MODS and non-MODS cost pools for post-offices, stations, and branches discussed by witness Van-Ty-Smith, USPS-T-11, page 5 and also my response to

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-35. The correct comparison can be made by using the "cross-walked R2005-1" metered letters NONMODS MANL unit costs of 0.80 cents from the first page of the attachment to my response to ABA&NAPM/USPS-T21-35. This is a reduction from the R2000-1 unit cost of 1.08 cents provided above.

b There was a 27 percent increase in the wage or cost per work hour between test year FY2001 (from R2000-1) and the test year FY 2006 (from R2005-1).

c The unit cost for metered letters NONMODS MANL have declined from 1.08 cents to 0.80 cents as indicated above in part a. This decline isn't as large as for single-piece for the reasons discussed in my responses to ABA&NAPM/USPS-T21-27b and ABA&NAPM/USPS-T21-39b.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-53. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 4 of 4, please respond to the following concerning First Class automated presort letters:

a. Please provide a detailed list of the "miscellaneous support" activities that constitute the NONMODS MISC cost pool. Provide a sufficient definition for each so that it is clear as to what each activity entails.
b. Please explain why these unit costs have risen from 0.08 cents to 0.12 cents for FLCM automation presort letters between R2000-1 and R2005-1, more than doubled for metered letters, and nearly doubled for single piece letters.

Response:

a. USPS-LR-K-1, page 3-11 and LR-K-55, page II-25. This is other processing work not included in the 7 other non-MODS cost pools. This includes CFS and central mail markup, delivery confirmation, other accountables, non-accountables, rewrap, postage due, business reply and other activities.

b. The comparison of the R2005-1 NONMODS MISC unit costs and R2000-1 NONMODS MISC unit costs as done in the question is not an apples to apples comparison. This is because of the consolidation of the MODS and non-MODS cost pools for post-offices, stations, and branches discussed by witness Van-Ty-Smith, USPS-T-11, page 5 and also my response to ABA&NAPM/USPS-T21-35. The correct comparison can be made by using the "cross-walked R2005-1" NONMODS MISC unit costs from the first page of the attachment to my response to ABA&NAPM/USPS-T21-35 (for First-Class single piece and metered letters) and the same calculation done for First-Class non-carrier route presort automation letters which is attached to my response to ABA&NAPM/USPS-T21-

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

50. Based on these cross-walked unit costs we can make the following comparisons for NONMODS MISC unit costs for First-Class letters in cents per piece:

Class/Category	R2005-1	R2000-1
First-Class Single-Piece	0.26	0.22
First-Class Single-Piece Metered	0.29	0.17
First-Class Presort Automation	0.08	0.08

The increases shown above are consistent with the increases in wages and cost pool variability, which are only somewhat offset by the decline in cost pool piggyback factors between the R2005-1 and R2000-1 test years. In addition, the non-mail handling costs for this cost pool are distributed in proportion to all non-MODS pool costs. As a result, changes by class/category in the unit costs for this cost pool will also mirror relative changes in the other non-MODS cost pools.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO INTERROGATORY OF ABA & NAPM
REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-54. In LR-K-53, "Test Year Mail Processing Unit Costs by Cost Pool for Letters", page 4 of 4, please respond to the following concerning First Class automated presort letters and other letters as noted:

a. In the calculated total for mail processing unit costs, please explain why as between R2000-1 and R2005-1, they have gone up for metered letter mail, but have gone down for other single piece letters as well as for automation presort letters.
b. In light of what clearly appears to be aberrant cost estimates for metered mail in several cost pools and in the calculated total relative to single piece letters generally, please explain how you can, or why you would, risk using this as a benchmark for estimating costs avoided for First Class workshared mail?

Response:

a. See my responses to ABA&NAPM/USPS-T21-27b (filed on May 26, 2005) and ABA&NAPM/USPS-T21-39b.

b. The cost estimates for metered mail do not appear to be aberrant. The differences in cost trends for metered and other mail are explained in my responses to ABA&NAPM/USPS-T21-27b, ABA&NAPM/USPS-T21-39b and my responses to ABA&NAPM/USPS-T21-52. In addition, the increase in the metered mail unit costs from 10 77 cents to 10 91 cents is approximately a one percent rise, well below the 27 percent projected change in wage levels (or cost per work hour) between test years FY2001 and FY2006. There was hardly any increase in the metered unit costs despite the growth in wage levels (or cost per work hour). In addition, see witness Abdirahman, USPS-T-21, page 11 concerning benchmarks.

RESPONSES OF POSTAL SERVICE WITNESS SMITH TO INTERROGATORY OF ABA&NAPM, REDIRECTED FROM WITNESS ABDIRAHMAN

ABA&NAPM/USPS-T21-59

In your answer to ABA&NAPM/USPS-T21-22, you state "Also, my understanding is that mail processing and delivery costs are not provided at the 3-digit operational level."

a What do you mean by "3-digit operational level"? What was referenced in the question was the operation codes for MODS cost pools which are identified with 3 numbers in front of the operation name. With this clarification, please answer the question.

b Please confirm that in your answer to a., where you state you are using "the cost pools for metered mail", that in fact you are using a "First Class single piece metered letters" unit cost measurement, which label appears explicitly in row 47 of USPS Witness Smith's TY2006 spread sheets in LR-K-53, page VI-, 4 of 4.

c. With respect to your answer to b.-d., the questions are perfectly clear, and the references to two library references do not answer the questions. Please state whose responsibility it is, or was as the USPS witness in this case, to reclassify cost pools, for example, from worksharing related proportional to worksharing related fixed, or worksharing related fixed to nonworksharing related. If that was your responsibility, as it was USPS witness Miller's in R2000-1 and R2001-1, please answer the questions. If it was not your responsibility, please redirect this question and have that witness answer the questions.

Response

a The cross walk of the mail processing cost pools from R2001-1 to R2005-1 can be done using USPS-LR-J-55, part 1 and USPS-LR-K-55, part 1, as well as witness Van-Ty-Smith's testimony, USPS-T-11, pages 4-7. See also my responses to: ABA/USPS-T21- 30, 33, 35, 36, 50-53, and ABA&NAPM-USPS-T13-7.

With regard to delivery costs, please see the testimonies of witnesses Bradley, USPS-T-14, and Kelley, USPS-T-16, for information on this.

b.-c. Retained by witness Abdirahman.

RESPONSES OF POSTAL SERVICE WITNESS MARC A. SMITH
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T13-1. The following interrogatory refers to your testimony at page 9, line 14. Please provide cites for the $4,052.9 million for FY 2004 facility-related costs. Provide the derivation of all calculated values, cite all sources relied upon, and if a source has not been previously provided in this docket, please provide one.

RESPONSE:
Please see the attached table showing the calculations and citations for the $4,052.9 million facility related costs for FY 2004.

ATTACHMENT TO
OCA/USPS-T13-1

RESPONSE OF POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF THE OCA

FISCAL YEAR 2004
Facility Space and Related Costs

No.	Cost Segment	Expense Component	Accrued Cost (000)	Sources
		Space Related Costs:		
1	11	Custodial	1,042,694	< [a] , page A-12
2	11	Maintenance	503,311	< [a] , page A-12
3		Contract Cleaners	85,282	< [a] , page A-12
4	15	Fuel & Utilities	562,378	< [a] , page A-17
5	16	Custodial & Building Supplies	154,096	< [a] , page A-18
6	18	USPS Protection Force	76,200	< [b] , sheet CS18, cell C48
7		Subtotal Space Related Costs	2,423,961	Sum L1..L6
		Space Costs:		
8	15	Rents	887,241	< [a] , page A-17
9	20	Interest Expense	3,571	< L10 x L13/ L14
10	20	Depreciation	738,148	< [a] , page A-25
		Subtotal Space Costs	1,628,960	Sum L8..L10
11		Total Space and Space Related Costs	4,052,921	L7 + L11
13		Interest Expense for Capital	10,376	< [b] , sheet CS20, cell R48
14		Total Depreciation	2,144,655	< [b] , sheet CS20, cell Q48

[a]	Witness Meehan, USPS-T-9	USPS-9A
[b]	Witness Meehan, USPS-T-9, B Report	See LR-K-5, A_Workpapers\A4_BY04.BRpt.xls

RESPONSES OF POSTAL SERVICE WITNESS MARC A. SMITH
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T13-2. *On page 9 of your testimony, lines 2 through 4, you indicate that the* USPS conducted:

> the facility space usage study which provides estimates of the amount of square feet and rents by operation and function for the Postal Service as a whole for the end of FY 1999.

On page 12 of your testimony, lines 9 through 11, you state,

> Then, rental costs by operation and function is obtained by the development of rental rates by strata and category based on the 1992 facility study rental rate estimates and multiplying these by the amount of space by operation/function.

a. Please identify where in your testimony and library references you rely upon the FY 1999 study for square feet and rents. Please specifically cite all references to the FY 1999 study.
b. Please identify where in your testimony and library references you rely upon the FY 1992 facility study rental rate estimates. Please specifically cite all references to the FY 1992 study.
c. Please fully explain where and why it was necessary to rely on the FY 1992 facility study for parts of your analysis and then rely on parts of the FY 1999 study for your analysis. In other words, why were you unable to rely solely on the FY 1999 study?

RESPONSE:

A. My testimony provides Attachments 5 and 6 for the base year and test year. Both of these rely on the FY 1999 study results, as provided in USPS-LR-K-62, page 2, as shown in part I of USPS LR-K-54 (see specifically page I-3, I-11 and I-25). I describe the Facility Space Usage Study in part III of my testimony, citing this work numerous times. In addition, Attachment 10, piggy back factors by cost pool, incorporates some results of the USPS LR-K-62 in the determination of equipment costs by cost pool, as described in USPS-LR-K-52, page 65 and also in my testimony at page 56, lines 7 to 9.

RESPONSES OF POSTAL SERVICE WITNESS MARC A. SMITH
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

B. The FY 1992 Facility Space study is an input into the FY 1999 Facility Space Usage Study, as indicated by page 12, lines 9 to 11 and at pages 32 to 33. See also USPS-LR-K-62, pages 38-41 and 51-54.

C. I relied on the FY 1992 study for obtaining the 1992 imputed rental rates per square foot by strata. This is discussed in the references provided in part B. Valid measures of the FY 1999 imputed rental rates per square foot by strata are obtained by escalating the FY 1992 rates to FY 1999 by use of the Global Insight Rent-Residential Index. The FY 1999 facility space by category and strata provided by the FY 1999 Facility Space Usage Study, USPS-LR-K-62, Volume 2, Schedule 5 are used along with these rental rates per square foot to obtain FY 1999 rents by category as shown in USPS LR-K-62, Volume 2, Schedule 6 and as summarized in column 2 of Table 1 of page 10 of my testimony. It was not in any way "necessary" that I rely on the 1992 rental rates, however, it was entirely appropriate.

RESPONSES OF POSTAL SERVICE WITNESS MARC A. SMITH
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T13-3. Please refer to your testimony at page15, line 14 where you state, "facility space can be directly related to category 15 'LDC 15 – RBCS.'"

a. At page 15, line 14, are you referring to Table 1 of your testimony?

b. If your response to part a of this interrogatory is affirmative, should your testimony reference at page 15, be to category 15? If not, please fully explain what you are referring to at page 15, line 14.

RESPONSE:

A. Yes.

B. Yes. Errata will be filed changing "category 15" to "category 14."

RESPONSE OF POSTAL SERVICE WITNESS MARC A. SMITH
TO INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC., AND
VALPAK DEALERS' ASSOCIATION, INC.
REDIRECTED FROM WITNESS ROBERT L. SHAW, JR.

VP/USPS-T2-4a.

In certain library references in this docket, the cost estimates shown in your Tables 1 and 2 are broken down into finer levels, or "sub-units." For example, the costs for ECR mail are broken down between letter shaped mail and non-letter shaped mail.

a. When the Postal Service develops estimates of mail processing cost (Segment 3.1) and city carrier in-office cost (Segment 6.1) for letter and non-letter shaped mail within the ECR subclass, are those cost estimates based solely on IOCS data? Unless your answer is an unqualified affirmative, please indicate all other data and information used to develop cost estimates at this level of detail, and explain the source or sources of such other information and data.

RESPONSE:

The division of the total ECR processing costs into letter and non-letter, for each mail processing labor cost pool, relies only on IOCS. See the testimony of witness Van-Ty-Smith, USPS-T-11, for an explanation of the calculation of mail processing costs by class and subclass for each cost pool.

It is my understanding that the division of segment 6.1 city-carrier in-office direct-labor costs for ECR into letter and non-letter is based solely on IOCS data.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC., REDIRECTED FROM WITNESS TAUFIQUE

VP/USPS-T28-44.

Using USPS costing, from Docket No. R2001-1 to Docket No. R2005-1, the mail processing costs of the following categories of Standard Regular commercial automation letters **declined** by the percentages indicated: mixed AADC by 12.99 percent; AADC by 15.85 percent; 3-digit by 16.48 percent; and 5-digit by 20.64 percent (USPS/2001 from USPS-LR-J-60; USPS/2005 from USPS-LR-K-48).

At PRC costing, the corresponding declines are 14.15 percent, 15.58 percent, 16.49 percent, and 21.96 percent.

In the face of underlying inflation creep, all declines must be viewed as large (PRC/2001 from USPS-LR-J-84; and PRC/2005 from USPS-LR-K-110).

a. Please provide the percentages of these categories that were delivery point sequenced by mail processing personnel during the periods reflected by the costs cited. If you do not know, please provide estimates.

b. Please identify and discuss all factors accounting for the above-noted declines in mail processing costs, such as factor prices, changes in productivity, changes in technology, changes in the methods and procedures used in costing, changes in the way the mail is handled, and any other factors. For all changes in costing method or procedure identified, please explain why the change is an improvement, and in particular how it improves the estimation of marginal cost and volume variable costs.

RESPONSE:

a. See the response of witness Abdirahman, filed on June 10, 2005.

b. Differences in methodology are not that important since as the question points out the declines are similar for both the PRC and USPS costs. While there may have been methodology changes for both the PRC and USPS versions, between R2001-1 and R2005-1, the closeness of the declines by rate category suggest methodology was not a big factor.

It is clear from the work hour declines in mail processing that productivity has risen, and it is also clear that factor prices have for the most part gone up.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC., REDIRECTED FROM WITNESS TAUFIQUE

We are not able to say on net which was larger, but it is possible that the decline could be due to productivity increases larger than the factor price increases.

Another possible reason for this decline may be related to the concerns described in witness Abdirahman's response to POIR No. 1, part a. As he indicated at pages 4 and 5: "[B]ased solely on the physical examination of mail piece characteristics (e.g., barcodes), it is not always possible for data collectors to determine whether the revenue of a given mail piece, and the piece itself, was recorded at the nonautomation rates or automation rates."

1 CHAIRMAN OMAS: At this point, Mr.
2 Portonovo, I am going to add answers Witness Smith
3 provided to interrogatories and to the Presiding
4 Officer's Information Request. They are
5 Interrogatories ABA & NAPM-T-13-3; ABA & NAPM-T-13-
6 12(b) and (c); POIR 4, Questions 7(a), 7(b) Part 2,
7 and 7(c); POIR 7, Questions 8, 9, 10, 11, 12 and 13.
8 Witness Smith, would your answers to these
9 questions be the same as you had previously provided
10 in writing?
11 THE WITNESS: Yes, they would.
12 CHAIRMAN OMAS: I am now handing the
13 reporter two copies of the answers and direct that
14 they be admitted into evidence and transcribed.
15 MR. HART: Mr. Chairman, may I just ask? I
16 missed it. On POIR 4 I heard No. 7(a), 7(b) Part 2,
17 and 7(c). I missed the last part.
18 CHAIRMAN OMAS: Part 2, 7(c). That's it.
19 MR. HART: And then were there --
20 CHAIRMAN OMAS: POIR 7, Questions, 8, 9, 10,
21 11, 12 and 13.
22 MR. HART: Thank you.
23 //
24 //
25 //

1 (The documents referred to
2 were marked for
3 identification as Exhibit
4 Nos. ABA & NAPM/USPS-T-13-3;
5 ABA & NAPM/USPS-T-13-12(b)
6 and (c); POIR 4, Questions
7 7(a), 7(b) Part 2, and 7(c);
8 POIR 7, Questions 8, 9, 10,
9 11, 12 and 13, and were
10 received in evidence.)
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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

ABA&NAPM-USPS-T13-3

In your response to ABA&NAPM-USPS-T21-41 a., redirected from USPS witness Abdirahman, you state "We do not have this information." Referring to a breakdown of how workshared FCLM is received at a dock.

a. Would you agree that a mailer prepared pallet of FCLM that is shrinkwrapped to keep all trays stable and that is all going, e.g. to the Houston area, avoids more handling costs for the Postal Service than an equivalent number of trays dropped off on the same USPS dock on rolling stock with (i) the same destinations but not labeled; (ii) different destinations.

b. For original question 41. a., if you have this information for Standard A mail or can construct it from information you do have, please provide the data.

Response:

a. I am told the following. For the first comparison (i) a direct labeled Houston pallet versus a direct unlabeled Houston piece of rolling stock, there should not be much of a cost difference for two reasons. First, it would require very little time to identify the fact that the unlabeled rolling stock is a direct container. Second, the trays on the pallet and rolling stock may both require processing through a transportation assignment operation (e.g. SWYB), so both would have similar costs. The second comparison (ii) appears to be the Houston pallet versus mixed trays, some Houston, on rolling stock. Assuming they do not require processing through a transportation assignment operation as described above, the mixed trays on rolling stock would require a tray breakdown, while the pallet could be cross-docked, therefore, under these assumptions the direct pallet would be less costly. On the other hand, if the trays on the

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

Houston pallet require airline assignment, it would not necessarily be less costly.

b. We do not have this information either.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH TO INTERROGATORIES OF ABA&NAPM

ABA&NAPM-USPS-T13-12

In your response to ABA&NAPM-USPS-T21-21, redirected from USPS witness Abdirahman, you state there is a "shift" going on within USPS from the older MPBCS machinery to the newer DBCS machinery.

a. Are the unit costs, and the throughput productivity in pph, for labor and machinery per hour using DBCS higher or lower than for MPBCS?
b. Is the reduction in unit costs noted in the interrogatory due solely to the mix shift between lower utilization of MPBCS and higher utilization of DBCS?
c. Why would your cost measurement system show the per piece or unit cost of processing a letter on MPBCS going down solely as a result of putting more mail on DBCS machines and less on MPBCS? When you run an hour's worth of mail through MPBCS, wouldn't the unit cost be the same as in R2000-1adjusted up for wage rate increases?

Response:

b. Not solely, but the shift from the use of MPBCS to the use of DBCS is the primary reason for the decline in the MPBCS unit costs. Changes in wage rates and other factors will affect the amount of the decline.

c. The decline in the MPBCS cost pool unit costs between R2001-1 and R2005-1 occurs because the unit costs shown in USPS-LR-K-53, spreadsheet shp06usps.xls, sheet "Letters (4)" and USPS-LR-J-53, spreadsheet shp03usps.xls, sheet "Letters (4)" are cost per RPW piece, not the cost per piece processed on MPBCS. MPBCS labor costs have declined as a share of the letter processing costs, so its unit cost per RPW piece is declining.

RESPONSE OF POSTAL SERVICE WITNESS SMITH TO
POIR NO. 4, QUESTION 7(a)

7. In response to Time Warner interrogatory (TW/USPS-T11-3) the Postal Service provides tables for FY 2002 and FY 2003 showing volume variable costs by subgroup of cost pools for Plants, Post Offices, Stations and Branches, and BMCs. Examining the periodicals cost data for FY 2002 through FY 2004 shows that there has been a significant cost increase in FY 2004 over FY 2003 despite a noticeable decline in mail volume. More specifically, certain allied cost pools such as the flat preparation and platform show a substantial increase in FY 2004 over FY 2003.

(a) Please explain why the drop in periodicals mail volume in FY 2004 is not reflected in its costs.

RESPONSE:

(a) Periodicals (all subclasses) mail processing labor costs have increased between FY 2003 to FY 2004 by 16.4 percent ($733.2 million to $853.6 million). At the same time Periodicals volumes declined by 2 percent (9,320 million to 9,135 million). As a result the Periodicals unit mail processing labor cost rose by 18.8 percent (7.87 cents to 9.34 cents). A portion of the increase is from a 6 percent increase in the cost per workhour (for all clerks and mail handlers) between FY 2003 and FY 2004. General reductions in mail processing labor workhours (or productivity increases) appear to have offset about half of this increase, for mail processing labor costs as a whole. See witness Shaw's and my respective responses to part b for additional information.

RESPONSE OF POSTAL SERVICE WITNESS SMITH TO
POIR NO. 4, QUESTION 7(b), PART 2

7. In response to Time Warner interrogatory (TW/USPS-T11-3) the Postal Service provides tables for FY 2002 and FY 2003 showing volume variable costs by subgroup of cost pools for Plants, Post Offices, Stations and Branches, and BMCs. Examining the periodicals cost data for FY 2002 through FY 2004 shows that there has been a significant cost increase in FY 2004 over FY 2003 despite a noticeable decline in mail volume. More specifically, certain allied cost pools such as the flat preparation and platform show a substantial increase in FY 2004 over FY 2003.

(b) Identify the cost drivers including any operational or cost methodological changes that may have led to such an increase in periodicals costs.

RESPONSE:

(b-Part 2) The main reason for the increase in Periodicals mail processing labor cost is due to the expansion of the "look up" list for Periodicals used in IOCS data collection software, described in witness Shaw's response to part 1 of part b. As discussed below, this conclusion is based on comparing the FY 2003 and FY 2004 IOCS dollar-weighted direct tallies for Periodicals .

The expanded "look up" list used in IOCS data collection software was implemented on January 1, 2004, as indicated by witness Shaw's response to part b. The cost evidence is consistent with this change in the beginning of January, 2004. The Periodicals dollar weighted direct tally cost share of total dollar weighted direct tally costs for mail processing rose by about 18% for the last three quarters of FY 2004. In the five quarters prior to the introduction of the expanded list (all of FY 2003 and quarter one of FY 2004) about 2 percent of dollar weighted direct tally costs were Periodicals costs. In the last three quarters of FY 2004, the Periodicals share averaged 2.4 percent.

In addition, the increase in Periodicals mail processing costs can be directly related to the publications that were newly added to the "look up" list. The total dollar

RESPONSE OF POSTAL SERVICE WITNESS SMITH TO
POIR NO. 4, QUESTION 7(b), PART 2

weighted mail processing tallies for Periodicals rose 15.3 percent between FY 2003 and FY 2004. The dollar weighted direct tally costs for the publications added to the "look up" list more than doubled between FY 2003 and FY 2004, while other Periodicals tallies (those for titles on the shorter lookup list, titles not on either list, and tallies resulting from "counted items") declined by 7 percent. The growth in these dollar weighted tally costs for the added publications more than account for this 15.3 percent overall increase in dollar weighted tally costs for Periodicals as a whole.

RESPONSE OF POSTAL SERVICE WITNESS SMITH TO
POIR NO. 4, QUESTION 7(c)

7. In response to Time Warner interrogatory (TW/USPS-T11-3) the Postal Service provides tables for FY 2002 and FY 2003 showing volume variable costs by subgroup of cost pools for Plants, Post Offices, Stations and Branches, and BMCs. Examining the periodicals cost data for FY 2002 through FY 2004 shows that there has been a significant cost increase in FY 2004 over FY 2003 despite a noticeable decline in mail volume. More specifically, certain allied cost pools such as the flat preparation and platform show a substantial increase in FY 2004 over FY 2003.

(c) Please provide an explanation in those instances where the cost pool has increased or decreased more than 10 percent in FY 2004 compared to FY 2003.

RESPONSE:

(c) The main explanation for the 10 percent or greater changes in Periodicals cost pool costs is the expansion of the "look up" list for Periodicals used in the IOCS data collection software. As noted in the question, the increase seems to be focused in the allied operations. There were also some greater than 10 percent increases in manual flat sorting at the plant and stations and branches, and also for UFSM 1000, with the increase highest for the manual flat sorting at stations and branches. This pattern is consistent with the make up of the publications which were added into the "look up" list. These publications are less likely to be dropshipped and are also less finely presorted than the titles on the previous list.

The large increases in Periodicals Flats Preparation (1FLATPRP), Mechanical Tray Sorter (1TRAYSRT), Miscellaneous Activity (1MISC) and Mail Processing Support (1SUPPORT) are due to significant growth in the work hours in these cost pools due to operational changes, such as, shifting the preparation of automation flats to a distinct prepping operation and increasing the use of mechanization for tray/tub sorting with the deployment of Low Cost Tray Sorters.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 8

8. In USPS-T-13 at 24, witness Smith notes that the Postal Service further analyzed survey data when there was a 10% difference between FMSWIN data and surveyor data. Please provide a rationale for selecting a 10 percent difference as the threshold for further investigation.

RESPONSE:

In comparing the FMSWIN facility square feet total with the surveyor's estimates of this total facility space for each survey, a certain amount of difference can be expected. This is the result of differences in methods or small amounts of surveyor error. The 10 percent difference allows some room to accommodate these concerns.

An important difference in methods that can occur is on the treatment of the interior wall space. Total building space can be based on the exterior measurements of a building, including all walls as facility space. Alternatively total building space can be measured net of interior wall space, or excluding interior wall space.

Part of this review includes surveyor's explanation of the difference. This explanation was requested if the difference was 10 percent or more, as instructed in questionnaire line P30. The 10 percent difference is large enough to request surveyors to recheck their results and if the difference remains, to provide the reasons, as best can be determined, for the difference.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 9

9. In USPS-T-13 at 26, lines 1 – 2, witness Smith states that "[t]here were 15 cases where the survey data couldn't be reconciled with FMSWIN and/or the data appeared unreliable so the data for these facilities was discarded."

(a) Please discuss in more detail what data in each survey were irreconcilable with FMSWIN data and the underlying cause.
(b) What benchmarks or quantitative assessments were used to determine an appearance of unreliability?
(c) Of the 15 discards, how many were discarded because of FMSWINS data problems, how many were discarded because the data were unreliable, and how many were discarded for both problems?

RESPONSE:

(a) We compared the FMSWIN facility square feet total (excluding ancillary space such as Covered Vehicle Storage, VMF or vacant-tenant) with the surveyor's estimates of this same facility space for each survey. The specific comparison was the FMSWIN "Interior USPS Occupied Square Feet" to the surveyor's estimates of this same facility space (questionnaire line P25). FMSWIN "Interior USPS Occupied Square Feet" is further discussed in section II of LR-K-62, Volume 1. (In past surveys, "Interior USPS Occupied Square Feet" was called Block 45 in the formerly used FMS data input form "PS Form 7500-B" – see Docket No. R94-1, LR-G-120).

The underlying causes of differences larger than 10 percent can be best understood from the cases where the differences were reconciled. Both surveyor error and outdated FMSWIN data were the sources of the differences. This was discussed in my testimony, USPS-T-13, pages 25-26 and also in LR-K-62, Volume 1, pages III-12 to III-14. The problem with the 15 surveys that were discarded, is that the source of the difference could not be discerned. So we can not say what the causes were for the differences in the discarded surveys. Our judgment was that the data was unreliable for these 15 discarded surveys.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 9

(b) Examples of the reliability concerns are provided in the Attachment to this response, in the column "Additional Concerns on Data Reliability." Aside from entering the data on the Facility Survey website, surveyors were supposed to provide a backup copy of the completed questionnaire form – either a spreadsheet or hard copy questionnaire form. One sign of unreliable results was the backup was: not provided, incomplete or inconsistent with the website data. Survey results which showed unlikely results such as a large station/branch with no workroom space raised concerns. Surveyor comments sometimes suggested uncertainty or difficulties in adequately doing the survey. Finally, an important indicator of data unreliability was where the surveyor failed to provide any explanation for differences greater than 10 percent, or where the explanations didn't make sense.

(c) The surveys were discarded if the survey data appeared unreliable or likely to be unreliable. If it could be determined that the FMSWIN data was in error, and that explained the difference, then the survey data was retained. Aside from the 15 discarded surveys with unexplained differences between FMSWIN and the surveyor facility space totals, two other surveys were discarded due to incomplete data as discussed in LR-K-62, Volume 1 at page III-15. These two surveys involved delivery units whose operations had been split between two locations, but only one location was surveyed.

15 Surveys Discarded Due to Inability to Reconcile with FMSWIN and/or Data Unreliable

SURVEY ID	STRATUM	Percentage Disparity	Explanation of Disparity	Inquiry with Surveyor	Disparity Between Survey and FMSWIN Resolved?	Additional Concerns on Data Reliability
125	MPO-SCF	28%	Inadequate	Yes	No	
190	MPO-SCF 5-10K	27%	None	N/A	No	No hard copy survey form name of surveyor not in web data
412	STATIONS & BRANCHES 10-20K	65%	Inadequate	Attempted	No	Surveyor comments indicate survey data is inaccurate
413	STATIONS & BRANCHES 0-10K	21%	None	Attempted	No	
429	STATIONS & BRANCHES 10-20K	35%	None	Attempted	No	
498	STATIONS & BRANCHES 20-50K	36%	None	N/A	No	No hard copy survey form name of surveyor not in web data
526	MPO-SCF 5-10K	66%	None	No	No	Surveyor indicated Covered Vehicle Storage is 75% of building space
564	STATIONS & BRANCHES 10-20K	75%	Inadequate	No	No	Hard copy survey form data inconsistent with web data
570	BIG > 50K	76%	Inadequate	Attempted	No	Large share of survey space recorded as restroom, lockers, other (P19)
614	STATIONS & BRANCHES 10-20K	76%	None	No	No	Survey reported no workroom space just window and support
655	MPO-SCF	45%	None	N/A	No	Very incomplete hard copy survey form no name given for surveyer
743	BIG > 50K	33%	Inadequate	Yes	No	Hard copy survey form data incomplete
787	STATIONS & BRANCHES 20-50K	21%	None	Yes	No	
798	P&DCs & P&DFs	28%	Inadequate	Yes	No	
838	STATIONS & BRANCHES 0-10K	26%	None	Attempted	No	

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 10

10. Please refer to the four survey questionnaires that support the facility study described in USPS-T-13. On each of the surveys, question P32 refers to space appropriation variations throughout the year (specifically from summer to fall). How many facilities reported there would be differences? What differences were reported? What was the effect of these differences on the study?

RESPONSE:

A preliminary review of the surveys indicates the following:

Approximately half of the surveys contained a response for P32. About 80 percent of the responses (40 percent of surveys) indicated no change in space utilization for the survey, if the survey had been conducted in the fall mailing season. Please note that a number of such "no change" responses did indicate things like: significant crowding, use of aisle space for operations, storing mail in trailers and use of tents. About 20 percent of the responses to P32 (10 percent of the surveys) indicated there was differences in the usage of space for different operations, however about 80 percent of these (8 percent of the surveys) were very general, without details needed to relate changes to the questionnaire categories. The remaining responses indicating differences in the usage of space for different operations (2 percent of the surveys), did contain specifics such as amount of space and which survey questionnaire lines would be affected.

The reported differences in space usage are as follows. Examples of the general, but not very specific comments are: additional space leased, more space for staging, hold mail area expanded, carrier space increased, processing space increased, additional space needed for Priority Mail, additional space needed for Parcel Post, additional space needed for parcels, unused space is used, processing done in carrier loading area, more space for dispatching, more space for breakdown, and more space

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 10

for catalogs. About half of the more specific P32 comments concerned Priority Mail (5 surveys) with statements like: "During the month of Dec a priority hub is set up in the area occupied by the bilk [sic] opening unit (6935 sq ft). The bulk opening unit is moved to one of the storage rooms." The rest of specific P32 comments include information such as: "the square footage for manual letter cases increases by approximately 750-1000 and the storage area for the LIPS area would double/triple depending on holidays."

The P32 comments were used along with other comments for making edits. In at least one instance an edit was based in part on the P32 response. These comments also support the survey's treatment of unused mail handling facility space as being ancillary to all operations. See discussion of this in LR-K-62, Volume 1, pages III-16 to III-20.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 11

11. Please refer to the facility study described in USPS-T-13. Please provide the non-response rate for the study and show your calculations. Please state whether the basis for this calculation is the number of finance units or the number of facilities.

RESPONSE:

The survey results for 741 facilities were obtained from the surveyors. The original number selected facilities was 771. Of these, 35 were dropped because we no longer owned or leased the facilities and 18 facilities were added for those cases when a new facility, not in our original sample, had replaced the facility no longer in use. Thus we sought surveys for 754 facilities (771-35+18). There were 13 non-responses, leaving us with 741 surveys obtained (for 741 facilities). This is reported in LR-K-62, volume 1, pages III-11 and III-12.

Based on this, the non-response rate is 13/754 or 1.7 percent. In addition there were 17 surveys that were discarded due to unexplained differences with FMSWIN data and incomplete data. If we add those to the 13 non-responses, we get 30/754 or 4 percent.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 12

12. Please refer to LR-K-62, Extrapolation.Factors.Final.xls. What is the source for the numbers in column F, 'adjustment for non-response,' for the set of data labeled 'USPS interior square feet'?

RESPONSE:

The calculation of the square feet in column F is shown in the attachment to this response. Column E is the FMSWIN USPS Interior Occupied square feet for the sample selected, by strata. The Adjustment for Non-Response, which is shown in column G, is the difference between Column F and Column E. The calculation of this adjustment is shown in columns H to J. Column H is the amount of FMSWIN Interior Occupied sq. ft. for the facilities selected to be surveyed but no survey was provided. Column I is the amount of FMSWIN Interior Occupied sq. ft. for the facilities selected to be surveyed but the survey data was discarded. Column J is the sum of both Columns H and I. It is the adjustment for non-response, and it matches the adjustments shown in Column G. Column F is Column E minus Column J.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 13

13. Please refer to LR-K-62, other1.Revised.Vers.Of.6.23.04.xls. The carrier annex exterior platform area is listed as 358,862 (See cell G12). The cell formula is shown as SPACEVA2a.xls, G10 + 57951. What is the source and derivation of the latter figure? What is the rationale for including it in the carrier annex exterior platform area?

RESPONSE:

The latter figure, 57,951 sq. ft. is an adjustment to the FMSWIN data on exterior platform space for the Carrier Annex stratum. This adjustment arose from the review of surveys that had a difference of more than 10 percent between survey results and FMSWIN. In this case the survey of a carrier annex had 5,395 sq. ft. less interior space than the FMSWIN interior square feet, well beyond a 10 percent discrepancy. The discrepancy was resolved by the determination that the FMSWIN sq. ft. was overstated due to erroneously including exterior platform as interior space. Given this conclusion, FMSWIN had understated the exterior platform space by this amount. As shown in VMF.CVS.VACANT-TENANT.FMSWIN.ADJUSTMENTS.Final.xls, sheet "Inflated Adjustments," row 11 the extrapolation of the 5,395 sq. ft. results in the 57,951 sq. ft. adjustment. This adjustment is described in LR-K-62, Volume 1, pages IV-5 to IV-9, particularly footnote 4.

1 CHAIRMAN OMAS: Is there any additional
2 cross-examination for Witness Smith?
3 (No response.)
4 CHAIRMAN OMAS: There being none, that
5 brings us to oral cross-examination.
6 There have been two requests for oral cross,
7 the American Bankers Association and National
8 Association of Presort Mailers, Val-Pak Direct
9 Marketing Systems, Inc. and Val-Pak Dealers
10 Association, Inc.
11 Mr. Hart, would you begin?
12 MR. HART: Thank you.
13 CROSS-EXAMINATION
14 BY MR. HART:
15 Q Good morning, Mr. Smith. I'm Henry Hart
16 representing the American Bankers Association and
17 National Association of Presort Mailers.
18 A Good morning, Mr. Hart.
19 Q Could you please, Mr. Smith, turn to your
20 response to Interrogatory ABA & NAPM/USPS-T-21-40(b)?
21 That's redirected from Mr. Abdirahman.
22 A I have that.
23 Q About REC wage rates? Okay. In your
24 response to that interrogatory you state that the REC
25 wage rates for test years R2000-1, R2001-1 and R2005-1

1 are respectively $17.87, $20.409 and $20.795.
2 Subject to check, would you agree that the
3 overall percentage change during that time period is
4 16.92 percent?
5 A Yes, subject to check.
6 Q Subject to check. Thank you. And subject
7 to check will you accept that the overall rate of
8 change in the CPI over the same period as projected by
9 Global Insight over that same period is 12.03 percent
10 and that the gross domestic product deflater is
11 projected to be 10.47 percent over that same period of
12 time? I can give you the numbers from the report.
13 A I'll accept that subject to check.
14 Q And if that is the case then would you agree
15 that the REC wage rates are rising faster than
16 inflation for these time periods?
17 A Yes.
18 Q Could you turn please to your response to
19 ABA & NAPM/USPS-T-21-30 again redirected from Mr.
20 Abdirahman?
21 A Okay. I have it.
22 Q In that response you indicate that the mail
23 handler wage rates projected for test year 2003 in the
24 R2001-1 case to be $29.98, while the test year mail
25 handler wage projected for test year 2006 in this case

1 to be $34.49, so we go from $29.98 to $34.49.
2 Again subject to check, would you accept
3 that this is an increase of 15.04 percent in wages
4 over that period?
5 A Yes, subject to check.
6 Q And again subject to check, the overall rate
7 of change in the CPI over the same period projected by
8 Global Insight is to be 6.5 percent?
9 A Okay.
10 Q Again subject to check, if you would agree
11 with those then would you confirm that the mail
12 handler wage rates over that period of time rose
13 faster than inflation?
14 A Yes. Let me just make one clarification.
15 This is the cost per work hour, so it includes the
16 wage and the salary and benefits.
17 Q Thank you.
18 A I mean, for instance, if health benefit
19 costs rose very quickly then that is part of this cost
20 per work hour.
21 Q Thank you. Would you agree that the most
22 substantial portion of Postal Service mail processing
23 and delivery costs are labor costs?
24 A Could you say that again?
25 Q Yes. Would you agree that the most

1 substantial portion of the Postal Service's mail
2 processing costs and delivery costs are labor costs?
3 A Yes.
4 Q That being the case, would it seem
5 counterintuitive to you to expect that while the most
6 major component of cost is rising that worksharing
7 cost avoidance would be shrinking?
8 A No. I think the key issue on our product
9 costs, wages are just one factor. Cost per work hour
10 is just one factor. We've had very important
11 productivity gains during that period, so that would
12 offset wage changes.
13 Q It's sort of an uphill struggle though,
14 isn't it, if the labor of that large a component is
15 increasing at a rate higher than inflation?
16 A Again, wage increases are just one factor as
17 far as our unit costs go. There's other factors,
18 productivity changes and other factors that would
19 affect that.
20 Q Okay. Could you turn back again please to
21 your response to ABA & NAPM/USPS-T-21-40 and this time
22 40(c) as in cat, again redirected from Mr. Abdirahman?
23 A I have that.
24 Q Thank you. In that response you state that
25 the piggyback ratio for LDC-15 has declined from 1.958

1 in R2000-1 to 1.779 in this case. Is that correct?
2 At the end of Section (c) is where you state that, the
3 last sentence.
4 A Right.
5 Q Why, in your view, has that piggyback ratio
6 declined?
7 A My recollection is that an important part of
8 that decline is that the capital costs, the cost of
9 the equipment, has declined over time. The computers
10 and other components have declined.
11 In addition, much of the initial investment
12 may have been fully depreciated. I'd have to really
13 compare the calculations to get any more specific.
14 Q Can you tell me? You developed the
15 piggyback ratio as part of your testimony. Is that
16 correct?
17 A Yes.
18 Q Those piggyback ratios are used to allocate
19 overhead equipment and other costs. Is that correct?
20 A No. The piggyback ratios really reflect the
21 allocations done in base year and test year. In other
22 words, the piggyback factors aren't themselves used to
23 allocate costs, but rather they reflect the cost
24 calculations done in the text year.
25 Q That result? Okay. In response to that

1 same question, 40(c), you answered that the reduction
2 in USPS unit labor cost for MOD-15LD15 may also
3 reflect mail piece improvements such as better bar
4 codes. Is that right?
5 A Yes.
6 Q And a lot of those bar codes obviously are
7 being placed by mailers. Is that correct?
8 A That's right.
9 Q Would you agree that those mailers are
10 spending sums of money to improve their technology to
11 put better bar codes on the mail?
12 A I'm sorry. I'm not aware of the work being
13 done by mailers. I know there's been improvements. I
14 would think that that's the case, but I don't know
15 what it comes from.
16 Q Okay. Regardless of expenditures, they're
17 presumably working on that issue, or at least the
18 results would indicate that, right?
19 A Perhaps.
20 Q Would you agree that when they do improve
21 their bar coding the USPS avoids more cost?
22 A Yes.
23 Q Could you turn please to your response to
24 46(c), ABA & NAPM/USPS-T-21, redirected from Mr.
25 Abdirahman?

1 A Okay. I have that.
2 Q We asked you to fully explain how PostalOne
3 affects MODS Category 17-1 Scan and provide any data
4 that you have which distinguishes the cost before the
5 implementation of PostalOne with the cost afterwards.
6 You did provide a response, but you didn't
7 provide a specific before and after cost. Could that
8 be done, do you know, for that cost and what was the
9 cost before full implementation of PostalOne and what
10 was the cost afterwards?
11 A I don't believe so. The implementation has
12 been done. From what I understand, the implementation
13 has occurred over a number of years, and there's also
14 been other changes occurring in that operation.
15 Q It would be hard to isolate it to PostalOne,
16 in other words?
17 A Right.
18 Q I don't want to testify here, but when do
19 you believe that PostalOne was operational in a very
20 widespread sense? What date about?
21 A Okay. Let me just make sure and clarify.
22 The portion of PostalOne that's relevant to this
23 question is the PostalOne transportation management
24 systems. That involves mailers getting equipment that
25 can provide the transportation assignment and work

1 such as the AAA and the scan where you bin. That's a
2 subset of PostalOne in general.
3 I'm really not able to answer the question
4 as to when it may.
5 Q So you wouldn't be able to confirm or
6 necessarily disagree with the proposition that it
7 wasn't widespread until say 2004, that aspect of
8 PostalOne that you're talking about?
9 A I'm not sure. In another interrogatory
10 response I indicated that the program started in 2001.
11 I'm not sure. It would certainly not be complete, so
12 it's still a question of -- I really can't say.
13 Q I mean, you're just not sure when? If there
14 were major presort companies in 2003 that still didn't
15 have this, you can't say that that makes sense or it
16 doesn't make sense? You're just not sure?
17 A Right. I don't know. I don't know how
18 widespread this is. I know that, like I say, the
19 program began in fiscal year 2001. I'm not aware of
20 the deployment process or how widely used this is or
21 not.
22 Q Could you turn please to your response to
23 ABA & NAPM/USPS-T-21-47(d)?
24 A Okay. Yes. I have it.
25 Q In that response you state, "Our methods for

1 splitting first class presort letter costs into
2 automation and nonautomation may not be accurate."
3 Were you referring to any issues other than
4 those discussed by Mr. Abdirahman in response to POIR
5 1?
6 A No.
7 Q That's what you were referring to?
8 A Right.
9 Q Could you please turn to your response to
10 ABA & NAPM/USPS-T-21-49(b)?
11 A Okay. I have it.
12 Q In that response you state that the main
13 factors in the increase in the doubling of a volume
14 variability from 0.39 to 0.83 for MOD-991SUPF1, you
15 talk about the increase in the doubling of the volume
16 variability for -- excuse me one second. Strike that.
17 I'm sorry.
18 In that response you refer to the doubling
19 of volume variability in that MOD-991SUPF1 as doubling
20 from .39 to .83. Do you know why that volume
21 variability effectively doubled during that time
22 period?
23 A No. That is addressed in the testimony of
24 Dr. Bozzo, and I believe he answered an interrogatory
25 to that question specifically.

1 Q But you don't know whether that would have
2 anything to do with the problems discussed by Mr.
3 Abdirahman in his response to POIR 1, No. 1?
4 A I don't believe so.
5 Q Okay. You might turn if you would to your
6 response to Interrogatories 52 and 53, ABA &
7 NAPM/USPS-T-21.
8 A I have it.
9 MR. HART: Thank you. In those
10 interrogatories we asked you about some of the MODS
11 and nonMODS cost dynamics between single piece metered
12 mail and nonautomation presort mail in first class.
13 I'd like to follow up a little bit with that
14 by showing you a couple of exhibits. The first one I
15 gave to your counsel on Wednesday. I did not number
16 them. I would now number it No. 1.
17 (The document referred to was
18 marked for identification as
19 Exhibit No. ABA & NAPM/USPS-
20 T-13-Cross-Examination No.
21 1.)
22 BY MR. HART:
23 Q I believe you've seen a copy of it. It's
24 called Total Mail Processing Unit Cost Comparison
25 First Class Mail Letters. Do you have that in front

1 of you? It has lines on the bottom.

2 A Yes.

3 MR. HART: I'm going to ask Mr. Warden to

4 give a copy to the Commissioners.

5 BY MR. HART:

6 Q I did give this to your counsel two days

7 ago. You have had a chance to look at this? Is that

8 right?

9 A Yes, I have.

10 Q Do you recognize this as a listing of the

11 total mail processing costs for first class letter

12 mail single piece metered, first class letter mail

13 bulk BMM and first class letter mail presort

14 automation as measured by the Postal Service for the

15 test year in this case and the previous four cases?

16 A Yes. I think I'd like to make a couple

17 comments though.

18 The number for R1997-1, that is for all

19 first class presort, noncarrier route presort letters.

20 That's not just automation.

21 Q Which number? I'm sorry.

22 A The 4.6 cents --

23 Q Yes.

24 A -- under the column R1997-1. The rest of

25 the unit costs in that row are presort automation unit

1 costs, but if we replace those with costs that are
2 comparable to the 4.6 the unit costs are a half cent
3 to one cent higher for all presort letter costs. The
4 4.6 cents really doesn't fit in with the rest of the
5 numbers in this chart.
6 Q Just in R1997-1?
7 A That's right. The rest of the numbers are
8 the automation, the unit cost for first class
9 automation presort letters.
10 Q So if you just ignore R1997-1, this case and
11 the previous three cases, the numbers are what they
12 purport to be?
13 A Yes. If you'd like I have numbers
14 comparable to the 4.6 if that's of any help.
15 Q That's okay. That's okay. You're welcome
16 to state whatever you want, but --
17 A Okay. I mean, they're a half cent to a cent
18 higher.
19 MR. HART: I would ask that this be
20 introduced into the record as NAPM cross-examination
21 exhibit, ABA & NAPM/USPS-T-13-Cross-Examination
22 Exhibit No. 1.
23 //
24 //
25 //

1 (The document referred to,
2 previously identified as
3 Exhibit No. ABA & NAPM/USPS-
4 T-13-Cross-Examination No. 1,
5 was received in evidence.)
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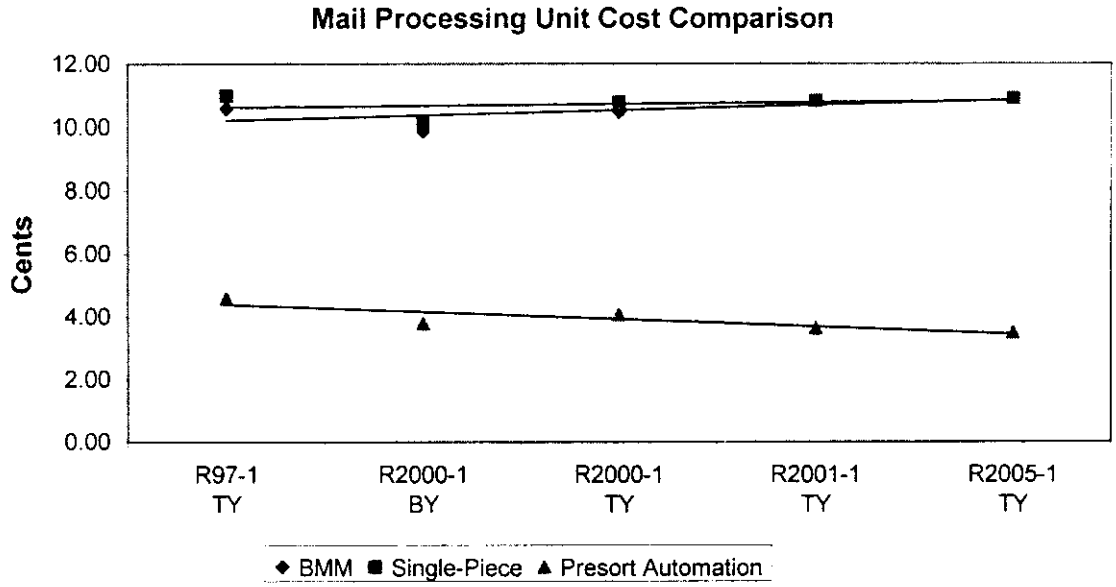
R2005-1
ABA&NAPM / USPS-T13
Cross Examination Exhibit # 1
USPS witness Marc Smith

ABA & NAPM/USPS T13 Cross Examination Exhibit #

Mail Processing Unit Cost Comparison
First Class Mail Letters

FCLM Letters	R97-1 TY	R2000-1 BY	R2000-1 TY	R2001-1 TY	R2005-1 TY
Single-Piece Metered	10.98	10.15	10.77	10.83	10.91
BMM	10.58	9.87	10.47	10.83	10.91
Presort Automation	4.60	3.79	4.06	3.63	3.50
Difference Between SP Metered & Presort	6.38	6.36	6.71	7.19	7.41
Difference Between BMM & Presort	5.98	6.07	6.41	7.19	7.41

Sources:
R97-1, LR-H-106rev, cstshape.xls;
R2000-1, LR-I-81, mpshapnb.xls & mpshusty.xls;
R2001-1, LR-J-53, shp03u.xls;
R2005-1, LR-K-53, shp06usps.xls.



1 THE WITNESS: Also I have a minor comment on
2 this. Sorry. I wasn't sure. Well, the distinction
3 single piece metered versus BMM, that has been a
4 distinction, kind of a definitional distinction that's
5 changed. It's a definition that's changed over time.
6 BMM is now defined in the last two cases as
7 the same as single piece metered, and in providing
8 these costs I worked with Mr. Abdirahman and his
9 predecessors as far as determining what costs were
10 needed, but again there was a change in definition for
11 BMM and so I just want to mention that.
12 MR. HART: Right.
13 BY MR. HART:
14 Q So effectively in this case and the last
15 case single piece metered was used as a proxy for BMM,
16 which is why they're the same amount?
17 A That's right.
18 MS. PORTONOVO: Mr. Chairman?
19 CHAIRMAN OMAS: Yes.
20 MS. PORTONOVO: I would like to say that if
21 this exhibit is being entered into evidence that the
22 numbers which the witness, Mr. Smith, described as
23 being incorrect should be crossed out.
24 CHAIRMAN OMAS: Yes.
25 MR. HART: I don't have a problem with that

1 if you want to cross out R1997. Is that effectively
2 what you're saying?
3 CHAIRMAN OMAS: Yes.
4 MR. HART: That's fine.
5 CHAIRMAN OMAS: Thank you.
6 MR. HART: I don't know how to physically do
7 that other than to perhaps instruct the reporter that
8 they're agreed.
9 CHAIRMAN OMAS: I would instruct the
10 reporter that the R1997, which is the first column,
11 be --
12 MR. HART: The five numbers there.
13 CHAIRMAN OMAS: Yes. That they be deleted.
14 MS. PORTONOVO: Mr. Chairman, perhaps the
15 reporter could give the document to the witness, and
16 the witness could cross out the correct numbers.
17 CHAIRMAN OMAS: Well, I'll cross it out
18 right here. There we go.
19 MR. HART: Thank you. We got there.
20 CHAIRMAN OMAS: It saved a minute.
21 BY MR. HART:
22 Q I'd like to ask you one more question about
23 that document if I could. Would you agree that that
24 document indicates that the cost difference between
25 the bulk metered mail benchmark and automated presort

1 letters in FCLM has been growing since R2000-1?
2 A I'm sorry. Could you repeat your question
3 again? I'm sorry.
4 Q Yes. Would you agree that the cost
5 difference between the bulk metered mail benchmark and
6 automated presort letters in first class letter mail
7 has been growing and continues to grow in this case
8 and has been growing since R2000-1?
9 A Yes, I would I guess with a couple caveats.
10 First again as I noted earlier, the BMM definition was
11 changed during that period and so the BMM definition
12 -- had the definition been consistent, the increase in
13 the difference would have been smaller.
14 The other thing I'll note is just the
15 concern of POIR 1 where as the volumes, and maybe this
16 is more pertinent for nonautomation than automation,
17 but as the volumes of nonautomation have declined, in
18 particular the unit cost for nonautomation become more
19 uncertain. To some degree that applies to the
20 automation unit costs as well and may have an impact
21 on the trend.
22 Q Thank you. Could you next take a look at an
23 exhibit which I showed to your counsel on Wednesday
24 and I assume you have seen? It's the one that goes
25 vertically down the page. It's called Test Year 2006

1 USPS Version With Piggyback Costs, Volume Variable
2 Mail Processing Costs, Letters.
3 A I'm sorry. What's it called again?
4 Q It's Test Year 2006 USPS Version With
5 Piggyback Costs, Volume Variable Mail Processing
6 Costs, Letters, Testing For Cost Differences, ABA &
7 NAPM/USPS-T-13-Cross-Exam Exhibit No. --
8 A Okay. Yes. I have that.
9 MR. HART: I'm going to put No. 2 on that
10 and ask Mr. Warden to give a copy to the
11 Commissioners.
12 (The document referred to was
13 marked for identification as
14 Exhibit No. ABA & NAPM/USPS-
15 T-13-Cross-Examination No.
16 2.)
17 BY MR. HART:
18 Q As I indicated, I gave this to your counsel
19 on Wednesday. Have you had a chance to review it?
20 A Yes, I have.
21 Q This document was prepared by ABA & NAPM to
22 test comparison cost differences within first class
23 letters between three types of letters -- single
24 piece, single piece metered and presort nonautomated.
25 If you'll look at the first three columns of

1 numbers, the first are all the cost pools for first
2 class single piece letters, the next being the cost
3 pools for first class single piece metered letters and
4 the third being first class presort nonautomated
5 letters.
6 If you look at those near the bottom of the
7 sheet you will see a total of 11.421 for the single
8 piece and 10.906 for single piece metered and 18.965
9 for nonautomated letters. Do you see those totals?
10 A Yes.
11 Q Just in the most simplistic sense, if you
12 were trying to determine of those three types of
13 letters which two are closest to each other, just
14 looking at the total wouldn't the total suggest that
15 single piece and single piece metered were the two
16 that were closest, the 11.421 and the 10.906?
17 A Yes, those are the closest.
18 Q Now, if we wanted to apply a statistical
19 procedure to see whether at the individual cost pool
20 level which of those three types of mail was closest
21 to each other, this is what we tried to do in this
22 sheet.
23 Are you familiar with the profits and the
24 null hypotheses of comparing the cost pools?
25 A Yes.

1 Q Can you see that in the fourth column, just
2 taking as an example, we took the cost differences
3 between single piece and single piece metered, and in
4 each cost pool there we've set forth the difference
5 between each of those two types of mail.
6 In the first cost pool, that .041 is the
7 difference between single piece letters and single
8 piece metered letters, and then we took the average of
9 all those differences and at the bottom there just
10 under Total, the next line is Average of Cost
11 Differences. Do you see the .010 --
12 A Yes.
13 Q -- in the third column from the right? Then
14 we did the same thing with the cost differences
15 between single piece and nonautomated in the second
16 column from the right, and we end up with an average
17 cost difference instead of 0.10 of negative 0.142.
18 Then we did the same thing in the right-hand
19 column for the difference between single piece metered
20 and nonautomated. For each of those differences then
21 we're trying to see which we can accept and which we
22 can reject on the basis of a T-value.
23 Are you familiar with the calculation where
24 we obtain a T-value where if you take, for example,
25 the third column from the right which is the cost

1 difference between single piece and single piece
2 metered and we take the average cost difference of
3 .010? We also had calculated the standard deviation
4 for that column, which, as I understand it, is the
5 average of the difference between a cost pool and the
6 average cost pool.
7 To get our T-value we take .010, the average
8 cost difference, and divide it by the standard
9 deviation of cost difference, which is .053. We take
10 that and divide it by the square root of the sample
11 size, which is 53, and that's how we got our 1.344
12 T-value. Subject to check, does that make sense?
13 A Yes.
14 Q And then to determine whether or not we can
15 accept or reject that T-value we look for statistical
16 significance, and if you go to a chart of T-values,
17 subject to check, would you agree that we might find
18 for a sample of 53 looking for a significance level of
19 five percent we might find 2.0? I can show you a
20 table on the website if that would help.
21 A That sounds reasonable. I guess for this
22 column in particular -- well, in all these tests the
23 calculation is -- an analogy that I have is basically
24 this is like comparing the weight of two cars except
25 that you're comparing first the lighters of each of

1 the two cars. Then you're comparing the fenders of
2 each of the two cars. Then you're comparing -- and so
3 this isn't really a comparison of the totals.
4 I'm not sure that there's a -- well, I don't
5 have a way of doing a better statistical comparison,
6 but all I can say is that the comparison being made
7 here is not one that's comparing the totals.
8 Q Right. Isn't it comparing the closeness of
9 each individual cost pool?
10 A Right, but each individual cost pool could
11 be different, and yet the totals could be the same.
12 It's not clear why you'd want to compare each
13 individual component in order to compare the totals.
14 Q Can I complete this, and then we'll come
15 back to that and you can qualify it as much as you
16 want?
17 A Sure.
18 Q To complete the analysis, once you've got
19 your critical T-value as a five percent significance
20 of 2.0 based on the sample size of 53, or if you want
21 a significance value of one percent then the critical
22 value is 2.66, what you're looking for in either
23 rejecting or accepting these hypotheses is to have the
24 absolute value of our calculated T-values be less than
25 the critical value.

1 So on that basis for the first comparison
2 between single piece and single piece metered our
3 calculated T-value, the absolute value of that, is
4 well below 2.0 or 2.66 so we're accepting that. The
5 other two columns are above. Their absolute value is
6 above two, so we reject it.
7 A With regard to the other two columns, I just
8 wanted to point out again POIR 1, the concern or the
9 uncertainty over the nonautomation presort costs.
10 As the volumes for nonautomation have
11 declined, the uncertainties in IOCS I guess place a --
12 the uncertainties in IOCS as discussed by Witness
13 Abdirahman cause there to be a different potential, a
14 larger potential for error in the nonautomation, in
15 the first class presort nonautomation letters.
16 I just wanted to note that as far as looking
17 at Column 3 and also considering the differences of
18 Column 1 and 3 and Column 2 and 3.
19 MR. HART: Understood. I would like to
20 introduce this exhibit as our Cross-Examination
21 Exhibit No. 2.
22 CHAIRMAN OMAS: Without objection.
23 MS. PORTONOVO: Mr. Chairman, I have an
24 objection. As the witness pointed out, this doesn't
25 show any valid analysis so I don't understand why --

1 MR. HART: I'm not sure the witness said
2 that.
3 MS. PORTONOVO: As I understood it, that is
4 what the witness said. He said that it is comparing
5 things that can't really be compared.
6 MR. HART: Mr. Chairman, if I may? The
7 witness has had every opportunity, and I appreciate
8 his honesty and forthrightness to critique what it
9 does and doesn't mean, but for purposes of admitting
10 it into evidence and authenticity under Rule 901 of
11 the Federal Rules I think the language that he's used
12 is just a matter of what this purports to be. I think
13 there's no question that he recognizes the
14 calculations.
15 The cost pools are subject to check, and the
16 calculations can be subject to check. I mean, this
17 has been prepared by us to get his comment on it, but
18 I think it's an authentic document and can be brought
19 into the record.
20 CHAIRMAN OMAS: Mr. Smith?
21 THE WITNESS: Yes?
22 CHAIRMAN OMAS: Do you concur with that
23 statement?
24 THE WITNESS: As far as my counsel's
25 statement?

1 MS. PORTONOVO: Which statement are you
2 referring to, Mr. Chairman?
3 CHAIRMAN OMAS: I'm referring to the
4 statement that Mr. Hart just made.
5 THE WITNESS: Let's see. I think I do. I
6 guess I agree with both of the statements, both
7 counsels'.
8 CHAIRMAN OMAS: Well, you can't do that. At
9 that point I'll allow it, Mr. Hart.
10 MR. HART: Thank you, Mr. Chairman.
11 (The document referred to,
12 previously identified as
13 Exhibit No. ABA & NAPM/USPS-
14 T-13-Cross-Examination No. 2,
15 was received in evidence.)
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R2005-1
ABA&NAPM USPS-T13
Cross Examination Exhibit # 2
USPS witness Marc Smith

Test Year 2006 - USPS Version, with Piggyback Costs
Volume-Variable Mail Processing Costs - Letters
Testing For Cost Differences ABA&NAPM/USPS T13 Cross Exam Ex #

Cost Pool	Name	First-Class Single-Piece Letters (1)	First-Class Single-Piece Metered Letters (2)	First-Class Presort Non-Automated Letters (3)	Cost Difference Between Single-Piece and Single-Piece Metered (1) - 2)	Cost Difference Between Single-Piece and Non-Automated (1) - (3)	Cost Difference Between Single-Piece Metered and Non-Automated (2)- (3)
		1/	1/	1/			
MODS 11	BCS/	0.293	0.252	0.431	0.041	-0.139	-0.180
MODS 11	BCS/DBCS	2.128	2.002	2.629	0.126	-0.501	-0.627
MODS 11	OCR/	0.550	0.712	0.685	-0.163	-0.135	0.027
MODS 12	AFSM100	0.029	0.037	0.053	-0.008	-0.024	-0.016
MODS 12	FSM/	0.000	0.000	0.000	0.000	0.000	0.000
MODS 12	FSM/1000	0.025	0.027	0.000	-0.002	0.025	0.026
MODS 13	MECPARC	0.001	0.000	0.000	0.001	0.001	0.000
MODS 13	SPBS OTH	0.016	0.026	0.029	-0.009	-0.013	-0.004
MODS 13	SPBSPRIO	0.003	0.002	0.001	0.001	0.002	0.001
MODS 13	1SACKS_M	0.006	0.000	0.099	0.006	-0.093	-0.099
MODS 13	1TRAYSRT	0.147	0.166	0.315	-0.019	-0.167	-0.148
MODS 14	MANF	0.020	0.021	0.031	-0.001	-0.011	-0.009
MODS 14	MANL	1.563	1.420	2.512	0.143	-0.948	-1.092
MODS 14	MANP	0.011	0.014	0.000	-0.003	0.011	0.014
MODS 14	PRIORITY	0.006	0.005	0.013	0.001	-0.007	-0.008
MODS 15	LD15	0.618	0.534	0.220	0.084	0.397	0.313
MODS 17	1CANCEL	0.494	0.270	0.183	0.224	0.311	0.087
MODS 17	1DSPATCH	0.161	0.159	0.330	0.002	-0.169	-0.171
MODS 17	1FLATPRP	0.010	0.007	0.001	0.003	0.009	0.007
MODS 17	1MTRPREP	0.062	0.100	0.019	-0.038	0.042	0.080
MODS 17	1OPBULK	0.043	0.032	0.066	0.011	-0.023	-0.034
MODS 17	1OPPREF	0.332	0.321	0.565	0.011	-0.233	-0.244
MODS 17	1OPTRANS	0.098	0.086	0.159	0.012	-0.061	-0.073
MODS 17	1PLATFRM	0.937	0.838	1.464	0.100	-0.526	-0.626
MODS 17	1POUCHNG	0.028	0.023	0.041	0.005	-0.014	-0.018
MODS 17	1PRESORT	0.006	0.008	0.054	-0.002	-0.048	-0.046
MODS 17	1SACKS_H	0.023	0.006	0.036	0.017	-0.013	-0.030
MODS 17	1SCAN	0.057	0.046	0.185	0.011	-0.128	-0.139
MODS 18	BUSREPLY	0.029	0.014	0.022	0.015	0.007	-0.008
MODS 18	EXPRESS	0.015	0.007	0.000	0.008	0.014	0.006
MODS 18	MAILGRAM	0.004	0.003	0.014	0.001	-0.010	-0.011
MODS 18	REGISTRY	0.014	0.013	0.011	0.001	0.003	0.002
MODS 18	REWRAP	0.026	0.015	0.027	0.011	-0.001	-0.012
MODS 18	1EEQMT	0.032	0.030	0.053	0.002	-0.021	-0.023
MODS 18	1MISC						
MODS 18	1SUPPORT						
MODS 19	INTL ISC	0.025	0.017	0.088	0.008	-0.063	-0.071
MODS 19	PMPC	0.004	0.008	0.000	-0.001	0.004	0.006
MODS 41	LD41						
MODS 42	LD42						
MODS 43	LD43						
MODS 44	LD44						
MODS 48	LD48 EXP						
MODS 48	LD48 OTH						
MODS 48	LD48_ADM						
MODS 48	LD48_SSV						
MODS 49	LD49	0.214	0.257	1.091	-0.044	-0.877	-0.834
MODS 79	LD79	0.054	0.100	0.087	-0.047	-0.013	0.033
MODS 98	1SUPP_F1	0.359	0.333	0.492	0.026	-0.133	-0.159
BMCS	NMO	0.000	0.000	0.000	0.000	0.000	0.000
BMCS	OTHR	0.003	0.001	0.019	0.002	-0.016	-0.018
BMCS	PLA	0.001	0.000	0.005	0.000	-0.005	-0.005
BMCS	PSM	0.000	0.000	0.000	0.000	0.000	0.000
BMCS	SPB	0.000	0.000	0.000	0.000	0.000	0.000
BMCS	SSM	0.000	0.000	0.000	0.000	0.000	0.000
NONMODS	ALLIED	0.902	0.884	2.204	0.018	-1.301	-1.320
NONMODS	AUTO/MECH	0.393	0.409	0.800	-0.016	-0.407	-0.391
NONMODS	EXPRESS	0.000	0.000	0.001	0.000	-0.001	-0.001
NONMODS	MANF	0.017	0.027	0.026	-0.009	-0.008	0.001
NONMODS	MANL	1.217	1.147	2.779	0.070	-1.563	-1.633
NONMODS	MANP	0.006	0.006	0.025	0.000	-0.019	-0.019
NONMODS	MISC	0.398	0.450	1.101	-0.051	-0.703	-0.651
NONMODS	REGISTRY	0.040	0.072	0.017	-0.033	0.022	0.055
Total		11.421	10.906	18.965	0.515	-7.544	-8.060
Average of Cost Differences					0.010	-0.142	-0.152
Standard Deviation of Cost Differences					0.053	0.350	0.361
Sample Size					53	53	53
Calculated T-Value = (AVERAGE - 0)/(STDEV/SQRT(n))					1.344	-2.958	-3.070
Critical t-Value at 5% Significance Level (Two Sided) 2/					2.00	2.00	2.00
Critical t-Value at 1% Significance Level (Two Sided) 2/					2.66	2.66	2.66
Hypothesis H0 = Average of Cost Differences is Not Different from Zero 3/					**Do Not Reject**	**Reject**	**Reject**

Sources:
1/ Cost pools are from R2005-1, LR-K-53, shp06usps.xls, worksheet Letter (4).
2/ Critical t-values from Edwin Mansfiled, Statistics For Business and Economics: Methods and Applications, W.W. Norton & Company, 5th Edition, 1994, Appendix A17.
3/ If the absolute value of the calculated t-value is greater than the critical t-value then reject the null hypothesis, otherwise, do not reject it.

1 MR. HART: I'm going to give you more
2 opportunities to comment on the conclusion, but I
3 appreciate your forthrightness on that.
4 BY MR. HART:
5 Q So we have this effort to see among these
6 three classes which is more similar to each other
7 among the three, and with this testing method and this
8 statistical procedure would you agree that this
9 confirms that of the three the two that are closest to
10 each other is first class single piece letters and
11 first class single piece metered letters?
12 A Yes, I do, but, as I mentioned earlier,
13 determining the variance associated with each of these
14 three costs is a pretty complicated process, and I
15 don't know that we have such estimates.
16 I guess what I'm saying here is the process
17 you've gone through here I don't believe is valid. I
18 think a much different process that specifically
19 considers the variance of the total unit cost, the
20 11.4, the 10.9 and the 18.9, is the correct way to
21 consider this.
22 It may well be that the statistical
23 significance is -- the first class single piece
24 letters and first class metered letters, they may well
25 not have even under that measure, even under the

1 measure I was saying is the correct one, there may not
2 be a statistically significant difference. That could
3 well be a likely result. I guess what I'm saying
4 though is this method is not a valid calculation.
5 Q When you say it's not a valid calculation,
6 is it correct to say that you question the utility of
7 it?
8 Obviously you haven't had a chance maybe to
9 crunch these numbers, but the method of averaging the
10 cost differences and taking the standard deviation of
11 cost differences and then taking the sample size and
12 T-value. You don't question that from a statistical
13 sampling, do you?
14 A For instance, if we assume that comparing
15 these costs, if we assume that there should be a
16 similarity by cost pool, given that there's still the
17 problem that some cost pools are large and some are
18 small and so cost differences are going to vary across
19 cost pools.
20 If one were trying to at least get a
21 standard deviation relevant to across the cost pools
22 one would want it normalized in some way, in other
23 words, so percentage differences as opposed to unit
24 cost differences.
25 I think there's naturally going to be bigger

1 unit cost differences say for the BCS/DBCS cost pool.
2 Those are larger cost pools. Those are unit costs
3 that are larger. Again, the value of this calculation
4 I think is very limited.
5 CHAIRMAN OMAS: Excuse me, Mr. Hart. I'd
6 like to just instruct the reporter to make sure she
7 transcribes both those exhibits.
8 MR. HART: Thank you.
9 CHAIRMAN OMAS: Thank you. Proceed.
10 BY MR. HART:
11 Q Based on the totals on this sheet and, if
12 you like, on the analysis of the cost pools, if you
13 were looking for a proxy for the cost of bulk metered
14 mail or metered single piece, which would you take,
15 single piece letters or nonauto presort?
16 A I'm sorry. I wouldn't choose based on the
17 statistical significance of the difference as far as
18 the proxy. I wouldn't choose either.
19 Q That 18.965 doesn't give you any pause?
20 A Well, definitely the first class single
21 piece letters is a lot closer, the unit cost, to the
22 first class single piece metered letters, but I don't
23 think it's right to say it's a proxy.
24 As far as whether it's a proxy, I guess it
25 kind of depends on what sense you're talking about.

1 In some ways the concept of bulk metered mail as a
2 benchmark, for instance, that's really not part of my
3 testimony. If you're asking about a proxy with regard
4 to a benchmark cost then I'm really not able to
5 address that.
6 Q Okay. Thank you. I'd like you to turn to a
7 third exhibit, which I can't find. Now I have it. It
8 is called at the top First Class Total Unit
9 Attributable Cost (Cents Per Piece).
10 A Yes. I have that.
11 MR. HART: I would ask Mr. Warden to mark
12 that as our cross-exam exhibit of USPS-T-13, No. 3.
13 (The document referred to was
14 marked for identification as
15 Exhibit No. ABA & NAPM/USPS-
16 T-13-Cross-Examination No.
17 3.)
18 BY MR. HART:
19 Q I showed this to your counsel two days ago.
20 Have you had a chance to review it?
21 A Yes, I have. Yes, I have.
22 Q Do you recognize this as a listing of total
23 unit attributable cost for first class single piece
24 letters and first class presort letters as shown in
25 the Postal Service cost and revenue analysis for the

1 years 1992 to 2004 and as shown in Library Reference
2 in this case LR-K-115 for the 2005 year and the 2006
3 test year?
4 A Yes, although I believe in the CRA the full
5 title is I believe single piece letters and parcels.
6 I'm not exactly sure of the full title, but I guess my
7 main point is that we're looking at the cost of all
8 shapes of mail for single piece and the cost for all
9 shapes of mail for presort.
10 Q Okay. But you've had a chance to review it
11 and recognize it as such?
12 A I have, yes.
13 MR. HART: I would ask that it be introduced
14 into the record as our Cross-Examination Exhibit No. 3
15 to T-13.
16 CHAIRMAN OMAS: Without objection.
17 MS. PORTONOVO: If it does get introduced
18 into evidence, I'd like the change that the witness
19 noted to be perhaps noted onto the chart.
20 CHAIRMAN OMAS: Okay.
21 (The document referred to,
22 previously identified as
23 Exhibit No. ABA & NAPM/USPS-
24 T-13-Cross-Examination No. 3,
25 was received in evidence.)

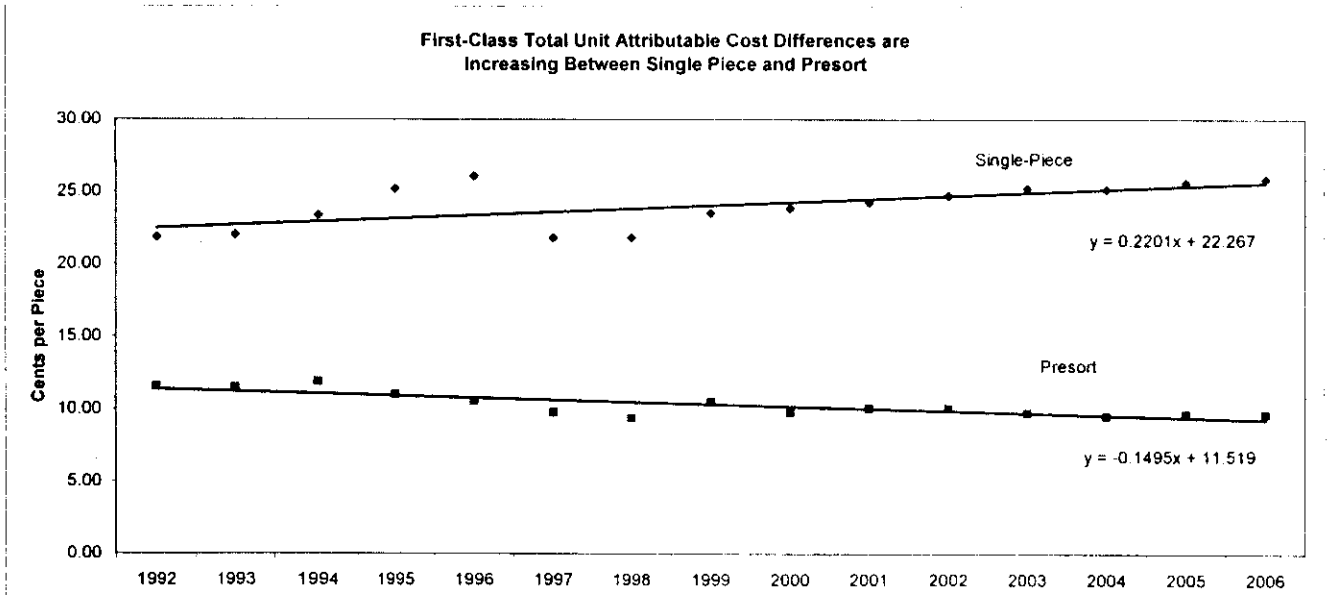
ABA&NAPM/USPS T13 Cross Exam Ex #

First-Class Total Unit Attributable Cost
(Cents per Piece)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
First Class Mail															
Single-Piece Letters FLATS, PARCELS	21.85	22.03	23.38	25.19	26.09	21.81	21.82	23.51	23.86	24.27	24.73	25.21	25.16	25.63	25.87
Percentage Change		0.81%	6.16%	7.72%	3.56%	-16.39%	0.06%	7.72%	1.49%	1.73%	1.89%	1.94%	-0.19%	1.86%	0.95%
Presort Letters	11.59	11.48	11.91	11.04	10.57	9.77	9.40	10.50	9.80	10.08	10.07	9.75	9.53	9.67	9.68
Percentage Change	0.00%	-0.94%	3.73%	-7.33%	-4.26%	-7.56%	-3.75%	11.71%	-6.72%	2.82%	-0.07%	-3.14%	-2.32%	1.51%	0.09%
Full Cost Difference	10.26	10.54	11.47	14.15	15.52	12.04	12.42	13.00	14.06	14.20	14.66	15.46	15.64	15.96	16.19

Note: Total Unit Attributable Cost = Total Attributable Cost / Volume.

Sources:
Fiscal Years 1992 through 2004: USPS, Cost and Revenue Analysis and Cost Segments and Components.
Year 2005 and Test Year 2006 After Rates: R2005-1, USPS-T-10, Cost Segments and Components, Exhibits 10E&10I; and volumes from R2005-1, USPS-T-7, USPS-LR-K-115 Exhibit USPS 7A, Page 1.



2698

1 BY MR. HART:

2 Q How would you note that, Mr. Smith? Letters

3 and parcels? Is that what you think it should say?

4 A It should say letters, flats and parcels.

5 It's an important distinction since single piece has a

6 good deal more flats than parcels.

7 MR. HART: That's fine with me on that

8 change.

9 CHAIRMAN OMAS: Okay. Would you see to it

10 that the reporter has that correction please, Mr.

11 Warden?

12 BY MR. HART:

13 Q Could you confirm, looking at that chart,

14 that the cost difference between single piece letters,

15 flats and parcels and presort letters, flats and

16 parcels continues to grow in this case? In

17 particular, it's projected to be 16.19 cents in test

18 year 2006, 15.96 cents in 2005 and was 15.46 cents in

19 2003.

20 A Okay. I would agree that the unit costs are

21 diverging as shown, but I would note that if we were

22 comparing letters only and in particular if we were

23 focusing on mail processing costs, which is where I

24 focus in my testimony, then I'm not sure the same

25 could be said.

1 What I will note is that if we drew trend
2 lines both would be heading down. If we looked at
3 letters for single piece and letters for presort, both
4 trend lines would be heading down. I don't know
5 whether they would be widening or narrowing. I just
6 wanted to point that out.
7 Q Thank you. Could you turn please to your
8 response to our Interrogatory T-21-44(g)?
9 A I'm sorry. Which question?
10 Q T-21-44(g).
11 A Okay. I have it.
12 Q In that question we had asked you about mail
13 which perhaps remained on the dock without being
14 processed and the cost of that to the Postal Service.
15 In followup to that I'd like to ask you the following
16 question.
17 If the Postal Service sets unreasonably
18 early entry times for bulk mailers and as a result of
19 that workshared mail, which could have been delivered
20 to the Postal Service, is not delivered or, if it is
21 delivered, it's delivered in less of a presorted or
22 bar coded, less of a workshared manner, won't this
23 cause economic inefficiencies for the Postal Service?
24 A I'd have to confer with my operations person
25 to be sure of that. I'm not sure I can answer that

1 question.

2 Q Okay. Let me just make one more point, and

3 then I'll accept your answer if it's still the same.

4 A If it takes a mailer until 7:30 to fully

5 sort and prepare his workshared mail to the fullest

6 degree of sortation and bar coding and he can't get

7 that done and delivered to the Postal Service until

8 8:00 and the Postal Service really doesn't need to

9 touch that mail until 2:00 in the morning, but it has

10 a 6:00 entry time, is that inefficient?

11 As a result of that, the mailer delivers the

12 mail at 5:59, and it's not sorted to the same degree

13 that it would be, and not as many pieces have bar

14 codes. Is that efficient?

15 A Our rules on acceptance of bulk entered mail

16 is not something I can really testify to.

17 You're right. If there's absolutely no

18 reason for the mail to be there I suppose it would be

19 inefficient, but again I don't know that that's the

20 case.

21 Q Understood.

22 A I really am just not familiar.

23 Q Okay. Thank you. Could you turn to your

24 response to ABA & NAPM/USPS-T-13-12(b)?

25 A Okay. I have it.

1 Q I wanted a clarification from you on this
2 because it didn't make sense to me. You state that
3 the shift from the use of NPBCS to the use of DBCS is
4 the primary reason for decline in NPBCS unit cost.
5 I can see how a shift in the use of one type
6 of bar code sorting machinery to another in terms of
7 letter volume put on the machines would result in a
8 shift of total dollar cost, but why would lower letter
9 volumes run on the machines reduce the per piece or
10 unit cost of running a letter through it?
11 If I can just give you a quick example, and
12 then I'll ask the question. If the throughput for an
13 NPBCS is 25,000 pieces per hour and then before they
14 shift that work over to a DBCS 200,000 pieces per
15 shift were being run on that NPBCS and after the shift
16 only 50,000 pieces were being run on the NPBCS,
17 wouldn't the unit cost still be the same?
18 Isn't it still 25,000 pieces per hour, or if
19 you're distributing unused machine time at a cost then
20 wouldn't the unit cost be even higher?
21 A Well, the reason there's a decline is the
22 same reason there's a decline in total cost because
23 these costs, as I indicate in part (c), these unit
24 costs are per RPW piece as opposed to per piece
25 processed on the equipment.

1 If you're asking about unit costs per piece,
2 the cost per piece processed on a specific type of
3 equipment, that wouldn't be affected by shifts of
4 volume between the equipment, but since these costs,
5 the costs that I provided in Library Reference 53, the
6 costs by shape, the cost for each cost pool are the
7 cost per RPW piece.
8 So as less mail is utilized say in mail
9 processing bar code sorters and as those total costs
10 decline, as you said, that total cost divided by the
11 total RPW volume for that category becomes smaller.
12 MR. HART: One more exhibit and one more
13 quick question if I may.
14 (The document referred to was
15 marked for identification as
16 Exhibit No. ABA & NAPM-USPS-
17 T-13-Cross-Examination No.
18 4.)
19 BY MR. HART:
20 Q Do you have in front of you the exhibit
21 marked -- I gave you a simplified one this morning
22 your counsel should have -- USPS Mail Processing Cost
23 Pool Comparison, R2005 Versus R2001-1?
24 Two days ago I had given your counsel the
25 same sheet, but it also had the two prior cases, 1997

1 and 2000. We took those out of it.

2 A Yes, I have it.

3 Q You have this one in front of you? Okay.

4 In this exhibit we've listed cost pools in this case

5 and in R2001-1 and have allocated those cost pools,

6 the cost for each cost pool, into one of three buckets

7 or categories, they being either worksharing related

8 proportional, worksharing related fixed and

9 nonworksharing related fixed.

10 We've just totaled at the bottom of each of

11 those categories what the total for the cost pools was

12 in the last case and what the total for the cost pool

13 is in this case. We can see for worksharing related

14 proportional what the cost was in R2001-1 and what the

15 cost is in this case, the total for all cost pools.

16 We can see the same for the other two categories of

17 worksharing related fixed and nonworksharing related

18 fixed.

19 Do you recognize this chart as presenting

20 that summary?

21 A I'm unable to really comment regarding these

22 three categories, worksharing related proportional,

23 worksharing related fixed and nonworksharing related

24 fixed.

25 My testimony is -- the citations at the

1 bottom, for instance, list Library Reference K-53. I
2 don't have those three categories in Library Reference
3 K-53. They're not in my testimony.
4 Q I understand another witness allocated these
5 into these three categories, but they're your costs,
6 aren't they, your cost pools, your costs for each cost
7 pool?
8 A The costs listed for each cost pool are the
9 ones I provided in this case, but, you know, I think
10 we both agree that I don't provide any categorizations
11 for these cost pools under these three types of
12 breakouts of worksharing related or nonworksharing
13 related.
14 Q I understand you didn't do the breakout. We
15 have prepared the breakout on the basis of another
16 witness' library reference, but they're your costs.
17 A The unit costs were provided by me. Again,
18 I can't vouch for whether the unit costs are shown in
19 the correct category or not. I don't know.
20 Q You could have checked with Mr. Abdirahman
21 to have him confirm that? Is that right?
22 MS. PORTONOVO: Mr. Chairman, I have to
23 object to that question. I mean, that's not his
24 responsibility to do something like that.
25 MR. HART: It seems to me the Postal Service

1 is going out of their way to mask the fact that costs
2 are moving from worksharing related proportional to
3 nonworksharing fixed, and they don't want to this
4 exhibit to get in the record.
5 MS. PORTONOVO: Mr. Chairman, I object. I
6 object to that.
7 CHAIRMAN OMAS: Proceed, Mr. Hart.
8 MR. HART: I would ask that it be introduced
9 into the record as our Cross-Examination Exhibit No.
10 4.
11 MS. PORTONOVO: Mr. Chairman, as the witness
12 has said, this exhibit is beyond the scope of his
13 testimony and so he is not able to support the proper
14 foundation for this exhibit.
15 MR. HART: If I may, I think it is within
16 the scope. It's his costs. Another witness has moved
17 them. We're asking him to agree with the totals of
18 cost.
19 He doesn't have to agree with the
20 allocations. That can be pointed out on brief if
21 anybody wants, but I don't think there's any doubt
22 where this document came from or what it is.
23 CHAIRMAN OMAS: I think I will go with
24 counsel and allow it. It's being entered.
25 MR. HART: Will you transcribe it?

1 CHAIRMAN OMAS: Yes.

2 MR. HART: Thank you.

3 (The document referred to,

4 previously identified as

5 Exhibit No. ABA & NAPM/USPS-

6 T-13-Cross-Examination No. 4,

7 was received in evidence.)

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R2005-1
ABA&NAPM / USPS-T13
Cross Examination Exhibit # 4
USPS witness Marc Smith

ABA & NAPM/USPS T13 Cross Exa

USPS Mail Processing Cost Pool Comparison
R2005-1 vs R2001-1

"Master Cost Pool List"		Cost Pools Used in : R2005-1			R2001-1			Worksharing Related Proportional		Worksharing Related Fixed		Non-Worksharing Related Fixed	
Source	Cost Pool Abbreviation	Cost Pool No	Source	Cost Pool Abbreviation	Cost Pool No	Source	Cost Pool Abbreviation	R2001-1	R2005-1	R2001-1	R2005-1	R2001-1	R2005-1
BMCS	NMO	1	BMCS	NMO	1	BMCS	NMO					0.000	0.000
BMCS	OTHR	2	BMCS	OTHR	2	BMCS	OTHR					0.000	0.001
BMCS	PLA	3	BMCS	PLA	3	BMCS	PLA					0.000	0.000
BMCS	PSM	4	BMCS	PSM	4	BMCS	PSM					0.000	0.000
BMCS	SPB	5	BMCS	SPB	5	BMCS	SPB					0.000	0.000
BMCS	SSM	6	BMCS	SSM	6	BMCS	SSM					0.000	0.000
MODS 11	BCS/	7	MODS 11	BCS/	7	MODS 11	BCS/	0.211	0.104				
MODS 11	BCS/DBCS	8	MODS 11	BCS/DBCS	8	MODS 11	BCS/DBCS	0.885	0.981				
MODS 11	OCR/	9	MODS 11	OCR/	9	MODS 11	OCR/	0.097	0.080				
MODS 12	[illegible]	[illegible]	MODS 12	[illegible]	[illegible]	[illegible]	[illegible]						0.003
MODS 12	FSM/	11	MODS 12	FSM/	10	MODS 12	FSM/					0.008	0.000
MODS 12	FSM/1000	12	MODS 12	FSM/1000	11	MODS 12	FSM/1000					0.002	0.004
MODS 12	LSM/				12	MODS 12	LSM/	0.000					
MODS 13	MECPARC	13	MODS 13	MECPARC	13	MODS 13	MECPARC					0.001	0.000
MODS 13	SPBS OTH	14	MODS 13	SPBS OTH	14	MODS 13	SPBS OTH					0.005	0.001
MODS 13	SPBSPRIO	15	MODS 13	SPBSPRIO	15	MODS 13	SPBSPRIO					0.002	0.001
MODS 13	1SACKS_M	16	MODS 13	1SACKS_M	16	MODS 13	1SACKS_M					0.015	0.012
MODS 13	1TRATSRT	[illegible]	MODS 13	1TRATSRT	[illegible]	[illegible]	[illegible]						0.157
MODS 14	MANF	18	MODS 14	MANF	17	MODS 14	MANF					0.003	0.002
MODS 14	MANL	19	MODS 14	MANL	18	MODS 14	MANL	0.190	0.192				
MODS 14	MANP	20	MODS 14	MANP	19	MODS 14	MANP					0.001	0.005
MODS 14	PRIORITY	21	MODS 14	PRIORITY	20	MODS 14	PRIORITY					0.002	0.007
MODS 15	LD15	22	MODS 15	LD15	21	MODS 15	LD15	0.051	0.060				
MODS 17	1DISPATCH	23	MODS 17	1DISPATCH	[illegible]	[illegible]	[illegible]						0.074
MODS 17	1PLATPRP	24	MODS 17	1PLATPRP	[illegible]	[illegible]	[illegible]						0.001
MODS 17	1BULK PR				22	MODS 17	1BULK PR			0.006			
MODS 17	1CANCMPP				23	MODS 17	1CANCMPP			0.050			
MODS 17	1CANCEL	25	MODS 17	1CANCEL	[illegible]	[illegible]	[illegible]				0.013		
MODS 17	1MTRBRER	26	MODS 17	1MTRBRER	[illegible]	[illegible]	[illegible]				0.000		
MODS 17	1OPBULK	27	MODS 17	1OPBULK	24	MODS 17	1OPBULK			0.057	0.014		
MODS 17	1OPPREF	28	MODS 17	1OPPREF	25	MODS 17	1OPPREF			0.225	0.150		
MODS 17	1OPTRANS	29	MODS 17	1OPTRANS	[illegible]	[illegible]	[illegible]						0.033
MODS 17	1PLATFRM	30	MODS 17	1PLATFRM	26	MODS 17	1PLATFRM			0.290	0.298		
MODS 17	1POUCHNG	31	MODS 17	1POUCHNG	27	MODS 17	1POUCHNG			0.131	0.014		
MODS 17	1PRESORT	32	MODS 17	1PRESORT							0.007		
MODS 17	1SACKS_H	33	MODS 17	1SACKS_H	28	MODS 17	1SACKS_H					0.043	0.012
MODS 17	1SCAN	34	MODS 17	1SCAN	29	MODS 17	1SCAN					0.018	0.038
MODS 18	BUSREPLY	35	MODS 18	BUSREPLY	30	MODS 18	BUSREPLY					0.001	0.002
MODS 18	EXPRESS	36	MODS 18	EXPRESS	31	MODS 18	EXPRESS					0.001	0.001
MODS 18	MAILGRAM	37	MODS 18	MAILGRAM	32	MODS 18	MAILGRAM					0.000	0.002
MODS 18	REGISTRY	38	MODS 18	REGISTRY	33	MODS 18	REGISTRY					0.001	0.001
MODS 18	REWRAP	39	MODS 18	REWRAP	34	MODS 18	REWRAP					0.002	0.001
MODS 18	1EEQMT	40	MODS 18	1EEQMT	35	MODS 18	1EEQMT					0.005	0.010
MODS 19	INTL	41	MODS 19	INTL ISC	36	MODS 19	INTL					0.004	0.001
MODS [illegible]	[illegible]	[illegible]	MODS [illegible]	[illegible]	[illegible]	[illegible]	[illegible]						0.002
MODS 41	LD41				37	MODS 41	LD41	0.035					
MODS 42	LD42				38	MODS 42	LD42	0.000					
MODS 43	LD43				39	MODS 43	LD43	0.109					
MODS 44	LD44				40	MODS 44	LD44	0.064					
MODS 48	LD48 EXP				41	MODS 48	LD48 EXP					0.000	
MODS 48	LD48_SSV				42	MODS 48	LD48_SSV					0.010	
MODS 49	LD49	43	MODS 49	LD49	43	MODS 49	LD49			0.190	0.133		
MODS 79	LD79	44	MODS 79	LD79	44	MODS 79	LD79			0.023	0.095		
MODS 99	1SUPP_F1	45	MODS 99	1SUPP_F1	45	MODS 99	1SUPP_F1				0.107	0.040	
MODS 99	1SUPP_F4				46	MODS 99	1SUPP_F4					0.062	
mods	1MISC												
MODS 48	LD48 OTH												
Non Mods													
NONMODS	ALLIED	46	NONMODS	ALLIED	47	NON MODS	ALLIED			0.208	0.274		
NONMODS	AUTO/MECH	47	NONMODS	AUTO/MECH	48	NON MODS	AUTO/MEC	0.200	0.196				
NONMODS	EXPRESS	48	NONMODS	EXPRESS	49	NON MODS	EXPRESS					0.000	0.000
NONMODS	MANF	49	NONMODS	MANF	50	NON MODS	MANF					0.002	0.005
NONMODS	MANL	50	NONMODS	MANL	51	NON MODS	MANL	0.294	0.274				
NONMODS	MANP	51	NONMODS	MANP	52	NON MODS	MANP					0.001	0.003
NONMODS	MISC	52	NONMODS	MISC	53	NON MODS	MISC					0.080	0.123
NONMODS	REGISTRY	53	NONMODS	REGISTRY	54	NON MODS	REGISTRY					0.006	0.003
							Total	2.138	1.886	1.180	1.109	0.313	0.506

5 WSRP dropped	2 WSRF dropped	3 NWSRF drop
	3 WSRF added	1 shifted to WS
	1 shifted from NWSRF	6 NWSRF adde
-5	+2	+2

Sources: R2005-1, USPS LR-K-53; R2001-1.

aster list contains all cost pool classifications used in one or more cases since R2001-1.
hanges between R2001-1 and R2005-1 are for the Automation.

1 BY MR. HART:

2 Q Understanding that you don't have the
3 knowledge to confirm the allocation between these
4 three categories, do you see that if you were to
5 assume that subject to check -- I won't even ask you
6 to assume it.

7 Do you see that from R2001 to this case in
8 R2005 that the total of the cost pools that were in
9 worksharing related proportional dropped from 2.138
10 cents to 1.886 cents?

11 A Again subject to, for instance, as was said
12 earlier I can't vouch for which numbers belong in
13 which column.

14 If you're saying that 2.138 is the total of
15 the numbers above that, I can accept that subject to
16 check, but I'm really -- Mr. Abdirahman really could
17 address this subject whereas I really don't know the
18 import or I can't comment on this table.

19 In other words, I can say yes, I know the
20 numbers add up, but I really can't comment on the
21 table other than that.

22 Q Thank you. One more question for you, Mr.
23 Smith. I don't intend to introduce this as an
24 exhibit. I did show you, or I showed your counsel and
25 I believe they showed you for purposes of explaining

1 what I'm asking, a chart of how costs were presented
2 in the R2000 case.
3 Do you have that chart in front of you? How
4 costs were presented for the base year, which that was
5 the base year of 1998 in the R2000 case.
6 A Yes.
7 Q Do you agree that in this case you did not
8 give us unit costs by cost pool for the base year?
9 A That's right. That's right. Mr. Abdirahman
10 and Mr. Miller and others make use of the test year
11 unit costs. That's what I've provided.
12 Q Can you see how it might be easier for a
13 participant in figuring out what's happening with the
14 test year costs to see what the unit costs per cost
15 pool were during the base year?
16 A Yes. Yes, I could.
17 Q Do you know why those weren't shown in this
18 case?
19 A Well, they weren't shown -- they weren't
20 provided because they weren't used in our work. The
21 work of Mr. Abdirahman, Miller and others, they have
22 used the test year unit cost and so that's what I've
23 provided.
24 Q Is this something that could be gotten by
25 pushing a button, or is it something that has to be

1 created? Is it easily produced?

2 A I guess you would say it's in between the

3 two.

4 Q Could we get it?

5 MS. PORTONOVO: Mr. Chairman, I object

6 again.

7 CHAIRMAN OMAS: If it's available, how

8 difficult would it be, Mr. Smith, for you to provide

9 that to us?

10 THE WITNESS: All the data is available. I

11 just have to kind of check it all out and make sure

12 that the calculations --

13 CHAIRMAN OMAS: Would you provide that to

14 the Commission?

15 THE WITNESS: Okay. I will, yes.

16 CHAIRMAN OMAS: Thank you.

17 MR. HART: That's all I have. Thank you

18 very much, Mr. Smith. Thank you.

19 THE WITNESS: Thank you.

20 CHAIRMAN OMAS: Mr. Olson? I'm going to

21 make a statement similar to yesterday. We're going to

22 allow you to begin your cross-examination. We will

23 take a 10 minute midmorning break. Then I'll let you

24 start, but at 1:00, and you're not to stop at 1:00,

25 but at 1:00 we will break for lunch.

1 MR. OLSON: Mr. Chairman, I hope to surprise
2 you and be done in two minutes.
3 CHAIRMAN OMAS: By all means. Proceed.
4 CROSS-EXAMINATION
5 BY MR. OLSON:
6 Q Mr. Smith, hi. Bill Olson, Val-Pak Direct
7 Marketing Systems and Val-Pak Dealers Association.
8 A Hello, Mr. Olson.
9 Q When Witness Van-Ty-Smith was on the stand
10 earlier one of her counsel suggested that a question
11 that she didn't feel comfortable with would be
12 responded to by you as the mail processing expert, and
13 I'm hoping you can help me.
14 The discussion had to do with workers that
15 were operating BCS and DBCS equipment in that
16 particular MODS pools. You're familiar with that one?
17 A Yes.
18 Q And that's the main pool for costs for
19 DPSing letters?
20 A I'm not sure it's the main one. I would
21 guess most DPS occurs in plants and so that DPS
22 sorting would be in that cost pool, although that cost
23 pool contains all DBCS operations, which includes a
24 lot more than delivery point sequencing.
25 Q What else would be included besides DPSing

1 the mail?

2 A It includes the whole gamut of -- I'd just

3 refer you to Library Reference 55, Part 1, which lists

4 all the MODS operations under that cost pool and lists

5 the hours.

6 I think you'll find there's a lot of

7 different operations listed there, you know, running

8 from outgoing primary through incoming secondary.

9 Q Do you know if there are DPS costs that are

10 in other MODS pools?

11 A Yes. I think there would be DPS costs for

12 the stations and branches, and that would be in the

13 auto/mech cost pool, I believe.

14 Q Auto?

15 A Yes, I think it's called auto. Let's see.

16 Q I was just curious what the spelling was of

17 the name of the cost pool.

18 A Let's see. It's nonMODS. At least this is

19 the way it's labeled in my Library Reference 53. It's

20 nonMODS and then auto, A-U-T-O, slash mech, M-E-C-H.

21 Q Any other cost pools you think might have

22 costs of DPSing letters?

23 A I think those are the two.

24 Q Okay. If a DAL is DPS'd is that treated as

25 a letter and counted as a letter shaped piece?

1 A No. No. My understanding was in our cost
2 system is that a data collector is asked to find the
3 parent piece so that if a DAL is for a flat mailing
4 then the DAL would be identified as a flat.
5 Q Let's take a situation where a DAL mailing
6 with unaddressed flats is entered at a DDU, and the
7 DALs are shipped back to the plant for processing, for
8 DPSing. Witness Lewis I believe explained that that
9 happens, correct?
10 A Yes.
11 Q For those pieces that are then at the plant
12 and being run on the OCR to begin with, first of all,
13 if they're not bar coded correctly --
14 A Right.
15 Q Not bar coded by the mailer. I mean, they
16 would have to be OCR'd and bar coded by the Postal
17 Service, correct?
18 A Yes.
19 Q And then they'd have to be run through DPS,
20 correct?
21 A Yes.
22 Q Okay. You're saying that those are
23 separated out? There's a separate count of DALs, and
24 they're not treated as letters?
25 A Okay. In the in-office cost system each

1 tally, you know, represents a certain amount of labor
2 time, each tally or reading. As part of taking that
3 reading they determine the shape of the mail piece.
4 For a DAL the shape of that piece is
5 determined by its parent piece, so if its parent piece
6 was a flat the mail piece would be called a flat.
7 Q But you'd agree that it could be a flat or a
8 parcel, correct, the host piece, the parent piece as
9 you call it?
10 A Are you saying we don't know what the parent
11 piece is?
12 Q Well, that's what I'm asking. How would you
13 know at the plant what the parent piece is?
14 A Okay. There are times when you don't know,
15 and then it's marked as unknown. I am told in our
16 editing process we do then treat that as a flat, a
17 flat cost, so there is a certain amount of unknown.
18 I'm not familiar with the rationale for
19 this, but I know that those costs for pieces with
20 unknown shape, DALs with unknown parent shape, they
21 are treated as flats in the editing process.
22 Q Even though they could be parcels?
23 A That's right.
24 Q And you're saying that the IOCS
25 instructions, which require the tally taker to look to

1 the parent piece as you call it and determine what
2 that is and record that, are applicable here and
3 followed here in the MODS cost pool for BCS/DBCS
4 equipment?
5 A As far as I know. I mean, that's what the
6 data collector and IOCS is asked to do. Yes, I would
7 think so.
8 Q Are you able to develop a total number of
9 DALs that are processed on DPS equipment or OCR
10 equipment?
11 A Well, our in-office cost system doesn't
12 provide you any volumes.
13 Q Right.
14 A It just provides you total labor time, so I
15 guess I'd say no.
16 Q You say if it's known. That would indicate
17 to me that the DAL was there with a host piece at the
18 plant. Both were at the plant. Would that not be
19 when you would know what it was?
20 A Yes.
21 Q And if the DAL and the host piece are not
22 physically proximate necessarily, would the tally
23 taker have to go out and find the associated piece?
24 A Well, they are asked to find the associated
25 piece, but I'm not sure to what length they go to do

1 that. The percentage of time that it's unknown isn't
2 that large. I'd have to get back to you on
3 percentages, but it's not that large.
4 Q So you're saying most of the time the tally
5 taker identifies it as a letter or a flat, the host
6 piece?
7 A Well, yes. I guess presumably there
8 wouldn't be letters with a DAL, but I don't know.
9 Q I'm sorry. Excuse me. I assume it would be
10 as a flat or a parcel, not a letter.
11 A Yes.
12 MR. OLSON: Mr. Chairman, if there is
13 available numbers on this as to the pieces that are
14 identified or unknown and how they're allocated that
15 could be provided, that would be most helpful.
16 CHAIRMAN OMAS: Mr. Smith?
17 THE WITNESS: Yes. We can provide that.
18 I've seen those calculations. I myself wouldn't be
19 doing them myself, but I'm pretty sure we have those
20 numbers.
21 CHAIRMAN OMAS: Would you please provide it?
22 THE WITNESS: Okay. Yes.
23 CHAIRMAN OMAS: Thank you.
24 MR. OLSON: I think both of my minutes are
25 up. Thank you.

1 CHAIRMAN OMAS: I think so. Thank you.
2 Mr. Hall? I didn't have a chance to ask if
3 there was anything further.
4 MR. HALL: Mr. Chairman, I have only one or
5 two questions that were occasioned by some cross-
6 examination by Mr. Hart on behalf of ABA & NAPM.
7 CROSS-EXAMINATION
8 BY MR. HALL:
9 Q Good morning just barely, Mr. Smith. My
10 name is Mike Hall, and I represent Major Mailers
11 Association.
12 A Good morning, Mr. Hall.
13 Q Do you recall during your cross-examination
14 by Mr. Hart that you indicated that as volumes of
15 nonautomation presort letters decline the potential
16 for inaccuracies in the data increase?
17 A Yes.
18 Q And would the same be true of a subset of
19 nonautomation presort letters?
20 A I'm not sure I understand what you mean by a
21 subset.
22 Q Well, do you understand that nonautomation
23 letters are divided between nonauto machineable and
24 nonauto nonmachineable?
25 A Okay. The costs I was referring to was the

1 costs provided by the in-office cost system, and the
2 in-office cost system can't provide any subsets, as
3 far as I'm aware can't provide any subsets below
4 nonautomation or automation.
5 Q I understand with respect to the IOCS
6 system, but if another witness broke up those costs
7 into subsets, for example, nonauto machineable mixed
8 AADC letters, your general statement that as the
9 volumes decline the potential for inaccuracies
10 increase, that would apply, would it not?
11 A Well, my comments are about all
12 nonautomation letters, all first class nonautomation
13 letters, and that over time because the volume of
14 first class presort nonautomation has declined and
15 because there's some degree of error in determining
16 automation versus nonautomation that degree of error
17 has become a larger factor. I really can't talk to
18 how it would affect specific types of nonautomation
19 mail.
20 MR. HALL: Thank you very much, Mr. Smith.
21 Nothing further.
22 CHAIRMAN OMAS: Thank you, Mr. Hall.
23 I've polled the bench, and no one has any
24 questions. Ms. Portonovo, would you like some time
25 with your witness?

1 MS. PORTONOVO: Yes, I would, Mr. Chairman.
2 Ten minutes, please.
3 CHAIRMAN OMAS: Very good. We'll come back
4 at 12:10.
5 (Whereupon, a short recess was taken.)
6 CHAIRMAN OMAS: Ms. Portonovo?
7 MS. PORTONOVO: Thank you, Mr. Chairman.
8 The Postal Service has no redirect.
9 CHAIRMAN OMAS: Thank you. With that I
10 think we'll take a luncheon break if everybody would
11 like, or we could go straight through with this. I
12 think lunch would be nice. Why don't we come back
13 here about 1:15, and we will take up and consider
14 Witness Kelley.
15 With that, Mr. Smith, thank you for your
16 contribution to our record. We appreciate it. You
17 are now dismissed.
18 THE WITNESS: Thank you. Thank you, sir.
19 (Witness excused.)
20 (Whereupon, at 12:15 p.m. the hearing in the
21 above-entitled matter was recessed, to reconvene at
22 1:15 p.m. this same day, Friday, July 8, 2005.)
23 //
24 //
25 //

1 A F T E R N O O N S E S S I O N

2 (1:16 p.m.)

3 CHAIRMAN OMAS: Mr. Koetting?

4 MR. KOETTING: Thank you, Mr. Chairman. The

5 Postal Service calls as its next witness John Kelley.

6 Whereupon,

7 JOHN KELLEY

8 having been duly sworn, was called as a

9 witness and was examined and testified as follows:

10 (The document referred to was

11 marked for identification as

12 Exhibit No. USPS-T-16.)

13 DIRECT EXAMINATION

14 BY MR. KOETTING:

15 Q Mr. Kelley, could you please state your full

16 name and position for the record?

17 A John Kelley, economist with the Postal

18 Service.

19 Q Mr. Kelley, I've handed you a document

20 entitled Direct Testimony of John Kelly on Behalf of

21 the United States Postal Service, which has been

22 labeled as USPS-T-16. Are you familiar with this

23 document?

24 A Yes.

25 Q Was it prepared by you or under your

1 supervision?

2 A Yes.

3 Q Does the copy of the document that I've

4 handed you contain pages 5 and 6, which are marked

5 Revised June 17, 2005?

6 A Yes.

7 Q Now, do those pages reflect not only the

8 revisions of June 17, but also the revision of June 9

9 that were made on those pages as well?

10 A Yes, they do.

11 Q With those revision, if you were to testify

12 orally today would this be your testimony?

13 A Yes.

14 Q Are there any Category 2 library references

15 associated with this testimony?

16 A Yes. I sponsor LR-K-67 and LR-K-39.

17 Q And it is your intent to sponsor those into

18 evidence?

19 A Yes.

20 MR. KOETTING: With that, the United States

21 Postal Service would move that the direct testimony of

22 John Kelley on behalf of the United States Postal

23 Service, USPS-T-16, be admitted into evidence.

24 CHAIRMAN OMAS: Is there any objection?

25 (No response.)

1 CHAIRMAN OMAS: Hearing none, I will direct
2 counsel to provide the reporter with two copies of the
3 direct testimony of John Kelley. That testimony is
4 received into evidence. However, as is our practice,
5 it will not be transcribed.
6 (The document referred to,
7 previously identified as
8 Exhibit No. USPS-T-16, was
9 received in evidence.)
10 CHAIRMAN OMAS: Mr. Kelley?
11 THE WITNESS: Yes?
12 CHAIRMAN OMAS: Have you had an opportunity
13 to examine the packet of questions given to you in the
14 hearing room today?
15 THE WITNESS: Yes, I have.
16 CHAIRMAN OMAS: If those questions from that
17 packet were posed to you today orally, would your
18 answers be the same as those provided in writing?
19 THE WITNESS: I do have a couple of
20 corrections. MMA-5(d), the top of the second page,
21 the nonDPS letter costs for BY '04 would be 10.35
22 cents, and the DPS letter costs would be 2.28 cents,
23 and for test year '06 the nonDPS letter costs would be
24 10.92 cents, and the DPS letter costs wold be 2.41
25 cents. I'm changing those to be consistent with

1 another response, MMA-16(a). T-16-16(a)

2 Another correction is OCA-T-16, Question

3 1(b). On the third line I'd like to change the word

4 form to from and 2000 to 2001.

5 CHAIRMAN OMAS: Are there any additional --

6 THE WITNESS: That's all.

7 CHAIRMAN OMAS: There are no additional.

8 Counsel, would you please provide two copies

9 of the corrected designated written cross-examination

10 of Witness Kelley to the reporter? That material is

11 received into evidence and is to be transcribed into

12 the record.

13 (The document referred to,

14 previously identified as

15 Exhibit No. USPS-T-16, was

16 received in evidence.)

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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Request of the United States Postal Service for a Recommended Decision on Changes in Rates of Postage and Fees for Postal Services

Docket No. R2005-1

DESIGNATION OF WRITTEN CROSS-EXAMINATION
OF UNITED STATES POSTAL SERVICE
WITNESS JOHN KELLEY
(USPS-T-16)

Party	Interrogatories
Advo, Inc.	ABA&NAPM/USPS-T16-10 OCA/USPS-T16-1-5, 7 PRC/USPS-POIR No.8- Q4-6 redirected to T16 VP/USPS-T16-2, 19, 21, 39a-c
American Bankers Association and National Association of Presort Mailers	ABA&NAPM/USPS-T16-1-4, 6-12, 15-17 GCA/USPS-T16-1-2 MMA/USPS-T16-5b-d, 7-8, 14-15, 24, 28-29
Greeting Card Association	GCA/USPS-T16-1-2
Major Mailers Association	MMA/USPS-T16-1-4, 5c, 6, 9-13, 16-21, 22a-c, 23, 24c-d, 25, 27 MMA/USPS-T29-5 redirected to T16
Newspaper Association of America	ABA&NAPM/USPS-T16-9, 11, 15 MMA/USPS-T16-17 PRC/USPS-POIR No.8- Q4-8, 14 redirected to T16 VP/USPS-T16-2, 4-5, 12, 19-22, 29, 38

Party	Interrogatories
Office of the Consumer Advocate	GCA/USPS-T16-1 OCA/USPS-T16-1-2, 5, 7 PRC/USPS-POIR No.8- Q6 redirected to T16
Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association Inc.	VP/USPS-T16-1-38, 39a-c, 40-42 VP/USPS-T14-2c, 13, 14a, c-d redirected to T16 VP/USPS-T28-4, 41-42 redirected to T16

Respectfully submitted,

Steven W. Williams
Secretary

INTERROGATORY RESPONSES OF
UNITED STATES POSTAL SERVICE
WITNESS JOHN KELLEY (T-16)
DESIGNATED AS WRITTEN CROSS-EXAMINATION

Interrogatory	Designating Parties
ABA&NAPM/USPS-T16-1	ABA&NAPM
ABA&NAPM/USPS-T16-2	ABA&NAPM
ABA&NAPM/USPS-T16-3	ABA&NAPM
ABA&NAPM/USPS-T16-4	ABA&NAPM
ABA&NAPM/USPS-T16-6	ABA&NAPM
ABA&NAPM/USPS-T16-7	ABA&NAPM
ABA&NAPM/USPS-T16-8	ABA&NAPM
ABA&NAPM/USPS-T16-9	ABA&NAPM, NAA
ABA&NAPM/USPS-T16-10	ABA&NAPM, Advo
ABA&NAPM/USPS-T16-11	ABA&NAPM, NAA
ABA&NAPM/USPS-T16-12	ABA&NAPM
ABA&NAPM/USPS-T16-15	ABA&NAPM, NAA
ABA&NAPM/USPS-T16-16	ABA&NAPM
ABA&NAPM/USPS-T16-17	ABA&NAPM
GCA/USPS-T16-1	ABA&NAPM, GCA, OCA
GCA/USPS-T16-2	ABA&NAPM, GCA
MMA/USPS-T16-1	MMA
MMA/USPS-T16-2	MMA
MMA/USPS-T16-3	MMA
MMA/USPS-T16-4	MMA
MMA/USPS-T16-5b	ABA&NAPM
MMA/USPS-T16-5c	ABA&NAPM, MMA
MMA/USPS-T16-5d	ABA&NAPM
MMA/USPS-T16-6	MMA
MMA/USPS-T16-7	ABA&NAPM
MMA/USPS-T16-8	ABA&NAPM
MMA/USPS-T16-9	MMA
MMA/USPS-T16-10	MMA
MMA/USPS-T16-11	MMA
MMA/USPS-T16-12	MMA
MMA/USPS-T16-13	MMA
MMA/USPS-T16-14	ABA&NAPM

Interrogatory	Designating Parties
MMA/USPS-T16-15	ABA&NAPM
MMA/USPS-T16-16	MMA
MMA/USPS-T16-17	MMA, NAA
MMA/USPS-T16-18	MMA
MMA/USPS-T16-19	MMA
MMA/USPS-T16-20	MMA
MMA/USPS-T16-21	MMA
MMA/USPS-T16-22a	MMA
MMA/USPS-T16-22b	MMA
MMA/USPS-T16-22c	MMA
MMA/USPS-T16-23	MMA
MMA/USPS-T16-24	ABA&NAPM
MMA/USPS-T16-24c	MMA
MMA/USPS-T16-24d	MMA
MMA/USPS-T16-25	MMA
MMA/USPS-T16-27	MMA
MMA/USPS-T16-28	ABA&NAPM
MMA/USPS-T16-29	ABA&NAPM
MMA/USPS-T29-5 redirected to T16	MMA
OCA/USPS-T16-1	Advo, OCA
OCA/USPS-T16-2	Advo, OCA
OCA/USPS-T16-3	Advo
OCA/USPS-T16-4	Advo
OCA/USPS-T16-5	Advo, OCA
OCA/USPS-T16-7	Advo, OCA
PRC/USPS-POIR No.8- Q14 redirected to T16	NAA
PRC/USPS-POIR No.8- Q4 redirected to T16	Advo, NAA
PRC/USPS-POIR No.8- Q5 redirected to T16	Advo, NAA
PRC/USPS-POIR No.8- Q6 redirected to T16	Advo, NAA, OCA
PRC/USPS-POIR No.8- Q7 redirected to T16	NAA
PRC/USPS-POIR No.8- Q8 redirected to T16	NAA
VP/USPS-T16-1	Valpak
VP/USPS-T16-2	Advo, NAA, Valpak
VP/USPS-T16-3	Valpak
VP/USPS-T16-4	NAA, Valpak
VP/USPS-T16-5	NAA, Valpak

Interrogatory	Designating Parties
VP/USPS-T16-6	Valpak
VP/USPS-T16-7	Valpak
VP/USPS-T16-8	Valpak
VP/USPS-T16-9	Valpak
VP/USPS-T16-10	Valpak
VP/USPS-T16-11	Valpak
VP/USPS-T16-12	NAA, Valpak
VP/USPS-T16-13	Valpak
VP/USPS-T16-14	Valpak
VP/USPS-T16-15	Valpak
VP/USPS-T16-16	Valpak
VP/USPS-T16-17	Valpak
VP/USPS-T16-18	Valpak
VP/USPS-T16-19	Advo, NAA, Valpak
VP/USPS-T16-20	NAA, Valpak
VP/USPS-T16-21	Advo, NAA, Valpak
VP/USPS-T16-22	NAA, Valpak
VP/USPS-T16-23	Valpak
VP/USPS-T16-24	Valpak
VP/USPS-T16-25	Valpak
VP/USPS-T16-26	Valpak
VP/USPS-T16-27	Valpak
VP/USPS-T16-28	Valpak
VP/USPS-T16-29	NAA, Valpak
VP/USPS-T16-30	Valpak
VP/USPS-T16-31	Valpak
VP/USPS-T16-32	Valpak
VP/USPS-T16-33	Valpak
VP/USPS-T16-34	Valpak
VP/USPS-T16-35	Valpak
VP/USPS-T16-36	Valpak
VP/USPS-T16-37	Valpak
VP/USPS-T16-38	NAA, Valpak
VP/USPS-T16-39a	Advo, Valpak
VP/USPS-T16-39b	Advo, Valpak
VP/USPS-T16-39c	Advo, Valpak

Interrogatory	Designating Parties
VP/USPS-T16-40	Valpak
VP/USPS-T16-41	Valpak
VP/USPS-T16-42	Valpak
VP/USPS-T14-2c redirected to T16	Valpak
VP/USPS-T14-13 redirected to T16	Valpak
VP/USPS-T14-14a redirected to T16	Valpak
VP/USPS-T14-14c redirected to T16	Valpak
VP/USPS-T14-14d redirected to T16	Valpak
VP/USPS-T28-4 redirected to T16	Valpak
VP/USPS-T28-41 redirected to T16	Valpak
VP/USPS-T28-42 redirected to T16	Valpak

RESPONSE OF POSTAL SERVICE WITNESS JOHN KELLEY TO INTERROGATORIES OF ABA AND NAPM

ABA&NAPM/USPS-T16-1. In LR-K-48, page 1 "First - Class Mail Presort Letters Summary", please explain why worksharing related delivery costs are lower for non-automation BMM than for automation mixed AADC letters and AADC letters.

Response

I am not familiar with the expression nonautomation BMM. I assume you intended to inquire why the unit delivery costs for BMM (3.929 cents) are lower than for automation mixed AADC letters (4.148 cents) and automation AADC letters (3.940 cents). Since neither IOCS nor CCS captures data separately on Bulk Metered Mail, First Class Mail machinable mixed AADC nonautomation presort letters are used as a proxy for delivery unit costs (witness Abdirahman's direct testimony USPS-T-21 page 12 lines 1-4). The unit delivery costs are lower for BMM since it has a higher DPS percentage than either automation mixed AADC letters or automation AADC letters. The DPS percentage for `MM, automation mixed AADC letters, and automation AADC letters are 82.14, 79.57, and 82.02 percent respectively. Letters that go through DPS generally do not incur casing costs which with all other things being equal leads to the fact that presorted letters with a higher DPS percentage will have a lower unit delivery cost.

RESPONSE OF POSTAL SERVICE WITNESS JOHN KELLEY TO INTERROGATORIES OF ABA AND NAPM

ABA&NAPM/USPS-T16-2.
a. In LR-K-67, Table 1: Test Year FY06 Unit Delivery Costs, please explain why there is no category for BMM.
b. Please explain why single piece unit delivery costs are lower than nonmachinable categories of nonautomation presort mail.
c. What percentage of single piece mail is nonmachinable? Please provide a break down of single piece mail unit delivery costs by machinable and nonmachinable volumes.

Response

a. Derivation of unit delivery costs relies heavily on information collected from the IOCS and CCS. Since neither system captures information separately on BMM, First Class Mail machinable mixed AADC nonautomation presort letters are used as a proxy for BMM delivery unit costs (witness Abdirahman direct testimony USPS-T-21 page 12 lines 1-4). Therefore the unit delivery costs for BMM are the same as for its proxy which is 3.929 cents. The level of detail in LR-K-67 is the same as in the previous derivation LR-J-117.

b. The unit delivery costs are lower for single piece First Class Mail since the vast majority of it is machinable. Essentially the comparison for these two categories is between machinable and nonmachinable pieces of which machinable mail will have a lower unit delivery cost.

c. Of the 45,161,746,421 single piece First Class Mail volume in FY04 approximately 44,652,826,426 or 98.9% was machinable.

RESPONSE OF POSTAL SERVICE WITNESS JOHN KELLEY TO INTERROGATORIES OF ABA AND NAPM

ABA&NAPM/USPS-T16-4. What assumptions, if any, were made for the test year unit delivery costs insofar as the deployment of DIOSS machines that are replacing MLOCR machines? If no activities on the DIOSS technology are considered delivery costs, please so state.

Response

No activities on the DIOSS technology were considered in the derivation of the delivery costs in LR-K-67.

Response of Postal Service Witness John Kelley to Interrogatories Posed by the American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-T16-6.
In your answer to ABA&NAPM/USPS-T16-1, you state that "The unit delivery costs are lower for BMM since it has a higher DPS percentage than either automation mixed AADC letters or automation AADC letters.
a. Please confirm that you have no direct DPS percentage measurements for BMM letters or for single piece metered letters, only a proxy from one of eight non-automation presort breakouts.
b. Please confirm that BMM is not a presort category in the sense in which the Postal Service uses the term "presort".
c. Please confirm that the 3.929 cent non-automation presort machinable mixed AADC unit cost you use as a proxy for BMM could as well have been the same 3.929 cent non-automation presort machinable AADC. Why did you use the mixed category as your BMM proxy?
d. Please confirm that the DPS percentage for non-auto machinable AADC FCLM is 82.14% and for automation AADC mail is 82.02%.
e. Please confirm that there is not any statistically significant difference between these DPS percentages. If you do not confirm, please submit all necessary statistical test results that prove there is a statistically significant difference between the two DPS percentages.

Response

a. It can be confirmed that I do not have a direct DPS percentage measurement for BMM letters or for single piece metered letters. I obtain DPS percentages from witness Abdirahman (USPS-T-21).

b. Confirmed. Please refer to the response to ABA&NAPM/USPS-T16-13b.

c. Please refer to the responses to ABA&NAPM/USPS-T16-13b.

d. Confirmed.

e. I do not know. I agree the difference is small and my understanding is that the DPS percentages are estimates. However, without the specific variances associated with each figure, I cannot determine whether the difference is statistically significant.

Response of Postal Service Witness John Kelley to Interrogatories Posed by the American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-T16-7.
In your response to ABA&NAPM/USPS-T16-4, you state that "No activities on the DIOSS technology were considered in the derivation of the delivery costs in LR-K-67."
a. Please confirm that the DIOSS technology is already operational and in the field.
b. Please confirm that according to the "2004 Comprehensive Statement on Postal Operations" DIOSS improvements were made to 346 mail processing centers in 2004 (see page 40).
c. Please confirm from the same report, page 41, that about half of the 1,632 additional DBCS stacker modules for which funding was approved in 2004 were deployed in 2004.
d. Would you agree that the changes described in b. and c. affect TY2006 unit costs for FCLM single piece and presort?
e. Would you agree that the changes described in b. and c., had they been incorporated into TY2006 mail processing and delivery costs combined for FCLM likely would have reduced those costs relative to what appears in your rate case estimates as filed?
f. Please provide estimates using engineering study information associated with the deployment of DIOSS and quad DBCS stacker modules of the degree to which your TY2006 mail processing and delivery costs are too high, either as a percentage of those unit costs as filed or in absolute unit costs for all FCLM rate categories.
g. Please also state how these adjustments to reflect technology already widely distributed but not used as the basis for costs in this case impact the TY2006 total revenue requirement.
h. Would your failure to incorporate DIOSS and quad stack module productivities in your TY2006 costs explain why these costs appear to be moving above trend as shown in the chart accompanying ABA&NAPM/USPS-T16-5 above?

Response

a. Confirmed.

b. Not confirmed. It is my understanding that while the Comprehensive Statements says that improvements were made in 346 mail processing centers, it does not indicated that all of those improvements specifically involved DIOSS.

c. Confirmed

d. I presume you are referring to unit delivery costs. I do not know. If the deployment of the equipment increases the overall DPS percentage for presorted

letters, than it may lower the unit delivery cost. However, another important component in calculating the unit delivery cost is the relative proportion of volume delivered on city and rural routes. Without that information I cannot predict how the deployment of the equipment will affect the unit delivery costs.

e. I don't know. Please refer to my answer to part d.

f. I am not aware of any engineering studies available that would answer your question.

g. I do not know. The question is outside the scope of my testimony which was to update unit delivery costs by rate category for First Class Mail and Standard Mail for the test year.

h. I do not know. The question is outside the scope of my testimony which was to update unit delivery costs by rate category for First Class Mail and Standard Mail for the test year.

Response of Postal Service Witness John Kelley to Interrogatories Posed by the American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-T16-8.
In response to MMA/USPS-T-16-2. b., you state that the USPS volume variability for cost segment 6 is 82.4%, and for cost segment 7 is 36.8%. Please list the factors associated with and explain fully what accounts for the non-volume variable costs in each cost segment.

Response

For a complete explanation of the volume variable costs contained in cost segments 6 and 7 please refer to USPS-LR-K-1 pages 6-1 through 6-4 (cost segment 6) and pages 7-1 through 7-6 (cost segment 7).

Response of Postal Service Witness John Kelley to Interrogatories Posed by the American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-T16-9.
Please refer to your testimony page 7 lines 19-20. You state "The USPS version utilizes more consistent and justifiable methods to calculate delivery costs by rate category than previous efforts." Please explain in what way(s) USPS methodology is "more consistent" as compared to PRC. Please provide any studies that you or others may have conducted that justify this statement. Or textbooks and professional articles which demonstrate your methods are more consistent and justifiable than previous efforts.

Response

The quotation from my testimony referenced in the first line of the question is not intended to be a comparison of USPS and PRC methodologies. It is a comparison between the current USPS methodology (Docket No. R2005-1/LR-K-67) and the previous USPS methodology (Docket No. R2001-1/LR-J-117). Please refer to my testimony page 7 line 6 for further discussion on this issue.

I am unaware of any studies or professional articles that compare the derivation of unit delivery costs by rate category using the current USPS methodology with the previous USPS methodology.

Response of Postal Service Witness John Kelley to Interrogatories Posed by the American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-T16-10.
Please refer to your testimony page 10 lines 7-9. You state that "There are a variety of methods of allocating a fixed sample size amongst defined strata. Neyman allocation was utilized..." Please explain why you chose Neyman methodology as opposed to any other allocation methodology.

Response

Neyman allocation was utilized since it allocates the sample to each stratum in a manner that minimizes the variance on the estimated mean[1].

[1] Cochran, William G. Sampling Techniques 3rd Edition.(John Wiley and Sons, 1977), p98.

Response of Postal Service Witness John Kelley to Interrogatories Posed by the American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-T16-11.
Please refer to USPS LR-K-67, and USPS LR-J-117. Please confirm that cost segment 7.1 in LR-K-67 corresponds to the sum of cost segments 7.1, 7.3, and 7.4 in LR-I-117. If not confirmed, please provide the corresponding crosswalk.

Response

Not confirmed. My understanding is there is no direct crosswalk between cost segment 7 from LR-J-117 to LR-K-67. Please refer to the Chapter 7 from respective Summary Descriptions (USPS-LR-J-1, USPS-LR-K-1) for a description of the separate components of cost segment 7 costs. In LR-K-67, references to 7.1 costs (e.g. worksheet '2SUMMARYTY' column G) correspond to 7.2 costs in USPS-LR-K-1 and references to 7.2 costs (e.g. '2SUMMARYTY' column H) correspond to 7.3 costs in USPS-LR-K-1. The 7.1 costs from USPS-LR-K-1 are not included in LR-K-67, since they are institutional costs associated with network travel, as explained on page 7-3 of the Summary Description.

Response of Postal Service Witness John Kelley to Interrogatories Posed by the American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-T16-12
Please refer to USPS LR-K-67, Excel sheet "2.summary TY" column C, 6.1 Unit Cost. Please explain why, unlike the corresponding table from R2001-1, there are no unit costs for "Nonautomation -- Nonmach Mixed ADC," "Nonautomation -- Nonmach, Nonmach ADC," "Nonautomation -- Nonmach 3-Digit," and "Nonautomation -- Nonmach 5- Digit." If an oversight, please provide a corrected page with the unit cost figures.

Response

This is an oversight. The missing unit costs can be found by adding the costs from columns D and E from the corresponding row and dividing by the test year volume (column M corresponding row) for that rate category. It is worth noting that these unit costs are not necessary to derive the unit delivery costs in 'Table 1' of LR-K-67_2ndrevised.xls. Below are the formulas and the unit costs for the categories you requested. All cell references refer to cells contained within LR-K-67_2ndRevised.xls worksheet '2SummaryTY'.

Category	Formula	Result
Nonautomation – Nonmach Mixed ADC	$\frac{D11+E11}{M11}$	.0438
Nonautomation – Nonmach ADC	$\frac{D12+E12}{M12}$	.0438
Nonautomation – Nonmach 3 digit	$\frac{D15+E15}{M15}$	.0438
Nonautomation – Nonmach 5 digit	$\frac{D15+E15}{M15}$	.0438

They all calculate to the same value because the DPS percentage for each of the four rate categories is the same. Please refer to my response to MMA/USPS-

T16-18 for an explanation of the manner in which the in-office costs are allocated to rate categories.

Response of Postal Service Witness John Kelley to Interrogatories Posed by the American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-T16-15.

As between R2001-1 and R2005-1, the shares of various delivery cost segments as a percent of total unit delivery costs appears to have shifted, specifically out of C. S. 6.1 and into C. S. 7.1. While this is not true for all rate categories, it is true for about 2/3 of them.
a. Is this one result of the use of the new delivery cost study? If so, please explain what elements of that study have caused this shift.
b. If your answer to a. is "No.", please explain what other factors have caused this shift, such as increased DPS, increased use of DIOSS and quad stacker modules, etc.

Response

a. My understanding is that the current USPS cost segment 7 methodology has different cost pools and variability factors than the one utilized in R2001-1 has different cost pools and variabilities. The resulting effect of the different costs pools and variability factors is that a larger proportion of cost segment 7 accrued costs are considered volume variable.

To further illustrate this point, in FY2000 (base year for R2001-1) approximately 29 (2.6/9) percent of the accrued costs were considered volume variable as compared to FY2004 approximately 37 percent (3.8/10.3) of the accrued costs are considered volume variable.

The increase in the percentage of cost segment 7 costs that are considered volume variable results in a shift mentioned in the question since volume variable cost segment 6 costs (3.7 billion in FY2000 and 3.9 billion in FY2004) have not varied greatly from FY2000 to FY2004.

b. Please refer to my response to part a.

Response of Postal Service Witness John Kelley to Interrogatories Posed by the American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-T16-16.

Please explain what c. s. 6.1 "in office direct labor non-casing" activities are, and please differentiate such activities from C. S. 7.1 activities.

Response

In terms of cost segment 6.1, please refer to my response to VP/USPS-T16-23.

Cost segment 7.1 activities are fully explained in USPS-LR-K-1, although please note that what are referred to in USPS-LR-K-67 as 7.1 activities correspond to what are described as cost segment 7.2 activities in USPS-LR-K-1.

Response of Postal Service Witness John Kelley to Interrogatories Posed by the American Bankers Association and National Association of Presort Mailers

ABA&NAPM/USPS-T16-17.

a. Would you agree that the greater the degree of worksharing in FCLM, the greater the proportion of delivery cost savings in the total worksharing savings, and the less the proportion of mail processing cost savings?
b. *In light of your answer to a., is the reason an extremely low cost proxy is used* as the benchmark against which workshared delivery cost savings are measured to dampen the magnitude of those savings? If your answer is anything other than an unqualified "Yes", please explain fully.
c. Please provide the unit delivery cost for non-automation presort letters as a whole for this case, on the same methodological basis as it was provided in R2000-1, where its value was 5.479276 cents.
d. Please provide the FCLM unit delivery cost for "Auto Basic Letters" as a whole for this case as well as for R2001-1, on the same methodological basis as it was provided in R2000-1, where its value was 4.319397 cents.

Response

a. I do not know. My task was to update the unit delivery costs by rate category, which does not involve considering mail processing cost savings.

b. Please refer to my response to part a.

c. I am not sure how those were calculated in R2000-1. Logically, it seems as though it would just be a weighted average (by test year volume) of the unit costs of the eight non-automation presort categories. Applying the calculation to the current USPS (LR-K-67) unit delivery methodology derives a unit delivery cost of 6.94 cents per piece, and with the PRC methodology, the unit delivery costs is 6.47 cents per piece.

d. I am unsure as to the specific rate category or aggregation of rate categories that you are referring to in the question. The unit delivery costs for First Class *auto presort letters that I calculate using the R2001-1 methodology*

and the USPS and PRC methodologies from R2005-1 are 3.99 cents, 3.82 cents, 3.87 cents for the R2001-1, USPS R2005-1 (LR-K-67), and the PRC R2005-1 (USPS-LR-K-101) methodologies, respectively.

Response of Witness John Kelley to Interrogatories Posed by the Greeting Card Association

GCA/USPS-T16-1.
In response to MMA/USPS-T-16-2. b. , you state that USPS unit single piece delivery costs for [CRA-defined] cost segment 7 are 52.7% higher than using the PRC method. Please explain in unit cost amounts which specific factor accounts for which unit cost incremental difference underlying the 7.188 cents – 5.844 cents = 1.344 cent total cent difference, e.g. .3 cents of the difference is due to different distribution keys, .2 cents is due to different volume variabilities, etc.

Response

The revised difference in unit delivery costs is 1.405 cents (7.189 cents for single piece with USPS methodology and 5.784 cents with PRC methodology). The unit delivery cost difference translates into a total volume variable cost difference of $547.4 million dollars in test year delivery costs between the two methodologies.

The difference is primarily due to the higher volume variable costs in cost segment 7 for First Class Single Piece Letters (subclass level) with the current USPS methodology as compared with the PRC methodology. To further illustrate this point, please refer to the table submitted with the response to MMA/USPS-T16-2b. It shows that the difference in segment 7 volume variable costs between the two methodologies is $406 million which, after applying the appropriate base year piggyback factors for each methodology, results in $493 million more in segment 7 volume variable base year costs attributed to the First Class Single Piece Letters (subclass level) using the USPS methodology as compared to the PRC methodology. Updating the costs in the table as part of my response to MMA/USPS-T16-2b to the test year gives a difference of approximately $620 million at the First Class Single Piece Letter (subclass level). Multiplying the $620 million by 90 percent to derive the First Class single piece

Response of Witness John Kelley to Interrogatories Posed by the Greeting Card Association

(letter shaped) difference in city street time volume variable costs between the two methods is approximately $560 million or 1.44 cents per piece which essentially equals the difference (1.41 cents) in the unit delivery costs between the USPS and PRC methods of deriving those unit costs.

In summary, my understanding is that the higher proportion of segment 7 volume variable costs allocated to First Class Single Piece letter shaped pieces with the USPS methodology largely explains the differential in unit delivery costs between the two methods. My understanding is that the principal reason that the volume variable costs are higher for First Class Single Piece Letters (subclass) is due to the higher volume variable collection costs from customer boxes that result from the USPS cost segment 7 methodology. My understanding is that the variability factor applied to the delivery costs (which represents 72.3 percent of the accrued street costs) is 8.8 percent as compared with the variability (on a different total which represented 25.3 percent of the accrued street cost) of 1.6 percent with the PRC methodology. Please refer to my response to MMA/USPS-T16-13 for further explanation of the location and magnitude of the collection costs in LR-K-67.

Response of Witness John Kelley to Interrogatories Posed by the Greeting Card Association

GCA/USPS-T16-2.
In response to MMA/USPS-T-16-2. b. , you state that the USPS costs for cost segment 7 utilizes a 31.0% distribution key for FCLM while the Commission utilizes a 21% distribution key. What accounts for the different distribution key assumptions?

Response

The percentages referenced in the question are not assumptions, they are derived by taking the ratio of segment 7 volume variable costs for single piece letters (subclass level) to the total segment 7 volume variable costs for all subclasses for the USPS and PRC methods. The different relative proportions that result are directly related to the manner by which each method allocates segment 7 accrued costs to volume variable costs by subclass, but those details are beyond the scope of my testimony.

Response of Postal Service Witness John Kelley to Interrogatories of the Major Mailers Association

MMA/USPS-T-16-1

Please refer to page 4 of your direct testimony where you state that you sponsor Library Reference USPS-LR-K-67, Development of Delivery Costs by Rate Category for First-Class Mail and Standard Mail. You also note that this library reference "updates the analyses done in library reference USPS-LR-J-117/R2001-1". Further, you explain that a similar library reference, USPS-LRK-101, develops delivery costs using the Commission's attributable cost methodology.

A. Please identify separately and explain any and all differences in methodology between your derivation of First-Class delivery costs in Library Reference USPS-LR-K-67 in R2005-1 and the derivation of First-Class delivery costs in Library Reference USPS-LR-J-117 in R2001-1.

B. Please identify separately and explain any and all differences in methodology between your derivation of First-Class delivery costs in Library References USPS-LR-K-67 and USPS-LR-K-101, both filed in R2005-1.

C. Please identify separately and explain any and all differences in methodology between your derivation of First-Class delivery costs in Library Reference USPS-LR-K-67 filed in R2005-1 and the derivation of First-Class delivery costs in Library Reference USPS-LR-I-95 filed in R2000-1, particularly as they relate to the measurement of delivery cost savings between First-Class workshared letters and nonworkshared letters.

D. Please identify separately and explain any and all differences in methodology between your derivation of First-Class delivery costs in USPS-LR-K-101, filed in R2005-1 and the derivation of First-Class delivery costs in USPS-LR-I-95 filed in R2000-1, particularly as they relate to the measurement of delivery cost savings between First-Class workshared letters and non-workshared letters.

Response

a. The differences are as follows:

1. Segment 6, 7, and 10 Cost Inputs

The segment 6, 7, and 10 cost analyses provide inputs to the LR-J-117 and LR-K-67 derivations of delivery costs by shape and rate subcategory. Some of the methods used to produce these inputs changed between LR-J-117 and LR-K-67. The inputs to LR-J-117 are from the R2001-1 segment 6, 7, and 10 cost analyses, which

apply city and rural carrier costing methodologies used by the Postal Service prior to FY 2003. The inputs to LR-K-67 are from the R2005-1 cost analyses. In USPS-T-14, Witness Bradley explains how the city carrier methodologies applied to segment-7 city letter-route costs changed between the pre-FY 2003 approach and the R2005-1 analyses applied to BY 2004. For rural carriers, the FY 2000 segment 10 analysis that provides inputs to LR-J-117 implements a so-called rural flats adjustment, which moves portions of rural cost system (RCS) letters into flats, in order to adjust for differences between FY 2000 RCS and FY 2000 Mail Counts measurements of rural letters and flats. The BY 2004 segment 10 analysis that provides inputs to LR-K-67 no longer applies any such flats adjustment.

2. Rural and City Crosswalks

The 'Rural Crosswalk' sheet in LR-J-117 applies a crosswalk that moves significant portions of rural cost system (RCS) flat-shape volumes back into letters, and significant portions of RCS parcels into flats. This crosswalk operates in part as a reversal of the flats adjustment described in the preceding paragraph. The 'Delivery Volumes' sheet in LR-J-117 applies a different crosswalk. It moves large portions of city-carrier cost system (CCS) letters to flats, and large portions of CCS flats to parcels. LR-K-67 applies neither of these two crosswalks.

3. Calculation of DPS and non-DPS In-Office Direct Labor Costs

LR-J-117 separates the total unit in-office direct-labor cost of letter-shape First-Class Presort Letter mail into a DPS unit cost and a non-DPS unit cost by first finding the unit cost of sorting letters before DPS mail existed (1993). Next, it updates this unit non-DPS cost for inflation to BY 200. It then assumes that the observed BY 2000 total

unit cost – the total IOCS in-office direct labor cost per RPW piece – equals a weighted average of the non-DPS unit cost and the DPS unit cost. This assumption allows the BY 2000 DPS unit cost to be derived as a function of the total unit cost and the non-DPS unit cost. LR-K-67 uses IOCS to separate total in-office direct labor costs into casing costs and non-casing costs. It derives the DPS and non-DPS unit direct-labor costs from the total BY 2004 unit cost for all letter-shape First-Class Presort Letter mail by assuming that non-DPS letters generate both casing and non-casing costs, but that DPS letters generate only non-casing costs.

4. Distribution of Costs to Shape

LR-J-117 and LR-K-67 differ in how they distribute city street-time costs and certain rural-carrier costs to shape categories within each subclass. LR-J-117 distributes volume-variable access, coverage-related load-time, and route-time costs to shape based on RPW volumes, and it distributes elemental load time costs to shape based on the crosswalk that it derives in the 'Delivery Volumes' worksheet. LR-J-117 distributes rural costs in the DPS-letters delivered, sector-segment-letters delivered, other-letters-delivered, flats-delivered, and parcels-delivered rural-evaluation categories to shape categories based on the crosswalk that it implements in the 'Rural Crosswalk' sheet. LR-K-67 distributes all city street-time costs to shape in the same manner that USPS-T-9, Workpaper B, CS06&7.xls distributes these costs to shape. It does not apply any crosswalks to these worksheet CS06&7.xls distributions. LR-K-67 likewise distributes the rural letters, flats, and parcel-delivery costs in the rural-evaluation categories listed above in exactly the same way that USPS-T-9, Workpaper B, CS10.xls distributes these costs to shape.

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b. The differences in methodology between the derivations of First-Class delivery costs in Library References R2005-1 USPS-LR-K-67 and R2005-1 USPS-LR-K-101 are identical to the differences in methodology described in part a. above between the derivations of First-Class delivery costs in LR-K-67 and R2001-1 USPS-LR-J-117. LR-K-101 is the R2005-1 update of the PRC version of LR-J-117. This PRC version of LR-J-117, which was R2001-1 PRC-LR-7, was the same as LR-J-117, except for the way that it calculated the volume-variable portions of the BY 2000 and TY 2003 segment 7 access and load-time cost pools, and the way that it distributed these volume-variable costs to products. Both such differences are completely unrelated to the question of how either LR-J-117 or PRC-LR-7 differs from LR-K-67. PRC-LR-7, like LR-J-117, differs from LR-K-67 simply because the access and load time cost pools don't even exist in LR-K-67. Instead, LR-K-67 uses the new segment 7 methodology that replaces access and load time costs with regular delivery time and parcel-accountable delivery time costs This substitution of regular and parcel-accountable delivery time for access and load time therefore distinguishes LR-K-67 from PRC-LR-7 in exactly the same way that it distinguishes LR-K-67 from LR-J-117. Moreover, because LR-K-101 is just an update of PRC-LR-7 to BY 2004 and TY 2006, this substitution of regular and parcel-accountable delivery time for access and load time is also what distinguishes LR-K-67 from LR-K-101.

c. I am only familiar with the current and proposed methodologies for calculating delivery costs by rate element for First-Class Mail and Standard Mail. USPS-LR-I-95 which was filed in R2000-1 is not the current or proposed methodology for calculating delivery costs by rate element for First-Class Mail and Standard Mail. My general

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impression is that similar methods are used in USPS-LR-J-117 as were employed in USPS-LR-I-95.

d. Please refer to my response in part c.

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MMA/USPS-T-16-2

Please refer to your direct testimony at page 5 where you provide Table 1 showing Test Year FY06 Unit Delivery Costs.
A. Please confirm that you are the USPS witness that is fully responsible for deriving First-Class unit delivery costs by category. If you cannot confirm, please identify each of the other USPS witnesses with whom you share responsibility for deriving First-Class unit delivery costs by category, and explain specifically the work performed by or for each other witness.
B. Please explain why the unit delivery cost for First-Class single piece letters (7.188 cents) using the USPS cost methodology is 23% higher than the same unit delivery cost (5.844 cents) using the Commission's cost methodology.
C. Please explain why the unit delivery cost for First-Class Auto 3-digit letters (3.846 cents) using the USPS cost methodology is 1.5% lower than the same unit delivery cost (3.903 cents) using the Commission's cost methodology?

Response

a. Confirmed, except to the extent that I obtain inputs from other witnesses, as indicated in my testimony and documentation.

b. The USPS-version cost per piece for letter-shape pieces in the First-Class Single Piece Mail subclass is 23% higher than the corresponding PRC-version cost per piece because of the substantial excess of the **total** BY 2004 First-Class Single Piece cost (summed over all shapes) in USPS-T-9, Workpaper B, CS06&7.xls over the corresponding total PRC-version cost in USPS-LR-K-93, Workpaper B, CS06&7.xls. This excess is carried forward to TY 2006.

The sources of this BY 2004 excess are shown in line 1 in the table below. Columns 1-3 list the PRC-version CS06&7.xls total First-Class Single-Piece costs, and Columns 4-6 list the USPS-version CS06&7.xls total costs. Columns 7 and 8 show that the USPS costs exceed the PRC costs by 7.7% in segment 6, and by 52.7% in segment 7. The USPS version segment 6 First-Class Single Piece cost is 7.7% higher because

of the 13.3% excess of the total accrued USPS segment 6 cost over the total accrued PRC segment 6 cost. (Line 4, column 7). This higher accrued cost more than offsets the lower USPS aggregate segment 6 volume variability of 82.4%, compared with the 86.6% PRC variability. (Line 5, columns 1 and 4). The net result is that the aggregate volume-variable USPS segment 6 cost is 7.8% higher than the aggregate volume-variable PRC segment 6 cost. (Line 3, column 7). Because the distribution keys applied to these two total costs are virtually the same, this 7.8% excess translates into virtually the same percentage excess (7.7%) of the total USPS segment 6 volume-variable First-Class Single Piece cost over the corresponding PRC cost.

The USPS-version segment 7 First-Class Single Piece cost is 52.7% higher than the PRC segment 7 cost, for two reasons. First, although the total USPS accrued segment 7 cost is 5.1% lower than the corresponding PRC total (line 4, column 8), the aggregate USPS segment 7 volume variability is 36.8%, compared to a 33.8% aggregate PRC variability. This higher segment 7 variability ensures that the total USPS segment 7 volume variable cost exceeds the total PRC segment 7 volume-variable cost by 3.5%. (Line 3). Second, the USPS distribution key allocates 31.0% of this segment 7 total to First-Class Single Piece mail, whereas the PRC distribution key allocates only 21.0% of the PRC total volume-variable cost to First-Class Single Piece mail. (Line 6). It is this much higher distribution key percentage, combined with the higher aggregate volume variability, that makes the USPS segment 7 volume-variable First-Class Single Piece cost 52.7% higher than the corresponding PRC cost.

The combination of this 52.7% excess, and the 7.7% excess of USPS total segment 6 First-Class Single Piece cost over the equivalent PRC total cost results in a

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25.9% excess of USPS total segment 6 plus 7 cost over total PRC segment 6 plus 7 cost. (Line 1, column 9). The roll forward of these BY 2004 results to TY 2006 produces virtually the same percentage differences for TY 2006. The TY 2006 USPS total segment 6 plus 7 First-Class Single Piece cost exceeds the corresponding PRC total by 26.3% instead of 25.9%. However, because the TY 2006 USPS total segment 10 First-Class Single Piece cost is only 0.06% higher than the total segment 10 PRC cost, the sum of the TY 2006 segments 6, 7, and 10 USPS First-Class Single Piece costs, $2,691,019,000, exceeds the corresponding PRC sum, $2,196,614,000, by 22.5%. Multiplication of these totals by the TY 2006 USPS piggyback factors, and the somewhat higher TY 2006 PRC piggybacks increases the USPS total to $3,381,456,000, which is 20.8% higher than the new, higher PRC total of $2,798,921,000. Finally, because of differences between the way the USPS and PRC versions allocate these two TY 2006 totals to letters, flats, and parcels, the USPS allocates 82.8%, or $2,800,757,000 out of the $3,381,456,000 total to First-Class Single Piece letter shape pieces, whereas the PRC allocates 81.5%, or $2,276,864,000 out of the $2,798,921,000 total to letter shape pieces. The USPS letter shape total divided by TY 2006 national-level letter-shaped First-Class Single Piece volumes equals 7.188 cents. This is 23.0% higher than the 5.844 cent ratio of the PRC letter shape total over the same total volumes.

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Line No.	COMPARISON OF USPS AND PRC BY04 SEGMENT 6 [illegible] 7 COSTS	CS 6 PRC	CS 7 PRC	CS 6 & 7 PRC	CS 6 USPS	CS 7 USPS	CS 6 & 7 USPS	RATIO OF USPS TO PRC CS 6	RATIO OF USPS TO PRC CS 7	RATIO OF USPS TO PRC CS 6 & 7
	First-Class Mail	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Single Piece Letters	1,143,214	772,563	1,915,777	1,231,443	1,179,505	2,410,948	1.0772	1.5267	1.2585
2	Presort Letters	522,968	653,289	1,176,257	566,675	619,674	1,186,349	1.0836	0.9485	1.0086
3	Total Volume Variable - All Subclasses	3,588,758	3,680,687	7,269,445	3,869,541	3,808,279	7,677,820	1.0782	1.0347	1.0562
4	Total Accrued	4,144,097	10,889,101	15,033,198	4,694,437	10,338,252	15,032,689	1.1328	0.9494	1.0000
5	Aggregate Volume Variability	86.6%	33.8%	48.4%	82.4%	36.8%	51.1%			
6	First-Class Single Piece Letters Cost as a Percentage of Total [illegible] Cost	31.9%	21.0%	26.4%	31.8%	31.0%	31.4%			
7	First-Class Presort Letters Cost as a Percentage of Total Volume Variable Cost	14.6%	17.7%	16.2%	14.6%	16.3%	15.5%			

c. The above table also explains why the USPS-version unit delivery cost for First-Class Auto 3-digit letters is 1.5% lower than the corresponding PRC-version unit delivery cost. Letter-shape Auto 3-digit mail is a subcategory of total letter-shape First-Class Presort Letters mail. Whereas total BY 2004 USPS segment 6 and 7 First-Class Single Piece volume-variable cost is 25.9% higher than the corresponding PRC-version cost, the USPS and PRC-version segment 6 and 7 First-Class Presort Letter costs differ by only 0.9%. For the entire Presort Letter subclass, the USPS aggregate segment 6

volume variable cost exceeds the PRC segment 6 cost, again because of the 13.3% excess of the USPS segment 6 accrued cost over the PRC accrued cost. However, this segment 6 excess is offset by the higher PRC segment 7 Presort Letter volume-variable cost. The PRC cost is higher because the PRC distributes 17.7% of total volume-variable segment 7 cost to the First-Class Presort Letter subclass, compared to 16.3% distributed by the USPS version. The net effect is a total segment 6 plus 7 USPS First-Class Presort Letter cost that is 0.9% higher than the PRC cost.

This result is reversed by application of the BY 2004 segment 6 & 7 piggyback factors. The 1.277 PRC piggyback factor exceeds the 1.249 USPS factor by 2.3%. Therefore, the piggyback-inflated PRC First-Class Presort Letter cost exceeds the USPS piggyback-inflated cost by 1.4%.

This small percentage difference is carried forward to TY 2006, changing only slightly to 0.8%. After segment 10 costs are added, and the resulting TY 2006 total segment 6 plus 7 plus 10 costs are distributed to Auto 3-digit letters and divided by corresponding volumes, this PRC excess increases from 0.8% to 1.5%.

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MMA/USPS-T-16-3

Please refer to Library Reference USPS-LR-K-101 and page 6 of your direct testimony where you state "[t]o the extent that, in response to Commission Rule 53, I discuss and compare PRC versions of delivery costs by rate category for First-Class Mail I do not sponsor those materials, or in any way endorse the methodologies used to prepare them."

A. Please confirm that, on the sheets labeled "summary BY" and "summary TY", the costs for First-Class Presorted Letters are deaveraged for each of the 15 subcategories shown by utilizing the (1) DPS %'s from USPS witness Abdirahman and (2) unit cost data from FY 1993 as shown on the sheet labeled "letters 93". If you cannot confirm, please explain specifically how such costs are de-averaged.

B. Please confirm that the delivery cost data for FY 1993 was used in this study in order to estimate the costs of manually casing mail to carrier sequence. If you cannot confirm, please explain the purpose for which cost data for FY 1993 were used in this study.

C. Please refer to the $FY93 unit cost as shown on column 5 on the sheet labeled "letters 93". Please confirm that you divided total delivery costs by total volumes (including those volumes that were delivered to post office boxes). If you cannot confirm, please explain which volumes you used.

D. Please refer to Docket No. R2001-1, Exhibits MMA-ST-1, page 20, lines 8-20 and MMA-4A. Can you confirm that the mail mix (i.e. the relative proportions of mail delivered (1) to post office boxes, (2) to addressees by rural carriers, and (3) to addressees by city carriers) has changed since 1993? If you cannot confirm, please provide data for each fiscal year since 1993 showing how many First-Class letters were delivered (1) to post office boxes, (2) to addressees by rural carriers, and (3) to addressees by city carriers. Please provide this data separately for First-Class single piece and bulk.

E. Aside from the fact that you do not endorse the methodologies used to prepare Library Reference USPS-LR-K-101, do you agree that the unit costs shown for FY93, which are subsequently updated to BY 04 and TY 06, are necessarily understated and inaccurate because the costs have been derived from and applied to volumes that were delivered to post office boxes that did not incur those costs? Please explain your answer.

Response

a. Confirmed.

b. Confirmed.

c. Confirmed.

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d. Confirmed.

e. I agree that the unit costs in USPS-LR-K-101 are open to question on the grounds you suggest. USPS-LR-K-67, which is the USPS version for calculating unit delivery costs by rate element, uses volumes delivered to city routes and volumes delivered to rural routes rather than RPW volumes to derive the unit delivery costs. This change in methodology gives more accurate unit delivery costs in USPS-LR-K-67 as compared to the unit delivery costs derived in USPS-LR-K-101.

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MMA/USPS-T-16-4

Please refer to Library Reference USPS-LR-K-67. The following interrogatories refer only to First-Class letters.

A. Please provide a copy of Library Reference USPS-LR-K-67 that includes footnotes and sources for each column shown.

B. Please confirm that you did not derive a unit delivery cost for bulk metered mail. If you confirm, please explain why you did not do so. If you did derive a unit delivery cost for bulk metered mail, please provide the derivation of the unit delivery cost, complete with footnotes and sources.

C. Please confirm that you did not derive a unit delivery cost for single piece metered mail. If you confirm, please explain why you did not do so. If you did derive a unit delivery cost for single piece metered mail, please provide the derivation of the unit delivery cost, complete with footnotes and sources.

D. Please confirm that you did not derive a unit delivery cost for machinable single piece letters. If you confirm, please explain why you did not do so. If you did derive a unit delivery cost for machinable single piece letters, please provide the derivation of the unit delivery cost, complete with footnotes and sources.

E. Please confirm that you obtained the delivery point sequence percentages (DPS %'s) from USPS witness Abdirahman and that you utilized these percentages in your derivations to de-average unit delivery costs for First-Class nonautomation letters. If you cannot confirm, please explain. If you used the DPS %'s for any other reason, please explain.

F. Did you independently evaluate the reasonableness and accuracy of the DPS %'s that witness Abdirahman provided to you? If you independently evaluated the reasonableness and accuracy of the DPS%, please provide your findings and conclusions and explain why you felt an independent evaluation of the reasonableness and accuracy of the DPS %'s was necessary or appropriate.

G. Please explain precisely for what purpose you de-averaged presorted nonautomation letters into 8 separate categories that comprise only about 2% of First-Class letter-shaped pieces.

H. Please explain how you handled collection costs associated with city delivery carriers and rural carriers as such costs relate to First Class single piece mail.

Response

a. Please refer to the revisions in USPS-LR-K-67 filed in response to POIR No. 2 question 11.

Response of Postal Service Witness John Kelley to Interrogatories of the Major Mailers Association

b. Confirmed. The unit delivery costs in USPS-LR-K-67 are derived to assist with rate design. Historically, a unit delivery cost for bulk metered mail was not needed for rate design purposes. In addition, the previous efforts to compute unit delivery costs by rate element for First Class letters have not included a separate unit cost for bulk metered mail.

c. Confirmed. The unit delivery costs in USPS-LR-K-67 are derived to assist with rate design. Historically, a unit delivery cost for single piece metered mail was not needed for rate design purposes. In addition, the previous efforts to compute unit delivery costs by rate element for First Class letters have not included a separate unit cost for single piece metered mail.

d. Confirmed. The unit delivery costs in USPS-LR-K-67 are derived to assist with rate design. Historically, a unit delivery cost for machinable single piece letters was not needed for rate design purposes. In addition, the previous efforts to compute unit delivery costs by rate element for First Class letters have not included a separate unit cost for machinable single piece letters.

e. Confirmed.

f. I did not.

g. Cost estimates for the eight nonautomation presort letters subcategories were first presented in Docket No. R2001-1 to support the proposed expansion of the nonmachinable surcharge. The methodology was described in Docket No. R2001-1, USPS-T22, Section VI.

h. First-Class Single Piece city delivery collection costs are obtained from USPS -T-9, Workpaper B, CS06&7.xls. These costs are distributed to shape in row 16 of the

Response of Postal Service Witness John Kelley to Interrogatories of the Major Mailers Association

'CityDelAct.ParcelCrosswalk' sheet in LR-K-67. First-Class Single Piece rural carrier costs are calculated and distributed to shape in the 'RrlCwlk-RevSatBxds.Rev.Prcls' sheet of LR-K-67. A two step procedure is implemented to compute these rural costs by shape. First-Class Single Piece RCS volumes reported in the "letters/flats collected" evaluation category are distributed to letters and flats individually in proportion to the RCS letters and flats delivered volumes. Second, the resulting estimates of RCS letters collected and RCS flats collected are multiplied by the "letters/flat collected" evaluation cost per piece to compute the corresponding total letters collected cost and total flats collected cost. First-Class Single Piece RCS volumes in the "parcels-accepted" evaluation category are likewise multiplied by the corresponding "parcels-accepted" cost per piece to compute the total parcels-accepted cost.

Response of Postal Service Witness John Kelley to Interrogatories of the Major Mailers Association

MMA/USPS-T-16-5

Please refer to R2001-1, TR 5/666 and TR 5/859, where USPS witness Schenk discussed the impact of worksharing (presortation) on delivery costs. Please compare two machinable letters that are to be delivered by a city carrier. In making this comparison, please assume that both machinable letters are identical except one letter is prebarcoded and presorted whereas the other is not prebarcoded or presorted.
A. On average, if both letters are processed through the Postal Service, what is the likelihood that one letter will be DPSed while the other letter will not be DPSed? Please explain your answer.
B. On average, if both letters are processed through the postal system and are DPSed at the delivery office, what delivery cost differences, if any, will result? Please explain your answer.
C. On average, if both letters are processed through the postal system and are not DPSed at the delivery office, what delivery cost differences, if any, will result? Please explain your answer.
D. Please provide separately the unit delivery costs for single piece and presorted First-Class letters that are DPSed and the unit delivery costs for single piece and presorted First-Class letters that are not DPSed.
E. Please provide the overall DPS %'s that the Postal Service experienced in BY 2004 separately for First-Class letters mailed as (1) single piece and (2) presorted.
F. Please provide the overall DPS %'s that the Postal Service expects in TY 2006 separately for First-Class letters mailed as (1) single piece and (2) presorted.

Response

a. Redirected to witness McCrery

b. Ignoring collection costs, the delivery costs would be the same, on average, for both letters.

c. Ignoring collection costs, the street time unit costs for both letters, on average, should be the same. Assuming that both letters need to be cased in order to be delivered, the in-office unit costs for the presorted and prebarcoded letter should be lower since the casing rate, on average, for the prebarcoded and presorted letter is expected to be higher than for the piece that is not prebarcoded nor presorted.

d. The presorted First-Class letters unit delivery costs derived from LR-K-67 are:

Response of Postal Service Witness John Kelley to Interrogatories of the Major Mailers Association

1. BY04

a. Non-DPS letters: ~~$0.0914~~ $0.1035

b. DPS letters: ~~$0.0254~~ $0.0228

2. TY06

a. Non-DPS letters: ~~$0.0960~~ $0.1092

b. DPS letters: ~~$0.0270~~ $0.0241

LR-K-67 First-Class Single Piece unit delivery costs cannot be separated into non-DPS and DPS unit costs.

e. These numbers are unavailable An estimate of the DPS percentage for First-Class presorted letters can be computed by calculating a weighted average of the RPW volumes multiplied by the DPS percentages from Witness Abdirahman's DPS model. Using that methodology an estimate of the First Class presort letters that go through DPS is 81.85%. This procedure cannot be used for First Class single piece since the DPS percentage is unavailable.

f. Test year estimates of the percentage of First Class single piece or First Class presorted letters that go through DPS are unavailable. USPS-LR-K-67 assumes the same DPS percentages for the test year as the base year.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T-16-6

Please refer to Library Reference USPS-LR-J-191 submitted by USPS witness Schenk in response to Interrogatory MMA/USPS-T-43-13 (Part A) in R2001-1. There, Dr. Schenk provided, for Base Year 2000 and Test Year 2003, unit delivery costs for First-Class single piece letters broken down by indicia, i.e., stamped letters, metered letters, and other letters. Please provide similar unit delivery costs, broken down by indicia, for Base Year 2004 and Test Year 2006 in R2005-1 using (1) the Postal Service's costing methodology and (2) the Commission's costing methodology.

Response

Please see the attached pages and the associated Excel spreadsheet.

REVISED: June 7, 2005

PRC VERSION
BY04 City Carrier In-Office Costs ($000)

Class Code	Class	Shape Code	Shape	Stamped	Metered	Other	Total
1	1st L&P	1	1Ltr	396,980,797	273,094,255	79,868,693	749,943,745

Adjust to CRA C/S 6.1 1st Single Piece - BY04

	Stamped	Metered	Other	Total
1Ltr	396,981	273,094	79,869	749,944

ATTACHMENT TO REVISED RESPONSE, MMA-T16-6

PRC VERSION

BY04 Costs

	6.1 unit cost	6.1 Costs (000)	6.2 Costs (000)	7.1 Costs (000)	7.2 Costs (000)	7.3 Costs (000)	7.4 Costs (000)	10 Costs (000)	Total piggybacked costs (000)	Permit Volume* (000)	City Carrier Unit Cost	Rural Carrier Unit Cost	Total Unit Cost
Single-Piece Letters Stamped	0.0163	396,981	89,934	5,212	133,205	108,174	12,420	155,663	1,131,715.69	24,344,365	0.0389	0.0076	0.0465
Single-Piece Letters Metered	0.0211	273,094	61,868	2,776	70,950	57,618	6,615	82,912	698,781.00	12,966,748	0.0463	0.0076	0.0539
Single-Piece Letters Other	0.0221	79,569	18,094	775	19,813	16,090	1,847	23,153	200,750.60	3,620,948	0.0478	0.0076	0.0554
First-Class Single-Piece Letters BY	0.0183	749,944	169,895	8,763	223,968	181,882	20,882	261,729	2,031,247	40,932,061	0.0420	0.0076	0.0496

TY05 Costs

	6.1 unit cost	6.1 Costs (000s)	6.2 Costs (000s)	7.1 Costs (000s)	7.2 Costs (000s)	7.3 Costs (000s)	7.4 Costs (000s)	10 Costs (000s)	Total piggybacked costs (000)	Permit Volume (000)	City Carrier Unit Cost	Rural Carrier Unit Cost	Total Unit Cost
Single-Piece Letters Stamped	0.0166	389,810	88,850	5,205	129,570	106,671	129,600	160,144	1,285,519.91	23,172,471.31	0.0472	0.0083	0.0555
Single-Piece Letters Metered	0.0217	266,161	61,123	2,772	69,014	56,924	69,030	85,299	760,424.81	12,342,552.66	0.0550	0.0083	0.0632
Single-Piece Letters Other	0.0228	78,426	17,876	774	19,272	15,896	19,277	23,820	223,533.25	3,446,841.95	0.0566	0.0083	0.0649
First-Class Single-Piece Letters TY	0.0189	736,397	167,849	8,752	217,856	179,691	217,906	269,262	2,269,478	38,961,666	0.0505	0.0083	0.0588

*Categories from tab 'SP Inicia' in USPS-LR-K-87 "First-Class Single Piece Indicia.xls" are broken down this way:

<u>Stamped:</u>
Stamp
Stamped Envelope (postage embossed envelope)
Stamped card (postage embossed card)
Precanceled Stamp
Semi-postal Stamp

<u>Metered:</u>
Meter (excluding IBI)
Meter - PVI

<u>Other:</u>
Permit imprint
Franked Mail
Armed Forces Free Mail
Absentee Ballots
Unauthorized Use of Penalty Indicia

USPS VERSION
BY04 Costs

	6.1 unit cost	6.1 Costs (000)	6.2 Costs (000)	7.1 Costs (000)	7.2 Costs (000)	10 Costs (000)	Total piggybacked costs (000)	Permit Volume* (000)	City Carrier Unit Cost	Rural Carrier Unit Cost	Total Unit Cost
Single-Piece Letters Stamped	0.0163	396,981	108,412	539,676	69,909	135,464	1,551,969.98	24,344,365	0.0572	0.0065	0.0638
Single-Piece Letters Metered	0.0211	273,094	74,580	287,452	37,236	72,153	924,674.75	12,966,748	0.0648	0.0065	0.0713
Single-Piece Letters Other	0.0221	79,869	21,811	80,271	10,398	20,149	263,951.11	3,620,948	0.0664	0.0065	0.0729
First-Class Single-Piece Letters BY	0.0183	749,944	204,803	907,399	117,544	227,766	2,740,596	40,932,061	0.0604	0.0065	0.0670

TY06 Costs

	6.1 unit cost	6.1 Costs (000s)	6.2 Costs (000s)	7.1 Costs (000s)	7.2 Costs (000s)	10 Costs (000s)	Total piggybacked costs (000)	Permit Volume (000)	City Carrier Unit Cost	Rural Carrier Unit Cost	Total Unit Cost
Single-Piece Letters Stamped	0.0168	390,071	107,131	534,509	69,066	139,450	1,558,877.74	23,172,471.31	0.0602	0.0071	0.0673
Single-Piece Letters Metered	0.0217	268,340	73,698	284,700	36,787	74,276	928,100.24	12,342,552.66	0.0681	0.0071	0.0752
Single-Piece Letters Other	0.0228	78,478	21,554	79,502	10,273	20,742	264,892.82	3,446,841.95	0.0697	0.0071	0.0769
First-Class Single-Piece Letters TY	0.0189	736,889	202,383	898,712	116,125	234,468	2,751,871	38,961,666	0.0635	0.0071	0.0706

*Categories from tab 'SP Inicia' in USPS-LR-K-87 "First-Class Single Piece Indicia.xls" are broken down this way:

<u>Stamped:</u>
Stamp
Stamped Envelope (postage embossed envelope)
Stamped card (postage embossed card)
Precanceled Stamp
Semi-postal Stamp

<u>Metered:</u>
Meter (excluding IBI)
Meter - PVI

<u>Other:</u>
Permit Imprint
Franked Mail
Armed Forces Free Mail
Absentee Ballots
Unauthorized Use of Penalty Indicia

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-7
In your answer to Interrogatory MMA/USPS-T16-1C, you indicate that the delivery cost methodology employed by the Postal Service and accepted by the Commission for Docket No. R2000-1 is "not current". What is the current Commission-accepted methodology for estimating workshare delivery cost savings? Please explain your answer.

Response

Refer to Docket 2001-1/PRC-LR-7 for the current Commission accepted methodology for calculating unit delivery costs.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-8
In your answer to Interrogatory MMA/USPS-T16-3E, you state the "change in methodology used in USPS-LR-K-67 gives more accurate unit delivery costs as compared to that used in USPS-LR-K-101" (emphasis added). When you refer to the "change in methodology" do you mean a change to correct the problem suggested in Interrogatory MMA/USPS-T16-3E, where the derived unit delivery costs for FY 93 in USPS-LR-K-101 are subject to understatement? If not, please answer the original question with respect to that one specific problem that was pointed out to you.

Response

No. I do not agree that the unit costs in USPS-LR-K-101 are necessarily understated. One specific issue where I feel that USPS-LR-K-67 is more accurate than USPS-LR-K-101 is the method used to distribute city carrier street time costs and total rural carrier costs. USPS-LR-K-67 uses actual delivered volumes by city and rural carriers to distribute city carrier street time costs and total rural carrier costs to rate categories as opposed USPS-LR-K-101 which uses a combination of several systems – some of which include deliveries to post office boxes – to distribute the same costs (refer to my direct testimony USPS-T-16 page 7 lines 6 through 18). If costs are understated for one rate category, however, they are necessarily overstated for one or more other rate categories. Thus, I do not know if the cost for First Class Mail presorted letters is understated or overstated. This difficulty is avoided by the proposed new methodology in USPS-LR-K-67 because it uses delivered volume proportions to distribute costs to products.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-9

Please refer to your answers to Interrogatory MMA/USPS-T16-4A-C, where you state that you did not attempt to estimate the delivery unit costs for bulk metered mail (BMM), metered mail, or single piece machinable mail. You state that estimates for such types of mail are "not needed" for rate design purposes.

A. Before you performed your new delivery cost study, were you aware that the Postal Service has historically utilized BMM as the benchmark from which workshare savings were measured, for both processing and delivery costs?

B. Before you performed your new delivery cost study, were you aware that Postal Service witness Abdirahman required an estimate for the BMM unit delivery cost, and, when none was available, was forced to make an assumption that the unit delivery costs for nonautomation, machinable mixed AADC letters could be used as a proxy for BMM? If you were not aware of this situation, please explain why not.

C. Before you performed your new delivery cost study, were you aware that Postal Service witness Miller in Docket No. R2001-1 required an estimate for BMM unit delivery costs, and, when none was available, was forced to make an assumption that the unit delivery costs for nonautomation, machinable mixed AADC letters could be used as a proxy for BMM? If you were not aware of this situation, please explain why not.

D. Before you performed your new delivery cost study, were you aware that Postal Service witness Miller in Docket No. R2000-1 required an estimate for BMM unit delivery costs, and, when none was available, was forced to make an assumption that the unit delivery costs of nonautomation letters could be used as a proxy for BMM? If you were not aware of this situation, please explain why not.

E. Before you performed your new delivery cost study, were you aware that the Commission in Docket No. R2000-1 required an estimate for BMM unit delivery costs, and, when none was available, was forced to adopt Postal Service witness Miller's assumption that the unit delivery costs for nonautomation letters could be used as a proxy for BMM? If you were not aware of this situation, please explain why not.

F. Before you performed your new delivery cost study, were you aware that, in R97-1, the Commission required an estimate for BMM unit delivery costs, and, when none was available, was forced to adopt Postal Service witness Hatfield's assumption that the unit delivery costs for nonautomation letters could be used as a proxy for BMM? If you were not aware of this situation, please explain why not.

G. Before you performed your new delivery cost study, were you aware that, in Docket No. R2001-1, MMA presented the Commission with a unit delivery cost estimate for BMM letters, which was obtained from data for single piece metered mail. If you were not aware of this situation, please explain why not.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

Response

A. No.

B. I was not aware. USPS-LR-K-67 utilizes information from existing systems or studies to derive unit delivery costs by rate category. My task was to update USPS-LR-J-117 in Docket R2001-1 and to implement methodological improvements where possible and produce unit delivery cost estimates for the same rate categories as in R2001-1. The previous effort was accepted by the Commission in Docket R2001-1/PRC-LR-7. In addition, BMM is not currently captured by neither IOCS nor CCS so a proxy needs to be used to estimate its delivery costs.

C. No.

D. No.

E. No. In reviewing the Opinion and Recommended Decision from Docket No. R2000-1, I can not find your assertion that the Commission required an estimate for unit delivery costs for BMM.

F. No. In reviewing the Opinion and Recommended Decision from Docket No. R1997-1, I can not find your assertion that the Commission required an estimate for unit delivery costs for BMM.

G. No.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-10

In your answer to Interrogatory MMA/USPS-T16-4G, you state that the purpose of de-averaging the nonautomation unit delivery cost into 8 separate categories was to support the expansion of the nonmachinable surcharge first presented by the Postal Service in R2001-1.

A. Please confirm that the unit delivery cost for one of your 8 separate categories -- nonautomation, machinable mixed AADC letters -- was used by USPS witness Abdirahman as a proxy for BMM delivery costs so that he could modify the latest Commission-approved methodology for estimating workshare cost savings? If you do not confirm, please explain.

B. Why did you fail to mention USPS witness Abdirahman's use of your unit delivery cost for nonautomation, machinable mixed AADC letters as a proxy for BMM delivery costs as the explanation in part A of this interrogatory as the most important aspect of your delivery cost analysis?

C. Please confirm that USPS witness Abdirahman used your unit delivery cost estimate for nonautomation, machinable mixed AADC letters as a proxy for BMM unit delivery costs,, and this single assumption, along with the use of your derived unit delivery cost, reduced the Postal Service's derived unit cost savings by 3.01 cents? See USPS witness Abdirahman's response to Interrogatory MMA/USPS-T21-10F.

Response

A. I can confirm that witness Abdirahman used the proxy you describe, but I cannot confirm your characterization of his motivation for doing so.

B. I did not answer in the manner you suggest because I did not think it was the most important part of my delivery cost analysis.

C. I confirm that witness Abdirahman used the estimate for nonautomation, machinable mixed AADC letters as a proxy for BMM unit delivery costs. I supply witness Abdirahman with USPS-LR-K-67, but do not sponsor how its results are used to derive workshare savings.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-11
In your answer to Interrogatory MMA/USPS-T16-5B, you discuss the impact that worksharing has on delivery costs if a particular letter is DPSed. Please confirm that you are claiming that, if two letters are DPSed, it is your contention that, except for collection costs incurred by non-workshare letters, delivery costs are unaffected by worksharing. If this is not your contention, please explain. Please provide any documents or other information you have to support your position on this matter.

Response

Confirmed. The justification for this position rests in my understanding in the manner in which DPS mail is handled by the carrier. DPS mail is not handled at the piece level in the office and is only touched at the piece level at the delivery point. As a result, the delivery cost for two DPS letters, regardless of the worksharing level, should be the same.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-12
In your answer to Interrogatory MMA/USPS-T16-5C, you discuss the impact that worksharing has on delivery costs if a particular letter is not DPSed. Please confirm that if two letters are not DPSed, it is your contention that, except for collection costs incurred by non-workshare letters, street time delivery costs should be unaffected by worksharing, but in-office delivery costs will be lower for the workshared letter. If this is not your contention, please explain. Please provide any documents or other information you have to support your position on this matter.

Response

Confirmed. The justification for the in-office costs being lower for the workshared piece is included in my response to MMA/USPS-T29-5, redirected from witness McCrery. My understanding is that the street time costs will be the same for the two letters because the carrier will handle and deliver those pieces on the street, on average, the same way.

RESPONSE OF POSTAL SERVICE WITNESS KELLEY TO INTERROGATORY OF MMA

MMA/USPS-T16-13

Are collection costs included in your nonpresorted unit delivery cost of 7.189 cents as shown in USPS-LR-K-67 (revised)? If yes, please provide the nonpresorted unit delivery cost excluding collection costs, and include all computations and sources.

Response

Collection costs are included in the Single Piece letter Test Year 2006 unit delivery cost of 7.189 cents. The Single Piece letter Test Year unit delivery cost without collection costs is **4.854** cents. The difference between the two unit costs is **2.335** cents. Multiplying this cost differential by the Test Year Single Piece letter volume of 38.962 billion pieces produces a Test Year total collection cost of **$909.8** million, which consists of **$842.1** million in city carrier cost, and **$67.7** million in rural carrier cost. To reproduce these calculations, perform the following steps within library reference **"USPS-LR-K-67_2nd.revised.xls."** Steps 1 and 2, as described below, remove the Single Piece letter cost of collections due to city carriers, and steps 3 and 4, as described below, take out the costs from rural carriers.

1 In workbook "CS06&7.K67.xls" worksheet '7.0.6' change the values in cells C11, H11, **K11,** and **T11** to zero.

2 In workbook "CS06&7.K67.xls" worksheets '7.0.6.5', '7.0.6.6', '7.0.6.7', '7.0.6.8', and '7.0.6.9' change the values in cell G11 to zero.

3 In workbook **"LR-K-67_2nd.revised.xls",** worksheet '8.RrlCwlkRevSatBxds.Rev.Prcls', change the values in cells J6 and K6 to zero.

4 Step 3 results in a division by zero in cells I36 and J36 of worksheet '6.Rural cost' in **"LR-K-67_2nd.revised.xls"**. To address that issue, values of $0.0175 and $1.441 are input into cells I36 and J36.

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RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO INTERROGATORY OF MMA

5. Steps 1-4 remove the collection costs from the base year costs. In order to reflect the removal of the collection costs within test year costs, an additional factor must be added to the formulas for the column F, G, H, I, and K cells of row 7 of spreadsheet "2SummaryTY" in **"LR-K-67_2nd.revised.xls"**. In each cell, the additional factor multiplies the results of the existing formula by the ratio of base year costs without collections for that cell (from the version of spreadsheet 11 generated by steps 1-4 above) to base year costs with collections for that cell (from the version of spreadsheet 11 that existed before steps 1-4 above were applied).

After completing steps 1 through 5, the Test Year 2006 nonpresorted unit delivery costs without collection costs will equal **4.854** cents.

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Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-14
Please refer to your answer to Interrogatory MMA/USPS-T16-5C. For letters that are not DPSed, please explain why the in-office delivery costs will be lower for a workshared letter than for a machinable, nonworkshared letter that is not prebarcoded?

Response

Please refer to my response to Interrogatory MMA/USPS-T-29-5, redirected from witness McCrery

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-15
Please refer to your answer to Interrogatory MMA/USPS-T16-5C. Are you aware that, in R2001-1, Postal Service data indicated that when letters are not DPSed, the unit delivery cost for a single piece letter and a workshare letter are 6.36 cents and 4.11 cents, respectively. (See R2001-1, TR 5/867 (MMA-X-4); Exhibit MMA-4A, page 3, Table 2). In light of your answer to Interrogatory MMA/USPST16-12, can you explain the 2.25-cent differential?

Response

I was not aware of the issue you reference in the question. I do not sponsor the results presented in the table (MMA-X-4) shown in Docket No. R2001-1, Tr. 5/867. However, in my response to Interrogatory MMA/USPST-29-5, redirected from witness McCrery, I explain my intuition that the in-office costs should be lower for some workshared letter pieces that are not DPSed as compared to single piece letters that are not DPSed, and the results in the table seem to be consistent with that notion, but I do not endorse the magnitude of the difference between the workshared letters and the nonworkshared letters presented in MMA-X-4.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-16

In your answer to Interrogatory MMA/USPS-T16-5D, you provided the presorted First-Class unit delivery costs for Non-DPSed and DPSed letters derived from LR-USPS-K-67.

A. Please provide the exact source (and derivation, if necessary) for the unit delivery costs of these DPSed letters and Non-DPSed letters.

B. Would the TY06 unit delivery cost for single piece letters that are not DPSed be more, less, or approximately the same as the 9.60 cent cost estimate you derived for presorted letters that are not DPSed? Please fully explain your answer.

C. Would the TY06 unit delivery cost for single piece letters that are DPSed be more, less or approximately the same as the 2.70 cent cost estimate you derived for presorted letters that are DPSed? Please fully explain your answer.

D. Please confirm that the 81.85% average DPS % obtained from your delivery cost study is simply a volume weighted average of the DPS %'s that you obtained from Mr. Abdiraham for each of the 8 separate rate categories. If you cannot confirm, please explain in detail exactly how your average DPS % was computed and provide the formula and sources for that calculation.

E. Please confirm that for Automation letters (excluding those delivered by 5-digit CSBCS/Manual offices), your implied average DPS % is 86.24%. If you cannot confirm, please provide your computation of the implied DPS % for all Automation letters (excluding those delivered by 5-digit CSBCS/Manual offices) and provide the sources for that calculation.

F. Please reconcile the DPS % resulting from your response to Part E with USPS witness McClery's (sic) estimate that 89% of all barcoded letters were DPSed in FY04. (See USPS-T-29 at 10)

G. Please assume for purposes of this question that your 2.70 cent unit delivery cost for presorted letters that are DPSed can be used as a proxy for the unit delivery cost for nonpresorted letters that are DPSed. Assume further that your 9.60 cent unit delivery cost for presorted letters that are not DPSed can be used to as a proxy for the unit delivery cost for nonpresorted letters that are not DPSed. Using the data from Library Reference LR-USPS-K-67, please confirm that the implied DPS % would be 37.0%. If you cannot confirm, please provide your computation of the implied DPS % under this assumption.

H. Please explain why, in your opinion, the assumptions you were asked to make for purposes of Part G are or are not valid.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

Response

A. Refer to the attached pages. The spreadsheet that performs the calculations is also attached electronically. The source of the data in the attached pages is LR-K-67_Revised.xls. The test year and base year unit delivery costs for presorted First Class NonDPS and DPS letters presented in my response to Interrogatory MMA/USPS-T16-5D were derived incorrectly. The corrected test year unit delivery costs are 10.92 and 2.41 cents for NonDPS and DPS letters, respectively (the incorrect previous test year estimates were 9.60 and 2.70 for NonDPS and DPS letters, respectively). The corrected base year unit delivery costs are 10.35 and 2.28 cents for NonDPS and DPS letters, respectively (the incorrect previous base year estimates were 9.14 and 2.54 cents presorted NonDPS and DPS letters, respectively).

B. I do not know. I have not compared the unit delivery costs between a workshared letter and a single piece letter that is not DPSed.

C I do not know. I have not compared the unit delivery costs between a workshared letter and a single piece letter that are DPSed.

D. Confirmed.

E Confirmed.

F. Witness McCrery's statement in his testimony refers to all barcoded letters, not just presorted First Class Mail, excluding those delivered by 5-digit CSBCS/Manual offices. The 86.24% is the DPS percentage is for presorted First Class Mail excluding those delivered by 5-digit CSBCS/Manual offices. Since the two populations of letters in question are not identical, there is no reason to expect that the DPS percentage for the two would be the same.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

G. Methodology confirmed. However, with the revised NonDPS and DPS unit delivery costs of 10.92 and 2.41 cents respectively, the implied DPS percentage is 43.8 percent rather than 35 percent.

H. I contend that DPS and NonDPS unit delivery costs for presorted pieces are not necessarily reasonable proxies for similar types of single piece letters. In choosing a proxy for cost per originated piece, it is important to assess not only how the proxy and the target products are handled in any one activity, but also how much of the various activities they each use. For example, even if two products would take the same amount of time to case one piece, their in-office costs per originating piece could differ because one has a higher percentage of delivery point sequencing than the other. If so, it would require less average casing time per originated piece because, on average, fewer pieces require casing. In addition, one product may be delivered by city and rural carriers more than the other product, which may delivered more widely through firm pickups or post office boxes.

In addition, the physical and delivery characteristics of single piece letters are much more heterogeneous as compared to presorted letters. Single piece letters are comprised, on the one hand, of handwritten (legible and illegible) and typed addresses in various locations and of questionable reliability, and, on the other hand, courtesy envelope remittance mail. In contrast, presorted pieces more uniformly meet higher address reliability standards found in the DMM (e.g. 5 digit ZIP that matches the address). These factors could result in different DPS percentages and casing productivities between the two categories. In addition, single piece letters incur collection costs and have different delivery characteristics than presorted letters. A higher proportion of single piece letter volume is delivered directly to firms, rather than by city or rural carriers. These factors

could have a significant cost impact on the unit delivery costs, although the influence is perhaps more significant for NonDPS letters.

In summary, since single piece and presorted letters consume resources in different proportions in cost segments 6, 7 and 10, coupled with the fact that the physical and delivery characteristics of presorted and single piece letters are not similar, the unit delivery cost for presort letters is not a good proxy for the unit delivery cost of single piece letters

BY04 COSTS AND VOLUMES	($000s)	($000s)	($000s)	($000s)	($000s)	($000s)	($000s)	($000s)	($000s)	($000s)	(000s)			($0.000)
Mail Category	8.1 IN OFFICE DIRECT LABOR CASING	8.1 IN-OFFICE DIRECT LABOR NON-CASING	8.2 IN OFFICE OVERHEAD PLUS THE PORTION OF IN OFFICE DELIVERY PREP THAT IS BURDENED ON OFFICE DIRECT	7.1 DIRECT DELIVERY ACTIVITIES	7.2 DELIVERY ACTIVITIES SUPPORT	8.2 IN OFFICE DELIVERY PREP BURDENED ON STREET DIRECT	10 RURAL CARRIERS	TOTAL PIGGYBACKED CITY CARRIER COSTS	TOTAL PIGGYBACKED RURAL CARRIER COSTS	GRAND TOTAL PIGGYBACKED COSTS	PERMIT VOLUME	UNIT CITY DELIVERY COST	UNIT RURAL DELIVERY COST	UNIT TOTAL DELIVERY COST
First-Class Presort Letters Subclass - Non DPS Letter Pieces	350,080	8,589	97,934	98,302	11,981	4,247	136,460	713,197	160,372	873,569	8,442,593	$0.0845	$0.0190	$0.1035
First-Class Presort Letters Subclass - DPS Letter Pieces	0	38,728	10,575	443,231	54,022	19,150	135,960	706,419	159,785	866,204	38,066,649	$0.0186	$0.0042	$0.0228
First Class Presort Letters Subclass All Letter Pieces	350,080	47,317	108,509	541,533	66,004	23,398	272,420	1,419,616	320,157	1,739,773	46,509,242	$0.0305	$0.0069	$0.0374

ATTACHMENT TO RESPONSE
MMA/USPS-T16-16
PAGE 1 OF 2

TY06 COSTS AND VOLUMES	($000s)	($000s)	($000s)	($000s)	($000s)	($000s)	($000s)	($000s)			($000s)	(000s)			($0.000)
Mail Category	8.1 IN-OFFICE DIRECT LABOR CASING	8.1 IN-OFFICE DIRECT LABOR NON-CASING	8.1 IN-OFFICE OVERHEAD PLUS THE PORTION OF IN-OFFICE DELIVERY PREP THAT IS BURDENED ON OFFICE DIRECT	7.1 DIRECT DELIVERY ACTIVITIES	7.2 DELIVERY ACTIVITIES SUPPORT	8.2 IN-OFFICE DELIVERY PREP BURDENED ON STREET DIRECT	6.2 CAGE	10 RURAL CARRIERS	TOTAL PIGGYBACKED CITY CARRIER COSTS	TOTAL PIGGYBACKED RURAL CARRIER COSTS	GRAND TOTAL PIGGYBACKED COSTS	PERMIT VOLUME	UNIT CITY DELIVERY COST	UNIT RURAL DELIVERY COST	UNIT TOTAL DELIVERY COST
First-Class Presort Letters Subclass - Non DPS Letter Pieces	368,323	9,037	103,823	104,259	12,699	4,508	11	150,805	763,031	178,227	941,258	8,621,419	$0.0885	$0.0207	$0.1092
First-Class Presort Letters Subclass - DPS Letter Pieces	0	40,746	11,210	470,093	57,257	20,325	49	150,252	759,260	177,574	936,834	38,872,954	$0.0195	$0.0046	$0.0241
First-Class Presort Letters Subclass - All Letter Pieces	368,323	49,783	115,033	574,352	69,955	24,833	60	301,057	1,522,291	355,801	1,878,092	47,494,372	$0.0321	$0.0075	$0.0395

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-17

Please refer to Library Reference LR-USPS-K-101, file tab "Delivery Volumes".

A. Please confirm that the total RPW Volumes for nonpresorted and presorted First-Class letters shown there is exactly the same as the BY 2000 volumes that USPS witness Schenk provided in LR-USPS-J-117 in R2001-1. If you cannot confirm, please explain.

B If you confirm part A, please explain how the implicit p.o. box volumes that are derived from the RPW volumes could be correct for BY 2004 in R2005-1. Please provide any documents or other information that you believe supports your position on this matter.

C If your use for BY 2004 in R2005-1 of the same total RPW Volumes for nonpresorted and presorted First-Class letters used by USPS witness Schenk for BY 2000 in R2000-1 was an oversight, please explain how this oversight affects the derived unit delivery costs using the Commission's cost attribution methodology?

D Please complete the following table for BY 2004.

	BY City Carrier Volume	BY Rural Carrier Volume	BY P.O. Box Volume	Total BY Volume
Single-Piece Letters				
Single-Piece Flats				
Single-Piece Parcels				
Total Single Piece				
Single Piece Metered Letters				
Presort Letters				
Presort Flats				
Presort Parcels				
Total Presort				
Total S P and Presort				

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

E. Please complete the following table for TY 2006.

	TY City Carrier Volume	TY Rural Carrier Volume	TY P.O. Box Volume	Total TY Volume
Single-Piece Letters				
Single-Piece Flats				
Single-Piece Parcels				
Total Single Piece				
Single Piece Metered Letters				
Presort Letters				
Presort Flats				
Presort Parcels				
Total Presort				
Total S.P. and Presort				

Response

A Confirmed

B. Please see my response to part c below

C. The use of the same total BY 2000 RPW nonpresorted and presorted First-Class volumes that witness Schenk used in R2000-1 was an oversight. The table below shows the change in the unit delivery costs derived from the Commission's cost attribution methodology resulting from the correction of this oversight. The correction substitutes FY 2004 RPW volumes for the FY 2000 RPW volumes inadvertently left in column M of the 'Delivery Volumes' worksheet in USPS-LR-K-101. Column 1 of the table below shows the TY 2006 unit costs from LR-K-101. Column 2 shows the revised TY 2006 unit costs that result from substitution of the FY 2004 RPW volumes for the FY 2000 volumes in the 'Delivery Volumes' worksheet. Column 3 shows the change in the unit costs between these original and revised estimates.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

TY 2006 Unit Costs In Cents Per RPW Piece			
	Total Unit Cost, From LR-K-101 As Filed	Total Unit Cost, After Corrections to Delivery Volumes	Unit Cost Change (cents)
Column	(1)	(2)	(3)
First Class Single Piece			
Single-Piece Letters	5.844	5.876	0.032
Single-Piece Flats	11.274	11.301	0.027
Single-Piece Parcels	26.144	23.184	-2.960
Single-Piece Nonletters	12.967	12.654	-0.313
First-Class Presort			
Nonautomation – Nonmach Mixed ADC	9.810	9.810	0.000
Nonautomation -- Nonmach ADC	9.810	9.810	0.000
Nonautomation -- Mach Mixed AADC	3.972	3.972	0.000
Nonautomation – Mach AADC	3.972	3.972	0.000
Nonautomation -- Nonmach 3-Digit	9.810	9.810	0.000
Nonautomation – Nonmach 5-Digit	9.810	9.810	0.000
Nonautomation -- Mach 3-Digit	3.812	3.812	0.000
Nonautomation – Mach 5-Digit	3.812	3.812	0.000
Automation Mixed AADC	4.155	4.155	0.000
Automation AADC	3.981	3.981	0.000
Auto 3-Digit Letters	3.903	3.902	0.000
Auto 5-Digit Letters CSBCS/Manual Sites	6.280	6.279	0.000
Auto 5-Digit Letters Other Sites	2.973	2.972	0.000
Auto 5-Digit Letters	3.695	3.694	0.000
Auto CR Letters	6.136	6.136	0.000
Presort Letters (Avg)	3.993	3.993	0.000
Presort Flats	8.978	8.990	0.013
Presort Parcels	44.464	45.836	1.372
Presort Nonletters	9.305	9.330	0.025
First-Class Cards			
Single Piece Cards	7.015	7.015	0.000
NonAuto Presort Cards	2.847	2.847	0.000
Auto Mixed AADC Cards	2.981	2.981	0.000
Auto AADC Cards	2.853	2.853	0.000
Auto 3-Digit Cards	2.796	2.796	0.000
Auto 5-Digit Cards CSBCS/Manual Sites	4.534	4.534	0.000
Auto 5-Digit Cards Other Sites	2.116	2.116	0.000
Auto 5-Digit Cards All	2.644	2.644	0.000
Auto CR Cards	4.430	4.430	0.000
Presort Cards (Avg)	2.652	2.652	0.000

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

TY 2006 Unit Costs in Cents Per RPW Piece			
	Total Unit Cost, From LR-K-101 As Filed	Total Unit Cost, After Corrections to Delivery Volumes	Unit Cost Change (cents)
Standard Regular			
Nonautomation – Nonmach Mixed ADC	6.552	6.538	-0.014
Nonautomation -- Nonmach ADC	6.552	6.538	-0.014
Nonautomation – Mach Mixed AADC	3.733	3.719	-0.014
Nonautomation -- Mach AADC	3.733	3.719	-0.014
Nonautomation – Nonmach 3-Digit	6.552	6.538	-0.014
Nonautomation – Nonmach 5-Digit	6.552	6.538	-0.014
Nonautomation -- Mach 3-Digit	3.655	3.642	-0.014
Nonautomation – Mach 5-Digit	3.655	3.642	-0.014
Automation Mixed AADC	3.821	3.807	-0.014
Automation AADC	3.737	3.723	-0.014
Automation 3-Digit Letters	3.699	3.685	-0.014
Automation 5-Digit Letters	3.599	3.585	-0.014
Std. Reg. Ltrs. (Avg)	3.730	3.717	-0.014
Regular Flat Subtotal	9.795	9.741	-0.054
Regular Parcel Subtotal	31.687	34.064	2.377
Regular Nonletter Subtotal	10.689	10.735	0.046
Standard ECR			
ECR Basic Auto Letters	4.818	4.876	0.057
ECR Basic Letters	9.694	9.751	0.057
ECR High Density Letters	4.436	4.493	0.057
ECR Saturation Letters	4.359	4.416	0.057
ECR Basic Flats	6.152	6.132	-0.020
ECR High Density Flats	4.670	4.651	-0.020
ECR Saturation Flats	4.108	4.088	-0.020

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

D. and E. The volumes in the tables below account for the corrections – discussed in the response to part c above - to RPW volumes in column M of the 'Delivery Volumes' worksheet in LR-K-101. The volumes below also account for the rural-carrier and city-carrier crosswalks that are implemented in the 'Rural Crosswalk' and 'Delivery Volumes' worksheets of LR-K-101.

BY 2004	BY City Carrier Volume	BY Rural Carrier Volume	Implicit BY P.O. Box Volume	Total BY Volume
Single-Piece Letters	17,548,389	10,276,825	13,106,846	40,932,061
Single-Piece Flats	1,634,457	913,445	1,200,169	3,748,071
Single-Piece Parcels	320,840	6,557	154,218	481,614
Total Single Piece	19,503,687	11,196,827	14,461,233	45,161,746
Single Piece Metered Letters	5,571,965	3,263,098	4,161,686	12,966,748
Presort Letters	29,201,824	12,391,542	4,915,875	46,509,242
Presort Flats	630,826	99,790	86,351	816,967
Presort Parcels	4,555	2,251	804	7,610
Total Presort	29,837,205	12,493,583	5,003,030	47,333,818
Total S P and Presort	49,340,892	23,690,410	19,464,263	92,495,564

TY 2006	TY City Carrier Volume	TY Rural Carrier Volume	TY P.O. Box Volume	Total TY Volume
Single-Piece Letters	16,703,642	9,782,118	12,475,906	38,961,666
Single-Piece Flats	1,555,778	869,473	1,142,395	3,567,646
Single-Piece Parcels	305,395	6,241	146,794	458,430
Total Single Piece	18,564,815	10,657,832	13,765,095	42,987,742
Single Piece Metered Letters	5,291,498	3,098,849	3,952,206	12,342,553
Presort Letters	29,820,360	12,654,012	5,020,000	47,494,372
Presort Flats	644,188	101,904	88,180	834,272
Presort Parcels	4,651	2,298	821	7,770
Total Presort	30,469,199	12,758,214	5,109,001	48,336,414
Total S P and Presort	49,034,014	23,416,046	18,874,097	91,324,156

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MMA/USPS-T16-18

Please refer to Library Reference LR-USPS-K-67 (revised), worksheets 11 and 14 where you analyze segment 6.1 costs for First-Class mail.

A. The total segment 6.1 direct labor in-office - casing costs for nonautomation letters is $43,031,000, as shown for all 8 subcategories on worksheet 11. The total segment 6.1 direct labor in-office - casing costs for nonautomation letters is $92,993,908 as shown on worksheet 14. Please reconcile these two figures.

B. The total segment 6.1 direct labor in-office – non-casing costs for nonautomation letters is $1,983,000, as shown for all 8 subcategories on worksheet 11. The total segment 6.1 direct labor in-office – non-casing costs for nonautomation letters is $14,384,417 as shown on worksheet 14. Please reconcile these two figures.

Response

A In deriving the unit delivery costs for the test year, the $43.0 million dollar casing cost is the relevant figure for USPS-LR-K-67. The $43.0 is calculated by partitioning the $350.1 million total letter-shape First-Class Presort Letter cost to rate categories based on the established methodology adopted in R2001-1, PRC-LR-7. An allocation method is required since IOCS does not capture information for all rate categories within First Class presort letter mail.

The portion of the $350.1 million total that this methodology allocates to each rate category equals the casing cost per cased piece times the category's total estimated cased CCS letters. The rate category's cased CCS letters are, in turn, calculated as the total letter-shape CCS First-Class Presort Letters, times the category's percentage of total letter-shape RPW First-Class Presort Letters, times the estimated percentage of these letter-shape RPW pieces that are non-DPS, and therefore cased. The methodology applied in LR-K-67 differs from the established methodology

only in terms of how it calculates the casing cost per cased piece. Please see my responses to R2005-1, MMA/USPS-T16-1A and 1b regarding how this calculation changed between both PRC-LR-7 and LR-K-101, and LR-K-67.

The $93 million, on the other hand, comes directly from IOCS for Nonauto First Class presort mail. But since IOCS does not provide similar direct estimates for the eight categories of Nonauto, some type of allocation procedure is required. The established procedure is to start from the $350.1 million presort letter total, as described above, and thus not to use the $93 million estimate.

B The explanation provided in part A with respect to casing costs applies to non-casing costs as well. Under the established methodology, the relevant figure is the $1.983 million, and the $14.384 figure is not used.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-19

Please refer to Library Reference LR-USPS-K-67 (revised), worksheet 9, and Library Reference LR-USPS-K-101, worksheet "Delivery Volumes". There you list the First-Class volumes delivered by rural carriers, city carriers and the First-Class volumes delivered to post office boxes. Please explain why the total number of First-Class single piece letters (all shapes) delivered by rural carriers is 11,196,625 in Library Reference LR-USPS-K-101, but the corresponding number is 7,714,656 in Library Reference LR-USPS-K-67. Which is correct?

Response

7,714,656 is the FY04 estimated volume of single piece letters (all shapes) delivered on rural routes. The discrepancy is due to the fact that the LR-K-67 volumes exclude collection volumes, and because they are not adjusted by the same rural crosswalk applied in LR-K-101.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-20

Please refer to Library Reference LR-USPS-K-67 (revised), worksheet 2, where you compute the "Total Unit Cost" in the last column for the various categories of First-Class mail.

A. Please confirm that these "Total Unit Cost" figures are derived by dividing total delivery costs for rural and city carriers by the total RPW volume. If you cannot confirm, please explain.

B. Please confirm that the RPW volume used to derive these "Total Unit Cost" figures includes not only volumes that are delivered by rural or city carriers but also volumes that are delivered to post office boxes or returned for postage due. If you cannot confirm, please explain.

C. Please confirm that the total unit cost figures that you derive in Table 1 of Library Reference LR-USPS-K-67 (and provided to USPS witness Abdirhaman) do not represent the volume variable cost of a First-Class letter that is actually delivered by a city or rural carrier. If you cannot confirm, please explain.

D. Please confirm that the table below isolates the unit delivery costs for pieces that are actually delivered by city or rural carriers.

First-Class Letter Category	Total Delivery Costs ($000)	Total Volume Delivered (000)	Unit Delivery Cost Per Piece Delivered (Cents)
Single Piece Letters	2,789,330	24,520,744	11.375
Single Piece Nonletters	577,493	2,658,213	21.725
Total Single Piece	3,366,823	27,178,957	12.388
Workshare Letters	1,739,773	41,648,938	4.177
Workshare Nonletters	74,454	676,303	11.009
Total Workshare Letters	1,814,227	42,325,240	4.286

E. If you can confirm the computations in part D, please explain how the 7.198 cent difference in the unit delivery costs for workshare and single piece letters (11.375 – 4.177) compares to the difference in the unit delivery costs of only 3.235 cents (7.189 – 3.954) that you show on Library Reference LR-USPS-K-67, page 1.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

F. Please confirm that worksharing has no impact on the delivery costs if the letter is not delivered by a rural or city carrier. If you cannot confirm, please explain.
G. Please explain why the "unit cost per RPW", as you use that term in the last five columns of Library Reference LR-USPS-K-67, page 11, has any relevance to the concept of workshare-related unit delivery costs.

Response

A. Confirmed, with the understanding that the volume figures are test year forecasts for RPW categories, rather than historical RPW figures.

B. Confirmed. The volume used to derive the unit delivery costs is the total originating volume, by rate category, for the test year.

C. Confirmed. USPS-LR-K-67 does not (and was not intended to) calculate the ratio of volume variable delivery costs to volumes delivered by city and rural carriers.

D. Not confirmed. The table below has the correct figures for the base year based on your denominator being volume delivered on city and rural routes.

First-Class Letter Category	Total Delivery Costs ($000)	Total Volume Delivered (000)	Unit Delivery Cost Per Piece Delivered (Cents)
Single Piece Letters	2,789,330	24,520,744	11.375
Single Piece Nonletters	577,493	**2,697,599**	**21.408**
Total Single Piece	3,366,823	**27,218,343**	**12.370**
Workshare Letters	1,739,773	41,648,938	4.177
Workshare Nonletters	74,454	**681,850**	**10.919**
Total Workshare Letters	1,814,227	**42,330,788**	**4.286**

***Changes in Bold** – Source of changes LR-K-67_2ndrevised.xls worksheet '9DeliveryVolumes'

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

E. The disparity in the differences between the unit costs can be explained by two factors. The first is that your table uses base year figures, while Table 1 from USPS-LR-K-67 reports test year figures. Second, different denominators are used to derive them. The unit costs in the last column in your table use base year volume delivered on city and rural routes, whereas the unit costs in Table 1 use total forecasted test year originating volume.

F. In terms of the delivery costs that are the subject of USPS-LR-K-67, I confirm.

G. Unit delivery cost per originating (RPW) piece in USPS-LR-K-67 has relevance to the same extent it did in both USPS-LR-J-117 and PRC-LR-7 in Docket No. R2001-1.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-21

Please refer to Library Reference LR-USPS-K-67 (revised), worksheets 9 and 11, where you provide BY 2004 delivery costs for First-Class single piece and workshare letters.

A. Please review the table below and confirm the delivery costs by cost segment, city carrier volumes and the computed derived unit costs. If there are any incorrect values in the table, please provide corrections and show your computations and sources.

	First-Class Letter Category	CC Volume (000)	6.1 IN-OFFICE DIRECT LABOR, CASING ($000)	6.1 IN-OFFICE DIRECT LABOR, NON-CASING ($000)	6.2 IN-OFFICE OVERHEAD, PLUS THE PORTION OF IN-OFFICE DELIVERY PREP THAT IS BURDENED ON OFFICE DIRECT ($000)	7.1 DIRECT DELIVERY ACTIVITIES ($000)	7.2 DELIVERY ACTIVITIES SUPPORT ($000)	6.2 IN-OFFICE DELIVERY PREP BURDENED ON STREET DIRECT ($000)
(1)	Single Piece	7,565,046	661,059	88,885	204,803	907,399	117,544	39,014
(2)	Unit Cost		0.0376	0.0051	0.0117	0.0517	0.0067	0.0022
(3)	Workshare	29,355,620	350,060	47,317	108,509	541,533	66,004	23,398
(4)	Unit Cost		0.0119	0.0016	0.0037	0.0184	0.0022	0.0008
	Unit Cost:							
(2) - (4)	Difference		0.0257	0.0034	0.0080	0.0332	0.0044	0.0014
(2) / (4)	Ratio		1.46	1.47	1.46	1.56	1.51	1.56

B. Please discuss exactly what functions comprise each of the six delivery cost functions and explain what causes the unit costs for workshare letters to be so much less than the unit cost for single piece letters. We note that in each cost segment, the cost for a single piece letter is approximately 50% higher than the cost for a workshare letter. As part of your explanation, please consider and discuss the impact, if any, of barcoding on each of the cost segments.

C. Please review the table below and confirm the delivery costs by rural route carriers, rural carrier volumes and the computed derived unit costs. If there are any incorrect numbers, please provide corrections and show your computations and sources.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

	First-Class Letter Category	RR Volume (000)	10 Rural Route ($000)
(1)	Single Piece	6,955,698	227,766
(2)	Unit Cost		0.0327
(3)	Workshare	12,293,318	272,420
(4)	Unit Cost		0.0222
	Unit Cost:		
(2) - (4)	Difference		0.0106
(2) / (4)	Ratio		1.48

D Please discuss exactly what functions comprise cost segment 10 rural route carriers and explain what causes the unit cost for workshare letters to be so much less than the unit cost for single piece letters. We note that for this cost segment, the cost for a single piece letter is approximately 50% higher than the cost for a workshare letter. As part of your explanation, please be sure to consider and discuss the impact, if any, of barcoding on the costs incurred.

Response

A Not confirmed. The single piece letter shaped volume (000) delivered by city carriers is 17,565,046. This appears to be a typographical error as the values in row (2) are correct. The source of this datum is cell F3 on worksheet '9DeliveryVolumes' in workbook LR-K-67_2nd.revised.xls.

In addition, I have corrected the ratios in the last row.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

	First-Class Letter Category	CC Volume (000)	6.1 IN-OFFICE DIRECT LABOR, CASING ($000)	6.1 IN-OFFICE DIRECT LABOR, NON-CASING ($000)	6.2 IN-OFFICE OVERHEAD, PLUS THE PORTION OF IN-OFFICE DELIVERY PREP THAT IS BURDENED ON OFFICE DIRECT ($000)	7.1 DIRECT DELIVERY ACTIVITIES ($000)	7.2 DELIVERY ACTIVITIES SUPPORT ($000)	6.2 IN-OFFICE DELIVERY PREP BURDENED ON STREET DIRECT ($000)
(1)	Single Piece	**17,565,046**	661,059	88,885	204,803	907,399	117,544	39,014
(2)	Unit Cost		0.0376	0.0051	0.0117	0.0517	0.0067	0.0022
(3)	Workshare	29,355,620	350,080	47,317	108,509	541,533	66,004	23,398
(4)	Unit Cost		0.0119	0.0016	0.0037	0.0184	0.0022	0.0008
	Unit Cost							
(2) - (4)	Difference		0.0257	0.0034	0.0080	0.0332	0.0044	0.0014
(2)/(4)	**Ratio**		**3.16**	**3.14**	**3.15**	**2.80**	**2.98**	**2.79**

B. For a detailed discussion of the composition of the six delivery cost functions please refer to USPS-LR-K-1 pages 6-1 through 7-6 (*'In-Office Overhead'* and *'In-Office Delivery Prep'* are described by *'In-Office Support'* in USPS-LR-K-1). I will discuss causes for the cost differences in the office and street components separately. The disparity in-office costs can be attributed to the fewer number of IOCS tallies for workshared letters as compared with single piece letters. Presumably, this is largely due to the notion that the DPS percentage is higher, possibly due to prebarcoding, for presorted as compared with single piece letter shaped pieces. The difference in street costs is primarily a function of the $839 million dollars of collection costs in the base year for single piece letter shaped pieces on city routes, as compared to zero dollars for workshared letters.

C. Confirmed.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

D. The cost difference on between single piece letter shaped pieces and workshared letters on rural routes for two reasons: 1) the presumed higher DPS percentage, which compensates the rural carriers at a lower rate than for NonDPS letters, for presorted letters and 2) $65.4 million dollars of collection costs incurred for single piece letters as compared to zero dollars for workshared letters.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-22

Please refer to Library Reference LR-USPS-K-67 (revised), worksheet 9; Library Reference LR-USPS-K-101, worksheet "Delivery Volumes"; and your response to MMA-USPS-T16-17D. You provide BY 2004 volumes for First-Class letters in all three sources.

A. Please confirm and correct the volumes shown below from all three sources for rural route carriers and explain any differences.

	Rural Route Volumes (000)		
First-Class Category	LR-K-67	LR-K-101	Int. MMA 17D
Single Piece Letters	6,955,698	10,276,825	10,276,825
Single Piece Flats	645,373	913,445	913,445
Single Piece Parcels	113,585	6,557	6,557
Total Single Piece	7,714,656	11,196,827	11,196,827
Presort Letters	12,293,318	12,391,555	12,391,542
Presort Flats	198,472	99,790	99,790
Presort Parcels	1,793	2,251	2,251
Total Presort	12,493,583	12,493,595	12,493,583

B. Please confirm and correct the volumes shown below from all three sources for city carriers and explain any differences.

	City Carrier Volumes (000)		
First-Class Category	LR-K-67	LR-K-101	Int. MMA 17D
Single Piece Letters	17,565,046	17,565,046	17,548,389
Single Piece Flats	1,701,042	1,701,042	1,634,457
Single Piece Parcels	237,599	237,599	320,840
Total Single Piece	19,503,687	19,503,686	19,503,687
Presort Letters	29,355,620	29,355,620	29,201,824
Presort Flats	477,831	470,464	630,826
Presort Parcels	3,754	11,121	4,555
Total Presort	29,837,205	29,837,205	29,837,205

C. Are the BY 2004 Single Piece Metered Letter volumes for City Carriers and Rural Carriers, that you provided in response to Interrogatory MMA/USPS-T17D, actual volumes or official USPS estimates? If so, please provide source(s) for those volume figures. If not, please explain exactly how you determined or derived the city and rural carrier volumes for metered letters.

D. Please provide a fully revised Library Reference LR-USPS-LR-101 with the corrected volumes for the base year.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

Response

A. Confirmed. The LR-K-67 column reports lower rural-carrier volumes than the LR-K-101 column and the Int. MMA 17D column report, because the LR-K-67 volumes exclude collection volumes, and because they are not adjusted by the same rural crosswalk applied in LR-K-101, and in the derivation of the Int. MMA 17D volumes.

B. Confirmed. For all categories except Presort Flats and Presort Parcels, the LR-K-67 and LR-K-101 volumes equal the BY 2004 CCS volumes, whereas the Int. MMA 17D volumes are the corrected, post-crosswalk LR-K-101 volumes that my MMA-T16-17D response derived by correcting the error in LR-K-101, worksheet 'Delivery Volumes', cells M4 – M9.

For Presort Flats and Presort Parcels, the LR-K-101 volumes are again just the BY 2004 CCS piece counts, whereas the Int. MMA 17D volumes are again the post-crosswalk volumes which my MMA-17D response derived by correcting the 'Delivery Volumes' error in LR-K-101. The LR-K-67 Presort Flat and Presort Parcel volumes, however, result from the parcel crosswalk applied in worksheet "22 Parcel Crosswalk' of LR-K-67. This crosswalk moves 7,367,000 CCS Presort Parcels into CCS Presort Flats, thereby increasing total Presort Flats from the 470,464,000 listed in the LR-K-101 column, to the 477,831,000 listed in the LR-K-67 column, and reducing total Presort Parcels from the 11,121,000 LR-K-101 total, to the 3,754,000 LR-K-67 total.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

C. They are estimates. The 12,966,748,000 BY 2004 Single -Piece Metered Letters equal the sum of cells E14 and E20 in R2005-1, USPS-LR-K-87, "First-Class Single Piece Indicia.xls", sheet 'SP Indicia'. In my response to MMA-USPS-T16-17D, I estimated the city-carrier, rural-carrier, and P.O. Box portions of this 12,966,748,000 total as this total times the ratios of the corrected LR-K-101 city-carrier, rural-carrier, and P.O. Box Single-Piece letters (listed in row 1 of my table in the 17D response) over the grand total of 40,932,061,000 RPW Single-Piece letters. I correctly calculated these ratios as 0.429 for city, 0.251 for rural, and 0.320 for P.O. Box. However, I mistakenly multiplied these ratios by 12,996,748,000, instead of 12,966,748,000, thereby obtaining the estimates of 5,571,965,000 city-carrier, 3,263,098,000 rural-carrier, and 4,161,686,000 P.O. Box Single-Piece Metered letters shown in row 6 of my VP-T16-17D BY 2004 table. Fixing this error reduces these volumes to the correct LR-K-101 estimates of 5,559,103,000 city-carrier, 3,255,566,000 rural-carrier, and 4,152,080,000 P.O. Box Single-Piece Metered letters.

D. Redirected to the Postal Service.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-23

Please refer to your response to MMA/USPS-T16-16 where you provide the unit delivery costs of DPSed and non-DPSed presorted letters.

A. Please confirm that the BY 2004 unit costs of 2.28 and 10.35 cents for DPSed and Non-DPSed letters, respectively, represent not the actual unit costs to deliver each piece but unit costs calculated by dividing (1) the total cost to deliver all pieces that are delivered by rural and city carriers by (2) all presorted letters, including those that are not actually delivered by city or rural carriers. If you cannot confirm, please explain.

B. Please provide the BY volume variable unit cost incurred by the Postal Service to deliver (via a city carrier or rural carrier) a (1) DPSed and (2) Non-DPSed presorted letter and provide your computations and sources.

Response

A. Partially confirmed. The 2.28 and 10.35 cents do equal the total city plus rural delivery costs for DPS and non-DPS presorted letters divided by the total originating presorted letter pieces as measured by RPW, where these total originating pieces do include pieces not delivered by city or rural carriers. These 2.28 and 10.35 cents are therefore estimates of the unit cost that is defined as delivery cost per originating piece.

B. Presumably, the question is asking for a unit cost with the combined city and rural volumes as the denominator rather than base volume. I do not endorse this as a meaningful number for deriving unit delivery costs. Please refer to the attached worksheet for the requested calculations.

Response 6-23B

BY04 COSTS AND VOLUMES	($000s)	($000s)	($000s)	$000s)	($000s)	$000s)	($000s)	($000s)	($000s)	($000s)	(000s)	(000s)	(000s)	($0.000)	($0.000)	($0.000)
Mail Category	6.1 IN-OFFICE DIRECT LABOR CASING	6.1 IN-OFFICE DIRECT LABOR NON-CASING	6.2 IN-OFFICE OVERHEAD PLUS THE PORTION OF IN-OFFICE DELIVERY PREP THAT IS BURDENED ON OFFICE DIRECT	7.1 DIRECT DELIVERY ACTIVITIES	7.2 DELIVERY ACTIVITIES SUPPORT	8.2 IN-OFFICE DELIVERY PREP BURDENED ON STREET DIRECT	10 RURAL CARRIERS	TOTAL PIGGYBACKED CITY CARRIER COSTS	TOTAL PIGGYBACKED RURAL CARRIER COSTS	GRAND TOTAL PIGGYBACKED COSTS	CITY VOLUME	RURAL VOLUME	CITY PLUS RURAL VOLUME	UNIT CITY DELIVERY COST	UNIT RURAL DELIVERY COST	UNIT TOTAL DELIVERY COST
First-Class Presort Letters Subclass - Non DPS Letter Pieces Delivered on City and Rural Routes	350,080	8,589	97,934	98,744	12,035	4,268	136,460	713,840	160,372	874,212	4,636,588	2,957,719	7,594,307	$0.1540	$0.0542	$0.1151
First-Class Presort Letters Subclass - DPS Letter Pieces Delivered on City and Rural Routes	0	38,728	10,575	442,789	53,968	19,131	135,960	705,776	159,785	865,561	24,719,032	9,335,599	34,054,631	$0.0286	$0.0171	$0.0254
First-Class Presort Letters Subclass - All Letter Pieces	350,080	47,317	108,509	541,533	66,004	23,398	272,420	1,419,616	320,157	1,739,773	29,355,620	12,293,318	41,648,938	$0.0341	$0.0077	$0.0418

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-24

Please refer to your responses to MMA/USPS-T16 B and C. In MMA/USPS-T16 B, you were asked to provide a judgment as to how the unit cost of a nonpresorted letter would compare to the unit cost of a workshare letter if neither letter was DPSed. You responded as follows:

> I do not know. I have not compared the unit delivery costs between a workshared letter and a single piece letter that is not DPSed.

In MMA/USPS-T16 C, you were asked to provide a judgment as to how the unit cost of a nonpresorted letter would compare to the unit cost of a workshare letter, if both letters were DPSed. Again, you responded as follows:

> I do not know. I have not compared the unit delivery costs between a workshared letter and a single piece letter that are DPSed.

A. Please confirm that for letters that are not DPSed, you have not provided the Commission with unit costs for single piece letters compared to workshared letters, and that you do not even have any intuition as to which letter would cost more. If you cannot confirm, please provide your best judgment on this matter (as MMA's original question requested) and explain.
B. Please confirm that for letters that are DPSed, you have not provided the Commission with unit costs for single piece letters compared to workshared letters, and that you do not even have any intuition as to which letter would cost more. If you cannot confirm, please provide your best judgment on this matter (as MMA's original question requested) and explain.
C. In order for the Commission to understand the cost savings impact that result from worksharing on delivery operations, do you think it would be important to know the unit costs for workshared and non-workshared letters that are not DPSed? If no, please explain. If yes, why did the Postal Service not attempt to study this type of information?
D. In order for the Commission to understand the cost savings impact that result from worksharing on delivery operations, do you think it would be important to know the unit costs for workshared and non workshared letters that are DPSed? If no, please explain. If yes, why did the Postal Service not attempt to study this type of information?

Response

A. Confirmed.

B. Confirmed.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

C. In reviewing Commission documents, I cannot locate the Commission requesting the unit delivery costs suggested in the question. Exploring this issue was not part of my task of updating the unit delivery costs by rate category from Docket No. R2001-1.

D. In reviewing Commission documents, I cannot locate the Commission requesting the unit delivery costs suggested in the question. Exploring this issue was not part of my task of updating the unit delivery costs by rate category from Docket No. R2001-1.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-25

Please refer to your response to MMA/USPS-T16G. There you compute the implied DPS % for single piece letters as 43.8% under the assumption given to you: that DPSed nonpresorted and workshared letters would cost the same to deliver and that non-DPSed nonpresorted and workshared letters would cost the same to deliver.

A. Can you categorically reject that 43.8% as being a reasonable DPS % for all First-Class nonpresorted letters? If not, please explain.

B. Do you have any intuition or judgment as to what the approximate magnitude is for the DPS % of nonpresorted letters? If so, please provide your best estimate and explain the basis for it.

C. If you feel that the implied DPS % of 43.8% is too low, will this support a contention that the unit cost for nonpresorted letters that are not DPSed is very likely higher than the unit cost for workshared letters that are not DPSed? If no, please explain.

D If you feel that the implied DPS % of 43.8% is too low, will this support a contention that the unit cost for nonpresorted letters that are DPSed is very likely higher than the unit cost for workshared letters that are DPSed? If no, please explain.

Response

A. My response to MMA/USPS-T-16G was based on a specific assumption and was not intended to be an estimate for the DPS percentage of nonworkshared letters. Since I have not studied the issue thoroughly, I cannot categorically reject that 43.8 percent of nonpresorted letters are DPSed.

B No.

C. I have not studied the issue thoroughly enough to feel one way or the other, so I cannot answer the question.

D I have not studied the issue thoroughly enough to feel one way or the other, so I cannot answer the question.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-27
Please refer to Library References LR-USPS-K-67 and LR-USPS-K-101.
A. For each of these library references, please indicate whether the costs used to develop the unit delivery costs include costs associated with First Class letters that are not delivered by city or rural carriers (e.g. letters addressed to post office boxes). If there are any such costs, please provide the total costs, the associated volumes, a description of what such costs represent, and the source(s) for the data you provide.
B. If the referenced Library References do not contain any costs or volumes associated with deliveries of First Class letters other than by city or rural carriers, please indicate where the costs and volumes associated with such other delivery activities may be found in the R2005-1 record.

Response

A. Yes, both LR-K-67 and LR-K-101 contain collection costs which include a portion of mail pieces that will not be delivered by city and rural carriers. However, the volumes (and hence, the costs) of those pieces collected by city and rural carriers that are not delivered via a city and rural carrier are unknown.

B. Not applicable. Please refer to my response to part A.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-28

Please refer to your response to Interrogatory MMA/USPS-T16-16 where you revised the TY 2006 unit delivery cost for presorted letters as 10.92 and 2.41 cents for NonDPS and DPS letters, respectively.

A. Please confirm that the comparable costs from Library Reference LR-USPS-K-101 are 3.51 and 0.3 cents for NonDPS and DPS letters, respectively. If you cannot confirm, please explain.

B. Please explain why the Postal Service's new delivery cost methodology would raise the NonDPS unit cost by more than three times, from 3.51 cents to 10.92 cents.

C. Please explain why the Postal Service's new delivery cost methodology would raise the NonDPS unit cost by more than eight times, from [illegible].3 cents to 2.41 cents.

D. Please explain why the Postal Service's new delivery cost methodology would more than double the DPS unit savings, from [illegible] cents (2.41 - 0.30) to 7.41 cents (10.92 – 3.51).

Response

A. Not confirmed. The NonDPS unit cost of 3.5 cents cited in the question is a unit casing cost derived by adjusting the unit casing cost from FY93 to the test year by adjusting the wage rate. The DPS unit cost of 0.3 cents is a unit casing cost derived from the formula in workbook LR-K-101.xls worksheet 'SummaryTY' cell A32 (solving a linear equation). Conversely, the NonDPS and DPS unit costs given in response to MMA/USPS-T16-16 are the total delivery unit costs for NonDPS and DPS letters (including all costs within cost segments 6, 7, and 10) from LR-K-67. LR-K-67 does not explicitly calculate unit casing costs referenced in LR-K-101, and they are not necessary in either methodology to derive the final unit delivery cost. However, my initial thoughts are that the methodology to calculate the unit casing costs for NonDPS and DPS letters utilized in LR-K-101 is adequate and therefore the unit casing costs for DPS and NonDPS letters using LR-K-67 would be identical to those derived in LR-K-101.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

B.-D. Please refer to my response to part A. To further illustrate the point that the two methodologies across cost segments 6, 7, and 10 do not result in drastically different unit delivery costs for presorted letters, refer to 'Table 1' of LR-K-101_Revised.xls and '1Table1' of LR-K-67_2ndrevised.xls, where the unit delivery costs for presorted letters are 3.979 and 3.954 cents using PRC and USPS methodologies respectively.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association

MMA/USPS-T16-29

Please compare the unit costs and operational differences between a nonDPSed letter and a DPSed letter. Is there a specific relationship between the carrier route sequencing cost of the two types of letters such that the unit cost for the nonDPSed letter is dependent upon the unit cost for the DPSed letter? If so, please explain that relationship. If not, then would you agree that the unit cost for the nonDPSed letter has ***no*** relation to the unit cost of *the DPSed letter?*

Response

In general, First Class Mail pieces that are DPSed do not need to be cased and incur extremely low in-office costs, whereas First Class Mail pieces that are not DPSed need to be sorted by the carrier, through casing, into carrier route sequence and thus incur a nontrivial in-office cost. In addition, the DPSed letters are normally taken out in a separate bundle from the cased pieces. Please refer to my response to MMA/USPS-T16-16 for a comparison of the unit costs for NonDPS and DPS presorted letters.

I am unsure of the nature of the remaining part of the question. Implicitly, the question seems to be asking whether the unit delivery costs for letters that need to be cased into carrier route sequence in an environment in which no letters arrive in carrier route sequence (i e , DPS did not exist) would be the same as the unit delivery costs for nonDPS letters in the current environment, in which many letters arrive in carrier route sequence because DPS does exist. I do not know the answer to that question It seems reasonable to me that the unit costs for NonDPS letters, which would translate to all letters under this scenario, would be different DPSed letters, 81 85 percent of First Class presort, represent

such a significant portion of the volume that carriers deliver on a daily basis, that the currently delivery network is designed to account for them. The scenario hypothesized would shift approximately 39 billion pieces from arriving in sequence to needing to be cased before being delivered. It is difficult for me to predict the consequences of a shift of this magnitude, but without more understanding of the implications of this scenario, I'm not sure how to respond as to whether or not there is a relationship between the unit cost of DPS mail and the unit costs of nonDPS mail.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Major Mailers Association, Redirected from Witness McCrery

MMA/USPS-T29-5

In Interrogatory MMA/USPS-T16-5C, USPS witness Kelly **(sic)** was asked about the delivery costs that would occur for two non-DPSed machinable letters that are identical, except one letter is prebarcoded and presorted whereas the other is not prebarcoded or presorted. In response to that interrogatory, USPS witness Kelly stated, in part:

> Assuming that both letters need to be cased in order to be delivered, the in-office unit costs for the presorted and prebarcoded letter should be lower since the casing rate, on average, for the prebarcoded and presorted letter is expected to be higher than for the piece that is not prebarcoded nor presorted.

Please explain all reasons why the casing rate for the prebarcoded and presorted letter is expected to be higher than for the piece that is "not prebarcoded nor presorted." In addition, please provide any studies or other information that support your explanation.

Response

My earlier response that the casing rate should be higher for presorted and prebarcoded letter pieces was based on intuition. I assumed that some subset of presorted letters, at times, will already be in walk sequence, which seems highly unlikely for single piece letters that need to be cased. Logically, mail in sequence should be cased faster than mail sorted randomly throughout the route. Furthermore, single piece rated letters are much more likely to be handwritten and consequently more difficult to read. These two factors lead me to the conclusion that, on average, presorted letters should be cased at a higher rate than single piece letters.

Response of Postal Service Witness John Kelley
To Interrogatories Posed by the Office of the Consumer Advocate

OCA/USPS-T16-1. Please refer to your testimony at page 8, lines 16-17. You state that your objective was to estimate the vast majority of variables with a coefficient of variation of less than ten percent.
a. Why was 10 percent, as opposed to some other percentage, chosen?
b. In lines 23-25 on page 8 you discuss the use of daily volume as a proxy for other variables in performing the computations. Please show the calculations used in conjunction with your testimony in lines 20-27

Response

a. Deriving estimates from sample surveys usually involves a need for a balance between precision and resources. Ten percent was selected as a target relative error because that level of reliability instilled a high level of confidence that the information collected as part of the CCSTS could be used for costing purposes

b. Refer to the attached spreadsheet. The calculations shown there refer to ones done based on the final sample of 167 ZIP Codes, with volume being used as a proxy (~~form~~ FY~~2000~~ CCS tests) for the variables of interest to be collected in the study.

Response to OCA USPS-T-16-1

[illegible]	[illegible]	[illegible]	(N_h-n_h)	Mean Daily Volume	S_h^2	$1-f_h$	Variance
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	100 002.400	0.99499	857.477.93
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1 522 319.266	0.97773	2,560,085.59
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,214 670.895	0.79167	3,008.27
							3,420,572
[illegible] volume across all strata				[illegible]			
[illegible] Estimator				[illegible]			
				[illegible]			

[illegible] John Wiley & Sons [illegible]

Response of Postal Service Witness John Kelley
To Interrogatories Posed by the Office of the Consumer Advocate

OCA/USPS-T16-2. On page 9 of your testimony, line 26 through page 10, line 2 you discuss three possible strata. Please identify, for each encoded ZIP Code in the final sample, the stratum to which it belongs. If this information is already available in a database, please identify the database, appropriate column and, if possible, provide a printout of the first few lines in order that there may be no doubt on how to interpret the data

Response

Please see the table below. Note, also, that of the 167 ZIP Codes in the final sample, two ZIP codes were excluded from the USPS-LR-K-79 and LR-K-81 scan-time files, and from the LR-K-80 and LR-K-81 volume files. These two ZIP codes are therefore also excluded from the table below. A third ZIP was included in the LR-K-79 scan-time file (COSTPOOL2.FINAL.XLS), and was therefore used in the LR-K-79, MDCD CPSUM.FINAL.XLS calculations of the Segment 7 street-time percentages. However, this ZIP was excluded from the LR-K-81 scan-time file, and from the LR-K-80 and LR-K-81 volume files. For this ZIP, the table below therefore reports only the encoded ZIP (1335 00) from COSTPOOL2.FINAL.XLS.

Response of Postal Service Witness John Kelley
To Interrogatories Posed by the Office of the Consumer Advocate

Encoded Zip Used on the LR-K-79 and LR-K-80 Scan-Time and Volume Files	Masked Zip Used on the LR-K-81 Scan-Time and Volume Files	STRATUM
1377.00	7761044	1
1122.26	5872302	1
922.50	207119	1
1093.41	8971623	1
989.10	1226213	1
1076.37	2644577	1
1053.01	4088800	1
1348.00	6151787	1
1113.44	3170247	1
1136.84	2946128	1
1040.37	4700671	1
1127.96	4416772	1
[illegible]	2381912	1
999.29	206351	1
1366.00	5006634	1
1016.24	6833631	1
1325.00	3333330	1
1240.70	1830982	1
1077.27	2634763	1
871.65	502885	1
1308.00	9231238	1
932.78	4224807	1
1109.25	5561832	1
1217.68	2523329	1
1336.30	5967956	1
1062.08	7064632	1
956.10	1660939	1
900.51	3841890	2
1150.73	2071680	2
1042.38	9719666	2
1047.36	3541130	2
1108.94	1109097	2
1148.45	3637100	2
1134.97	4741966	2
833.30	5813957	2
914.77	1495397	2
1010.21	527528	2
1100.90	4286657	2
972.47	5268704	2
991.12	7408660	2
1096.58	6617639	2
1350.00	1111110	2
1029.59	3610207	2
1151.50	8767371	2
1023.98	7795307	2

Response of Postal Service Witness John Kelley
To Interrogatories Posed by the Office of the Consumer Advocate

Encoded Zip Used on the LR-K-79 and LR-K-80 Scan-Time and Volume Files	Masked Zip Used on the LR-K-81 Scan-Time and Volume Files	STRATUM
950.67	7131259	2
1147.32	2432303	2
1321.00	2222220	2
1094.10	6915709	2
1283.25	8265880	2
1094.61	2516318	2
958.72	8755088	2
1154.51	3931949	2
1186.18	7211264	2
1098.24	1631973	2
1072.26	3090573	2
1143.37	2490591	2
1211.38	5386728	2
1010.97	2461089	2
946.36	6641989	2
1023.07	680989	2
1118.17	4220169	2
1112.82	4282180	2
1157.32	8573006	2
996.90	9600952	2
978.10	7033018	2
1063.05	4889538	2
975.44	2669128	2
993.57	4033945	2
1066.76	6019538	2
1135.87	3341404	2
1191.69	2409668	2
1032.12	7606474	2
949.71	7366497	2
1125.12	8807513	2
1179.79	4717812	2
1006.64	1618591	2
1133.32	7109598	2
1056.69	9404528	2
1105.56	264816	2
1135.37	9680073	2
1078.42	540658	2
1124.93	8586719	2
1229.85	8939761	2
1014.15	1352856	2
1158.21	5079251	2
1031.94	8885626	2
1017.34	3522403	2
1306.00	6714985	2
1104.59	9900515	2
761.84	6608572	2

Response of Postal Service Witness John Kelley
To Interrogatories Posed by the Office of the Consumer Advocate

Encoded Zip Used on the LR-K-79 and LR-K-80 Scan-Time and Volume Files	Masked Zip Used on the LR-K-81 Scan-Time and Volume Files	STRATUM
995.59	478581	2
1091.46	3347202	2
1090.35	3711526	2
1038.85	5887042	2
1107.40	5119230	2
1159.34	3275234	2
1134.41	1891225	2
1140.45	6135928	2
1316.00	7944004	2
909.31	3117064	2
948.66	4826943	2
1091.36	1432093	2
985.46	3925917	2
1038.37	3078259	2
1109.45	5050753	2
1122.11	1376260	2
1132.47	1629153	2
916.27	8693266	2
975.43	8935185	2
1103.09	4193105	2
934.50	5161981	2
1124.81	6123091	2
1004.37	7875349	2
1030.27	6146537	2
1067.66	8768579	2
1032.56	7889371	2
1143.11	4017880	2
1016.26	6131949	2
1033.13	5056157	2
1125.39	5656871	2
1024.34	5335517	2
1224.06	4938880	2
944.37	8155849	2
1032.15	3023743	2
1124.53	6395033	2
1123.00	723582	2
1106.88	6980401	2
958.64	3975672	2
1399.00	6222079	2
1302.00	2556848	2
1061.98	8407116	2
1108.48	9216792	2
1243.68	3029022	2
1207.31	3109561	2
1095.13	7595552	2
1102.14	5621617	2

Response of Postal Service Witness John Kelley
To Interrogatories Posed by the Office of the Consumer Advocate

Encoded Zip Used on the LR-K-79 and LR-K-80 Scan-Time and Volume Files	Masked Zip Used on the LR-K-81 Scan-Time and Volume Files	STRATUM
1357.00	1635436	2
1114.00	2774051	2
1100.36	2958650	2
1098.31	265172	2
917.33	4228438	2
1096.44	6260501	2
994.01	9272079	2
1045.39	5627955	2
1014.06	7701991	2
1111.37	5875249	2
1055.71	8365476	2
977.69	2418845	2
1155.58	1797270	2
1019.05	3797599	2
1107.59	4690965	2
1208.60	3027588	2
1335.00	#N/A	2
994.64	823126	2
1288.00	6103170	2
968.05	5917898	2
975.17	275455	2
1012.96	8131706	3
1047.80	5692981	3
1106.16	6566657	3
1099.29	2330822	3
1016.15	7253903	3
1063.72	8937811	3
1127.21	9785658	3

Response of Postal Service Witness John Kelley
To Interrogatories Posed by the Office of the Consumer Advocate

OCA/USPS-T16-3. Please refer to your testimony at page 10, lines 3-6. You reference the method of Dalenius and Hodges in choosing strata boundaries. Please provide the calculations and a table similar to Table 5A.12 in the book you have referenced. William Cochran, *Sampling Techniques*.

Response

[illegible] testimony on page 10 lines 3-6 references a table similar to Table 5A.12 in [illegible]ran's 2nd Edition (which is Table 5A.11 in the 3rd Edition).

[illegible] Routes per ZIP Code	Frequency f(y)	Cum f(y)
[illegible]	[illegible]	76.[illegible]
[illegible]	2,344	126.6
[illegible]	[illegible]	168.3
[illegible]	318	199.0
[illegible]	379	218.5
[illegible]	124	230.0

To determine the strata boundaries from the table, divide the final cum [illegible] =230 by two (since only one boundary was determined using this method) which equals 115 and that is found in the table between the first and second rows. As a result, the first stratum had ZIP Codes with ten or fewer city letter routes and the second stratum contained ZIP Codes with more than ten and less than sixty-one city letter routes.

Response of Postal Service Witness John Kelley
To Interrogatories Posed by the Office of the Consumer Advocate

OCA/USPS-T16-4. Please refer to your testimony at page 11. You indicate in line 11 that the stratified systematic sample design selected 221 ZIP Codes for the CCSTS. Please provide the calculations leading to the selection of 221 ZIP Codes. That is, how was the projected size of the sample determined?

Response:

The original sample size was based on the following three factors: 1) resource limitations; 2) precision targets; and 3) desire to sample the third strata with certainty. Originally, a sample size of 221 ZIP Codes with the third stratum sampled with certainty achieved our three objectives. Calculations were done, as shown on the attached sheet, to see the expected reliability from a sample of 221 ZIP Codes. A larger than necessary sample size was drawn to account for the possibility of non-response.

Response to OCA/USPS-T-16-4

Strata	N_h	N	n_h	(N_h-n_h)	Mean Daily Volume	S_h^2	$1-f_h$	Variance
1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.99430	753,018.28
2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.97564	2,609,350.91
3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
								3,362,369
Average volume across all strata					[illegible]			
Standard Deviation					[illegible]			
CV					[illegible]			

Data from [illegible]

[illegible] Sampling Techniques [illegible] Edition, John Wiley & Sons [illegible]

Response of Postal Service Witness John Kelley
To Interrogatories Posed by the Office of the Consumer Advocate

OCA/USPS-T16-5. On page 12 of your testimony starting at line 5 you state that ZIP Codes with more than sixty letter routes incurred a reduction in sample size from forty-eight ZIP Codes to twelve ZIP Codes.
a. Did you perform an analysis of the impact on statistical accuracy and precision resulting from this reduction? If so, please provide it. If not, please explain.
b. Do you have any basis for evaluating whether this reduction introduced bias to the data collection procedure? If so, please furnish any analyses. If not, please explain.

Response

a. Yes. Refer to the attached spreadsheet provided as part of my response to OCA/USPS-T-16-1b. It can be seen (column I) that the third stratum contributes very little (as opposed to nothing if it was sampled with certainty) to the overall variance based on volume. The reduction in the sample size in the third stratum had relatively little impact on the expected coefficient of variation and yielded considerable cost savings.

b. The specific data collection procedures for the CCSTS were not related to the sample size. To further that point, when the sample size was reduced, the data collection procedures did not change. Therefore, a reduction in sample size could not have introduced bias to the data collection procedures since they were not related.

Response of Postal Service Witness John Kelley
To Interrogatories Posed by the Office of the Consumer Advocate

OCA/USPS-T16-7. Please refer to your testimony at page 13, lines 23-25. You indicate that the level of precision for the final sample had a CV of less than six percent. Please provide the calculations underlying this statement.

Response:

I do not think you have paraphrased my testimony correctly, but refer to the attached spreadsheet for the standard errors for the estimates of time pool proportions calculated from the CCSTS.

Response to GAUDPS [illegible]

STRATUM	ACTIVITY	[illegible]	[illegible]	[illegible]	THE SAMPLE MEAN OF TOTAL TIME ACROSS ALL ACTIVITIES	RATIO OF SUM OF TIME SPENT IN THIS ACTIVITY TO TOTAL TIME ACROSS ALL ACTIVITIES	SAMPLE VARIANCE OF TIME SPENT IN THIS ACTIVITY	SAMPLE VARIANCE OF GRAND TOTAL TIME IN THIS STRATUM	SAMPLE COVARIANCE OF TIME SPENT IN THIS ACTIVITY AND TOTAL TIME ACROSS ALL ACTIVITIES	Variance Component	Standard Error	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO POIR NO. 8, QUESTION 14

14. Please refer to USPS-LR-K-67, sheet "15.by shape TY", cells: Q17, Q39, Q43, Q45, Q68, and Q88.
   a. In the formula in each of these cells; in-office direct labor costs are converted to whole dollars by multiplying the original source figure (from sheet "20.In-Office TY", cell I6) by 1,000. It is then added to CAG K in-office carrier cost. The latter amount appears to be in thousands rather than whole dollars because there is no conversion factor embedded in the formula. Should the cell formula be modified to convert the CAG K figure to whole dollars? If not, please explain.
   b. Please explain why CAG K costs are in the numerator, but not in the denominator?

RESPONSE:

a No, the cell formulas should be corrected through the elimination of this allocation of TY 2006 CAG K costs altogether. These TY 2006 CAG K, listed in column I of worksheet '20.In-OfficeTY', are fully allocated to the various shape and rate subcategories within each LR-K-67 mail subclass through the allocations implemented in the '2.summary TY' worksheet. Columns F and I in this worksheet correctly allocate all the column I CAG K costs to the in-office overhead and in-office-delivery-prep costs within each shape and rate subclass. There are thus no CAG K costs left to be allocated to the in-office direct labor costs calculated in '15.by shape TY.

Because the CAG K costs that column Q in '15.by shape TY' erroneously attempts to allocate to in-office direct labor are expressed in thousands of dollars, this allocation ends up distributing virtually no CAG K costs to direct labor. Thus, the elimination of this improper allocation has no material impact on the TY 2006 unit costs listed in the '1.Table 1' worksheet. Of the 63 unit costs in this worksheet, none changed by more than one ten-thousandth of a cent.

RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO POIR NO. 8, QUESTION 14

b. As the response to part a explains, the CAG K costs should not be in the numerator either. Moreover, eliminating these costs from the numerator has virtually no impact on the TY 2006 unit costs.

RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO POIR NO. 8, QUESTION 4

4. Please provide the coefficient of variation for each volume variable for the data set witness Bradley utilized to make his regular delivery variability estimates in USPS T-14.

RESPONSE:

The table below contains the coefficients of variation (cv) – defined as a ratio of the standard error of the mean divided by the mean – that are consistent with the volumes used to calculate witness Bradley's (USPS-T-14) regular delivery variability estimates.

Volume Variable	**Sample Size=n**	**Standard Deviation=s**	**Mean=** $\bar{x}$	**CV%=** $\frac{\frac{s}{\sqrt{n}}}{\bar{x}} \times 100$
Letters	1,545	26,665	36,008	1.9%
Flats	1,545	9,985	11,799	2.2%
Sequenced	1,545	6,333	3,528	4.6%
SPR	1,545	326	373	2.2%
Collection Volume	1,545	6,976	4,969	3.6%

RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO POIR NO. 8, QUESTION 5

5. Witness Kelley (USPS-T-16) states on page 8, lines 16-17 of his testimony, that "[t]he objective for this sample was to estimate the vast majority of variables of interest with a coefficient of variation of less than ten percent." Please discuss whether there were specific variables of interest that were considered more important than the others relative to the need to achieve a desired level of precision.

RESPONSE:

Yes. It was extremely important that the estimates of the major time pools – delivery, travel, and support, met the precision targets that were identified in the sample design process. The aggregate of those three variables encompassed more than 90 percent of the street time activities collected as part of the CCSTS and each of those estimated proportions had a coefficient of variation (CV) of less than five percent. Please refer to OCA/USPS-T16-7 for the estimated CV's of those time proportions. However, I also recognized that variables which occur with a low frequency are extremely expensive to estimate with a low CV so it was deemed acceptable, not ideal, if some estimated low frequency street time proportions did not meet our initial precision targets.

RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO POIR NO. 8, QUESTION 6

6. Witness Kelley implies on page 9, lines 11 and 12 of USPS-T-16, that the measure of size used to define the strata for the CCSTS was the number of city letter routes within a particular Zip Code. Please identify what measure of size was used to determine the stratum weights for estimates derived from the survey.

RESPONSE:

The stratum weights were based on the ratio of the total number of ZIP Codes in the frame to the number of ZIP Codes sampled. It might be easier to understand this with the notation and equation listed below:

h stratum

stratum 1<= 10 routes, 10 routes < stratum 2 < 61 routes, stratum 3 > 60 routes)

N number of ZIP Codes with city letter routes at the time the sampled was selected

n number of sampled ZIP Codes

$$w_h = \frac{N_h}{n_h}$$

The resulting weights were 214.6, 44.2, and 4.8 for strata 1, 2, and 3 (as defined above) respectively. The final weight for a sampled ZIP Code was determined based on the number of city letter routes the sampled ZIP Code had at the time the data was collected, not the time at which the sample was selected. For example, if a ZIP Code was selected in stratum 3 and had more than 60 city letter routes at the time the data was collected, the weight applied to that ZIP Code in deriving the street time percentages was 4.8 (weight for stratum 3) However, if the same sampled ZIP Code had between 11 and 60 city letter routes at the time the data was collected, regardless of fact that it was in stratum

RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO POIR NO. 8, QUESTION 6

3 when it was originally selected, then the final weight used to derive the street time percentages for that ZIP was 44.2 (weight for stratum 2 as defined above).

RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO POIR NO. 8, QUESTION 7

7. Witness Kelley describes on pages 12 and 14 of USPS-T-16, the reductions made in the CCSTS sample size. How did he account for these reductions in the variance estimation? Please provide a general expression for the estimator of the resultant variance.

RESPONSE:

The weights derived in my response to POIR No. 8 Item 6. were used to estimate the sampling errors of the street time proportions. Below are the formulas[1] used to derive the street time percentages and the sampling errors on those proportions. The final estimates of the street time percentages are at the ZIP-route-day level.

Notation

y variable of interest

x total street time

^ estimate

w weight (please refer to my response to POIR No 8. Item 6 for its derivation)

h stratum

i ZIP Code

j city letter route

k day

n sample size (ZIP route days)

f sampling fraction $\frac{n}{N}$

N $w \cdot n$

---

[1] Cochran, William G. Sampling Techniques 3rd Edition. (John Wiley & Sons, 1977). pp 153-155.

RESPONSE OF POSTAL SERVICE WITNESS KELLEY TO POIR NO. 8, QUESTION 7

R ratio

$\hat{Y}$ estimate of total for variable of interest

$\hat{X}$ estimate of total for total street time

V variance

s sample standard deviation

s_{xy} covariance between x and y

Estimators

$$\bar{x}_h = \frac{\sum_{i}^{r_h}\sum_{j}\sum_{k} x_{hijk}}{n_h}$$

$$\hat{Y}_h = \frac{N_h}{n_h}\sum_{i=1}^{r_h}\sum_{j}\sum_{k} y_{hijk} \rightarrow \hat{Y} = \sum_{h=1}^{3}\hat{Y}_h$$

$$\hat{X}_h = \frac{N_h}{n_h}\sum_{i=1}^{n_h}\sum_{j}\sum_{k} x_{hijk} \rightarrow \hat{X} = \sum_{h=1}^{3}\hat{X}_h$$

$$\hat{R} = \frac{\hat{Y}}{\hat{X}}$$

$$V(\hat{R}) = \sum_{h=1}^{3}\frac{(1-f_h)}{n_h\bar{x}_h^2}\left(s_{yh}^2 + \hat{R}^2 s_{xh}^2 - 2\hat{R}s_{xyh}\right)$$

$$CV(\hat{R}) = \frac{\sqrt{V(\hat{R})}}{\hat{R}}$$

RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO POIR NO. 8, QUESTION 8

8. Witness Kelley (USPS-T-16) concludes on page 14, lines 1-5 of his testimony, that it was extremely unlikely that the estimates from the city carrier study "...would not meet the original precision objective of a relative error of less than ten percent." He also states on page 14, line 1, that "...there was a sizable gap between the expected accuracy from a final sample of one-hundred and sixty-seven Zip Codes and the initial targeted level of precision...."
   a. Please identify the initial targeted level of precision.
   b. What was the expected accuracy from the sample of 167 Zip Codes, and how was it determined?
   c. The comparison of accuracy with precision suggests a comparison of mean squared error or total error with variance. Was a comparison of this type made?

RESPONSE:

a. The initial targeted level of precision was a coefficient of variation of ten percent for most of the variables being estimated from the survey.

b. I regret the confusion caused as a result of using the words precision and accuracy in the manner in which I did in my direct testimony. In my testimony, I used the word accuracy as a synonym for precision. My intention was to illustrate that the estimated coefficients of variation on the street time percentages were considerably lower than the target of ten percent. Please refer to OCA/USPS-T-16-7 for the estimated coefficients of variation on the estimated street time proportions.

c. No. Please refer to my response to part b.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-1.
Please refer to library reference USPS-LR-J-117, Docket No. R2001-1, which provides cost information underlying the current rates, the relative levels of which would be perpetuated by the across-the-board proposal in this case. Please refer also to library reference USPS-LRK-101, which is a **current** version of the same analysis, at PRC costing.
a. Please confirm that USPS-LR-J-117 is at USPS costing. If you do not confirm, please explain the costing contained therein.
b. If you do confirm that USPS-LR-J-117 is at USPS costing in part a, please provide a version of LR-J-117 at PRC costing, using the same base year as USPS-LR-J-117. That is, no updating is being requested, just a PRC version that might have been filed, or prepared for filing, during the Docket No. R2001-1.

Response

a Confirmed.

b Please refer to Docket 2001-1/PRC-LR-7 for a version of LR-J-117 utilizing PRC costing methods.

RESPONSE OF POSTAL SERVICE WITNESS JOHN KELLEY
TO INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC.,
AND VALPAK DEALER'S ASSOCIATION, INC.

VP/USPS-T16-2. This interrogatory includes the spreadsheets in Attachments A and B. Attachment A is from library reference USPS-LR-K-67, file 'LR-K-67.xls,' tab 5, "RPW." Please refer to the two spreadsheets in the attachments and respond to the following questions.

a. Do the volume data shown in Attachment A, all of which are labeled as "ECR," exclude or include the volume of Nonprofit ECR mail?

b. If your respond [*sic*] that those data in Attachment A exclude Nonprofit ECR volume, please compare the total volumes for letters (column 1) and nonletters (column 4) shown in row 6 of Attachment A with the comparable totals shown in row 4 of Attachment B, which is derived from library reference USPS-LR-K-77, Billing Determinants, and (i) explain why the totals in Attachment A differ from those in row 4 of Attachment B, and (ii) reconcile all differences in volume for each rate/shape category shown in Attachment B.

c. If your response that those data in Attachment A include Nonprofit ECR volume, please compare the total volumes for letters (column 1) and nonletters (column 4) shown in row 6 of Attachment A with the comparable totals shown in row 12 of Attachment B, which is derived from library reference USPS-LRK-77, Billing Determinants, and (i) explain why the totals in Attachment A differ from those in row 12 of Attachment B, and (ii) reconcile all differences in volume for each rate/shape category shown in Attachment B.

RESPONSE:

a. Include.

b. Not applicable.

c. The totals in Attachment A differ from those in row 12 of Attachment B because of differences in the definitions of the various ECR subcategory and shape combinations. These differences are illustrated in the 'Alternative Attachment B' worksheet of the attached "VP-USPS-T16-2 Att A-B.AlternativeB.xls."

One important difference in the definitions applies to all ECR letters. In LR-K-77, and in Attachment B to this interrogatory, letters are defined as the total mail volumes that the LR-K-87 worksheets 'Std Regular' and 'Std Nonprofit' report for auto basic, basic, high density, and saturation mail in the rows that contain the label "letter piece rate" mail. These total mail volumes include, however, flat-shaped pieces as well as

letter-shape pieces. This point is illustrated for ECR and NECR piece rate mail in rows 11-12, 16, 20, 30-31, 35, 39, 49-50, 54, and 58 of the 'Alternative Attachment B' sheet in "VP-USPS-T16-2_Att._A-B.AlternativeB.xls." Row 20 shows, for example, that the 2,783,103,074 pieces that LR-K-77 and Attachment B list as total "ECR saturation letters" really equal the sum of the 2,764,144,185 letter-shape pieces and 18,958,889 flat-shape pieces that LR-K-87 'Std Regular' reports for "letter ECR saturation piece rate" mail. Similarly, row 39 shows that the 661,059,108 pieces that LR-K-77 and Attachment B list as total "NECR saturation letters" really equal the sum of the 654,516,539 letter-shape and 6,524,569 flat-shape pieces that LR-K-87 'Std Nonprofit' reports for "nonprofit letter ECR saturation piece rate" mail. Row 58 shows that the 3,444,162,182 of total LR-K-77/Attachment B "ECR plus NECR saturation letters" is likewise really the sum of the 3,418,660,723 letter-shape pieces and 25,501,459 flat-shape pieces that LR-K-87 reports for total regular plus nonprofit "letter ECR saturation piece rate" mail.

This example also illustrates a second important element of the LR-K-77 and 'Attachment B' definition of ECR letters, namely, that it limits these letters to strictly "piece rate" mail. Thus, letter-shape pieces in all of the ECR "pound rate" categories that are listed in LR-K-87 'Std Regular' and 'Std Nonprofit' are excluded from this LR-K-77/Attachment B definition.

Conversely, the LR-K-87 and LR-K-67 volumes listed in column 1 of Attachment A to this interrogatory define ECR letters as strictly letter-shape pieces recorded in **both** the piece rate **and** pound rate categories. Thus, the LR-K-87/LR-K-67 letters exclude all of the flat-shape pieces that LR-K-77 and Attachment B include as letters, whereas

they include all of the pound rate letter-shape pieces that the LR-K-77 and Attachment B letters exclude. This distinction is also illustrated in the 'Alternative Attachment B' worksheet of the attached "VP-USPS-T16-2_Att._A-B.AlternativeB.xls". This worksheet reports all LR-K-87 and LR-K-67 measures of ECR letters strictly in the letters column (column D). Thus, whereas LR-K-77 and Attachment B report the total ECR saturation letters as equaling the 3,444,162,182 letters plus flats listed for "ECR letters saturation piece rate" mail in column H, row 58 of 'Alternative Attachment B', LR-K-87 and LR-K-67 report these ECR saturation letters as the sum of the letter-shape-only piece-rate and pound-rate volumes listed in column D, rows 58 – 60 of 'Alternative Attachment B,' and that sum to the 3,826,243,986 letter-shape total in column D, row 61, and likewise in column 1 of Attachment A.

These differences in the definitions of ECR letters imply corresponding differences for nonletters. LR-K-77 and Attachment B define nonletters as total mail, including letter-shape pieces, in all mail categories that LR-K-87, 'Std Regular' and 'Std Nonprofit' label as "nonletter piece rate" and "letter/nonletter pound rate" mail. Thus, for example, LR-K-77 and Attachment B report total ECR saturation nonletters as equaling the sum of the 6,664,488,989 letters plus flats plus parcels and the 3,671,669,221 letters plus flats plus parcels that column H, rows 58 and 59 of 'Alternative Attachment B' list for total "nonletter saturation piece rate" and total "letter/nonletter saturation pound rate" mail, respectively. This sum, in turn, equals the 10,336,058,210 saturation nonletters listed in Attachment B row 12. Conversely, LR-K-87 and LR-K-67 report total ECR saturation nonletters as equaling the sum of the flats and parcels-only piece-rate and pound-rate volumes that are listed in column G, rows 58-60 of 'Alternative

Attachment B,' and that sum to the 9,953,976,407 non-letter shape total shown in column G, row 61, and likewise in column 4 of Attachment A.

A final point should also be made concerning 'Attachment B'. There are errors in cells E31 and F31. E31 should have been calculated as ECR high density nonletters (cell E12) plus NECR high density nonletters (cell E21) to get ECR plus NECR high density nonletters. Instead, E31 was calculated as E12 plus E20. Cell F31 was then calculated as the sum of the incorrect E31 and D31. Attachment B in the attached "VP-USPS-T16-2_Att._A-B.AlternativeB.xls" corrects these errors.

VP/USPS-T16-2
Attachment A

RPW ECR Volumes by Rate Category (In Units)
FY 2004

		(1) Letters	(2) Flats	(3) Parcels	(4) Total Nonletters	(5) Total L/F/P
1	ECR Basic Auto	2,115,099,136	1,438,255	--	1,438,255	2,116,537,391
2	ECR Basic	1,958,435,851	12,812,573,744	1,405,061	12,813,978,805	14,772,414,656
3	Subtotal all Basic	4,073,534,987	12,814,011,999	1,405,061	12,815,417,060	16,888,952,047
4	ECR High Density	601,210,401	1,725,311,863	6,269	1,725,318,132	2,326,528,533
4	ECR Saturation	3,826,243,986	9,953,622,002	354,405	9,953,976,407	13,780,220,393
6	TOTAL	8,500,989,374	24,492,945,864	1,765,735	24,494,711,599	32,995,700,973

Source LR-K-67, File FY 2004 RPW Volumes (in Thousands), cells B8:F12

VP/USPS-T16-2
Attachment B

BILLING DETERMINANTS, LR-K-77

Standard Mail Enhanced Carrier Route Subclass

GFY 2004

		Letters	Nonletters	Total	Total
1	ECR Basic	4,059,336,122	11,396,910,120	15,456,246,242	
2.	ECR High Density	481,876,440	1,744,328,033	2,226,204,473	
3.	ECR Saturation	2,783,103,074	9,879,894,649	12,662,997,723	
4	TOTAL	7,324,315,636	23,021,132,802	30,345,448,438	Total

Source USPS-LR-K-77, G-5, Page 2 of 5

4	NECR Basic	468,020,742	964,685,063	1,432,705,805	
6	NECR High Density	67,510,392	32,813,668	100,324,060	
7	NECR Saturation	661,059,108	456,163,561	1,117,222,669	
8	TOTAL	1,196,590,242	1,453,662,292	2,650,252,534	
					Total

Source USPS-LR-K-77, G-5, Page 4 of 5

	ECR & NECR Combined			
9	Basic	4,527,356,864	12 361,595,183	16,888,952,047
10	High Density	549,386,832	**1,777,141,701**	**2,326,528,533**
11	Saturation	3,444,162,182	10,336,058,210	13,780,220,392
12	TOTAL	8,520,905,878	24,474,795,094	32,995,700,972

VP/USPS-T16 2
ALTERNATIVE ATTACHMENT B

RPW ECR VOLUMES BY RATE CATEGORY (IN UNITS)
STANDARD MAIL ENHANCED CARRIER ROUTE SUBCLASS
GFY 2004

	LETTERS	FLATS	PARCELS	NON LETTERS	TOTAL	
ECR						
LTR ECR BASIC AUTO PIECE RATE	1,913,023,897	1,409,184	0	1,409,184	1,914,433,081	H11 + H12 =
LTR ECR BASIC PIECE RATE	1,695,185,379	449,717,662	0	449,717,662	2,144,903,041	4,059,336,122
NONLTR ECR BASIC PIECE RATE	18,485,218	5,565,239,228	1,110,532	5,566,349,760	5,584,834,978	
LTR NONLTR ECR BASIC POUND RATE	4,288,233	5,807,555,965	230,944	5,807,786,909	5,812,075,142	11,396,910,120
TOTAL ECR BASIC	**3,630,982,727**	**11,823,922,039**	**1,341,476**	**11,825,263,515**	**15,456,246,242**	
LTR ECR HIGH DENSITY PIECE RATE	479,631,146	2,245,294	0	2,245,294	481,876,440	
LTR NONLTR ECR HIGH DENSITY POUND RATE	10,372,672	869,441,276	3,975	869,445,251	879,817,923	
NONLTR ECR HIGH DENSITY PIECE RATE	42,873,368	821,634,452	2,290	821,636,742	864,510,110	
TOTAL ECR HIGH DENSITY	**532,877,187**	**1,693,321,021**	**6,265**	**1,693,327,286**	**2,226,204,473**	
LTR ECR SAT PIECE RATE	2,764,144,185	18,958,889	0	18,958,889	2,783,103,074	
NONLTR ECR SAT PIECE RATE	283,860,163	5,995,867,671	20,744	5,995,888,415	6,279,748,578	
LTR NONLTR ECR SAT POUND RATE	100,384,637	3,499,750,663	10,770	3,499,761,434	3,600,146,071	9,879,894,649
TOTAL ECR SATURATION	**3,148,388,985**	**9,514,577,224**	**31,515**	**9,514,608,738**	**12,662,997,723**	
TOTAL ECR	7,312,248,898	23,031,820,284	1,379,256	23,033,199,540	30,345,448,438	

SOURCE: [illegible] Sup-FY2004.xls"

NECR						
LTR NECR BASIC AUTO PIECE RATE	202,075,239	29,071	0	29,071	202,104,310	H30 + H31 =
LTR NECR BASIC PIECE RATE	237,595,502	28,320,930	0	28,320,930	265,916,432	468,020,742
NONLTR NECR BASIC PIECE RATE	1,993,719	811,887,659	13,582	811,901,241	813,894,960	
LTR NONLTR NECR BASIC POUND RATE	887,800	149,952,301	50,003	149,902,303	150,790,103	
TOTAL NECR BASIC	**442,552,260**	**990,089,960**	**63,585**	**990,153,545**	**1,432,705,805**	
LTR NECR HIGH DENSITY PIECE RATE	67,470,906	39,486	0	39,486	67,510,392	
LTR NONLTR NECR HIGH DENSITY POUND RATE	12,151	3,738,138	0	3,738,138	3,750,289	
NONLTR NECR HIGH DENSITY PIECE RATE	850,157	28,213,219	4	28,213,222	29,063,379	
TOTAL NECR HIGH DENSITY	**68,333,214**	**31,990,842**	**4**	**31,990,846**	**100,324,060**	
LTR NECR SAT PIECE RATE	654,516,539	6,542,569	0	6,542,569	661,059,108	
NONLTR NECR SAT PIECE RATE	16,524,404	368,116,007	0	368,116,007	384,640,411	
LTR NONLTR NECR SAT POUND RATE	6,814,059	64,386,201	322,890	64,709,091	71,523,150	456,163,561
TOTAL NECR SATURATION	**677,855,001**	**1,022,080,802**	**63,589**	**1,022,144,391**	**1,699,999,392**	
TOTAL	1,188,740,475	2,044,161,604	127,178	2,044,288,783	3,233,029,257	

SOURCE: [illegible] Sup-FY2004.xls"

ECR & NECR COMBINED						
TOTAL LTR ECR NECR BASIC AUTO PIECE RATE	2,115,099,136	1,438,255	0	1,438,255	2,116,537,391	H49 + H50 =
TOTAL LTR ECR NECR BASIC PIECE RATE	1,932,780,881	478,038,592	0	478,038,592	2,410,819,473	4,527,356,864
TOTAL NONLTR ECR NECR BASIC PIECE RATE	20,478,937	6,377,126,886	1,124,115	6,378,251,001	6,398,729,938	
TOTAL LTR NONLTR ECR NECR BASIC POUND RATE	5,176,033	5,957,513,265	280,947	5,957,689,212	5,962,865,245	12,361,595,183
TOTAL ECR + NECR BASIC	**4,073,534,987**	**12,814,011,999**	**1,405,061**	**12,815,417,060**	**16,888,952,047**	
TOTAL LTR ECR NECR HIGH DENSITY PIECE RATE	547,102,051	2,284,779	0	2,284,779	549,386,832	
TOTAL LTR NONLTR ECR NECR HIGH DENSITY POUND RATE	10,384,823	873,183,389	3,975	873,183,389	883,568,212	
TOTAL NONLTR ECR NECR HIGH DENSITY PIECE RATE	43,723,525	849,847,678	2,294	849,849,964	893,573,489	1,777,141,701
TOTAL ECR + NECR HIGH DENSITY	**601,210,401**	**1,725,311,863**	**6,269**	**1,725,318,132**	**2,326,528,533**	
TOTAL LTR ECR NECR SAT PIECE RATE	3,418,660,723	25,501,459	0	25,501,459	3,444,162,182	
TOTAL NONLTR ECR NECR SAT PIECE RATE	300,384,566	6,364,483,678	20,744	6,364,004,423	6,664,388,989	
TOTAL LTR NONLTR ECR NECR SAT POUND RATE	107,198,696	3,564,136,865	333,660	3,564,470,525	3,671,669,221	10,336,058,210
TOTAL ECR + NECR SATURATION	**3,826,243,986**	**9,953,622,002**	**354,405**	**9,953,976,406**	**13,780,220,392**	
TOTAL	**8,500,989,373**	**24,492,945,864**	**1,765,735**	**24,494,711,599**	**32,995,700,972**	
	407,583,262					**CHECK:**
ECR & NECR COMBINED						**FROM ATTACHMENT A**
TOTAL ECR + NECR BASIC	4,073,534,987	12,814,011,999	1,405,061	12,815,417,060	16,888,952,047	16,888,952,047
TOTAL ECR + NECR HIGH DENSITY	601,210,401	1,725,311,863	6,269	1,725,318,132	2,326,528,533	2,326,528,533
TOTAL ECR + NECR SATURATION	3,826,243,986	9,953,622,002	354,405	9,953,976,406	13,780,220,392	13,780,220,392
TOT	**8,500,989,373**	**24,492,945,864**	**1,765,735**	**24,494,711,599**	**32,995,700,972**	**32,995,700,973**

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VP/USPS-T16-3. Please refer to library reference USPS-LR-K-67, file 'Shape_GFY_2004rV.Final.xls,' labeled "Regular and ECR Standard Mail Summary by Shape and Presort Level, GFY 2004," tab, "Summary." Within this spreadsheet, please refer to the data within the block in columns B through K.

a. What is the source of the data for ECR letters in cells G16 through G20?

b. Are the data in the cells referenced in part a for ECR letters only, or are they for ECR and Nonprofit ECR letters combined?

c. What is the source of the data for ECR flats in rows G34 through G37?

d. Are the data in the cells referenced in part c for ECR flats only, or are they for ECR and Nonprofit ECR flats combined?

e. Please compare the volume shown here for ECR Saturation letters (3,148,388,985) with the volumes of ECR Saturation letters shown in VP/USPS-T16-2, Attachments A and B (respectively, 3,826,243,986 and 2,783,103,074, or 3,444,162,182 for ECR and Nonprofit ECR combined), and explain and reconcile the different volume figures for what appears to be the same rate category.

f. Please compare the volume shown here for ECR Saturation flats (9,514,577,244) with the volume of ECR Saturation flats shown in VP/USPST16-2, Attachment A (9,953,622,002) and explain and reconcile the different volume figure for what appears to be the same rate category.

RESPONSE:

a, c. Please see the 'Alternative Attachment B' worksheet in "VP-USPS-T16-2_Att._A-B.AlternativeB.xls" (attached to the response to VP/USPS-T16-2) and the response to VP/USPS-T16-2(c). The data for ECR letters in cells G16 through G20 and for ECR flats in cells G34 through G37 of the 'Summary' tab are from the following cells in column D of 'Alternative Attachment B' (these column d letters are, in turn, obtained from column H of the LR-K-87 'Std Regular' worksheet):

> 'Shape_GFY_2004rV.Final.xls,' (Summary), Cell G16=1,717,958,830 = sum of cells D12 through D14.
>
> Shape_GFY_2004rV.Final.xls,' (Summary), Cell G17=1,913,023,897, cell D11.
>
> Shape_GFY_2004rV.Final.xls,' (Summary), Cell G18=532,877,187, cell D19.

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Shape GFY 2004rV.Final.xls,' (Summary), Cell G19=3,148,388,985, cell D23.

Shape GFY 2004rV.Final.xls,' (Summary), Cell G20=6,163,807. This is the number of commercial standard letters that paid First-Class Mail or Priority Mail rates. The source is cell H94 from the Shape GFY 2004rV.Final.xls,' (Standard Commercial).

Shape GFY 2004rV.Final.xls,' (Summary), Cell G34=11,822,512,855 = sum of cells E12 through E14.

Shape GFY 2004rV.Final.xls,' (Summary), Cell G35=1,409,184, cell E11.

Shape GFY 2004rV.Final.xls,' (Summary), Cell G36=1,693,321,021, cell E19.

Shape GFY 2004rV.Final.xls,' (Summary), Cell G37=9,514,577,224, cell E23.

b. They are for ECR letters only.

d. They are for ECR flats only.

e-f. See the 'Alternative Attachment B' worksheet in the attachment to the response to VP/USPS-T16-2, and the response to VP/USPS-T16-2(c). The following cell references are to cells in 'Alternative Attachment B':

3,148,388,985, cell D23 = total ECR saturation letters, based on the LR-K-87 and LR-K-67 definition of ECR letters.

2,783,103,074, cell H20 = total ECR saturation letters based on the LR-K-77 and Attachment B definition of ECR letters.

3,826,243,986, cell D61 = total ECR plus nonprofit ECR saturation letters, based on the LR-K-87 and LR-K-67 definition of ECR letters.

3,444,162,182, cell H58 = total ECR plus NECR saturation letters, based on the LR-K-77 and Attachment B definition of ECR letters.

9,514,577,244, cell E23 = total ECR saturation flats, based on the LR-K-87 and LR-K-67 definition of ECR flats.

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9,953,622,002, cell E61 = total ECR plus NECR saturation flats, based on the LR-K-87 and LR-K-67 definition of ECR flats.

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VP/USPS-T16-4. Please refer to library reference USPS-LR-K-67, file 'Shape_GFY_2004rV.Final.xls,' tab, "'Standard Commercial'," which is designated "Standard Mail by Shape, GFY 2004." Within that spreadsheet, please refer to the data in column H, labeled "Letters, Pieces."

a. What is the source of all data in column H?

b. Please confirm that (i) the sum of the data in cells H35 through H38 totals 2,764,144,185; (ii) this amount is the sum of **piece-rated** ECR Saturation letters entered at Destination Bulk Mail Centers ("DBMCs"), Destination Sectional Center Facilities ("DSCFs"), Destination Delivery Units ("DDUs"), and "piece rate" (*i.e.*, no destination entry discount); and (iii) this amount corresponds to the total volume for all piece-rated ECR Saturation letters. If you do not confirm, please provide the correct total, including the source of any other data, for all piece-rated ECR Saturation letters.

c. Please confirm that (i) the sum of the data in cells H81 through H84 totals 100,384,637; (ii) this amount is the sum of **pound-rated** ECR Saturation letters entered at DBMCs, DSCFs, DDUs, and "piece rate" (*i.e.*, no destination entry discount), and (iii) this amount corresponds to the total volume for all pound rated ECR Saturation letters. If you do not confirm, please provide the correct total, and the source of any other data, for all pound-rated ECR Saturation letters.

d. Assuming that you confirm preceding parts b and c, please confirm that the total volume of all ECR Saturation letters (*i.e.*, both piece-rated and pound-rated) contained in this spreadsheet is 2,864,528,822. If you do not confirm, please provide the correct total.

e. Please explain why the total volume for piece-rated ECR Saturation letters in this spreadsheet (2,764,144,185) and the total for piece-rated and pound-rated ECR Saturation letters (2,864,528,822) both differ from the billing determinants total for ECR Saturation letters (2,783,103,074) shown in library reference USPS-LR-K-77 and VP/USPS-T16-2, Attachment B.

f. Please confirm that (i) the sum of the data in cells H43 to H46 totals 479,631,146, (ii) that this is the sum of **piece-rated** ECR High Density letters entered at DBMCs, DSCFs, DDUs, and "piece rate" (*i.e.*, no destination entry discount); and (iii) the sum corresponds to the total volume for all piece-rated ECR High Density letters. If you do not confirm, please provide the correct total, including the source of any other data, for all piece-rated ECR High Density letters.

g. Please confirm that (i) the sum of the data in cells H81 through H84 totals 10,372,672; (ii) this amount is the sum of **pound-rated** ECR High Density letters entered at DBMCs, DSCFs, DDUs, and "piece rate" (*i.e.*, no destination entry discount), and (iii) this amount corresponds to the total volume for all pound-rated ECR High Density letters. If you do not confirm, please provide the correct total, and the source of any other data, for all pound-rated ECR High Density letters.

h. Assuming that you confirm preceding parts b and c, please confirm that the total volume of all ECR High Density letters (*i.e.*, both piece-rated and pound-rated) contained in this spreadsheet is 490,003,819. If you do not confirm, please provide the correct total.

i. Please explain why the total volume for piece-rated ECR High Density letters in this spreadsheet (479,631,146) and the total for piece-rated and pound-rated ECR High

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Density letters (490,003,819) both differ from the billing determinants total for ECR High Density letters (481,876,440) shown in library reference USPS-LR-K-77 and VP/USPS-T16-2, Attachment B.

RESPONSE:

a. The data in column H originate from worksheet 'FY04' in "Standard Reg Shape FY 04.xls" in USPS-LR-K-87.

b(i) Confirmed.

b(ii). No.

b(iii) As explained in the response to VP/USPS-T16-2(c), there are differences in the definitions of the various ECR rate and shape combinations. Consequently, the category 'Nonltr ECR Sat Piece Rate' also has letter volumes. Please refer to the 'Alternative Attachment B' worksheet attached to the response to VP/USPS-T16-2 and note that the category 'Nonltr ECR Sat Piece Rate' (row 21) does include 283,860,163 letters. Therefore, the correct total **piece-rated** ECR saturation letters is the sum of 283,860,163 and 2,764,144,185, which equals 3,048,004,348.

c. Confirmed.

d The correct total **piece-rated** ECR saturation letters is 3,048,004,348, as explained in the response to part (b). That number is added to the total **pound-rated** ECR saturation letters, 100,384,637, to get 3,148,388,985, which is the total ECR saturation letters. This is presented in Row 23 of the 'Alternative Attachment B', attached to the response to VP/USPS-T16-2

e Please refer to responses to VP/USPS-T16-2(c) and VP/USPS-T-16-4(a-d).

f(i). Confirmed.

f(ii). No.

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f(iii). As explained in the response to VP/USPS-T16-2(c), there are differences in the definitions of the various ECR subcategory and shape combinations. Consequently, the category 'nonltr ECR high density piece rate' also has letter volumes. Please refer to the 'Alternative Attachment B' worksheet attached to the response to VP/USPS-T16-2 and note that the category 'nonltr ECR high density piece rate' does include 42,873,368 letters (cell D18). Therefore, the correct total **piece-rated** ECR saturation letters equals the sum of 42,873,368 and 479,631,146, which is 522,504,515.

g. Confirmed.

h. The correct total **piece-rated** ECR high density letters is 522,504,515, as explained in part f. That number is added to the total **pound-rated** ECR high density letters, 10,372,672, to get 532,877,187, which is the total ECR high density letters. This is presented in the 'Alternative Attachment B' worksheet attached to the response to VP/USPS-T16-2, cells D16 through D18.

i. Please refer to responses to VP/USPS-T16-2(c) and VP/USPS-T16-4(f-h).

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VP/USPS-T16-5. Please refer to library reference USPS-LR-K-67, file 'FY2004.DAL.MAILING.VOLUME.ESTIMATES.xls.' Within that spreadsheet, please refer to column D, labeled "Estimated FY04 DAL Mailings Per Year (000)."

a. The datum in cell D11 (3,369,133) is labeled "Total Residential," and the datum in cell D20 (6,248) is labeled "Total Business." Please confirm whether the total of these two (3,375,381) is the Postal Service's total estimate of detached address label ("DAL") mailings (in 000) during Base Year 2004. If you do not confirm, please (i) provide the correct total, (ii) break down the total between flats and parcels, and (iii) indicate where the total (or the separate totals for flats and parcels) can be found in USPS-LR-K-67.

b. Library reference USPS-LR-K-77, Billing Determinants, indicates that the total volume of ECR Saturation nonletters in FY 2004 was as follows:

ECR	9,879,894,649
NECR	456,163,561
Total	10,336,058,210

Using the above as a control total, would it be correct to conclude that the volume of addressed and unaddressed ECR nonletters in FY 2004 was as shown below? If the breakdown below is not correct, please provide the correct breakdown, and indicate whether and where it can be located in USPS-LR-K-67.

Un-addressed ECR Saturation nonletters	3,375,381,000
Addressed ECR Saturation nonletters	6,960,677,210
Total	10,336,058,210

c. Regardless of whether you confirm the breakdown of addressed and unaddressed ECR Saturation nonletters or provide alternate data in response to preceding part b, for each category, please indicate the percent cased and the percent taken directly to the street; *i.e.*, fill in the table below for ECR Saturation nonletters, and indicate which spreadsheet and cells within the indicated spreadsheet in USPS-LR-K-67 that contain the information.

	Addressed	Unaddressed
Cased	_____	_____
Taken directly to Street	_____	_____

RESPONSE:

a Confirmed, although the actual estimated total expressed to the nearest unit is 3,375,381,131.

b. 10,336,058,210 equals the sum of all ECR and NECR letter-shape as well as flat-shape pieces and parcels in the 'Nonltr Sat Piece Rate' and 'Ltr/NonLtr Sat Pound Rate' mail categories listed in rows 59 and 60, and specifically, cell I60 in worksheet 'Alternative Attachment B' of "VP-USPS-T16-2_Att._A-B.AlternativeB.xls" column D in

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rows 59 and 60, shows, in particular, that of this 10,336,058,210 total, 407,583,262 (sum of cells D59 and D60) pieces are letters, not flats or parcels.

The estimate of 3,375,381,131 national-level DAL mailings is the Postal Service's measure of total FY 2004 national level un-addressed ECR saturation nonletters, and is listed in cell C10 of '10.DALsUsECR%-EstOfRurlCovrs' in LR-K-67. However, these 3,375,381,000 pieces are strictly flats and parcels; they totally exclude letters. Similarly, the estimate of national-level addressed ECR saturation nonletters that would be consistent with this estimate of 3,375,381,131 un-addressed nonletters must likewise include only flats and parcels. Such an estimate is obtained by adding the grand total RPW ECR saturation flats and parcels in cells D17 and E17 of the '5.RPW' worksheet in LR-K-67 and then subtracting out the 3,375,381,131 un-addressed saturation nonletters. This produces 6,578,595,275 addressed ECR saturation nonletters.

To summarize, based on the LR-K-67 definitions of ECR saturation nonletters, the correct breakdown of total ECR saturation nonletters into un-addressed and addressed portions is as follows:

Un-addressed ECR saturation nonletters = 3,375,381,131

Addressed ECR saturation nonletters = 6,578,595,275

Total = 9,953,976,406

where 9,953,976,406 equals the FY 2004 total RPW ECR saturation flats plus parcels. Moreover, based on the proportions implied by these estimates, the billing-determinants estimate of 10,336,058,210 FY04 ECR saturation nonletters (including some letter-shape pieces) can be broken down as follows:

Un-addressed ECR saturation nonletters = 3,504,944,600

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Addressed ECR saturation nonletters = 6,831,113,610

Total = 10,336,058,210

where 3,504,944,600 = (3,375,381,131/9,953,976,406) * 10,336,058,210, and

6,831,113,610= (6,578,595,275/9,953,976,406) * 10,336,058,210.

c There are no data available to measure the cased and non-cased portions of any of the above estimates of national-level un-addressed and addressed ECR saturation nonletters.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-6.
Please refer to the "PRC Test Year Unit Costs" in Table 1 of your testimony (USPS-T-16) beginning on page 5, for delivery of various categories of Standard Regular and Standard ECR mail, among others. Focusing on the nature of carrier operations, the physical nature of the mailpieces involved, the way the mail is prepared or otherwise arrives at the carrier station, and the costing information and steps that lead to these costs, please provide narrative responses to the following questions. Be sure to point out differences between in-office and street costs and between city and rural. Note that this question does not ask you to endorse PRC costing, but rather to describe what the costs mean and how they are developed.
a. Please provide explanation and perspective on the result that ECR Basic **flats** cost 6.152 cents to deliver while ECR Basic **letters** cost 9.694 cents. That is, why and how does this result occur, and what does it mean? The obvious problem is that one would expect the cost of letters to be **less** than the cost of apparently corresponding flats.
b. Do you agree that the results recounted in preceding part a are counter-intuitive, possibly in extreme degree? If you do not, please explain why. If you do, please explain the nature of the result that you would find intuitively acceptable.
c. Please provide explanation and perspective on the result that **ECR** Basic flats cost only 6.152 cents to deliver while **Regular** flats cost 9.795 cents, the latter being indicated by the cost for "Regular Flat Subtotal." Why and how does this result occur, and what does it mean?
d. Please consider the two non-automation, letter categories of "ECR Basic Letters" and "Nonmach 3-Digit" Letters, and explain why ECR Basic Letters cost 9.694 cents to deliver and Non-machinable 3-Digit Letters cost only 6.552 cents. Why and how does this result occur, and what does it mean? Please provide any information available on the proportion of ECR Basic letters that are machinable.

Response

a. Please refer to the Postal Service's response to POIR No. 3, Question 3(d).

b. Please refer to the Postal Service's response to POIR No. 3, Question 3(d).

Based on this response, I agree that the 3.142 cents by which the LR-K-101 ECR Basic Letters unit cost - 9.694 cents - exceeds the corresponding 6.152 cents ECR Basic flats unit cost is counter-intuitive. A more acceptable result derivable from LR-K-101 is obtained by eliminating the LR-K-101 rural crosswalk that was responsible for virtually all of this excess. See the response to POIR No. 3,

Question 3(d), for an explanation of how and why the crosswalk caused most of that excess.

c This result is attributable to two factors:

1. the excess of the 5.282 cent LR-K-101 city in-office unit cost for Standard Regular Flats over the corresponding 1.941 cent city in-office unit cost for ECR Basic Flats; and

2 the excess of the 2.328 cent LR-K-101 rural carrier unit cost for Standard Regular Flats over the corresponding 1.598 cent rural carrier unit cost for ECR Basic Flats.

Obviously, the first factor contributes more to the final result than does the second. Moreover, the excess of the 5.282 cent Standard Regular Flats city in-office unit cost over the corresponding 1.941 cents ECR Basic Flats unit cost is an operationally plausible result. It occurs because total city in-office casing costs are much higher for Standard Regular Flats than they are for ECR Basic Flats. This is to be expected, since ECR Basic Flats arrive at delivery units already sorted to a finer degree than Standard Regular Flats.

d This result occurs for the same reason that the ECR Basic letters unit cost exceeds the ECR Basic flats unit cost by over 3 cents, as was noted in question 6a As the Postal Service's response to POIR No. 3, Question 3(d) explains, the excess of the ECR Basic letter unit cost over the Nonmach 3-Digit Letters unit cost (that, from an operational perspective, one would expect to be higher) occurs because of the LR-K-101 rural crosswalk. This crosswalk reallocates the rural-delivery cost of nearly 1.4 billion Rural Carrier Cost System ECR Basic flats

into ECR Basic letters, without reallocating a corresponding volume of RPW ECR Basic flats to ECR Basic letters. Such an unbalanced reallocation increases the ECR Basic rural carrier unit by nearly 3 cents.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-7.
Please refer to the "USPS Test Year Unit Costs" in Table 1 of your testimony (USPS-T-16) beginning at page 5, for delivery of various categories of Standard Regular and Standard ECR mail, among others. Focusing on the nature of carrier operations, the physical nature of the mailpieces involved, the way the mail is prepared or otherwise arrives at the carrier station, and the costing information and steps that lead to these costs, please provide narrative responses to the following questions. Be sure to point out differences between in-office and street costs and between city and rural.
a. Results are shown for the cost of detached address labels ("DALs") distributed in two different ways, one on Saturation letters and the other on Saturation flats. Please explain which of these is more relevant for rate development purposes, and the extent to which it is relevant. If neither is relevant, provide alternative costs.
b. For ECR Basic letters, the delivery cost of Auto letters is shown to be 2.902 cents and of non-Auto letters to be 5.358 cents.
(i) Please explain the extent to which the lower cost for Basic Auto Letters is due to delivery point processing ("DPSing"). What proportion of these letters is DPS'd?
(ii) Please explain any factors other than DPSing that accounts for the lower costs of Basic Auto letters.
(iii) What proportion of the non-Auto Basic letters is DPS'd?
c. For ECR letters, with DAL costs distributed to flats, please compare the delivery cost of Saturation letters, 3.876 cents, to the corresponding cost of Basic Auto letters, 2.902 cents.
(i) Please confirm that Saturation letters must be pre-barcoded.
(ii) What proportions of the letters in these two categories are DPS'd?
(iii) Please explain any factors other than DPSing that explains the cost difference between these two categories.
(iv) To what extent is the proportion of Saturation letters that is DPS'd expected to increase in the test year?
d. For each of the costs in Table 1 for Standard Regular and Standard ECR, please explain whether the USPS costing results are estimates of marginal costs. If they are, please outline the assumptions that must be made to arrive at a conclusion that they are proper estimates of marginal costs. If they are not, please explain the costing theory that guides the estimation process.

Response:

a. I am not responsible for developing rates. My task is to derive accurate unit delivery costs by rate category. In those terms, it is more appropriate for DAL costs to be assigned to ECR Saturation flats. The justification for this

position rests in the manner in which the volume of DAL mailings are counted as volume in RPW, the denominator in calculating unit delivery costs. DAL mailings are recorded in alignment with the shape of the host piece in RPW. Therefore, the costs of DAL mailings should be assigned to ECR Saturation flats to derive the unit cost.

b (i) The disparity in the unit costs for delivering ECR Basic Auto letters and ECR Basic non-Auto letters can be traced mainly to the difference in delivering the two types of mail on city letter routes (1.35 and 3.97 cents per piece respectively). The discrepancy in the unit costs on city letter routes is due to the fact that the DPS percentage for ECR Basic Auto letters delivered on city routes is 76.0 percent as compared to 29.7 percent for ECR Basic non-Auto letters.

On rural routes ECR Basic Auto letters have a unit cost of 1.55 cents as compared with 1.39 cents for ECR Basic non-Auto letters. The reason for the slightly higher unit costs for rural carriers was that a higher percentage of the total ECR Basic Auto letters (42.1%) was delivered on rural routes as compared with the percentage of ECR Basic Non-Auto letters delivered on rural routes (30.2%).

The Carrier Cost System, city and rural combined, estimates the DPS percentage for ECR Basic Auto letters to be 65.09.

(ii) The other major factor that impacts the unit delivery costs is the manner in which RPW volume for those two categories was distributed amongst city and rural letter routes. The costs are distributed differently on these two delivery modes, to more accurately reflect the manner in which the respective carriers

were compensated. The fact that a higher proportion of ECR Basic Non-Auto (68.7%) as compared with the proportion of ECR Basic Auto (48.7%) was delivered on city letter routes contributes to the unit cost difference between the two categories.

(iii) The Carrier Cost System, city and rural combined, estimates the DPS percentage for ECR Non-Auto letters to be 30.3.

c.(i) Not confirmed. Saturation letters with simplified addresses, for example, are not required to be prebarcoded to receive the saturation letter rate.

(ii) The Carrier Cost System, city and rural combined, estimates the DPS percentages to be 65.09 and 27.48 for ECR Basic Auto and ECR Saturation respectively.

(iii). The proportion of volume delivered to city and rural letter routes impacts the unit costs of the two types of mail, since the costs are different for those two types of delivery.

(iv). I am unaware of any forecast of the test year DPS percentage for Saturation letters. LR-K-67 implicitly assumes that this test year percentage equals the base year percentage.

d My understanding is that all of the unit costs in Table 1 are estimates of marginal costs. Please see USPS-LR-K-1, Appendix H for an explanation of the assumptions that must be made to arrive at the conclusion that these are proper estimates of marginal costs.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-8.
In footnote 1 on page 6 of your testimony, you say: "The large discrepancies between the methods leads to the conclusion that they cannot be compared."
a. Does the word "methods" in the quoted sentence refer to the USPS costing method and the PRC costing method? If it does not, please explain what it refers to.
b. By "discrepancies," do you mean the differences in the costs found by the two approaches? Please explain any other meaning.
c. What is it about the size of the discrepancies that leads you to the conclusion that they cannot be compared? Alternatively, how small would the discrepancies have to be to allow you to "compare" them?
d. Do you agree that it is possible to explain the information inputs to each method, the steps that led to the results in each method, and therefore what each result reflects? If you do not, please explain why not.

Response

a Yes.

b The discrepancies refer to the largely different methods utilized to derive the unit delivery costs with the USPS and PRC methods. In other words, I was trying to emphasize, with the footnote in my testimony, that the disparate methods in the two approaches make it difficult to ascertain why a final unit cost in the USPS version is different from its counterpart in the PRC version.

c Reference to the magnitude of the discrepancies is a qualitative statement rather than a quantitative statement. I cannot quantify the magnitude of the discrepancies that would allow meaningful comparisons. The footnote was inserted to underscore the incongruities between the PRC and USPS methods.

d While one could trace though the inputs and computational algorithms for each approach individually, the comparison of results is made difficult by the multitude of differences between the two approaches.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-9.
Please provide the percentage of letters in each category of Regular and ECR mail that is delivery point sequenced.
a. Please explain the role that the extent of DPSing plays in explaining the relative levels of the various results for letters.
b. Please explain the relative proportions of DPS'd mail that one should expect in the test year.

Response

Category	DPS Percentage
Std Nonauto nonmmach mixed ADC	0
Std Nonauto nonmmach ADC	0
Std Nonauto mach mixed AADC	82.14
Std Nonaurto mach AADC	82.14
Std Nonauto nonmach 3 digit	0
Std Nonauto nonmach 5 digit	0
Std Nonauto mach 3 digit	84.40
Std Nonauto mach 5 digit	84.40
Std Auto mixed AADC	79.57
Std Auto AADC	82.02
Std Auto 3 digit presort	83.12
Std Auto 5 digit presort	86.05
ECR Basic Auto	65.09
ECR Basic non-Auto	30.26
ECR Saturation	27.48
ECR High Density	44.31

a. The DPS percentage plays a significant role in the unit delivery costs for Standard Regular and ECR mail. Within a particular delivery mode, city or rural, the higher the DPS percentage, the lower the unit cost. However, the distribution of volume amongst city and rural routes is also an important cost driver in the unit delivery cost.

b. I am unaware of any forecast of the test year DPS percentage for Standard Mail. LR-K-67 implicitly assumes that this test year percentage equals the base year percentage.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-10.
Please refer to library reference USPS-LR-K-67, revised, file FY2004.DAL.MAILING.VOLUME.ESTIMATES.xls.
a. Cell D16 computes DAL mailings to Rural Business Delivery Points. Please explain why cell D15 does not have a corresponding estimate for DAL mailings to City Business Delivery Points.
b. Please provide a spreadsheet with footnotes that indicate the source of the data contained in cells B7 to B10 and B15 to B18.
c. Please provide a spreadsheet with footnotes showing the source of the data in cells F7 and F8.
d. The first part of the heading for column G states "Ratio of cell F8 to Cell D8" and the formula in G7 is "F7/D7." Please explain the relationship between this part of the heading and the formula. Also explain the purpose and use of the ratio in cell G7.
e. The second part of the heading for column G states "Ratio of cell F9 to Cell D23" and the formula in G8 is "F8/(D8+D10)." Please explain the relationship between this part of the heading and the formula. Also, please explain the purpose and use of the ratio in cell G8.
f. The heading for column H states "Ratio of cell G8 to Cell G9" and the formula in H7 is "G7/G8." Please explain the relationship between the heading and the formula. Also, please explain the purpose and use of this ratio.
g. The heading for column I states "Estimated Rural DAL Mailings Per Week Per Possible Delivery Point Based on Column H Ratio." Please explain why there is an entry in a column designated as rural DAL mailings for a row designated as "city."
h. Please provide the formulas for computing the entries in cells L6 and L7, and explain the difference between the entries in cells J7 and J8, designated "Revised Estimates of City and Rural DAL Mailings per Year" and the entries in cells L6 and L7, also designated "Revised Estimates of City and Rural DAL Mailings per Year."
i. The footnote states that "The deliveries shown in the 2003 Annual Report reflect...." Please explain why you used data from the 2003 Annual Report, rather than data applicable to Base Year 2004.

Response

a. ECR Saturation DAL mailings delivered to rural routes include mailings that consist of simplified-address DALs. To qualify for the simplified address format, these rural DALs must be sent to 100% of all possible delivery points, including

business delivery points. Specifically, Domestic Mail Manual, Section A020.2.0 (10-14-04) states that:

> The simplified address format (i.e., "Postal Customer") may be used on mail only when complete distribution (except as provided for congressional mail under E050) is made to each family or boxholder on a rural or highway contract route at any post office, and/or to all post office boxholders at a post office without city carrier service.

My understanding is that DAL mailings going to 100% of all possible rural-route residential and business delivery points are the only mailings among all city and rural saturation DAL mailings that include business delivery points.

b-h. Columns E through J in the spreadsheet "FY2004.DAL.MAILING.VOLUME.ESTIMATES.xls" that was filed with LR-K-67 were not used to calculate the final LR-K-67 estimates of BY 2004 city and rural DAL-mailing volumes (i.e., the estimates input into cells C8 and C9 of LR-K-67 worksheet '10.DALsUsECR%-EstOfRurlCovrs'.) Columns E through I in the attached workbook, "FY2004.DAL.MAILING.VOLUME.ESTIMATES.WithFootnotes.xls" show how these DAL mailing-volume estimates were derived. Footnotes have been added at the bottom of this workbook to identify data sources.

i. The footnote was not intended to appear in the spreadsheet, and is incorrect. Both this workbook, and the new workbook referred to in my response to parts b-h above, obtain total possible delivery points by delivery mode from the FY 2004 Address Management System (AMS).

HDS-Based Estimates of FY 2004 DAL-Mailing Volume[1]

AMS Report dates

	Sept. 30, 2004 Number of Possible Deliveries	Estimated FY04 DAL Mailings Per Week Per Delivery Point	Estimated FY04 DAL Mailings Per Year (000)
Residential Delivery Points[2]			
City	77,967,046	0.50	2,027,143
Rural	33,817,615	0.50	879,258
P. O. Box	15,634,610	0.50	406,500
Highway Contract	2,162,772	0.50	56,232
Total Residential	**129,582,043**	0.50	**3,369,133**
Total Residential - City Plus Rural Only	111,784,661	0.50	2,906,401
Business Delivery Points[2]			
City	7,185,300		
Rural	1,172,499		6,097
P. O. Box	4,321,862		
Highway Contract	58,084		151
Total Business	12,737,745		**6,248**
Grand Total City			2,027,143
Grand Total Rural			885,355
Grand Total P. O. Box			406,500
Grand Total Highway Contract Route			56,383
Grand Total P.O. Box and Highway Contract Route			**462,883**
		Grand Total National-Level Annual DAL Mailings*	3,375,381
		Alternative Formula, Grand Total National-Level Annual DAL Mailings*	3,375,381

Estimated Ratio of DAL Mailings Per Week Per City Res. Del. Point to DAL Mailings Per Week Per Rural Res. Del. Point	Delivery Mode	% of Total Res. Delivery Points	Del. Mailings Per Week Per Res. Del. Point	Revised Estimates Total Annual DAL Mailings	Total Annual DAL Mailings Check
	City	0.697	0.5166	2,095,359	
	Rural	0.303	0.4612	817,138	
1.12059	City Plus Rural	1.000	0.5000	2,912,496	2,912,496
	P.O. Box Plus Highway Contract Routes	N/A	0.5000	462,883	
	Total, National Level	N/A	0.5000	3,375,381	

Sources

[1] The USPS FY 2004 Household Diary Study (HDS) was the source of the estimate of 0.5 DAL Mailings Per Week Per Delivery Point

[2] Address Management System, September 30, 2004

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-11.
Please refer to library reference USPS-LR-K-67, spreadsheet "Casing."
a. Please refer to the data in cells B12 and B13, in the column heading under the column headed "FY04 CARRM File." Please provide a spreadsheet with footnotes indicating the source of these data. If they are from FY04 CARRM File, please indicate the cells in which they occur, and, if they are computed, then indicate the formulas and source of the data used to compute these entries.
b. The headings in cells C11 and D11 are identical, and read "FY04 CCS," but the entries in cells C12-C13 are quite different from the entries in cells D12-D13. Please explain fully the difference between these two columns.
c. Please refer to the entries in cells E121-E13, under the heading "R90-1, USPST-10." Please Indicate where in the indicated reference each datum can be found, and explain whether the numbers 41.2 and 27.4 represent costs, volumes, or something else.

Response

a. It appears you are referring to cells B12 and B13 of worksheet 'EstimatesOfCased.Sat.Ltrs.Flts' in "Casing04.xls" in revised USPS-LR-K-67. A SAS program was run to derive these costs from an analysis of IOCS casing tallies. Please see the response of witness Shaw to POIR No. 2, Item 10, for information about this program. In verifying this source, however, it was discovered that the entries in cells B12 and B13 were not updated to reflect the final analysis of IOCS casing tallies. The correct entry for B12 is 25,439,000 and for B13 is 28,452,000.

b. All of the column C and D data entries are ECR saturation volumes obtained from the City Carrier Cost System (CCCS). As the headings in cells C9 and D9 indicate, columns C and D differ in that C reports non-DPS volumes, and D reports DPS volumes.

c. The references are from R90-1, USPS-T-10, exhibit F, page 1. The 41.2 and 27.4 are pieces cased per minute for sequenced mail.

Response of Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-12.

Please refer to library reference USPS-LR-K-67, file FY04.ECR.Volumes.Sat.NonSat.ByShape.xls.
a. What is the source of the data in cells C10 to C13?
b. What is the source of the data in cells G6 to G16?

Response

a and b. The data sources requested are in the revised workbook "FY04.ECRSat.Vols_Revised.xls." Cells C11, C12, and H15 of this workbook also contain corrected volumes for Saturation DALs associated with flat-shape host pieces, Saturation DALs associated with parcel-shape host pieces, and the flat-shape host pieces themselves. The sum of the corrected DALs in cells C11 and C12 equal the FY 2004 city letter-route total DAL mailings calculated in cell I7 of "FY2004.DAL.ESTIMATES.WithFootnotes.xls", which was filed with my response to VP/USPS-T16-10(b-h).

In addition to these corrected C11, C12, and H15 entries, the entries in cells G6, G16, G17, and H18 of "FY04.ECRSat.Vols_Revised.xls" have been revised in accordance with the corrections, described in my response to VP/USPS-T16-11a, to BY 2004 city letter-route casing costs for ECR Saturation letters and flats. These corrected casing costs appear in cells B12 and B13 of worksheet 'EstimatesOfCased.Sat.Ltrs.Flts' in the new workbook "Casing04_Revised.xls", which is also included in the June 9 revisions to LR-K-67. These corrected casing costs produce the revised cased Saturation letters and flats in 'EstimatesOfCased.Sat.Ltrs.Flts', cells M12 and M13, which, in turn, appear as revised entries G6, G16, and G17 in

"FY04.ECRSat.Vols_Revised.xls," and revised entries in cells E175 and F175 of "city04.xls", which, as a result, is renamed "city04_revised.xls", and included with revised LR-K-67 as well. Entries G3, H3, G5, H5, and H16 in "FY04.ECRSat.Vols_Revised.xls" are also revised as a result of having been calculated based on formulas that refer to cells G6, G16, and G17. Moreover, because these revised "FY04.ECRSat.Vols_Revised.xls" and "city04_revsied.xls" entries change the DAL-mailing costs, they are entered into sheet '10.DALsVsECR%-EstOfRurlCovrs' of a new, revised version of LR-K-67 called "LR-K-67_2nd.revised.xls." The resulting changes in DAL-mailing costs are shown in cells C69 and G69 of "LR-K-67_2nd.revised.xls," worksheet '1.Table 1'. These two cells list new estimates for the unit Saturation-letters and Saturation-flats delivery costs that are based on the allocation of all DAL costs to flats. Because these DAL costs are lower in LR-K-67_2nd.revised.xls than in the previous LR-K-67, the allocation of DAL costs to flats reduces the TY 2006 Saturation-letters unit-delivery cost to 4.137 cents (instead of to 3.876 cents), and it increases the TY 2006 Saturation-flats unit cost to 4.163 cents (instead of to 4.240 cents). The conventional TY 2006 Saturation-letters and flats unit delivery costs that are based on the allocation of DAL costs to letters also change. Cells C63 and G63 of "LR-K-67_2nd.revised.xls," '1.Table 1' show that these latter unit costs now equal 6.665 cents and 3.191 cents, respectively. Finally, the non-Saturation-rate ECR letters and flats unit costs also change by small amounts.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-13.
Please refer to USPS-LR-K-67, revised, file FY2004 DAL.MAILING.VOLUME.ESTIMATES.xls.
a. Cell D16 computes DAL mailings to Rural Business Delivery Points. Please explain why cell D15 does not have a corresponding estimate for DAL mailings to City Business Delivery Points.
b. Please provide a spreadsheet with footnotes that indicate the source of the data contained in cells B7 to B10 and B15 to B18.
c. Please provide a spreadsheet with footnotes showing the source of the data in cells F7 and F8.
d. The first part of the heading for column G states "Ratio of cell F8 to Cell D8" and the formula in G7 is "F7/D7." Please explain the relationship between this part of the heading and the formula. Also explain the purpose and use of the ratio in cell G7.
e. The second part of the heading for column G states "Ratio of cell F9 to Cell D23" and the formula in G8 is "F8/(D8+D10)." Please explain the relationship between this part of the heading and the formula. Also, please explain the purpose and use of the ratio in cell G8.
f. The heading for column H states "Ratio of cell G8 to Cell G9" and the formula in H7 is "G7/G8." Please explain the relationship between the heading and the formula. Also, please explain the purpose and use of this ratio.
g. The heading for column I states "Estimated Rural DAL Mailings Per Week Per Possible Delivery Point Based on Column H Ratio." Please explain why there is an entry in a column designated as rural DAL mailings for a row designated as "city."
h. Please provide the formulas for computing the entries in cells L6 and L7, and explain the difference between the entries in cells J7 and J8, designated "Revised Estimates of City and Rural DAL Mailings per Year" and the entries in cells L6 and L7, also designated "Revised Estimates of City and Rural DAL Mailings per Year."
i. The footnote states that "The deliveries shown in the 2003 Annual Report reflect...." Please explain why you used data from the 2003 Annual Report, rather than data applicable to Base Year 2004.

Response

a.-i. Refer to my response to VP/USPS-T16-10.

Response of Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-14.

Please refer to library reference USPS-LR-K-67, file FY04.ECR.Volumes.Sat.NonSat.ByShape.xls.

a. What is the source of the data in cells C10 to C13?
b. What is the source of the data in cells G6 to G16?

Response

Please refer to my response to VP/USPS-T16-12.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-15.
Please refer to Exhibit VP/USPS-T16-2, Alternative Attachment B. What are the definitions of letters, flats and parcels as used in the column headings? Specifically, do they represent definitions that are based on shape as defined in the Domestic Mail Manual ("DMM") and, if not, what is the basis or source of the definitions?

Response

Yes, they represent definitions of shape based on the DMM.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-16.
Please refer to Exhibit VP/USPS-T16-2, Alternative Attachment B. The volume of "flats" entered at Letter ECR Basic Piece Rates in cells E11 and E12 amounts to 451,126,847 pieces. Similarly, the volume of "flats" entered at Letter ECR High Density Piece Rate and Letter ECR Saturation Piece Rate, in cells E16 and E20, respectively, were 2,245,294 and 18,958,889 pieces.
a. Please give a general description of the "flats" that were entered at the ECR Basic, High Density and Saturation Letter Piece Rates.
b. Were these pieces indeed flats, as defined in the DMM?
(i) If so, how did they come to be entered at letter piece rates, and should they have paid the minimum (higher) piece rate for flats?
(ii) If they were not flats as defined in the DMM, why are they listed in the "flats" column?
c. Please provide the source of data that distinguishes and identifies these "flats" that paid the ECR Letter Piece Rates from "letters" that paid the same rate. Are the data shown in the above-cited cells taken or derived from the forms used to enter the mail with the Postal Service, or are the data derived from one (or more) of the Postal Service's sampling systems? If the latter, please specify which.
d. Please confirm that all revenue from the "flats" volume in the above-cited cells is recorded in the Billing Determinants as being derived from letters. If you do not confirm, please indicate where the revenues from this particular volume of "flats" is recorded in the Billing Determinants.
e. If one (or more) of these "flats" that was entered at an ECR Letter Piece Rate were to be the subject of an In-Office Cost System ("IOCS") sample, would it be recorded as (i) a letter or (ii) a flat? Please indicate the specific IOCS instructions that direct the tally-taker to record these "flats" (and the associated cost thereof) in the same manner as the revenue is recorded.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

Response

a-c) The shape estimates provided in USPS-LR-K-87 are developed using postage statement information from PostalOne. To determine the processing categories of LTR ECR BASIC PIECE RATE, LTR ECR HIGH DENSITY PIECE RATE and LTR ECR SATURATION PIECE RATE the estimation procedure relies on the processing category information recorded on the front of the PS-3602 form in which the DMM processing category is indicated. The pieces in cells E11, E12, E16 and E20 reflect instances where the processing category indicated either flats (DMM C050) flats or automation compatible flats (DMM C820).

The pieces may have been entered as flats for a number of reasons including, but not limited to, 1) the acceptance clerk determining upon verification that the pieces were flats based on the DMM C050 definition and choosing not to require the customer to rework the mailing or the postage statement, 2) acceptance clerk oversight, or 3) data entry error. It is not possible to determine if the processing category was checked as flats because the piece was flat shaped or because of an error. In the case of the 449,717,662 pieces in cell E12 LTR ECR BASIC PIECE RATE the clerk may have allowed the customer to enter flats at letter rates since the letter and nonletter rates for this category of mail are equal.

d. The information in Billing Determinants measures revenue pieces and weight by rate category and is not constructed to explicitly measure DMM shape.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

Revenue from flat shaped mail entered at letter rates would be recorded in letter categories.

e. My understanding is that IOCS records pieces according to DMM dimensions. Therefore the piece would be recorded as a flat. The specific instructions can be found in Docket R2000-1 in USPS-LR-I-45 pages 12-8 through 12-10.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-17.
Please refer to Exhibit VP/USPS-T16-2, Alternative Attachment B. The entry in cells D13, D18 and D21 show, respectively, 18,485,218 Basic, 42,873,368 High Density and 283,860,163 Saturation "letters" entered at the Nonletter ECR Piece Rate.
a. Please give a general description of "letters" that elected to pay higher Nonletter ECR Basic Piece Rates in effect during GFY 2004.
b. Please provide the source of data that distinguishes and identifies these "letters" paying the Nonletter ECR Piece Rates from "letters" paying the Letter ECR Piece Rates. Are the data taken or derived from the forms used to enter the mail with the Postal Service, or are the data derived from one (or more) of the Postal Service's sampling systems? If the latter, please specify which.
c. Please confirm that the revenue from the "letters" recorded in the above referenced cells is recorded in the Billing Determinants as derived from flats. If you do not confirm, please indicate where the revenues from this particular volume is recorded in the Billing Determinants.
d. If one (or more) of these "letters" that was entered at the Nonletter ECR Basic Piece Rate were to be the subject of an IOCS sample, would it be recorded as (i) a letter, or (ii) a flat? Please indicate the specific IOCS instructions that direct the tally-taker record these "letters" (and the associated cost thereof) in the same manner as the revenue is recorded.

Response

a. ECR High Density and ECR Saturation letter shaped mail that is not automation compatible is required to pay the applicable nonletter rates. It is likely that the majority of the pieces in cells D18 and D21 reflect letter shaped pieces that were either not prepared as an automation mailing or were not properly barcoded. The 0.33 percent of ECR NONLTR BASIC PIECE RATE pieces may be instances where the clerk determined that the pieces conformed to the DMM C050 definition of a letter or may reflect a data entry error or clerk oversight.

b. The shape estimates provided in USPS-LR-K-87 are developed using postage statement information from PostalOne. To determine the processing categories of NONLTR ECR BASIC PIECE RATE, NONLTR

ECR HIGH DENSITY PIECE RATE and NONLTR ECR SATURATION PIECE RATE the estimation procedure relies on the processing category information recorded on the front of the PS-3602 form in which the DMM processing category is indicated. The pieces in cells D13, D18, and D21 reflect instances where the processing category indicated letters (DMM C050).

c. The information in Billing Determinants measures revenue pieces and weight by rate category, and is not constructed to explicitly measure DMM shape. Revenue from letter shape mail entered at nonletter rates would be recorded in nonletter categories.

d. My understanding is that IOCS records pieces according to DMM dimensions. Therefore the piece would be recorded as a letter. The specific instructions can be found in Docket R2000-1 in USPS-LR-I-45 pages 12-8 through 12-10.

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VP/USPS-T16-18.
Please refer to Exhibit VP/USPS-T16-2, Alternative Attachment B.
a. In the "Letters" column, cells D14, D17 and D22 show, respectively, a volume of 4,288,233 pieces at the Ltr/Nonltr ECR Basic Pound Rate, 10,372,672 pieces at the High Density Ltr/Nonltr Pound Rate, and 100,384,637 pieces at the Saturation Ltr/Nonltr Pound Rate.
(i) Do these data represent the volume of "heavyweight" ECR Basic letters that weighed between 3.3 and 3.5 ounces, and paid additional postage in excess of the piece rate for weight over 3.3 ounces? Alternatively, do they represent all letter-shaped pieces that weight in excess of 3.5 ounces, and therefore paid the full pound rate?
(ii) Do they represent all letter-shaped pieces that weighed in excess of 3.3 ounces? Or, do they represent yet a possibility other than those just described? In your answer, please explain exactly what these volume data represent, and in which of the recognized rate categories they belong.
b. If one (or more) of these "letters" that was entered at the Nonletter ECR Basic Piece Rate were to be the subject of an IOCS sample, would it be recorded as (i) a letter, or (ii) a flat? Please indicate the specific IOCS instructions that direct the tally-taker to record these "letters" (and the associated cost thereof) in the same manner as the revenue is recorded.
c. Please provide the source of data that distinguishes these "letters" that paid the Nonletter ECR Pound Rates from other "letters" that paid the piece rates in their respective rate category. Are the data taken or derived from the forms used to enter the mail with the Postal Service, or are the data derived from one (or more) of the Postal Service's sampling systems? If the latter, please specify which.

Response

a. The volume reported in cells D14, D17 and D22 represents the volume of all letter shaped pieces (DMM C050) that weighed in excess of 3.3 ounces that paid either the LTR/NONLTR ECR BASIC POUND RATE, NONLTR ECR HIGH DENSITY POUND RATE, or NONLTR ECR SATURATION POUND RATE.

b. My understanding is that IOCS records pieces according to DMM dimensions. Therefore the piece would be recorded as a letter. The

specific instructions can be found in Docket R2000-1 in USPS-LR-I-45 pages 12-8 through 12-10.

c. The shape estimates provided in USPS-LR-K-87 are developed using postage statement information from PostalOne. To determine the processing categories of LTR/NONLTR ECR BASIC POUND RATE, NONLTR ECR HIGH DENSITY POUND RATE and NONLTR ECR SATURATION POUND RATE the estimation procedure relies on the processing category information recorded on the front of the PS-3602 form in which the DMM processing category is indicated. The pieces in cells D14, D17, and D22 reflect instances where the processing category indicated letters (DMM C050).

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VP/USPS-T16-19.
Please refer to your testimony (USPS-T-16) at page 4 (ll. 8-9) where you state that library reference USPS-LR-K-67, which you sponsor, "updates the analyses done in library reference USPS-LR-J-117/2001-1...."
a. Please explain the various steps in the procedure used to adjust for carrier inoffice (Segment 6) costs and out-of-office (Segment 7) costs of handling detached address labels ("DALs"), as well as the rationale for the procedure developed in USPS-LR-K-67.
b. Please compare and contrast the methodology for the cost of handling DALs in USPS-LR-K-67 with the methodology in USPS-LR-J-117.
c. Aside from the methodology for the DAL adjustment discussed in preceding parts a and b, for all subclasses of Standard Mail (*i.e.*, Regular (Commercial), Regular Nonprofit, ECR (Commercial), and Nonprofit ECR), please identify and explain every other change in methodology used to derive delivery costs in USPS-LR-K-67 and USPS-LR-J-117.

Response

a. USPS-LR-K-67 differentiates DAL costs from other ECR Saturation letter costs. The purpose of this separation is to allow for the allocation of the city-carrier street-time and total rural costs of DALs associated with flat-shape host pieces to these host pieces.

The 2004 Household Diary Study provides an estimate of 0.5 DALs per household per week. This is interpreted as an average of 0.5 DALs per residential delivery point per week over all city letter routes and rural routes combined. This result is then combined with data on total city and rural possible delivery points in the workbook FY2004.DAL.ESTIMATES.WithFootnotes.xls (filed in response to VP/USPS-T16-10(b-h). This files also disaggregates the average of 0.5 DALs per residential delivery point into a slightly higher city letter-route DALs per delivery point, and a slightly lower rural DALs per delivery point. Next, it multiplies these city and rural DALs per delivery by corresponding total delivery points to estimate BY 2004 totals of 2,085,359,000 DAL mailings

delivered to city letter routes, and 817,139,000 DAL mailings delivered to rural routes. These totals are substituted into cells C8 and C9 of worksheet '10.DALsVsECR%-EstOfRurlCovrs' in the revised LR-K-67 ("LR-K-67_2nd.revised.xls") filed June 9, 2005. This '10.DALsVsECR%-EstOfRurlCovrs' worksheet uses the DAL mailing estimates, along with estimates of cased and non-cased city letter-route Saturation letters and flats obtained from "FY04.ECRSat.Vols_Revised.xls" to estimate the DAL and non-DAL (i.e. attached-label) portions of Saturation-letter city street-time costs and total Saturation-letter rural costs, plus the host-piece and non-host-piece (attached-label) portions of total Saturation-flat city street-time costs and total Saturation-flat rural costs. The DAL portions of the city street-time costs, and of the total rural costs, are then allocated to the flat-shape host pieces for purposes of calculating those versions of total unit Saturation-letter and Saturation-flat delivery costs that allocate all DAL costs to flats. For TY 2006, these versions are unit costs listed in cells C69 and G69 of sheet '1.Table 1' in LR-K-67_2nd.revised.xls.

b. USPS-LR-K-67 separates DAL costs from non-DAL Saturation letter costs in order to calculate a set of ECR Saturation letter and flat unit costs in which the DAL costs are attributed to the flat-shape host pieces to which they are associated. To accomplish this, LR-K-67 reallocates the DAL costs from the numerator of the Saturation letter unit cost to the numerator of the Saturation flat unit cost. The Saturation letter and flat unit costs calculated in the manner are listed in cells C69 and G69 of LR-K-67 worksheet '1.Table 1'.

USPS-LR-J-117 does not explicitly distinguish between DAL costs and non-DAL Saturation letter costs. It does not calculate a separate set of Saturation letter and flat unit costs in which the total DAL costs are allocated to Saturation flats.

c. The differences are as follows:

1. Segment 6, 7, and 10 Cost Inputs

The segment 6, 7, and 10 cost analyses provide inputs to the LR-J-117 and LR-K-67 derivations of delivery costs by shape and rate subcategory. Some of the methods used to produce these inputs changed between LR-J-117 and LR-K-67. The inputs to LR-J-117 are from the R2001-1 segment 6, 7, and 10 cost analyses, which apply city and rural carrier costing methodologies used by the Postal Service prior to FY 2003. The inputs to LR-K-67 are from the R2005-1 cost analyses. In USPS-T-14, Witness Bradley explains how the city carrier methodologies applied to segment-7 city letter-route costs changed between the pre-FY 2003 approach and the R2005-1 analyses applied to BY 2004. For rural carriers, the FY 2000 segment 10 analysis that provides inputs to LR-J-117 implements a so-called rural-flats adjustment, which moves portions of rural cost system (RCS) letters into flats, in order to adjust for differences between FY 2000 RCCS and FY 2000 Mail-Counts measurements of rural letters and flats. The BY 2004 segment 10 analysis that provides inputs to LR-K-67 no longer applies any such flats adjustment.

2. Rural and City Crosswalks

The 'Rural Crosswalk' sheet in LR-J-117 applies a crosswalk that moves significant portions of rural cost system (RCS) flat-shape volumes back into

letters, and significant portions of RCS parcels into flats. This crosswalk operates in part as a reversal of the flats adjustment described in the preceding paragraph. The 'Delivery Volumes' sheet in LR-J-117 applies a different crosswalk. It moves large portions of city-carrier cost system (CCS) letters to flats, and large portions of CCS flats to parcels. LR-K-67 applies neither of these two crosswalks. However, USPS-LR-K-67 applies a parcel crosswalk that shifts a portion of city carrier costs from parcels into flats. Please refer to LR-K-67.doc, page 10 for details on how this parcel crosswalk is implemented.

3. Calculation of DPS and non-DPS In-Office Direct Labor Costs

LR-J-117 separates the total unit in-office direct-labor cost of letter-shaped Standard-Regular Mail into a DPS unit cost and a non-DPS unit cost by first finding the unit cost of sorting letters before DPS mail existed (FY 1993). Next, it updates this unit non-DPS cost to BY 2000 by inflating it to account for increases in the city-carrier wage rate between FY 1993 and BY 2000. It further assumes that the observed BY 2000 total unit cost – the total IOCS in-office direct labor cost per RPW piece for all Standard-Regular letters – equals a weighted average of the non-DPS unit cost and the DPS unit cost. This assumption allows the BY 2000 DPS unit cost to be derived as a function of the total unit cost and the non-DPS unit cost.

LR-K-67 rejects this method of deriving the DPS and non-DPS unit costs. It instead uses the BY 2004 IOCS to separate total in-office direct labor costs into casing costs and non-casing costs. It derives the DPS and non-DPS unit direct-labor costs from the total BY 2004 unit cost for all letter-shape Standard Mail by

assuming that non-DPS letters generate both casing and non-casing costs, whereas DPS letters generate only non-casing costs.

4. Distribution of Costs to Shape

LR-J-117 and LR-K-67 differ in how they distribute city street-time costs and certain rural-carrier costs to shape categories within each subclass. LR-J-117 distributes subclass-level volume-variable access, coverage-related load-time, and route-time costs to shape based on RPW volumes, and it distributes subclass-level elemental load time costs to shape based on the crosswalk that it derives in the 'Delivery Volumes' worksheet. LR-J-117 distributes rural costs in the DPS-letters delivered, sector-segment-letters delivered, other-letters-delivered, flats-delivered, and parcels-delivered rural-evaluation categories to shape categories based on the crosswalk that it implements in the 'Rural Crosswalk' sheet.

LR-K-67 distributes all city street-time costs to shape in the same manner that USPS-T-9, Workpaper B, CS06&7.xls distributes these costs to shape. It does not apply any crosswalks to these worksheet CS06&7.xls distributions. LR-K-67 likewise distributes the rural letters, rural flats, and rural parcel-delivery costs in the rural-evaluation categories listed above in exactly the same way that USPS-T-9, Workpaper B, CS10.xls distributes these costs to shape.

5. Distributions of Costs to Rate Category within Shape

LR-J-117 and LR-K-67 also differ in how they distribute Standard-ECR city street-time costs to rate categories within each subclass-mail shape category. After using the post-crosswalk city-carrier CCS volumes in cells G11 – I16 of

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R2001-1, "USPS-LR-J-117_revised.xls," sheet 'Delivery Volumes' to distribute ECR city-carrier elemental load-time costs to shape, LR-J-117 uses RPW volumes to distribute each subclass-shape cost to rate categories. LR-K-67 distributes each such cost to rate categories based on CCS volumes.

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VP/USPS-T16-20.
At page 4 (ll. 25-26) of your testimony, you state that library reference USPS-LR-K-101 develops delivery costs using the Commission's attributable cost methodology. Does USPS-LR-K-101 include an adjustment for DAL costs that is comparable to that contained in USPS-LR-K-67? If so, please indicate where it can be found.

Response

No. USPS-LR-K-101 makes no effort to distinguish DAL costs from other ECR

Saturation letters.

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VP/USPS-T16-21.
Please explain how the street costs for sequenced mail are distributed to each rate category, such as (but not limited to) ECR Saturation letters and flats.

Response

In FY04, the total volume variable cost of sequenced mail is $92.5 million. This is distributed to letters, flats, and small parcels by their respective portions of the total cost. To obtain those respective portions, first, the cost per city carrier piece for a shape, across all mail delivered on city routes, is multiplied by the city carrier sequenced volume for that corresponding shape. Applying this method results in $33.7 million, $76.4 million, and $8.2 million for letters, flats, and small parcels respectively. Aggregating the total costs across letters, flats, and small parcels equals $118.3 million. The relevant proportions, therefore, are 33.7/118.3, 76.4/118.3, and 8.2/118.3. These proportions are used to distribute the $92.5 million., which corresponds to the total volume variable costs of $26.4, $59.7 and $6.4 million (small difference due to rounding) in the sequenced cost pool for letters, flats, and small parcels respectively. This process is documented in worksheet '21ECRUnitCosts04.xls' which is part of LR-K-67_2nd revised.xls.

To get the final distribution (assuming DAL costs are moved to their host pieces) of sequenced costs to letters, flats, and small parcels, two further adjustments need to be made from the allocation described in the preceding paragraph.

First, the costs associated with DALs (so they can be moved to their host pieces) must be derived from the $26.4 total in the sequenced letter pool. The cost model used to derive unit delivery costs estimates that 50.4 percent of

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NonDPS ECR Saturation letter volume is sequenced. This results in an estimate, applying that percentage to the volume from the city carrier system, that 1,863,243,000 ECR Saturation letters are sequenced. Assuming the same proportion of DALs are sequenced as other NonDPS Saturation letters, then the estimated number of sequenced DALs is 1,056,061,000 (50.4 percent multiplied by DAL estimate of 2,095,359,000). The result of this calculation attributes 57 percent of the sequenced letter cost, $14.9 million, to DALs which is moved to flats and small parcels.

Secondly, the parcel crosswalk moves $6.3 million dollars from small parcels to flats. A more thorough explanation of the parcel crosswalk is provided in LR-K-67.doc on page 8, and the actual calculations are contained in LR-K-67_2ndRevised.xls worksheet '22ParcelCrosswalk'. The parcel crosswalk leaves $111,500 for sequenced small parcels, which is less than 0.05 percent of the sequenced costs associated with sequenced flats and small parcels. As a result, I assumed that all of the $14.9 million of DAL costs is moved to flats.

The final base year volume variable costs by shape (including DAL adjustment) for sequenced mail is the following, which totals $92.5 million dollars.

Sequenced letters $11.4 million

Sequenced flats $81.0 million (including $14.9 million from DALs and $6.3 million from parcel crosswalk)

Sequenced small parcels $111,500.

The entire $11.4 million in sequenced letters is attributed to ECR Saturation letters. For flats, the original $59.7 million plus the $14.9 million from

the DAL adjustment is allocated to ECR Saturation flats. The $6.3 million that is shifted from parcels to flats due to the parcel crosswalk is partitioned amongst the ECR Basic, High Density, and Saturation rate categories by taking the proportion of each rate category to the total RPW ECR Parcel volume (this is done due to the less strict coverage requirements for ECR parcels in the DMM). Applying that methodology to the three rate categories allocates 20.0 percent of the shifted cost allocated to ECR Saturation flats, 79.6 percent to ECR Basic flats and 0.4 percent to ECR High Density flats. This results in $1,280,000, $5,000,000, and $22,300 being distributed to ECR Saturation flats, ECR Basic flats and ECR High Density flats respectively. Those percentages are derived in rows 30 through 90 of column D in worksheet '3.CITYECRVOL' in workbook LR-K-67_2ndRevised.

The remaining $111,500 in sequenced parcel costs is partitioned in the same manner across ECR parcel rate categories as the crosswalked flats cost in the preceding paragraph. This results in $22,400, $88,700, and $400 allocated to ECR Saturation parcels, ECR Basic parcels, and ECR High Density parcels respectively.

In summary, the $92.5 million in sequenced costs is allocated in the following manner (including the DAL adjustment) to rate categories.

ECR Saturation letters – $11,400,000

ECR Saturation flats - $75,900,000

ECR Basic flats - $5,000,000

ECR High Density flats - $22,300

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ECR Saturation parcels	$22,400
ECR Basic parcels	$88,700
ECR High Density parcels	$ 400

REVISED: JUNE 23, 2005

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VP/USPS-T16-22.
a. In Base Year 2004, what was the percentage of ECR Saturation letters that were (i) delivery point sequenced ("DPS'd"), (ii) cased by carriers, and (iii) taken to the street as sequenced mail?
b. In Base Year 2004, what was the percentage of ECR Saturation flats that were (i) cased by carriers, and (ii) taken to the street as sequenced mail?

Response:

a. I am including information for ECR Saturation letters delivered on city and rural routes in part (i) since it has an impact on both city and rural delivery costs. However, in parts (ii), (iii), and b., I am only giving a percentage based on volume delivered to city letter routes. The reason for this is two fold: 1) the percentage of NonDPS ECR Saturation letters that are cased or taken directly to the street on rural routes has no impact on rural delivery costs and 2) the values are not known.

(i) USPS-LR-K-67 has the data necessary to calculate the DPS percentage for ECR Saturation letters. The DPS percentage for ECR Saturation letters delivered on city routes is found in city04_revised.xls (cells G174/J174) which equals 28.1 percent. On rural routes the data to calculate the DPS percentage is in '4RCCSECRPIECES' (cells D20/D21) which equals 24.8 percent. Combining the two volumes gives an overall DPS percentage of 27.5 percent for ECR Saturation letters.

(ii) For FY04, an estimate of 35.6 percent of ECR Saturation letters delivered on city letter routes was cased by carriers in FY04. For a more detailed discussion of the manner in which ECR Saturation letter volume is separated into the

categories 1) DPS, 2) other letters, and 3) sequenced please refer to witness Bradley's (USPS-T-14) direct testimony section A.3.

(iii). The residual from parts (i) and (ii) produces an estimate of 36.2 percent of ECR Saturation letters delivered on city letter routes were taken to the street as sequenced mail in FY04.

b. (i) An estimate of 25.7 percent of ECR Saturation flats delivered on city letter routes were cased by carriers in FY04. For a more detailed discussion of the manner in which ECR Saturation flat volume is partitioned into the two categories 1) flats, and 2) sequenced, please refer to witness Bradley's (USPS-T-14) direct testimony section A.3.

(ii). The residual from part (i) produces an estimated 74.3 percent of ECR Saturation flats delivered on city letter routes were taken to the street as sequenced mail in FY04.

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VP/USPS-T16-23.
Please refer to library reference USPS-LR-K-67, file CASING04.xls, tab 'EstimatesOfCased.Sat.Ltrs.Flts.'
a. Please confirm that in BY 2004 the total Saturation Mail Letter Route Casing Costs for Saturation letters was $24,349,000. If you do not confirm, please provide the correct amount.
b. Please explain whether the amount that you either confirmed or provided in response to preceding part a excludes all piggybacks and are direct costs only, or whether the amount includes any piggybacks. If the $24,349,000 (or other provided amount) includes any piggybacked indirect costs, please provide the direct costs for casing Saturation letters.
c. In BY 2004, what was the total in-office direct carrier cost (*i.e.*, excluding all piggybacked indirect costs) attributed to Saturation letters?
d. If the total direct costs provided in response to preceding part c exceed the direct costs for casing letters indicated in response to part b, please describe (i) the activity or activities that account for any difference between the two responses as regards direct costs for Saturation letters, and (ii) the type of activities recorded on the In-Office Cost System ("IOCS") tallies that account for any "other" direct costs.

Response

a. Not confirmed. The total direct casing costs for Saturation letters is $25,600,000 (this is made up of $25,439,000 from letter routes and $121,000 from special purpose routes). Please refer to USPS-LR-K-67 workbook CASING04_Revised.xls worksheet 'EstimatesOfCased.Sat.Ltrs.Flts' cell B12.

b. The number provided in part a. excludes all piggyback costs.

c. The total in-office direct carrier costs in BY 2004 was $27,525,000.

d. (i) My understanding is that the type of activities that could account for the difference in costs between part c. and part a. are included but not limited to the following: 1) handling undeliverable-as-addressed mail; 2) sweeping mail; 3) writing markups; and 4) loading and unloading vehicle.

(ii). Based upon a review of the IOCS data collection procedures and methodologies, my understanding is that the component city carrier in-office direct labor (tallies that lead to cost in part c.) includes all IOCS tallies except the following: 1) street time; 2) obtaining mail or keys; 3) checking a vehicle; 4) attending a safety meeting; 5) training; 6) break and personal needs; 7) clocking in or out; and 8) moving empty equipment.

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VP/USPS-T16-24.
Please refer to library reference USPS-LR-K-67, file CASING04.xls, tab 'EstimatesOfCased.Sat.Ltrs.Flts.'
a. Please confirm that in BY 2004 the total Saturation Mail Letter Route Casing Costs for Saturation flats was $27,239,000. If you do not confirm, please provide the correct amount.
b. Please explain whether the amount that you either confirmed or provided in response to preceding part a excludes all piggybacks and are direct costs only, or whether the amount includes any piggybacks. If the $27,239,000 (or other provided amount) includes any piggybacked indirect costs, please provide the the direct costs for casing Saturation flats.
c. In BY 2004, what was the total in-office direct carrier cost (*i.e.*, excluding all piggybacked indirect costs) attributed to Saturation flats?
d. If the total direct costs provided in response to preceding part c exceed the direct costs for casing flats indicated in response to part b, please describe (i) the nature of the activity or activities that account for any difference between the two responses regarding direct costs for Saturation flats, and (ii) the type of activities recorded on the IOCS tallies that account for these "other" direct costs.

Response

a. Not confirmed. The total direct casing costs for Saturation flats was $28,573,000 (which consists of $28,452,000 from letter routes and $121,000 from special purpose routes). Please refer to USPS-LR-K-67 workbook CASING04_Revised.xls worksheet 'EstimatesOfCased.Sat.Ltrs.Flts' cell B13.

b. The figure in part a. excludes piggyback costs.

c. The total in-office direct labor costs attributed to Saturation flats is $31,792,000.

d. Refer to my response to VP/USPS-T-16-23d.

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VP/USPS-T16-25.
Please refer to library reference USPS-LR-K-67, file CASING04.xls, tab 'EstimatesOfCased.Sat.Ltrs.Flts.'
a. Please confirm that the following FY 2004 volumes and distribution of ECR Saturation letters handled by city carriers that were either DPS'd, or cased, or taken directly to the route as sequenced mail are correct. If you do not confirm, please provide the correct volumes and distribution.
Volume (000) Dist.
1. DPS CCS Saturation letters 1,447,283 28.2%
2. Cased Saturation letters 1,755,605 34.1
3. Non-DPS Saturation letters that
bypass casing (sequenced mail) 1,940,878 37.7
4. Total Saturation letters 5,143,766 100.0%
b. Regardless of whether you confirm the volume data shown in preceding part a or provide alternative data, please reconcile the total volume of ECR Saturation letter mail in that response with the total volume of Saturation letter mail in the billing determinants — namely:
1. Commercial ECR Saturation letters 2,783,103,074
2. Nonprofit ECR Saturation letters 661,059,108
TOTAL 3,444,162,182
c. Please confirm that the following volumes (in thousands) and the distribution of ECR Saturation flats handled by city carriers that were either cased or taken directly to the route as sequenced mail are correct. If you do not confirm, please provide the correct volumes and distribution.
Volume
(000) Dist.
1. Cased Saturation flats 1,305,760 24.6%
2. Non-DPS Saturation flats that
bypass casing (sequenced mail) 4,009,789 75.4
3. Total ECR Saturation flats 5,143,766 100.0%

Response

a. Not confirmed. Here are the correct figures.

DPS CCS Saturation letters 1,447,283 – 28.1%

Cased Saturation letters 1,833,667 -35.6%

Non-DPS Saturation letters that bypass casing (sequenced mail)

1,863,243 - 36.2%

Total Saturation letters 5,144,193 – 100%

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b. The estimates in part a. are from the City Carrier Cost System (CCCS). CCCS counts each delivered piece separately. In CCCS, a DAL mailing with a flat host piece counts as two pieces, an ECR Saturation letter and flat as compared to the billing determinants only the flat host piece is counted as volume.

c. Not confirmed. The correct values are located in City04_Revised.xls in cells F174 through F176.

Cased Saturation Flats (000) – 1,366,096 (25.7%)

Saturation flats that bypass casing – 3,949,453 (74.3%)

Total ECR Saturation flats – 5,315,549 (100%)

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VP/USPS-T16-26.
Please refer to library reference USPS-LR-K-67, file CASING04.xls, tab 'EstimatesOfCased.Sat.Ltrs.Flts.' Cell D12 shows a volume of 1,447,283,000 as FY04 Total DPS CCS Saturation Mail Volume. Please explain how this estimate of DPS'd Saturation letter volume was derived — *e.g.*, IOCS data, Revenue, Pieces, and Weight ("RPW") data, some other sampling system data, etc.

Response

Please refer to the response to VP/USPS-T14-8, redirected to witness Harahush (USPS-T-5).

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VP/USPS-T16-27.
Please refer to library reference USPS-LR-K-67, file CASING04.xls, tab 'EstimatesOfCased.Sat.Ltrs.Flts.' Cells E12 and E13, which show, respectively, the rate of pieces cased per minute of 41.2 for Saturation letters and 27.4 for Saturation flats, with the source given as testimony from Docket No. R90-1, USPS-T-10 (witness Shipe). Were these rates for casing Saturation letters and flats based on sampled observations of carriers using vertical flat cases? If not, please explain why you consider it appropriate to apply these data to the current casing environment.

Response

My understanding is that the rates were not based on sampled observations from carriers using vertical flat cases. A casing productivity is necessary to account for the non-trivial direct casing costs for ECR Saturation letters and flats derived from IOCS. For a further discussion of the appropriateness of utilizing the study please refer to the response to VP/USPS-T-14-7b, redirected to witness Lewis (USPS-T-30).

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-28.
Please refer to library reference USPS-LR-K-67, file CASING04.xls, tab 'Worksheet Casing.' Please provide the source of the data in cells K43, K44, L43, and L44.

Response

Please refer to the response to witness Shaw's (USPS-T-2) ADVO/USPS-T-16-1b.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-29.
Please refer to library reference USPS-LR-K-67, file CASING04.xls, tab 'ECR Breakout,' with worksheet title (in cells A1 and D1): "Fiscal Year 2004 – Distribution of Standard Mail – Enhanced Carrier Route."
a. Please reconcile the ECR Saturation letters cost of $25,600,000 shown in cell K31 for "City Carrier – In-Office (All Routes) Casing Only" with the $24,349,000 cost for casing Saturation letters referred to in VP/USPS-T16-23, and describe the activities responsible for the difference in the two cost figures. If the volumes of mail associated with these two cost figures differ, please specify what the difference in volume is and explain how much of the $1,251,000 cost difference is accounted for by the difference in volumes.
b. Do either of the two cost figures cited in preceding part a for casing of ECR Saturation letters include any costs for casing DALs? Please explain.
c. Please reconcile the ECR Saturation flats cost of $28,573,000 shown in cell K32 for "City Carrier – In-Office (All Routes) Casing Only" with the $27,239,000 cost for Saturation flats referred to in VP/USPS-T16-24, and describe the activities responsible for the difference in the two cost figures. If the volumes of mail associated with these two cost figures differ, please specify what the difference in volume is and explain how much of the $1,334,000 cost difference is accounted for by the difference in volumes.

Response

a. Both cost figures reflect direct casing costs of ECR Saturation letters. However, the larger figure $25,600,000 includes $121,000 casing costs from special purpose routes as well as regular letter routes. The $25,439,000 cost only includes casing costs incurred on city letter routes. (please refer to cell B12 in worksheet 'EstimatesOfCased.Sat.Ltrs.Flts' which is part of the workbook CASING04_Revised.xls). I do not know the volume difference between the two figures, but reason that it is minor due to the small differences between the cost figures.

b. No. It is my understanding that the costs reported by IOCS assign the costs of DALs to the host category (e.g., flats), thereby removing them from the ECR Saturation Letters costs referred to in part a.

REVISED: 6/13/05

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

c. The $28,573,000 includes costs incurred on special purpose routes as well as regular letter routes. The $28,452,000 cost only includes casing costs incurred on city letter routes (please refer to cell B13 in worksheet 'EstimatesOfCased.Sat.Ltrs.Flts' which is part of the workbook CASING04_Revised.xls). I do not know the volume difference between the two figures, but reason that it is minor due to the small differences between the cost figures.

REVISED: 6/13/05

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-30.
Please refer to USPS-LR-K-67, File CASING04.xls, Worksheet EstimatesOfCased.Sat.Ltrs.Flts.
a. Please confirm that, in Base Year 2004, the total Standard ECR Saturation Mail Letter Route Casing Costs for Saturation letters was $24,349,000. If you do not confirm, please provide the correct amount.
b. Please explain whether the amount that you either confirmed or provided in response to preceding part a excludes all piggybacks and is direct cost only, or whether the amount includes any piggybacks. If the $24,349,000, or the amount you provided, includes any piggybacked indirect costs, please provide only the amount of the direct cost for casing Saturation letters.
c. In BY 2004, what was the total in-office direct carrier cost (*i.e.*, excluding all piggybacked indirect costs) attributed to Saturation letters?
d. If the total direct costs provided in response to preceding part c exceed the directs cost for casing letters indicated in response to part b, please describe: (i) the nature of each activity that accounts for any difference between the two responses as regards direct costs for Saturation letters; and (ii) the type of activities recorded on the In-Office Cost System ("IOCS") tallies that account for any "other" direct costs.

Response

a.-d. Please refer to my response to VP/USPS-T16-23.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-31.
Please refer to USPS-LR-K-67, File CASING04.xls, Worksheet EstimatesOfCased.Sat.Ltrs.Flts.
a. Please confirm that, in BY 2004, the total Standard ECR Saturation Mail Letter Route Casing Costs for Saturation flats was $27,239,000. If you do not confirm, please provide the correct amount.
b. Please explain whether the amount that you either confirmed or provided in response to preceding part a excludes all piggybacks and is direct cost only, or whether the amount includes any piggybacks. If the $27,239,000, or the amount you provided, includes any piggybacked indirect costs, please provide only the amount of the direct cost for casing Saturation flats.
c. In BY 2004, what was the total in-office direct carrier cost (*i.e.*, excluding all piggybacked indirect costs) attributed to Saturation flats?
d. If the total direct costs provided in response to preceding part c exceed the directs cost for casing flats indicated in response to part b, please describe: (i) the nature of each activity or that accounts for any difference between the two responses as regards direct costs for Saturation flats; and (ii) the type of activities recorded on the IOCS tallies that account for these "other" direct costs.

Response

a.-c. Please refer to my response to VP/USPS-T16-24.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-32.
Please refer to USPS-LR-K-67, File CASING04.xls, Worksheet EstimatesOfCased.Sat.Ltrs.Flts.
a. Please confirm that the following volumes (in thousands) and the distribution of Saturation letters handled by city carriers that were either delivery point sequenced ("DPS'd"), or cased, or taken directly to the route as sequenced mail are correct. If you do not confirm, please provide the correct volumes and distribution.
Volume
(000) Dist.
1. Total FY 04 DPS CCS Saturation
letters 1,447,283 28.2%
2. Cased Saturation letters 1,755,605 34.1
3. Non-DPS Saturation letters that
bypass casing (sequenced mail) 1,940,878 37.7
4. Total Saturation letter volume 5,143,766 100.0%
b. Regardless of whether you confirm the volume data shown in preceding part a or provide alternative data, please reconcile the total volume of Saturation letter mail in that response with the total volume of Saturation letter mail in the billing determinants — namely:
1. Commercial ECR Saturation letters 2,783,103,074
2. Nonprofit ECR Saturation letters 661,059,108
3. Total 3,444,162,182
c. Please confirm that the following volumes (in thousands) and the distribution of Saturation flats handled by city carriers that were either cased or taken directly to the route as sequenced mail are correct. If you do not confirm, please provide the correct volumes and distribution.
Volume
(000) Dist.
1. Cased Saturation flats 1,305,760 24.56
2. Non-DPS Saturation flats that
bypass casing (sequenced mail) 4,009,789 75.44
3. Total ECR Saturation flat volume 5,315,549 100.00%

Response

a.-c. Please refer to my response to VP/USPS-T16-25.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-33.
Please refer to USPS-LR-K-67, File CASING04.xls, Worksheet EstimatesOfCased.Sat.Ltrs.Flts. Cell D12 shows a volume of 1,447,283,000 as FY04 Total DPS CCS Saturation Mail Volume. Please explain how this estimate of DPS'd Saturation letter volume was derived — *e.g.*, using IOCS data, Revenue, Pieces and Weight ("RPW") data, data from some other sampling system, etc.

Response

Please refer to my response to VP/USPS-T16-26.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-34.
Please refer to USPS-LR-K-67, File CASING04.xls, Worksheet EstimatesOfCased.Sat.Ltrs.Flts. Cells E12 and E13 show, respectively, pieces cased per minute of 41.2 for Saturation letters and 27.4 for Saturation flats, with the source given as testimony from Docket No. R90-1, USPS-T-10 (witness Shipe).
a. Were these rates for casing Saturation letters and flats based on sampled observations of carriers using vertical flat cases? If not, please explain why you consider it appropriate to apply these data to the current casing environment.
b. Please identify and provide a copy of any Postal Service study of the rate at which letters and flats are cased in vertical flat cases.

Response

a. Please refer to my response to VP/USPS-T16-27.

b. I am not unaware of any study of casing productivities that utilized vertical flat cases.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-35.
Please refer to USPS-LR-K-67, File CASING04.xls, Worksheet Casing. Please provide the source of the data in cells K43, K44, L43, and L44.

Response

Please refer to my response to VP/USPS-T16-28.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-36.
Please refer to USPS-LR-K-67, File CASING04.xls, Worksheet ECR Breakout, with spreadsheet title (cells A1 and D1): "Fiscal Year 2004 – Distribution of Standard Mail –Enhanced Carrier Route."
a. Please (i) reconcile the ECR Saturation letters cost of $25,600,000 shown in cell K31 for "City Carrier – In-Office (All Routes) Casing Only" with the $24,349,000 cost for casing Saturation letters referred to VP/USPS-T16-30, and (ii) describe the activities and provide the mail volume responsible for the difference in the two cost figures.
b. Do either of the two cost figures cited in preceding part a for casing of Saturation letters include any costs for casing detached address labels ("DALs")? Please explain.
c. Please (i) reconcile the ECR Saturation flats cost of $28,573,000 shown in cell K32 for "City Carrier – In-Office (All Routes) Casing Only" with the $27,239,000 cost for Saturation flats referred to VP/USPS-T16-31, and (ii) describe the activities and provide the mail volume responsible for the difference in the two cost figures.

Response

Please refer to my response to VP/USPS-T16-29.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-37.
Please refer to USPS-LR-K-67, File LR-K-67_Revised.xls, Worksheet '2.summary TY,' and specifically to lines 77 and 80 showing costs for ECR Basic Auto Letters and ECR Saturation Letters, respectively, with costs before the DAL adjustment in column P and after the adjustment in column S. The spreadsheets cited below may be referred to by their number instead of their full name.
a. Cell B71 of spreadsheet 8 shows the volume of **rural** auto letters to be 890,089, which, when subtracted from cell M77 on spreadsheet 2, suggests a **city** volume of 1,448,110. If the **city** and **rural** costs behind cells N77 and O77, respectively, are expressed relative to their own volume instead of total volume, they become, 2.18 cents (city) and 3.39 cents (rural) (*i.e.*, 2.18 = 1.35 x 2,338,199/1,448,110, and 3.39 = 1.55 x 2,338,199/890,089). This suggests that **rural** delivery costs for these letters, are 1.56 times as much as **city** delivery.
(i) Do you agree with these figures? If you do not, please provide your own analysis of the **rural** vs. **city** cost implications of the figures cited in spreadsheet 2.
(ii) If you find that the figures referenced on spreadsheet 2 need correcting, please do so and provide revised figures.
(iii) Please explain, given the relative volumes involved, what you would expect the relative sizes of the city and rural per-piece cost contributions in cells N77 and O77 on spreadsheet 2 to be.
b. What percentage of ECR Basic automation letter volume and ECR Saturation letter volume, separately for both city and rural carriers, are delivery point sequenced?

Response

a. (i) I do not agree with these figures. The question combines base year volumes with test year costs. For simplicity, I will discuss the relative unit costs in terms of the base year which can be easily translated into the test year.

The ECR Basic Auto base year estimated volumes are 890,089,000 and on 845,687,000 (source workbook LR-K-67_2nd revised worksheet '3CITYECRVOL') on rural and city routes respectively. Volumes on city or rural routes do not need to be derived by subtracting a particular delivery mode from RPW, since the city carrier system and the rural carrier system estimate these volumes directly.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

The ECR Basic Auto base year volume variable costs are $30,118 and $26,804 (source workbook LR-K-67_2nd revised worksheet '11.sumBYInOffDalstoFltsPrclCwlk') on rural and city routes respectively. These costs and volumes correspond to ECR Basic Auto unit delivery costs, as you define them, of 3.384 and 3.169 cents on rural and city routes respectively. These unit costs lead to ratio of rural unit costs to city unit costs being 1.07 for the base year.

To convert the base year volumes to test year volumes take the ratio of test year ECR Auto letter volume to base year ECR Auto Volume (2,338,199,000/2,115,099,000) and multiply that number by the corresponding rural and city base year volumes. This calculation gives the test year ECR Auto letter rural and city test year volumes to be 983,976,000 and 934,890,000 respectively for a unit delivery cost of 3.69 and 3.33 cents on rural and city routes respectively which equals a ratio of 1.11 of rural unit delivery cost to city unit delivery cost for the test year rather than the 1.56 as is suggested in the question.

(ii). No corrections to worksheet '2SummaryTY' are necessary.

(iii). Two factors lead me to conclude that the per piece contributions in cells N77 and O77 of worksheet '2SummaryTY' are reasonable. First, rural carriers deliver a higher percentage (42%) of test year volume than city carriers (40%). Secondly, the estimated DPS percentage is lower for ECR Auto on rural routes (55%) than on city routes (76%). The DPS percentage has a significant impact on unit delivery costs. On city routes, a higher DPS percentage reduces casing

costs and on rural it shifts more volume to a compensation category that receives less time per piece than other letters.

b. The requested DPS percentages are the following:

City ECR Basic Auto 76.0%

Rural ECR Basic Auto 54.7%

City ECR Saturation Letters 28.1%

Rural Saturation Letters 24.8%

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-38.
Please refer to the Attachment to this interrogatory, derived from USPS-LR-K-67, File LR-K-67_Revised.xls, Worksheet '2.summary TY.'
a. Please confirm that the numbers shown on page 1, columns 3, 4, and 5 have been transcribed correctly.
b. Columns 1 and 2 on page 1 of the attachment have been computed from the ratios shown in the bottom portion of page 2 of the attachment. These ratios are derived from other cost data in the above cited spreadsheet, and shown in the upper portion of page 2 of the attachment. Please confirm that the unit costs for in-office and street work are correct. If you do not confirm, please provide the correct unit costs.
c. After the DAL adjustment, the unit delivery cost of **Saturation letters** is shown to be 3.88 cents (cell S80 in the above-referenced speadsheet) and of **Basic automation letters** to be 2.90 cents (cell P77). Since all **Saturation letters** now must be prebarcoded by the mailer, and therefore present to the Postal Service all processing options provided by **Basic automation letters** plus some others (*e.g.*, taking Saturation letters to the route as sequenced mail), would it be reasonable to expect the unit delivery costs of Saturation letters to be lower than the unit delivery costs of Basic automation letters? Please explain.
d. If all **ECR Saturation letter** mail were to convert to **ECR Basic automation**, do you believe that the Postal Service would save approximately 1.0 cents per piece in delivery costs? Please explain any answer other than an unqualified affirmative.
e. Please refer to column 3 of Attachment to VP/USPS-T16-38, page 1, and, in column 3, to rows 1 and 4, and explain why the total city carrier unit cost for **Saturation letters** (after the DAL adjustment) is $0.0169 greater than the total city carrier unit cost for **Basic automation letters**.
f. Please refer to column 2 of Attachment to VP/USPS-T16-38, page 1, and, in column 3, to rows 4 and 7, and explain why the city carrier street cost for Saturation **letters** (after the DAL adjustment) is $0.0048 greater than the city carrier street cost for Saturation **flats**.

Response

a. Not confirmed. The corrected columns (3), (4), and (5) are in the table below.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

Unit Costs for Delivery of ECR Mail

Row	Letters (ECR)	(1) City Carrier In-Office Costs	(2) City Carrier Street Costs	(3) Total City Carrier	(4) Total Rural Carrier	(5) Total
1.	Basic Auto	.0022	.0111	.0133	.0155	.0289
2.	Basic	.0210	.0184	.0394	.0139	.0533
3.	High Density	.0127	.0238	.0365	.0083	.0448
4.	Saturation (w/ DAL Adj)	.0120	.0209	.0330	.0084	.0414
	Flats (ECR)					
5.	Basic	.0199	.0191	.0390	.0224	.0614
6.	High Density	.0103	.0199	.0303	.0158	.0461
7.	Saturation (w/DAL Adj)	.0053	.0188	.0241	.0175	.0416

Source: All data from **LR-K-67_2nd Revised.xls**, Worksheet '2SummaryTY'
Data in columns (3)-(5) for rows 1.-3. from columns N-P, rows 77-79 and 84-85 respectively.
Data in columns (3)-(5) for rows 4. and 7. from columns Q and S rows 80 and 86 respectively.

b. Not confirmed. Please refer to the table in part a.

c. First, as the table in part a. shows, the correct unit costs are 2.89 cents and 4.14 cents for ECR Auto and ECR Saturation letters respectively. Second, my understanding is that not all ECR Saturation letters need to be prebarcoded

as, for example, ECR Saturation letters delivered on a rural route with a simplified address do not require prebarcdoing.

The unit delivery costs for ECR Basic Auto letters and ECR Saturation letters derived within USPS-LR-K-67 are not unreasonable when one considers the following two factors: 1) the relative volume delivered on rural and city routes; and 2) the in-office costs for ECR Basic Auto letters may be understated by IOCS.

The relative test year volume for ECR Basic Auto letters is 42% and 40% respectively for rural and city routes whereas for ECR Saturation letters the relative test year volume (after removing DAL volume) is 12% and 80% for rural and city routes respectively. The much higher relative proportion on city routes, which is generally a more expensive mode than rural on a unit basis, drives the unit costs for ECR Saturation letters higher. In addition, the in-office unit cost for ECR Basic Auto letters is extremely low (0.22 cents per piece) and may be understated by IOCS. For a more detailed explanation of this issue, please refer to the response to POIR No 1. Item 1.

d. I am not sure that the hypothetical posed in the question accurately reflects the implications of my unit delivery cost model. My model derives the unit delivery costs by rate category, given the characteristics and volume of the mail in each category. As such, my models are not designed to estimate the impact of conversion between categories when each category has different characteristics. In addition, the hypothetical you pose shifts approximately four

billion pieces from one rate category to another. It is difficult for me to predict the consequences of a shift of mail volume of this magnitude.

e. First, the correct difference is the unit city cost is 1.97 cents per piece as shown in table 1 in part a. The city unit cost difference can be explained by a couple of factors. First, the relative proportion of ECR Basic Auto delivered on rural and city routes is 42% and 40% respectively but for ECR Saturation letters (after removing DALs) the relative proportions are 12% and 80% for rural and city routes respectively. Therefore, when comparing the city unit costs of the two rate categories one would expect a higher unit cost since a greater proportion of the test year ECR Saturation letter volume is being handled by city carriers. Secondly, the city in-office costs for ECR Basic Auto may be understated. For further explanation on that issue please refer to the response to POIR No. 1 Item 1.

f. First the correct difference in unit street costs is 0.22 cents (as shown in table 1) per piece rather than 0.48 cents per piece as suggested in the question. This can be explained by the different relative proportions delivered on rural and city routes for ECR Saturation letters (removing DAL volume) and ECR Saturation flats (adding DAL volume). For the test year the relative proportions for letters are 12% and 80% as compared to 12% and 58% for flats delivered on rural and city routes respectively. Since a lower percentage of test year ECR Saturation flat shaped pieces are being delivered on city routes, the unit street time costs are lower for flats as compared to letters.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-39.
Please refer to your response to VP/USPS-T16-6(b) where you explain that the anomalously high costs of delivering ECR Basic letters relative to the costs for corresponding flats is due to the rural crosswalk of USPS-LR-K-101. You state: "A more acceptable result derivable from LR-K-101 is obtained by eliminating the LR-K-101 rural crosswalk that was responsible for virtually all of this excess."
a. Have any changes been made to the methodology or format of the rural crosswalk since Docket No. R2001-1? If so, please explain all such changes that have been made to the rural crosswalk.
b. Did the rural crosswalk cause anomalously high ECR Basic letter costs in Docket No. R2001-1? If your response is negative, please explain why it causes anomalously high costs in Docket No. 2005-1, but not in Docket No. R2001-1. If your response is affirmative, please explain whether we are now to understand that the rates proposed by the Postal Service in Docket No. R2001-1 and included in the settlement were, to use your terminology, based on a less acceptable costing result that yielded anomalous results.
c. Please explain how your suggestion that the elimination of the crosswalk would yield more acceptable results aligns with the apparent fact that the DMM definition of a letter differs from the definition used to compensate rural carriers.
d. Please provide a version of USPS-LR-K-101 with the rural crosswalk either eliminated or revised, which you believe to be more acceptable.

Response

a. USPS-LR-K-101 utilizes the same methodology for the rural crosswalk that was used in PRC-LR-7 from Docket No. R2001-1.

b. I am unaware of any reason to believe that the rural crosswalk caused anomalously high ECR Basic letter costs in Docket No. R2001-1. Due to the discrepancy in shape definitions that existed at that time, it seems to me that the rural crosswalk was appropriate to apply in deriving unit delivery costs in Docket No. R2001-1.

c. The premise of the question seems to be incorrect. Please refer to the response of witness Kay to ADVO/USPS-T18-1c for the timing of the reconciliation between the shape definitions used for the DMM and the National Mail Count.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-40.

Please refer to your response to VP/USPS-T16-6(c) where you explain that the delivery cost of ECR Basic flats is substantially lower than the cost for corresponding regular flats is due primarily to lower city in-office casing costs. You state: "It occurs because total city inoffice casing costs are much higher for Standard Regular Flats than they are for ECR Basic Flats." You point to a casing cost for regular flats that is 2.72 times as high as the casing cost for ECR Basic flats (5.282/1.941).

a. Is one of the factors associated with lower casing costs for ECR Basic flats that they must be prepared by the mailers in line-of-travel ("LOT") sequence? If so, please provide an analysis of how much speed LOT adds to casing and any associated cost effects, including copies of any analyses on which the Postal Service has relied in previous cases.

b. Is one of the factors associated with lower casing costs for ECR Basic flats that their degree of machinability is higher? If so, please: (i) state how "machinability" affects the carrier casing operation for flats; (ii) identify the proportions of each of the two categories that are machinable; and (iii) as a practical matter, explain how much you would expect non-machinability to slow down the carrier casing operation.

c. If the effect of machinability on carrier casing cost is of considerable magnitude, please explain whether you believe there is merit in recognizing the machinability of these pieces in the rate structure.

d. What factors, other than LOT sequencing and machinability, have meaningful effects on the carrier casing speed in question? Please itemize each such factor, and explain what effect you would expect each one to have.

Response

a. I don't know. Logically, the premise of your question seems reasonable, that mail sorted in line-of-travel "LOT" sequence can be cased at a faster rate than mail that is randomly ordered. Since I have not studied the issue, it is impossible for me to quantify the magnitude of the difference between the casing rates.

b. Please refer to my response to part a.

c. I don't know. Since my responsibilities do not include rate design, I cannot provide an answer.

d. Please refer to my response to part a.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-41.
Please refer to your testimony USPS-T-16, page 6, Table 1, and library reference USPS-LR-K-67, as revised on June 9, 2005.

	(1) With DALs Costs in Numerator of ECR Saturation Letters Unit Cost	(2) With DAL Costs in Numerator of ECR Saturation Flats Unit Cost	(3) Difference ((1) - (2))
ECR Saturation letters	6.665	4.137	2.528
ECR Saturation flats	3.191	4.163	-0.972

a. Please confirm the delivery costs set out above. If not, please provide the correct costs.
b. Please confirm that the Postal Service's costs in Docket No. R2001-1 (USPSLR-J-117) were based on the approach used in column (1), with detached address label ("DAL") costs in the numerator of ECR Saturation letters. If you do not confirm, please explain how they were calculated.
c. Would you agree that the approach set out in column (1) is in error and should not be the basis of delivery unit costs for letters or flats? Please explain any negative answer.
d. Would you agree that the approach set out in column (2) is correct and should be the basis of delivery unit costs for letters and flats? Please explain any negative answer.
e. Would you agree that the above table demonstrates that, if the approach set out in column (1) were used, each letter would be overcharged by 2.528 cents, and each flat would be undercharged by 0.972 cents? Please explain any negative answer.

Response

a. Confirmed.

b. Confirmed.

c. In terms of unit delivery costs, I believe that the methods used to derive the results in column (2) are more accurate and justifiable than ones used to calculate the unit costs in column (1). Please refer to my response to VP/USPS-T16-7a.

d. Yes.

e. I don't know. Rate design is outside the scope of my task to update the unit delivery costs by rate category.

Response of Postal Service Witness John Kelley to Interrogatories Posed by Valpak Dealer's Association, Inc.

VP/USPS-T16-42.
For Standard Regular and Standard ECR, please identify and explain all changes in costing methodology since Docket No. R2001-1 for (i) rural carriers, and (ii) city carriers.

Response

(i) Please refer to witness Meehan's (USPS-T-9) direct testimony page 8 line 15.

(ii) Please refer to witness Meehan's direct testimony page 8 line 9, witness

Bradley's (USPS-T-14) direct testimony sections I through VI, and witness

Steven's (USPS-T-15) direct testimony page 9.

Response of Postal Service Witness John Kelley To Interrogatories Posed by Valpak, Redirected from Witness Bradley

VP/USPS-T14-2.

The responses to VP/USPS-T30-1-3 state that in FY 2004 the Postal Service had the following number of city carrier routes:

	Number of Routes	Percent
Foot	11,454	7.0%
Park & Loop	87,793	53.7
Curbline	38,686	23.7
Dismount	25,418	15.6
Subtotal	163,351	100.0%
Other	2,267	
TOTAL	165,618	

c. Please discuss why it would or would not be appropriate to treat the sample as a random stratified sample of route types, and to weight the sample results so as to provide a more accurate representation of the universe of route types.

Response

c. It would not be appropriate. I present two reasons why this weighting scheme is inappropriate. One, the primary unit of study for the CCSTS was ZIP Code, not letter route. Treating the CCSTS as a random stratified sample of route types would necessarily bias the estimates at the ZIP Code level since each selected ZIP Code would no longer have weights as the inverse of their selection probability. Two, treating the CCSTS as a stratified random sample of route types produces biased estimates at the route level as well, since the routes no longer have weights as the inverse of their selection probability. I will justify this statement through an example. Suppose there are only two ZIP Codes in the universe, A and B, and only two route types in the universe, curbline and foot. Suppose the routes are distributed to the universe across the two ZIP Codes by

Response of Postal Service Witness John Kelley To Interrogatories Posed by Valpak, Redirected from Witness Bradley

the table below, and further assume that the ZIP Code is the primary sampling unit (as is the case in the CCSTS) and one ZIP is to be selected randomly.

ZIP	Curbline Routes	Foot Routes	Total Volume (Curbline Routes)	Total Volume (Foot Routes)
A	3	7	200	300
B	5	5	500	200

Since the sample size is one ZIP Code, there are only two possible samples, ZIP A or ZIP B. I am about to demonstrate that if this sample design were treated as a random sample of route types, it would produce biased estimates of the total volume on curbline routes and foot routes.

If ZIP A is selected, then the corresponding weights are 8/3 and 12/7 for curbline and foot routes respectively. The total estimated volume for the population of curbline and foot routes, based on ZIP A being selected, is 200(8/3)= 533 and 300(12/7)= 514 for curbline and foot routes respectively. Following a similar methodology, if ZIP B is selected, the volume estimates for curbline and foot routes are (8/5)(500) = 800 and 12/5(200) = 480. Given that ZIP Codes A and B have an equal chance of being selected, on average, the total volume estimated from treating this sample as a stratified random sample of route types is 667 (average of 533 and 800) and 497 (average of 514 and 480) for curbline and foot routes respectively. However, the true population totals are 700 and 500 for curbline and foot routes respectively.

Response of Postal Service Witness John Kelley To Interrogatories Posed by Valpak, Redirected from Witness Bradley

Conversely if a weight of 2 was used (inverse of the probability of selection), the total volume estimates at the route level (average of 400 and 1000 for curbline routes and 600 and 400 for foot routes), as well as at the ZIP level, would be unbiased.

In summary, there are two reasons why I deem it inappropriate to regard the sample design in the CCSTS as a stratified random sample of route types, 1) it deviates from our objective of estimating at the ZIP Code level and 2) it produces biased estimates at the ZIP Code and route level.

Response of Postal Service Witness John Kelley
To Interrogatories Posed by Valpak Dealer's Association, Inc. Redirected from
Witness Michael D. Bradley

VP/USPS-T14-13.

a. With respect to the volume variable cost for "Sequenced Mail" identified in response to part c of VP/USPS-T14-12 above, please explain (i) how that cost is apportioned among all the individual rate categories that were included and counted as Saturation mail in your study, and (ii) where, in either your testimony or the testimony of some other witness, this apportionment is made.
b. Please provide the breakdown of volume variable cost apportioned to (i) sequenced ECR Saturation letters, (ii) sequenced ECR Saturation flats, and (iii) all other sequenced mail.

Response:

Please note that the CCSTS attributes cost to class and subclass, not rate category. This is what is required for calculation of base year costs. The further attribution of cost to rate category is done in LR-K-67.

a . (i). Please refer to my revised response to VP/USPS-T16-21 for a detailed explanation of the manner in which sequenced street time costs are distributed to rate categories.

(ii).The breakdown of sequenced mail costs to rate categories is calculated within USPS-LR-K-67. Please refer to my revised response to VP/USPS-T16-21 for the specific worksheets that partition the sequenced costs to rate categories.

b. Please refer to my revised response to VP/USPS-T16-21 for the breakdown of volume variable sequenced costs to rate categories.

Response of Postal Service Witness John Kelley
To Interrogatories Posed by Valpak Dealer's Association, Inc. Redirected from
Witness Michael D. Bradley

VP/USPS-T14-14.

In order to determine the unit volume variable city carrier street cost for each rate category of sequenced mail, it is necessary to divide the costs apportioned to each rate category by the respective volumes of "Sequenced Mail" in each rate category. Your testimony at page 18, line 16, to page 19, line 14, discusses the measurement of volume only briefly and generally.

a. Please provide the volumes of (i) sequenced ECR Saturation letters,(ii) sequenced ECR Saturation flats, and (iii) all other sequenced mail corresponding to the cost breakdown provided in response to VP/USPS-T14-13, part b.

b. Sequenced Saturation ECR flats either may be stand-alone pieces, such as addressed catalogs, or may consist of two pieces — namely, a separate unaddressed piece and an addressed DAL, both of which must be retrieved in order to complete delivery. When surveyed carriers counted the volume of Sequenced Mail in your study, did they include both DALs and the accompanying flat in their mail count? If not, please explain why not, since DALs were counted separately in the previous methodology, which you discuss elsewhere in your testimony.

c. In the data provided in response to preceding part a, please indicate (i) whether DALs are included in the volumes, and (ii) if so, whether DALs are counted as letters or flats.

d. Please provide the final unit volume variable city carrier street cost for (i) ECR Saturation letters, and (ii) ECR Saturation flats, and indicate where, in testimony or library references, these data can be found.

Response

Please note that the CCSTS attributes cost to class and subclass, not rate category. This is what is required for calculation of base year costs. The further attribution of cost to rate category is done in LR-K-67.

a. The following volumes correspond to the cost breakdown referenced in my response to VP/USPS-T14-13, and are the respective volume estimates after

Response of Postal Service Witness John Kelley
To Interrogatories Posed by Valpak Dealer's Association, Inc. Redirected from
Witness Michael D. Bradley

DAL volumes have been moved to flats, and after the parcel crosswalk has been applied.

(i) Sequenced letter volume is 807,182,000

(ii) Sequenced flat volume is 5,062,388,000 (this includes 1,056,061,000 DALs and 56,874,000 parcels that are crosswalked to flats).

(iii) Sequenced small parcel volume is 1,012,000

b. Response provided by witness Stevens.

c. (i). Yes, a portion of the volume in (i) is DAL volume.

(ii). DALs are counted as letters but they are moved to flats to derive the DAL adjusted unit delivery costs in LR-K-67_2nd Revised worksheet '1Table1'.

d. The final base year unit costs, with DAL adjustment, for ECR Saturation letters and flats can be found in LR-K-67_2nd Revised.xls worksheet '11.sumBYInOffDalstoFltsPrclCwlk' cells AF100 (1.99 cents) and AF106 (1.78 cents) for ECR Saturation letters and flats respectively.

Response of Postal Service Witness John Kelley to ValPak Interrogatories (Redirected from Witness Taufique)

VP/USPS-T28-4 Please refer to the 8.312-cent cost for delivery of Standard Regular Basic presort flats referenced in VP/USPS-T28-3, part b.

a. Does this reflect the bottom-up cost for delivery, or have adjustments been made? If the latter, what are the adjustments?

b. Is this delivery cost the same for Standard Regular nonprofit and for-profit mail? f so, are there no differences in delivery cost incurrence between these two categories?

c. Does this delivery cost include both in-office costs and street costs?

d. Is this delivery cost a marginal cost? If not, please explain what type of cost it is.

e. Does this delivery cost recognize differences between city routes and rural routes?

f. Please confirm that the updated figure for the 8.312-cent cost for delivery of Basic presort flats is 9.795 cents, 17.7 percent higher than the Docket No. R2001-1 figure (found on the first sheet of file LR-K-101.xls in library reference USPS-LR-K-101). If you do not confirm, please provide the appropriate updated figure.

Response:

a. I am not sure what you mean by the term bottom up cost for delivery. For an explanation of the methodology used to calculate the 8.312-cent unit cost for delivery of Standard Regular presort flats, refer to the testimony of Witness Schenk in Docket No R2001-1.

b. I am not aware of any differences in the delivery cost for Standard Regular nonprofit and for-profit mail. I have not studied the issue.

c. Yes.

d. The delivery cost is a marginal cost.

e. Yes.

f. Not confirmed. The 9.795 cent unit-cost for Basic presort flats would more properly be considered an update of the 8.440 unit cost found in Docket No. R2001-1/PRC-LR-7.

RESPONSE OF POSTAL SERVICE WITNESS KELLEY TO INTERROGATORIES OF VALPAK, REDIRECTED FROM WITNESS TAUFIQUE

VP/USPS-T28-41.

This interrogatory concerns the processing of Basic letters in the ECR subclass, which generally would not be prebarcoded by the mailer.

a. In Base Year 2004, what percentage of all ECR Basic letters was delivered by city carriers, and what percentage was delivered by rural carriers?

b. Of the total volume of ECR Basic letters delivered by city carriers, what percentage was cased manually, and what percentage was delivery point sequenced? If you do not know, please provide your best estimate.

c. If any ECR Basic letters were delivery point sequenced, please provide a cost comparison of manual casing versus delivery point sequencing (including delivery) in Base Year 2004.

RESPONSE:

a. Assuming that RPW ECR Basic letters are the denominator, the carrier cost systems estimate that 52.6 and 36.3 percent are delivered on city and rural routes respectively.

b. Assuming that all nonDPS ECR Basic letters are cased, the city carrier cost system estimates that 52.0 percent of ECR Basic letters delivered on city letter routes were cased manually and 48.0 percent of ECR Basic letters were DPSed.

c. While no detailed analysis of the cost savings from delivery point sequencing of ECR Basic letters has been done by the Postal Service, one can generally conclude that delivery point sequencing should save in-office costing time.

RESPONSE OF POSTAL SERVICE WITNESS KELLEY TO INTERROGATORIES OF VALPAK, REDIRECTED FROM WITNESS TAUFIQUE

VP/USPS-T28-42.

This interrogatory concerns the processing of Saturation letters in the ECR subclass, which mailers are required to prebarcode and sequence by line of travel.

a. In Base Year 2004, what percentage of ECR Saturation letters was cased manually by carriers?

b. What percentage of ECR Saturation letters did carriers take directly to the route as sequenced mail in a separate bundle?

c. What percentage of ECR Saturation letters was delivery point sequenced? If you do not know, please provide your best estimate. If any ECR Saturation letters are delivery point sequenced, please provide a cost comparison of each different method of handling (including delivery).

d. Please compare your percentages to those provided by witness McCrery (USPST-29) at page 10, lines 11 through 23.

RESPONSE:

a. Please refer to the response to VP/USPS-T-16- 22a.

b. Please refer to the response to VP/USPS-T-16- 22a.

c. For the estimated percentage, please refer to the response to VP/USPS-T-16-22a. While no detailed analysis of the cost savings from delivery point sequencing of ECR Saturation letters has been done by the Postal Service, one can generally conclude that delivery point sequencing should save in-office costing time.

d. I am unsure as to what figures to compare, as witness McCrery in the pages referenced in the question does not specifically discuss the DPS percentage of ECR Saturation letters.

1 CHAIRMAN OMAS: At this point I'm going to
2 add Witness Kelley's answers provided to Presiding
3 Officer's Information Request. They are POIR 2,
4 Questions 1, 8 and 11; POIR 8, Question 9.
5 In addition, the answer to POIR 2, Question
6 11, identifies Library References K-69 as containing
7 requested material.
8 Mr. Kelley, if these questions were posed to
9 you today would your answers be the same as those you
10 provided in writing?
11 THE WITNESS: Just one clarification. Does
12 it say 69 or 67?
13 CHAIRMAN OMAS: Excuse me. K-67.
14 THE WITNESS: Yes, they would be the same.
15 CHAIRMAN OMAS: Even with glasses I can't
16 see. You do sponsor Library Reference K-67?
17 THE WITNESS: Yes, I do.
18 CHAIRMAN OMAS: Thank you.
19 I am now handing the reporter two copies of
20 the answers you provided and direct that they be
21 admitted into evidence and transcribed.
22 //
23 //
24 //
25 //

1 (The documents referred to
2 were marked for
3 identification as Exhibit
4 Nos. POIR 2, Questions 1, 8
5 and 11, and POIR 8, Question
6 9, and was received in
7 evidence.)
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RESPONSE OF POSTAL SERVICE WITNESS KELLEY TO
POIR NO. 2, QUESTION 1

1. This question concerns the calculation of unit delivery costs for Periodicals Outside County subclass. In Docket No. R2001-1 these costs were developed in USPS-LR-J-117, worksheets "Table 1" and "summary TY" and appeared in USPS-LR-J-107 worksheet "Discounts." The library reference corresponding to USPS-LR-J-117 and using the Commission's methodology is USPS-LR-K-101. Worksheet "summary TY" of USPS-LR-K-101, however, does not contain the calculations appearing in cells C124 to H137 of USPS-LR-J-117. These calculations provided the carrier costs appearing in cells D33, D59, D60, and D61 of worksheet "Discounts" in USPS-LR-J-107 for Outside County Periodicals.

Please examine the following table and confirm that it contains the values that correspond to those in cells C124 to H137 of worksheet "summary TY" of USPS-LR-J-117. If you do not confirm, please provide the correct values and explain fully their derivation. Please note that the table in USPS-LR-J-117 did not contain line and column titles. Please provide them.

2,338,199	112,666	112,666	**0.0482**	112,666	**0.0482**
2,165,011	209,869	209,869	**0.0969**	209,869	**0.0969**
664,626	29,485	29,485	**0.0444**	29,485	**0.0444**
4,229,835	184,392	184,392	**0.0436**	184,392	**0.0436**
				-	
9,397,672	536,413	536,413	**0.0571**	536,413	**0.0571**
				-	
14,167,185	874,601	874,601	**0.06173**	874,601	**0.0617**
1,907,304	89,336	89,336	**0.04684**	89,336	**0.0468**
11,003,920	452,015	452,015	**0.04108**	452,015	**0.0411**
				-	
27,078,409	1,415,952	1,415,952	**0.05229**	1,415,952	**0.0523**
	1,952,365	1,952,365			

RESPONSE:

Confirmed. The above table contains the LR-K-101 the values that correspond to cells C124 to H137 of worksheet "summary TY" in USPS-LR-J-117. The following table provides the line and column titles for the LR-K-101 values.

RESPONSE OF POSTAL SERVICE WITNESS KELLEY TO
POIR NO. 2, QUESTION 1

USPS-LR-K-101, Sheet "summary TY," BY04 ECR Unit Costs

	Adj TY Volume (000)	Total Cost ($000)	Total Cost ($000)	Total Unit Cost ($0.0000)	Total Cost ($000)	Total Unit Cost ($0.0000)
ECR Basic Auto Letters	2,338,199	112,666	112,666	**0.0482**	112,666	**0.0482**
ECR Basic Letters	2,165,011	209,869	209,869	**0.0969**	209,869	**0.0969**
ECR High Density Letters	664,626	29,485	29,485	**0.0444**	29,485	**0.0444**
ECR Saturation Letters	4,229,835	184,392	184,392	**0.0436**	184,392	**0.0436**
Total ECR Letters	9,397,672	536,413	536,413	**0.0571**	536,413	**0.0571**
ECR Basic Nonletters	14,167,185	874,601	874,601	**0.06173**	874,601	**0.0617**
ECR High Density Nonletters	1,907,304	89,336	89,336	**0.04684**	89,336	**0.0468**
ECR Saturation Nonletters	11,003,920	452,015	452,015	**0.04108**	452,015	**0.0411**
Total ECR NonLetters	27,078,409	1,415,952	1,415,952	**0.05229**	1,415,952	**0.0523**
Total ECR, All Shapes		1,952,365	1,952,365			

RESPONSE OF POSTAL SERVICE WITNESS KELLEY TO
POIR NO. 2, QUESTION 8

8. This question concerns the calculation of unit delivery costs for Periodicals Within County subclass. Please provide the unit delivery costs corresponding to those in cells D51, D52, and D53 of worksheet "Discounts" in USPS-LR-J-107 WC for Within County Periodicals and explain fully their derivation.

RESPONSE:

The unit delivery costs in cells D51, D52, and D53 of worksheet "Discounts" in R2001 -1 USPS-LR-J-107 WC are TY 2001 unit costs for Nonprofit ECR Basic Nonletters, Nonprofit ECR High Density Nonletters, and Nonprofit ECR Saturation Nonletters. These unit costs were obtained from R2000-1 USPS-LR-I-95, worksheet 'Table 5', cells G56–G58. The Base Year 2004 segments 6, 7, and 10 inputs into R2005-1 LR-K-67 that correspond to the Base Year 1998 segment 6, 7, and 10 inputs into LR-I-95 no longer break total ECR delivery costs into separate costs for Commercial ECR mail, and separate costs for Nonprofit ECR mail. Therefore, it is not possible to update the Nonprofit ECR unit costs in cells D51-D53 of LR-J-107 WC to TY 2006.

RESPONSE OF POSTAL SERVICE WITNESS KELLEY TO
POIR NO. 2, QUESTION 11

11. The Postal Service development of delivery costs by rate element for First-Class and Standard Mail is filed as LR-K-67. The spreadsheet LR-K-67.xls has gaps in documentation and cross-referencing. Please provide a revised worksheet which sources various columns to their appropriate testimony, worksheets, and other library references by citing the title of the document and the referenced source page(s) used to create LR-K-67.xls. Also, provide any other programs and data sources used to generate various supporting spreadsheets. For example, workbook CASING04.xls, worksheet ECR BREAKOUT has a link to another spreadsheet called "CASING04.Recd.2.17.05.xls" which has not been filed with LR-K-67. Please provide "CASING04.Recd.2.17.05.xls."

RESPONSE:

The revisions requested are in the workbook LR-K-67_Revised.xls. The additional documentation is presented in footnotes at the bottom of the various worksheets. LR-K-67_Revised.xls also makes a minor correction to the segment 6 in-office costs by shape and rate subcategory. This correction adds TY 2006 Segment 6.2 CAG K costs, which the previous version excluded. Adding these CAG K costs changes a few of the worksheet 'Table 1' total TY 2006 unit costs, as shown in the following table.

Mail Subclass and Shape-Rate Subcategory	**Previous TY06 Unit Cost**	**Revised TY06 Unit Cost**
First-Class Single Piece, letter-shape pieces	7.188	7.189
First-Class Single Piece, nonletter pieces	14.423	14.424
First-Class Presort, flat-shape pieces	9.423	9.424
First-Class Auto AADC Cards	3.371	3.372
First-Class Auto 5-Digit Cards CSBCS/Manual Sites	5.798	5.799
First-Class Auto 5-Digit Cards Other Sites	2.306	2.307
First-Class Auto CR Cards	5.647	5.648
Standard Regular, Nonautomation – Nonmach Mixed ADC Letters	11.049	11.050
Standard Regular, Nonautomation – Nonmach ADC Letters	11.049	11.050
Standard Regular, Nonautomation –	11.049	11.050

RESPONSE OF POSTAL SERVICE WITNESS KELLEY TO
POIR NO. 2, QUESTION 11

Nonmach 3-Digit Letters		
Standard Regular, Nonautomation – Nonmach 5-Digit Letters	11.049	11.050
Standard Regular, Nonletter Subtotal	10.093	10.094
Standard ECR, Saturation Flats - with DAL Costs Included in the Numerator of the ECR Saturation Flats Unit Cost	4.241	4.240

Also included in revised LR-K-67 is the workbook "CASING04.Recd.2.17.05.xls"

which had not been filed with the original USPS-LR-K-67.

RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO POIR NO. 8, QUESTION 9

9. Please refer to the spreadsheet entitled "oca.1.4.7 attach," provided in Response of Postal Service Witness Kelley to Interrogatories of the OCA (OCA/USPS-T-16-1-7).

a. Please confirm whether cell C3 in worksheet oca.7, should have a value of 44.208 rather than 44,208.
b. If so, please revise each of the above-mentioned spreadsheets to the extent they are affected by this change.
c. Please identify the formula and data used to make the calculations in column D of worksheets oca.1, oca.4, and oca.7, and column C of worksheet oca.7.
d. Please provide the formula by which sample size was calculated in worksheets oca.1 and oca.4 in the above-mentioned spreadsheet and either provide the data, along with a brief description of its nature, or identify the cells that contain the data necessary to determine sample size in each worksheet.
e. Please refer to cell M32 of worksheet oca.7 in the above-mentioned spreadsheet. This cell calculates a coefficient of variation for parcels/accountables, deviation delivery, and travel time in aggregate.
   i. Please provide the coefficients of variation for each of these items separately.
   ii. Please also provide the coefficients of variation for the non-street time, and prep time cost pools.

RESPONSE:

a. Confirmed that there was a typo in the referenced cell, but the value in that cell was not pulled into any other cells used to calculate the cv's.

b. Since the corrections did not involve formulas used in other cells, the change had no impact on the results of worksheet oca.7. Please refer to my response to POIR No. 8 Item 7 for an explanation of the formulas used to derive the values calculated in worksheet oca.7.

c. Column D in worksheet oca.1 was the final number of ZIP Codes selected by stratum. The sample sizes were finalized as a result of a sample reduction process and were not the result of a specific mathematical formula. An

RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO POIR NO. 8, QUESTION 9

explanation of the process by which I arrived at those final sample sizes by stratum was explained in my direct testimony starting on page 11 line 15.

The sample sizes in rows two and three (third stratum was a certainty stratum at this time) of Column D in worksheet oca.4 are the result of applying the formula for Neyman[2] allocation, $n_h = n\left(\frac{N_h S_h}{\sum_h N_h S_h}\right)$, to FY2000 CCCS (City Carrier Cost System) volume data. However, the standard deviations (column G) and population sizes (column B) given in oca.1 and oca.4 are based on FY2001 CCCS data. This explains why the sample sizes derived by applying the formula for Neyman allocation to the data in oca.4 are not equal to the ones in column D of oca.4. Applying the formula to the data in oca.4 derives stratum sample sizes of 35 for stratum one and 138 for stratum 2 as compared with the sample sizes based on FY2000 data which were 33 for stratum 1 and 140 for stratum 2 as indicated in column D. Unfortunately, the FY2000 data has been lost and cannot be recovered, so I am unable to display the values that were used to derive the sample sizes in Column D of oca.4.

Column D of oca.7 is the number of ZIP-route-days that were used to derive the street time proportions from the CCSTS. Column C of worksheet oca.7 represent the stratum weights used in calculating the estimated street time proportions. Please refer to my response to POIR No. 8 Item 6 for an explanation of the manner in which these weights were calculated.

d. Please refer to my response to part c.

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[2] Cocharn, William, G. Sampling Techniques 3rd Edition. (John Wiley & Sons, 1977). pp 98-99.

RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO POIR NO. 8, QUESTION 9

e. (i) and (ii). Please refer to the attached worksheet for the requested estimates.

1 CHAIRMAN OMAS: Is there any additional
2 cross-examination for Witness Kelley?
3 (No response.)
4 CHAIRMAN OMAS: This brings us to oral
5 cross-examination. There have been five requests for
6 oral cross-examination: American Bankers Association
7 and National Association of Presort Mailers, Greeting
8 Card Association, Major Mailers Association, Office of
9 the Consumer Advocate, Val-Pak Direct Marketing
10 Systems, Inc. and Val-Pak Dealers Association.
11 Is there anyone else who wishes to cross-
12 examine this witness?
13 (No response.)
14 CHAIRMAN OMAS: Being none, Mr. Hart, you
15 may begin.
16 MR. HART: Thank you, Mr. Chairman. Henry
17 Hart for the American Bankers Association and National
18 Association of Presort Mailers.
19 CROSS-EXAMINATION
20 BY MR. HART:
21 Q Good afternoon, Mr. Kelley.
22 A Good afternoon.
23 Q Could you please turn to your response to
24 Interrogatory MMA-T-16-2, subparagraph (b)?
25 A Yes. I'm almost there. Yes. I'm there.

1 Q In that question in subparagraph (b) we
2 asked you to explain why the unit delivery costs for
3 first class single piece letters using the USPS cost
4 methodology was 23 percent higher than the same unit
5 delivery cost using the Commissions' methodology.
6 As part of your response you noted in the
7 second paragraph that Columns 7 and 8 show that the
8 USPS cost exceeds the PRC cost by 7.7 percent in
9 Segment 6 and 52.7 percent in Section 7.
10 Without in any way asking you to opine on
11 the merits of the Postal Service's methodology versus
12 the Commission's methodology, but just as a witness
13 your observation particularly on Segment 7 with a 52.7
14 percent differential, does that suggest to you that
15 there's a fundamental problem in the Postal Service
16 cost system?
17 A No. They are based on completely different
18 methodologies. You know, I used Cost Segment 7 as an
19 input, but as far as the actual details of Cost
20 Segment 7 it's not really something I'm an expert in.
21 Q Okay. Could you please turn to your
22 response to MMA-T-16-8?
23 A Yes. I'm there.
24 Q Thank you. Near the bottom of that response
25 you state that if costs are understated for one rate

1 category, however, they are necessarily overstated --
2 I'm sorry. Strike that.
3 You state if the costs are understated for
4 one rate category, however, they are necessarily
5 overstated for one or more other rate categories.
6 Does that statement not presume that the total costs
7 are accurate in the first place?
8 A Yes, it does.
9 Q And so it would be possible that you could
10 have an understatement in a rate category that was
11 just independent of any other rate category?
12 A Well, that statement there is referring to I
13 used presort as an input, presort letter costs as an
14 input. I was really just trying to explain the
15 distribution there. Yes, I am assuming that the
16 inputs from the CRA are correct.
17 Q Okay. In that same No. 8 you're talking
18 about the difficulty of understatement or
19 overstatement and you state that it's avoided by your
20 proposed new methodology in Library Reference K-67
21 because there you've used delivered volume proportions
22 to distribute cost to products.
23 A Yes.
24 Q Can you explain more fully how that avoids
25 the problem of understatement or overstatement?

1 A Well, in general I just feel that 67 is just
2 a more consistent approach as a disaggregation of the
3 CRA than the previous methodology, 117. Really what
4 we're trying to do in 67 is disaggregate the CRA, so
5 we start with the CRA and disaggregate it.
6 My statement there really means if we put it
7 back together we will get back to the CRA. There was
8 some inconsistencies in the previous methodology that
9 wouldn't necessarily allow you to do that. That's
10 what I was referring to there.
11 Q Does your new system allocate institutional
12 delivery costs as opposed to attributable delivery
13 costs?
14 A No.
15 Q Only the attributable delivery costs?
16 A The volume variable costs, yes.
17 Q Do you know under your new system what
18 percentage of total delivery costs are attributable?
19 A No, I don't.
20 Q Do you know whether or not it attributes
21 more or less than under the old system?
22 A I guess you're talking about in total, 6, 7
23 and 10? I don't know off the top of my head. There
24 could be differences amongst the cost segments, 6, 7
25 and 10.

1 Q Are you familiar at all with the channel
2 metric from the R1997 case?
3 A No.
4 Q Are you familiar with it a little bit?
5 A No. Sorry.
6 Q Then obviously you didn't consider that.
7 Did you consider in this case any method that would
8 distribute in any form institutional delivery costs by
9 volume? Institutional delivery costs.
10 A No.
11 Q Could you please turn to your response to
12 MMA-T-16-9?
13 A Okay.
14 Q You're getting there faster than I am. You
15 state there that bulk metered mail is not currently
16 captured by, and I think you meant either IOCS or CCS,
17 so a proxy needs to be used to estimate its delivery
18 cost, correct?
19 A Yes.
20 Q So we're looking for a proxy for delivery
21 costs. If you were to assume for purposes of
22 responding to this that you had direct cost estimates
23 for metered mail that showed that on average in an
24 automated mail processing plant that the cost pools
25 for metered mail more closely resembled single piece

1 mail than they did nonauto presort, why wouldn't you
2 use single piece as a proxy, as a delivery cost proxy,
3 instead of nonauto presort?
4 A Well, the task I had was to update the
5 previous methodologies for the same rate categories.
6 I don't determine the proxies for BMM, so I just
7 updated the previous methodologies for the rate
8 categories. I didn't determine the proxy.
9 Q Okay. That just wasn't part of your role?
10 You accepted it because it was used in the past case?
11 A Well, I accepted the task of updating the
12 unit delivery costs by the rate categories.
13 Q And your conclusion that it was used in the
14 last case was based on what?
15 A Just looking at the previous -- I mean, the
16 rate categories? I'm not sure that it was. I'm not
17 sure that it was used.
18 I think I researched it to figure out what
19 the proxy was. I don't remember. I was just looking
20 at the previous unit delivery costs by shape, 117.
21 LRJ-117.
22 Q Okay. Could you please turn to your
23 response to MMA-T-16-29?
24 A Yes.
25 Q In that response you state that delivery

1 point sequenced letters are normally taken out in a
2 separate bundle from the cased pieces. Would you
3 agree that as a result of mail processing automation
4 today carriers at a mail address, who are driving a
5 truck to a mail address, have to make more than one
6 motion for each address?
7 First they have to take a handful of mail
8 from the DPS group, put that in the mailbox, and then
9 they've got to go back into the case and get the
10 manually cased group, and then maybe they have to go
11 back in addition for saturation mail, and maybe they
12 have to go back for catalogs?
13 A I have no idea.
14 Q So then you wouldn't know if that were true
15 whether the UPS (sic) has any measurement of that
16 extra carrier cost time on those movements?
17 A I don't know.
18 MR. HART: I'm sorry. Counsel has advised
19 me that I said UPS. I did mean USPS.
20 THE WITNESS: I noticed that, but I let it
21 slide.
22 MR. HART: He doesn't let anything slide.
23 Okay. Thank you. The answer would be the same I take
24 it. Sorry.
25 //

1 BY MR. HART:
2 Q Could you please turn to your response to
3 ABA & NAPM/USPS-T-16-6?
4 A Okay.
5 Q In that response you confirm that you don't
6 have a direct DPS percentage measurement for BMM
7 letters or for single piece metered letters, but that
8 you obtained the DPS percentages from Mr. Abdirahman.
9 A Yes. Let me just clarify. I obtained the
10 DPS percentages for presort letters from Mr.
11 Abdirahman if we're talking about first class.
12 Q Okay. Instead of doing that, why didn't you
13 calculate the total unit mail processing cost for
14 metered mail, and I'm talking about mail processing
15 costs, so calculate the total unit mail processing
16 cost for metered mail as a percentage of the total
17 single piece mail processing cost and take that same
18 percentage and apply it to the unit delivery cost,
19 apply that same percentage to the single piece unit
20 delivery cost, to get an estimate of the BMM unit
21 delivery cost?
22 A Well, again I was just trying to update the
23 previous methodology, the rate categories in there.
24 Single piece letters stand on its own. That was the
25 level of detail that we had last time.

1 As I previously indicated, I just did it for
2 the rate categories. BMM was not -- I wasn't told or
3 wouldn't have the information anyway to give that.
4 Q Do you have a view on whether that would be
5 a logical thing to do? I'll repeat it if you want.
6 A I don't have a view.
7 Q Okay. I have one more question, if I may,
8 and one exhibit. I think I showed your counsel two
9 exhibits two days ago. I'm only going to refer to
10 them, and if you'll let me know if you have it in
11 front of you? It's the First Class Delivery Unit
12 Attributable Costs.
13 MR. KOETTING: Mr. Chairman, I would note
14 here that counsel and I have had some discussions on
15 this. The Postal Service is not convinced that the
16 subject of this exhibit is within the scope of this
17 witness' testimony, but based on my understanding of
18 the questions that he intends to ask we are willing to
19 go forward and see where this goes.
20 Hopefully we'll be able to get everything in
21 without reaching a point of disagreement, but I would
22 like to note that we do have some concerns and we're
23 going to see where it goes.
24 CHAIRMAN OMAS: Thank you.
25 Mr. Hart?

1 BY MR. HART:

2 Q Do you have that in front of you, Mr.

3 Kelley?

4 A Yes, I do.

5 Q Do you recognize that as a listing for 1992

6 through 2004 of the cost and revenue analysis figures

7 for first class delivery unit attributable costs for

8 both single piece letters and parcels and for presort

9 letters and parcels?

10 A Yes. I haven't confirmed all the numbers,

11 but, yes, I recognize it.

12 Q And then also do you recognize the 2005 and

13 2006 year figures as coming from Library Reference

14 LR-K-115 in this case?

15 A For the purposes of the question I'll accept

16 that.

17 Q Okay.

18 A But I haven't checked it.

19 Q Would you agree that this chart, assuming

20 the accuracy of the numbers, suggests that the

21 delivery unit attributable costs in first class, that

22 the difference between those for single piece and

23 those for presort is widening from 1992 to 2006?

24 A Just from reviewing the data points, I would

25 agree with that.

1 MR. HART: That's all the questions I have.
2 I would ask that the exhibit be introduced into the
3 record NAPM Cross-Examination Exhibit T-16-No. 1.
4 CHAIRMAN OMAS: Without objection.
5 MR. HART: Thank you.
6 (The document referred to was
7 marked for identification as
8 Exhibit No. ABA & NAPM/USPS-
9 T-16-Cross Examination No. 1
10 and was received in
11 evidence.)
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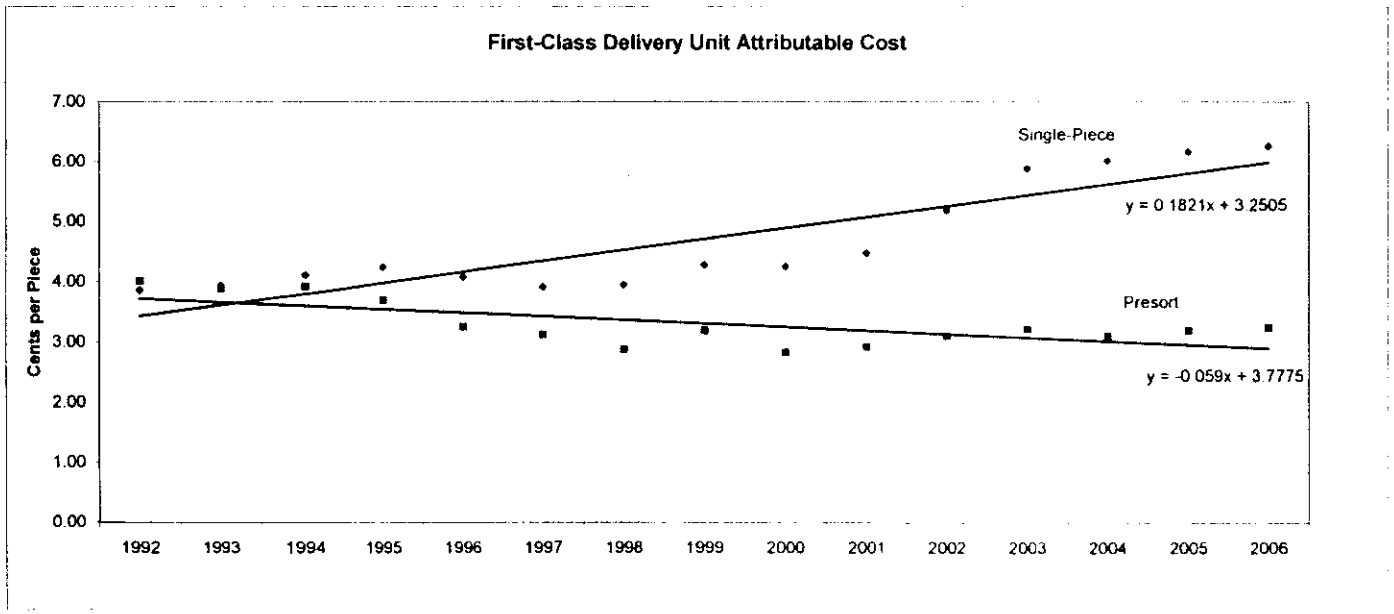
ABA&NAPM/USPS T16 Cross Exam Ex #
First-Class Delivery Unit Attributable Cost
(Cents per Piece)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1992-2006 Annual Growth Rate	1997-2006 Annual Growth Rate
First Class Mail																	
Single-Piece Letters and Parc	3.86	3.94	4.11	4.24	4.08	3.91	3.95	4.28	4.25	4.47	5.19	5.89	6.01	6.16	6.26	3.5%	5.4%
Percentage Change		2.03%	4.29%	3.20%	-3.89%	-4.12%	0.93%	8.37%	-0.56%	5.24%	15.92%	13.52%	2.14%	2.49%	1.54%		
Presort Letters and Parcels	4.02	3.88	3.93	3.70	3.26	3.12	2.88	3.19	2.83	2.92	3.11	3.22	3.11	3.19	3.24	-1.5%	0.4%
Percentage Change		-3.33%	1.07%	-5.79%	-11.92%	-4.24%	-7.64%	10.72%	-11.38%	3.38%	6.29%	3.66%	-3.55%	2.69%	1.68%		
Difference	-0.15	0.06	0.19	0.54	0.82	0.79	1.06	1.09	1.43	1.55	2.08	2.67	2.91	2.98	3.02		

Notes:
First-Class Delivery Unit Attributable Cost = Delivery Cost / Volume.

Sources:
Fiscal Years 1992 through 2004: USPS, Cost and Revenue Analysis and Cost Segments and Components.
Year 2005 and Test Year 2006 After Rates: R2005-1, USPS-T-10, Cost Segments and Components, Exhibits 10D&10H; and volumes from R2005-1, USPS-T-7, USPS-LR-K-115 Exhibit USPS 7A, Page 1.
Direct Labor for City and Rural Carrier Unit variable Costs are from Cost Segments 6, 7 & 10.



1 MR. HART: Thank you, Mr. Kelley.
2 THE WITNESS: You're welcome.
3 CHAIRMAN OMAS: Thank you, Mr. Hart.
4 Mr. Hall? Excuse me, Mr. Hall. I'm sorry.
5 Mr. Swendiman with American Greeting Card
6 Association?
7 (No response.)
8 CHAIRMAN OMAS: He's not here. I'm sorry.
9 MR. HALL: I'd be happy to go.
10 CHAIRMAN OMAS: You're next. We'll wait for
11 him to come in.
12 CROSS-EXAMINATION
13 BY MR. HALL:
14 Q Good afternoon, Mr. Kelley. My name is Mike
15 Hall, and I represent Major Mailers Association.
16 A Good afternoon.
17 Q I'd also like to introduce to you and to any
18 of the Commissioners who may not know him the
19 gentleman sitting to my right. This is MMA's expert
20 witness, Richard Bentley.
21 I introduce him to you because I have just a
22 preliminary question for you. In preparing your
23 delivery cost analysis for this case did you review
24 the testimony filed by Mr. Bentley or any other
25 witness in R2001-1?

1 A I did review Witness Schenk's testimony and
2 responses to interrogatories, as well as the
3 transcript.
4 Q But none of the Intervenor direct testimony?
5 A I mean, I had heard of the name before so I
6 may have read it, but I don't recall specifically.
7 Q We appreciate that. Could you turn please
8 to your response to Interrogatory T-16-24?
9 A Yours? MMA's?
10 Q I'm sorry. MMA's, yes.
11 A Yes. I'm there.
12 Q Okay. Could you please focus on Questions
13 (a) and (b) and just take a moment to read them over?
14 A Okay.
15 Q Now, for (a) you confirmed, did you not,
16 that for letters that are not DPS'd you have not
17 provided the Commission with unit costs for single
18 piece letters compared to workshared letters and that
19 you do not even have any intuition as to which letter
20 would cost more? Is that right?
21 A Yes.
22 Q And you also confirmed essentially the same
23 thing for letters that are DPS'd in Part (b)?
24 A Yes. For single piece letters we don't have
25 a DPS/nonDPS breakout, so I have not studied the

1 issue. That's why I confirmed it.

2 Q Okay. Now, if I were to change the term

3 single piece letters to similar letters that are not

4 workshared would your answer still be the same for

5 (a)?

6 A I guess my usual interpretation of

7 workshared is presorted, so I guess we have presorted

8 and single piece. I guess, no, it wouldn't. I'm a

9 little confused by the question.

10 Q Well, I'm talking about letters that aren't

11 workshared.

12 A So by my interpretation those would be

13 single piece.

14 Q Well, they would be similar to workshared

15 letters, but they would not be presorted, and they

16 would not have bar codes on them, and perhaps the

17 address quality or the extent to which the address has

18 been checked against newer records, that hadn't been

19 done. With that explanation, would you agree that you

20 didn't study that matter either?

21 A The only categories I have are single piece

22 and presorted, so, yes, I would agree. I have not

23 studied that issue.

24 Q And the same goes for similar letters that

25 are not workshared for the question in (b), namely

1 letters that are DPS'd?

2 A Yes, the same holds true.

3 Q Could you turn please to your response to

4 Interrogatory MMA-T-16-5, and in particular Part (d)?

5 A Did you say 5(b)?

6 Q (d) as in David.

7 A Okay. Sorry. Yes.

8 Q There you did provide presorted first class

9 letter unit delivery costs and gave them to us,

10 breakouts for fiscal year of base year 2004 and test

11 year 2006 with a breakdown between nonDPS'd letters

12 and DPS'd letters. Do you see that?

13 A Yes.

14 Q And then you told us that first class single

15 piece unit delivery costs cannot be separated into

16 nonDPS and DPS unit costs. Do you see that?

17 A Yes.

18 Q And why is it that that cannot be done, if

19 you can do a breakout for workshared?

20 A The way I got those costs, the presorted

21 costs were results of the DPS percentages that are

22 input into the model and provided to me by Witness

23 Abdirahman. We don't have a DPS percentage for single

24 piece.

25 Q Okay. Now, we talked a little bit about

1 worksharing before. Is it your understanding that it
2 consists in part of presorting?
3 A Yes. I mean, I often times think of the
4 words synonymously.
5 Q Okay. But it also includes prebar coding,
6 doesn't it?
7 A I really hadn't thought about that, but for
8 the purposes of the question I guess I'll concede
9 that.
10 Q And workshare mailers are required to
11 provide good, readable, reliable addresses, aren't
12 they?
13 A I'm not familiar with the address standards,
14 necessarily the exact address standards that are
15 contained in the BMM, but --
16 Q Well, you do understand that they make
17 special steps or must meet different requirements than
18 bulk metered mail, for example?
19 A Well, I don't know anything about bulk
20 metered mail so I can't really confirm that.
21 Q Now, you've already agreed, have you not,
22 that casing is less expensive for workshared letters?
23 Is that correct?
24 A Is there a specific response where I agreed
25 to that?

1 Q I think it's 5(c), but let me double check.
2 A Yes. I'm at 5(c). I gave an intuitive
3 response there.
4 Q Okay. That's just the answer I was looking
5 for. Let me ask you this. Is there anything in
6 Library Reference USPS-LR-K-67, the library reference
7 that you're sponsoring here, that supports your
8 intuition on that matter?
9 A Well, the manner in which the casing costs
10 are distributed to the class of mail, the presort, I
11 think is -- let me find the response -- explained in
12 MMA-T-16-18, and really that involves -- well, I lay
13 it out there.
14 Q Actually, let's start with could you give me
15 a yes or no? Do 6 and 7 support your intuition on
16 that matter on casing costs, the fact that workshared
17 letters would cost less than single piece?
18 A Well, to the extent that the DPS percentages
19 that I received from Witness Abdirahman are higher it
20 would support that.
21 Q Okay. By how much would the unit cost per
22 single piece exceed the unit cost for workshared?
23 A I don't know exactly. It depends on the DPS
24 percentage.
25 Q If we're talking about casing, we're talking

1 about a manual process, aren't we?

2 A That's my understanding.

3 Q Okay. So whether or not letters were DPS'd

4 wouldn't affect casing, would it?

5 A When you said unit casing costs I presumed

6 you meant the casing costs from IOCS divided by the

7 total volume, so the more letters that go through. I

8 mean, I thought you were talking about a unit casing

9 cost for the rate category.

10 Q Well, your answer that we've been talking

11 about where you applied your intuition dealt with

12 casing of letters that hadn't been DPS'd, didn't it?

13 A Are we back to 5(c)?

14 Q Yes.

15 A Okay. Let me just re-read it.

16 (Pause.)

17 A Yes. 5(c) assumes that they're both not

18 DPS'd, but I was a little confused when you talked

19 about the unit casing costs.

20 Q I apologize for that. If they were DPS'd,

21 if a workshared letter were DPS'd and a single piece

22 letter was DPS'd, can you tell us what your intuition

23 on that subject would be as to the difference in

24 casing costs?

25 A Well, again presumably if we are comparing

1 just those two letters neither would be cased. Are
2 you referring to --
3 Q No. Both would be cased.
4 A I thought you said DPS'd. Did you say both
5 not DPS'd?
6 Q I believe I said this time both --
7 A Okay.
8 Q Did I say both were not DPS'd? Yes. I
9 think we're to the point where both are DPS'd.
10 A Okay. Well, if both are DPS'd then neither
11 presumably would be cased.
12 Q And so then this delivery cost for both
13 letters would be the same?
14 A Yes.
15 Q Now, it's true, isn't it, that the only
16 letters that are not workshared -- in other words, are
17 not presorted or bar coded -- for which you derive
18 unit delivery costs are single piece letters?
19 A That is correct in first class. I assume
20 we're talking about that still.
21 Q Okay. Yes. And all of the other letter
22 categories included in your study are either
23 presorted, bar coded or both?
24 A Yes. They're all part of the first class
25 presort.

1 Q Are you aware that Witness Abdirahman used
2 nonautomation machineable mixed AADC letters or NAMMA
3 for a proxy for BMM letters?
4 A Yes, I am.
5 Q And are NAMMA letters workshared?
6 A They're in the presort category, so by what
7 I think of workshared I would say yes.
8 Q And how about BMM letters? Are they prebar
9 coded?
10 A I just don't know anything about BMM mail.
11 No knowledge of that.
12 Q So you wouldn't know if they were presorted?
13 A No. Yes.
14 Q Do you know of any requirement that applies
15 to both metered mail letters?
16 A No.
17 Q Let's see if you'll know this. Would you
18 agree that both metered mail letters are similar to
19 workshared letters but without worksharing?
20 A I do not know.
21 Q Would you agree that single piece metered
22 mail except for collection costs is similar to
23 workshared letters, but without worksharing?
24 A I haven't studied the issue. I don't know.
25 Q Are you familiar with POIR No. 1?

1 A Any specific question?

2 Q Well, let me just read you one passage from

3 there. Here the Presiding Officer is referring the

4 Postal Service to USPS-T-21, certain tables, and

5 Library References 48 and 110 and then observes that

6 the workshare related savings for machineable first

7 class mail nonautomation presort letters is negative

8 1.413 cents using USPS proposed methodology and

9 negative 1.652 cents using the method in the R2001-1

10 PRC opinion.

11 It goes on, "These results imply that

12 presorted first class letters that are not prebar

13 coded are more costly for the Postal Service to

14 process than similar letters that are not presorted."

15 My question to you is does your analysis,

16 your delivery cost analysis in this case, provide a

17 comparison between presorted first class letters that

18 are not prebar coded and similar letters that are not

19 presorted?

20 A What's the comparison I'm supposed to be

21 making? Presorted that are prebar coded and?

22 Q Presorted first class letters that are not

23 prebar coded and similar letters -- I'm using the term

24 similar because that's what the Commission used.

25 Similar letters that are not presorted.

1 A So I'm making a comparison between single
2 piece and presorted?
3 Q The question really is does your analysis in
4 Library Reference 67 provide that comparison the
5 Commission was looking at?
6 A I mean, there is a unit delivery cost for
7 single piece, and there's a unit delivery cost for
8 presorted in Table 1. Only to that extent, if I
9 understand the question correctly.
10 Q That's not used to measure workshare cost
11 savings, is it?
12 A No. I don't know actually.
13 MR. HALL: At this point, Mr. Chairman, I'd
14 like to have a cross-examination exhibit identified
15 and marked for the record and transcribed.
16 CHAIRMAN OMAS: Without objection.
17 MR. HALL: This is for the reporter.
18 BY MR. HALL:
19 Q If they have been distributed, do you have a
20 copy?
21 A Yes, I do.
22 MR. HALL: Mr. Chairman, this exhibit is
23 titled Summary of First Class Single Piece Unit
24 Delivery Costs, and I would request that it be marked
25 I believe Exhibit XE-MMA-4.

1 CHAIRMAN OMAS: Without objection.
2 (The document referred to was
3 marked for identification as
4 Exhibit No. XE-MMA-4.
5 BY MR. HALL:
6 Q Now, before we turn to the exhibit could you
7 please look at your response to MMA Interrogatory No.
8 2?
9 A I'm there.
10 Q Okay. You have an explanation there, don't
11 you, for why your methodology results in a much higher
12 unit delivery cost per single piece letters than the
13 old methodology?
14 A Yes. Than the PRC methodology? Yes.
15 Q Right. That explanation doesn't mention or
16 discuss in any way collection cost, does not?
17 A Not explicitly, no.
18 Q Can you show me where it is implicitly?
19 A Yes. It would be maybe the second page, the
20 52.7 percent higher Segment 7 costs. That includes
21 the collection cost.
22 Q Okay. Now, am I correct that in a response
23 to Interrogatory MMA-T-16-13 you provided one level of
24 collection costs of approximately $80 million
25 originally? Is that correct?

1 MR. KOETTING: I believe that answer was
2 revised. That was an incorrect number.
3 MR. HALL: That's what I'm getting to. I
4 just want the witness to confirm that that was the
5 original answer.
6 THE WITNESS: I believe that was the
7 original answer.
8 BY MR. HALL:
9 Q Okay. And then you revised the answer and
10 collection costs went from $80 million up to, if
11 memory serves, approximately $930 million?
12 A Let me just look at the response. For
13 Segment 7 it would be $842 million.
14 Q Yes. Then you have to add Segment 10,
15 right?
16 A Right, but the part about the 52.7 percent
17 from MMA-2 was Segment 7 costs.
18 Q Okay. We've sort of moved on to T-13. Am I
19 about right if we add --
20 A It's actually the total of $910 million.
21 Q Well, it is now.
22 A It always was. There was just an error in
23 the response.
24 Q Okay. First you said it was $80 million.
25 Didn't you on June 15 file a first revision we'll call

1 it, and that reflected approximately $930 million?
2 MR. KOETTING: Mr. Chairman, I'm not sure
3 what the significance or the relevance is of a number
4 that has been acknowledged to be incorrect. The
5 correct numbers are the revised numbers on 6-17. I
6 don't know why we would be talking about erroneous
7 numbers.
8 MR. HALL: Well, we're talking about
9 erroneous numbers because there's an obvious
10 difference in the magnitude of collection costs as
11 first reported by the witness, as subsequently
12 reported by the witness and finally reported by the
13 witness.
14 MR. KOETTING: But the only relevant one is
15 the final one, not the original erroneous one.
16 CHAIRMAN OMAS: I agree with the Postal
17 Service. I think we should move on.
18 MR. HALL: Okay.
19 BY MR. HALL:
20 Q Now could you look at the cross-examination
21 exhibit that was just marked?
22 A I have it.
23 Q Looking at Column 1, the first unit cost of
24 a little over seven cents come from your Library
25 Reference 67?

1 A Yes.
2 Q And that's also to be found in Library
3 Reference 145, which you provided in connection with a
4 response to MMA-T-16-13?
5 A Yes. That's my understanding, yes. I just
6 wasn't sure when we filed 145.
7 Q I'm sorry. It's the number in the second
8 column that comes from 145. Isn't that right?
9 A Yes. I couldn't remember if both numbers
10 were in there or just the second column.
11 Q Okay. I'm sorry. The confusion was mine.
12 Now, in the next row we have Library Reference K-101
13 costs, and that's the PRC methodology, right?
14 A Yes.
15 Q And the difference between the two unit
16 costs in Column 1 is a little over 1.4 cents, correct?
17 A Yes.
18 Q What accounts for that difference?
19 A That's mainly due to the new Segment 7
20 methodology that I input from the CRA.
21 Q What costs are different under K-67 and
22 K-101 library references?
23 A I mean, I have a very basic understanding of
24 what's happening there, but the $910 million comes
25 directly from the CRA spreadsheets, Cost Segments 6, 7

1 and 10. I mean, then I divided it up into letters by
2 delivery volumes.
3 Q And what were the collection costs under the
4 PRC method, K-101?
5 MR. KOETTING: I would object that the PRC
6 methodology, the established methodology, only
7 produces a unit delivery cost for first class with
8 collection. There's nothing in the PRC methodology
9 that pulls out collection costs. That number is not
10 part of the established methodology.
11 MR. HALL: Do I understand counsel to be
12 saying it can't be done?
13 MR. KOETTING: Mr. Chairman, there's a
14 pending motion to compel on an interrogatory on this
15 matter.
16 MR. HALL: I was about to say that. There
17 is a pending motion to compel to get those costs and
18 to get the equivalent of Library Reference K-145 using
19 the PRC methodology. That is the reason why you see
20 N/A in several of the cells there. That means Not
21 Available subject to a ruling on the motion to compel
22 that was filed yesterday.
23 BY MR. HALL:
24 Q Could you look at Column 3 on the line that
25 reads K-67/K-145?

1 A Yes.

2 Q And there you've shown the unit collection

3 costs for single piece, first class single piece?

4 A Yes.

5 Q Is that correct?

6 A As it's labeled, yes. That matches the

7 response to 13.

8 Q Based on your knowledge and your expertise,

9 is it possible that the unit collection cost figure of

10 2.335 cents could be the same under the PRC

11 methodology?

12 A I really don't know. I don't know enough to

13 comment on that.

14 Q Now, do you have in mind what the collection

15 costs were under the old methodology from the last

16 case?

17 A Not the exact cost, no. I have basically a

18 basic understanding.

19 Q Well, does the dollar figure of

20 approximately $185 million ring a bell?

21 A No.

22 Q Okay. So then you wouldn't know if

23 collection costs have more than quadrupled?

24 A I just don't know the figure.

25 Q Well, let me just be clear so that the

1 Commission is aware of this. You haven't studied at
2 all why there has been a significant increase. Can we
3 agree that there's been a very significant increase in
4 collection costs from the methodology used in R2001-1
5 to your analysis in this case?
6 A My basic understanding is that that is the
7 case, but I have not explicitly studied the issue.
8 Q And do you think that's something that
9 should be studied?
10 A I don't have an opinion on that. I input
11 costs from Segment 7, which is an audited financial
12 document, the CRA, and so I have no reason to doubt
13 those numbers that I get.
14 Q So in other words when you first presented
15 Library Reference 67 you took numbers provided from
16 someone else and didn't have occasion to examine them
17 for yourself?
18 A There are various inputs in, and Segment 7
19 inputs, I do take them. I do import them into the
20 model. I don't have the time to question every single
21 number because it's coming from the CRA.
22 Q And when collection costs increased under
23 the revision from $80 million to over $900 million you
24 didn't have occasion to question that or give it any
25 thought?

1 MR. KOETTING: Mr. Chairman, I'm going to
2 object. The Postal Service put on three witnesses
3 yesterday that were testifying about the new city
4 carrier methodology, which includes a new way of
5 dealing with collection costs.
6 Those questions would have been well
7 directed to any of those witnesses. I'm not sure why
8 they are at all relevant to this witness' testimony
9 where he said he simply takes the result as an input.
10 MR. HALL: Well, the relevance is to his
11 study, and the relevance involves the fact that the
12 higher the collection costs the lower the single piece
13 delivery cost, which lowers the derived delivery cost
14 savings due to worksharing. That's directly relevant
15 to this witness' testimony.
16 CHAIRMAN OMAS: Continue, Mr. Hall.
17 BY MR. HALL:
18 Q Do you understand the relationship I just
19 gave in connection with explaining the relevance?
20 A I could hear it again.
21 Q Okay. I'd be happy to. It runs something
22 like this. The higher the collection cost the lower
23 the single piece delivery cost, which in turn lowers
24 the derived unit delivery cost savings due to
25 worksharing.

1 A Okay. I mean, I can follow that a little
2 bit, but my task is to come up with unit delivery
3 costs.
4 I don't consider -- I mean, savings isn't
5 something that comes into it. I'm just trying to come
6 up with a unit delivery cost based on disaggregating
7 the CRA based on inputs from Cost Segments 6, 7 and
8 10.
9 Q Okay. So in other words, both relationships
10 that I just discussed with you were not something that
11 fell under your purview?
12 A No. I didn't view that as part of my task.
13 MR. HALL: That's all we have, Mr. Chairman.
14 Thank you very much, Mr. Kelley.
15 CHAIRMAN OMAS: Thank you, Mr. Hall.
16 MR. HALL: That's all we have except a
17 housekeeping matter. I would like to move the cross-
18 examination exhibit into evidence at this pint.
19 CHAIRMAN OMAS: I'm sorry?
20 MR. KOETTING: No objection, Mr. Chairman.
21 CHAIRMAN OMAS: No objection. Very well.
22 MR. HALL: Thank you.
23 //
24 //
25 //

1 (The document referred to,
2 previously identified as
3 Exhibit No. XE-MMA-4, was
4 received in evidence.)
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Summary of First-Class Single Piece Unit Delivery Costs
(Cents)

Library Reference	(1) First-Class S.P. Unit Delivery Cost With Collection Cost	(2) First-Class S.P. Unit Delivery Cost Without Collection Cost	(3) First-Class S.P. Unit Collection Cost
			(2) - (1)
K-67 / K-145	7.189	4.854	2.335
K-101	5.784	NA	NA
Difference	1.405	NA	NA

1 CHAIRMAN OMAS: Mr. Kelley, from now on if
2 you're asked a question you can simply answer yes or
3 no or to the extent that you can answer the question
4 that's being directed to you.
5 THE WITNESS: Okay.
6 CHAIRMAN OMAS: Okay. I mean, if you don't
7 know the answer --
8 THE WITNESS: Is there a particular -- okay.
9 CHAIRMAN OMAS: No.
10 THE WITNESS: I just don't know.
11 CHAIRMAN OMAS: I'm just saying in general.
12 THE WITNESS: Okay.
13 CHAIRMAN OMAS: Mr. Costich?
14 MR. COSTICH: Thank you, Mr. Chairman. Rand
15 Costich for the OCA.
16 CROSS-EXAMINATION
17 BY MR. COSTICH:
18 Q Good afternoon, Mr. Kelley.
19 A Good afternoon.
20 Q Could you look at page 8 of your testimony?
21 A I'm there.
22 Q In Lines 1 and 2 you state that the purpose
23 of this section of your testimony is to describe the
24 sample design for CCSTS. Is that right?
25 A Yes.

1 Q This may seem picky, but did you design the
2 sample for the CCSTS?
3 A Yes.
4 Q You've worked for the Postal Service since
5 1997? Is that right?
6 CHAIRMAN OMAS: Mr. Costich, would you
7 please speak up? Thank you.
8 THE WITNESS: That is correct.
9 BY MR. COSTICH:
10 Q Have you been a witness here at the
11 Commission previous to today?
12 A No.
13 Q Have you assisted other witnesses?
14 A Yes.
15 Q Could you describe that activity?
16 A I assisted Witness Harahush in R2000-1 in
17 providing just information and assisting in the
18 answering of interrogatories about the city carrier
19 cost system and rural. I believe the rural carrier
20 cost system as well.
21 Q Have you had occasion to design other
22 samples for the Postal Service?
23 A Yes.
24 Q Could you describe that?
25 A I worked on activity based costing and

1 designed basically a mail processing study. Really a
2 sampling. I would more accurately reflect that as a
3 sampling of processing and distribution centers.
4 Q That was not carrier street time that you
5 were examining?
6 A Not that particular sample, the other sample
7 that you asked about. This was an independent effort.
8 It wasn't rate case related.
9 Q Have you designed any other samples for
10 carrier street time?
11 A I guess the update or whatever, the data
12 collection effort that was mentioned yesterday by
13 Witness Stevens, basically for lack of a better term
14 an update of the CCSTS.
15 Q Does that involve an entirely new sample
16 design?
17 A It's primarily the same design, but it
18 started over as far as selecting the actual primary
19 sampling units. The design is similar.
20 Q So you drew a sample of different zip codes?
21 A Yes.
22 Q When you say an update of the previous
23 study, do you mean a similar timeframe of two weeks?
24 A Yes. My recollection is that it was the
25 same. It covers two weeks, but I'm not sure. I mean,

1 I wasn't prepared to really discuss that.
2 Q This was a sample of carrier street time
3 activities in 2004?
4 A Yes. That is my understanding, yes. As I
5 recall it I guess is what I'm trying to say. Yes.
6 Q Do you know when in 2004?
7 A My recollection is the April/May timeframe,
8 but I'm not -- that's my recollection, my best
9 recollection.
10 Q So we have or at least the Postal Service
11 has an update of the 2002 sample done in the April/May
12 time period of 2004 for different zip codes? Is that
13 correct?
14 A That's my recollection.
15 Q Do you know what data were actually
16 collected during this update?
17 MR. KOETTING: Mr. Chairman, I'm not sure
18 what relevance it would be to this witness' testimony
19 in terms of the sample that was done in the 2002 study
20 that he's here to testify about.
21 MR. COSTICH: Well, Mr. Chairman, the OCA
22 has tried several times to elicit from the Postal
23 Service additional data of this type for other time
24 periods than the 2002 study, and we've been
25 consistently rebuffed. It was only yesterday that we

1 learned that in fact there are some data for different
2 time periods.
3 We want to get that data, but we're not
4 asking this witness for it. We do want to know as
5 much about it as possible so that when we do ask for
6 it we know what we're asking for and won't be vague or
7 unduly burdensome in our request. I'm just trying to
8 establish what the data are that apparently exist.
9 CHAIRMAN OMAS: I see. Can you answer that
10 question, Mr. Kelley?
11 THE WITNESS: Well, I actually forgot the
12 question.
13 CHAIRMAN OMAS: Would you repeat the
14 question, Mr. Costich?
15 BY MR. COSTICH:
16 Q What kind of data were collected during the
17 2004 update?
18 A My recollection is that it was similar. It
19 was scanned similar to the 2002 data and also some in-
20 office scans as well. I couldn't lay it out any more
21 than that.
22 Q When you say scans, do you mean time data?
23 A Yes. Self-scanning, a similar kind of
24 process of the 2002 study.
25 Q Was any volume data collected?

1 A I'm just not -- I imagine it was, but I'm
2 not sure.
3 MR. COSTICH: No further questions, Mr.
4 Chairman.
5 CHAIRMAN OMAS: Thank you, Mr. Costich.
6 Mr. Olson? Why don't we, before you begin,
7 take about a 10 minute break, and then we'll come
8 back. Is that all right with you, Mr. Olson?
9 MR. OLSON: Certainly, sir.
10 CHAIRMAN OMAS: Thank you.
11 MR. OLSON: Certainly, sir.
12 (Whereupon, a short recess was taken.)
13 CHAIRMAN OMAS: Mr. Olson?
14 MR. OLSON: Thank you, Mr. Chairman.
15 William Olson representing Val-Pak Direct Marketing
16 Systems, Inc. and Val-Pak Dealers Association.
17 CROSS-EXAMINATION
18 BY MR. OLSON:
19 Q Hello, Mr. Kelley.
20 A Hello.
21 MR. OLSON: Mr. Chairman, I advised Postal
22 Service counsel that I intend to try to pick up the
23 pace as best as I am able, and I'm sure the witness
24 will have no trouble, but if at any time as a
25 concession to the hour of the day and the mortality of

1 man, I'm trying to move the schedule along.

2 CHAIRMAN OMAS: Another two minutes?

3 MR. OLSON: No. I used up my two minutes.

4 I'm just going to say I'm going to move it along, and

5 if the witness needs more time to react I'm sure he'll

6 ask for it. With that, I'm just giving a warning.

7 CHAIRMAN OMAS: Yes, and I'll tell the

8 witness that if he doesn't know the answer just say

9 whatever and that you don't know it, and we'll just go

10 on, but you take all the time. You'll like Mr. Olson.

11 THE WITNESS: Okay.

12 CHAIRMAN OMAS: Proceed.

13 BY MR. OLSON:

14 Q Mr. Kelley, if you can turn to Val-Pak-T-16-

15 6(c)? I know you're there already.

16 A Yes.

17 Q The question refers to delivery cost for

18 standard regular flats and ECR basic flats, correct?

19 A Yes.

20 Q Okay. In our question about that we asked

21 you about how the ECR basic flats cost only 6.152

22 cents to deliver while the regular flats cost 9.795

23 cents, and you gave us your answer indicating it was a

24 combination of two factors, one being city in-office

25 unit costs and the other rural carrier unit costs,

1 correct?

2 A Yes.

3 Q And the first of the two factors was the

4 dominant factor, and you thought the reason that the

5 cost was much higher was in-office casing costs are

6 much higher for standard regular flats. Is that a

7 fair summary?

8 A That's a fair summary of the response.

9 Q Okay. Since we asked that interrogatory

10 there was a revision to some of these costs. Going

11 back, the June 17 revision to K-101 gave us some other

12 numbers.

13 You can check them if you want, but if you

14 don't mind I'll just give you the numbers and ask you

15 to accept them subject to check and then ask you

16 questions based on that. Is that okay?

17 A Actually, I have the table in front of me.

18 Which numbers?

19 Q It's the basic ECR flats. I have 5.923

20 cents, correct?

21 A Yes.

22 Q And the three/five digit flats, 11.184

23 cents?

24 MR. KOETTING: Mr. Chairman, I hate to

25 interject here, but I'm not moving as far as everybody

1 else. Could you please tell me where we're at?

2 MR. OLSON: We're at Library Reference

3 K-101, which updated the flats delivery cost. They

4 were originally as they appear in that Interrogatory

5 (c), and they've since been changed. Well, the one we

6 started with, T-16-6(c).

7 CHAIRMAN OMAS: I think that's what he

8 wanted.

9 MR. OLSON: Is that okay? All right.

10 THE WITNESS: I confirm the 11 cents, the

11 11.184 cents.

12 MR. OLSON: Thank you.

13 BY MR. OLSON:

14 Q So before the revision the delivery costs of

15 standard regular three/five digit flats were by my

16 calculation 59.2 percent higher than the delivery

17 costs for ECR basic flats. Does that look about

18 right? It is 9.7 versus 6.1.

19 A You're just comparing the old difference?

20 Yes. Okay.

21 Q Yes. Then it got worse after the revision.

22 Worse depends I guess on the eye of the beholder, but

23 the difference was more pronounced in that the

24 difference between 5.9 and 11.1 from our calculation

25 is that it now costs 5.261 cents more for basic ECR

1 flats than regular three/five digit flats or 88.8
2 percent more, which is coming pretty close to double.
3 A Maybe I misheard you, but basic flats are
4 5.923 cents, and we're comparing that with 11.184
5 cents. Basic flats are less. I thought you said
6 more.
7 Q If I did, I apologize. But the differential
8 now is 88.8 percent by our calculation. Does that
9 look about right?
10 A Okay.
11 Q Okay. Going back to your response to
12 Val-Pak-6(c) as to what you think is causing that
13 difference, let me just deal first with your response
14 having to do with in-office cost for city carriers.
15 Do you have any other thoughts as to what
16 might be driving that big differential between those
17 two types of flats?
18 A Well, this question is with regard to the
19 PRC methodology, so no.
20 Q Have you looked at the differential under
21 Postal Service methodology?
22 A I don't recall. I mean, I wouldn't recall
23 the difference.
24 Q Okay. Your response here talked about, as
25 we said before, the in-office casing costs being much

1 higher for standard regular flats than they are for
2 ECR basic flats, and you say this is to be expected
3 because ECR basic flats arrive at the delivery units
4 already sorted to a finer degree, correct?
5 A Yes, that's my understanding.
6 Q Does that reflect your understanding that
7 those ECR basic flats are coming in presorted by line
8 of travel?
9 A Yes.
10 Q Would you think that one reason would be the
11 dominant reason to explain the differential? It seems
12 to be that's what you're saying and I want to confirm
13 that.
14 A Well, using the PRC methodology that is the
15 dominant reason.
16 Q Then we followed up on this interrogatory
17 with Interrogatory No. T-16-40(a). Could you turn to
18 that one? That's where --
19 A I'm sorry. I'm not there. Yes. I'm there.
20 Q That's where we discuss line of travel and
21 it's affect and in Interrogatory No. 40(a) we asked
22 you to provide an analysis of how much speed line of
23 travel adds to casing and if any associated cost
24 affects including copies of any analyses which the
25 Postal Service has relied on in prior cases.

1 Your response was I don't know and then you
2 said since I haven't studied the issue it is
3 impossible for me to quantify the magnitude of the
4 difference between the casing rates. I skipped one
5 sentence which you can add if you want, but basically
6 you're saying you haven't studied that, so you don't
7 know yourself?
8 A I wasn't able to quantify the difference.
9 No.
10 Q Now, when we asked you to tell us whether
11 there were any analyses that the Postal Service has
12 relied on in previous cases you didn't identify any.
13 Do you know of any?
14 A No. I mean, the -- no.
15 Q So I take it that you're not aware that the
16 Postal Service presented in Docket No. 2000-1 an
17 analysis of -- this was Library Reference I-307 for
18 the record -- how much faster line of travel standard
19 nonletters can be cased and nonletters that are in no
20 particular order. This is of course not flats, but
21 letters. Are you aware of that study?
22 A No.
23 Q I'll just represent this and go on to ask
24 you a question about it. The study showed that line
25 of travel saved 0.74 cents per piece for letters and

1 if you haven't seen it I can't go any further, but is
2 it fair to say you have no further information for us
3 about -- well, I guess you've already said that, so no
4 sense in confirming it.
5 Let me just ask you this. Let's assume that
6 something like .74 cents is a reasonable estimate of
7 cost savings from line of travel. Now, I know that's
8 a letter and we're dealing with flats, but suppose we
9 subtract that from the cost difference that we had
10 before of 5.261 cents.
11 So that leaves about four and a half cents
12 of differential between standard ECR basic and
13 standard regular three/five digit flats, correct?
14 A You're comparing the final unit delivery
15 cost and then subtracting .74 cents?
16 Q Yes.
17 A Okay. I'll accept that.
18 Q About four and a half cents?
19 A Okay, for the purpose of the question.
20 Q In Val-Pak 40(b) there we asked you about
21 machinability. We know that these flats aren't being
22 machined, but we use that word to indicate pieces that
23 might not be of normal size or such and you said I
24 don't know, correct?
25 A Yes.

1 Q We were trying to get down to a number we
2 could grasp and we took a look at the piggyback factor
3 and found the factor was an average -- I'll give you
4 these numbers if you want, but it was roughly 1.25 and
5 if you reduce the four and a half cents by the
6 piggyback factor you take it down to about 3.6 cents
7 of actual carrier costs, the rest being supervisor
8 time or other related costs.
9 I want to ask you your opinion as to whether
10 you think this is a useful way to measure this
11 difference. We took some rough numbers and assumed
12 the carrier made $40,000 a year, he worked 2,080 a
13 year, 60 minutes an hour, then he gets paid 32 cents a
14 minute interestingly enough.
15 On that basis we found that the 3.6 cents of
16 carrier costs translates into 6.75 seconds. In other
17 words, by this measure it takes 6.75 seconds longer to
18 case a three/five digit flat than it does to case a
19 basic ECR flat. Does that sound like a plausible way
20 to analyze this if the additional casing cost is the
21 additional reason for the cost differential?
22 A I just reiterate my response to 40(a). I
23 just haven't studied the issue and the different
24 casing rates.
25 Q Well, let me ask one last question which is

1 can you see any reason why relative to a basic ECR
2 flat it would take an extra 6.75 cents to case a
3 three/five digit flat?
4 A I just haven't studied it, so I can't
5 provide any insight.
6 Q Well, let's look at a time comparison from
7 the last docket and this time I'll make it easy
8 because I'll switch to USPS costing so you can speak
9 to it more clearly. The cost of delivery of a
10 three/five digit flat that I have is 9.290 and a basic
11 ECR is 6.143. Can you confirm that?
12 A Is this from 67?
13 Q No. Library Reference 67? I don't know. I
14 don't have the source in front of me.
15 A I mean, is this 2005 or 2000?
16 Q Current.
17 A Current. Okay. Could you just read those
18 numbers again?
19 Q 9.290 for three/five digit flat, correct?
20 A Yes.
21 Q Basic ECR flat is 6.143?
22 A Yes.
23 Q We went back and looked at R2001-1 and I'll
24 read for the record where that comes from. It's in
25 Cell G-8 of USPS-LRJ-132-WP1.XLS-Sheetcost and the

1 cost for basic ECR flats is in Cell G-11 of USPS-LRJ-
2 131-WP1.XLS-Sheetcost.
3 What we found in R2001-1 is that the
4 delivery costs of those three/five digit flats between
5 then and now has increased 11.77 percent and basic ECR
6 has increased 1.2 percent. That's the comparison to
7 the prior case. I don't know if you look at things
8 like this.
9 I know you haven't been a witness before,
10 but when you develop these carrier costs do you go
11 back and look to see how they change over time as a
12 check of some sort?
13 A I didn't check the specific categories that
14 you gave me. No. Not on this time.
15 Q Is there any explanation that you can
16 suggest as to why the delivery cost of three/five
17 digit flats is up about 10 times as much as basic ECR
18 flats?
19 A Well, as I've stated in a few interrogatory
20 responses there's a real difficulty in comparing the
21 two unit delivery costs due to the different Segment 7
22 and Segment 10 methodologies that are used in the
23 current case, so it can get mixed between a change in
24 methodology in a CRA methodology and that can be
25 reflected within 67.

1 Q Well, you're not suggesting are you that the
2 new carrier street analysis would cause this kind of
3 change?
4 A Well, you're talking about in-office?
5 Q Yes.
6 A No, but I think there's -- well, I really
7 just haven't studied the issue. I'm just saying the
8 comparisons in general. I mean, you didn't give me
9 in-office delivery costs. The costs that you gave me,
10 the 9.2 cents and the 6.143 cents include six, seven
11 and 10.
12 So, you know, that's the total delivery cost
13 that incorporates all those cost segments.
14 Q Would you think that the new carrier street
15 analysis would cause this kind of pattern of
16 differential increase in standard ECR and standard
17 regular flats?
18 A I don't know.
19 Q Let me ask you to go to page 7 of your
20 testimony, line 19. In that paragraph at the bottom
21 of page 7 you talked about the USPS version to develop
22 delivery costs being superior to prior USPS work,
23 correct?
24 A Yes.
25 Q Then you say something similar on page 16

1 after the intervening pages. You say in summary the
2 sample design for the CCSTS is superior to the one
3 employed by the STS. So again, you're saying that the
4 Postal Service's methodology is improved since the
5 last case. Is that what you're saying?
6 A Well, we're talking about two completely
7 different things there, but yes, in both cases I'm
8 saying that.
9 Q In between here you explain the improvements
10 do you not?
11 A The improvements are primarily -- yes.
12 They're mostly as part of the sample design of the
13 CCSTS as compared to the mid-80s STS study.
14 Q Can you go back to page 6 of your testimony?
15 The one that I have is revised June 17. That's the
16 most recent, correct?
17 A Yes.
18 Q In Table 1 at the top it says standard ECR
19 with DAL city carrier street time costs and DAL rural
20 carrier costs included in the numerator of the ECR
21 saturation letters unit cost, correct?
22 A Yes.
23 Q Where does the first section of this table,
24 this first section through the various ECR products
25 until you get to the next bolded heading, where does

1 that fit in? Is that a methodology that was used to
2 develop USPS costs in R2001-1?
3 A Well, in R2001-1, yes. The DAL costs were
4 included. Again, we're just talking about street
5 time. DAL costs are in the saturation letters.
6 Q Then, once you get to the next section
7 you've got another heading: Standard ECR with DAL
8 city carrier street time costs and DAL rural carrier
9 costs included in the numerator of the ECR saturation
10 flats unit cost, correct?
11 A Yes.
12 Q Where does that fit in? Was that the
13 methodology that was used to develop costs in R2001-1?
14 A No. As I just stated previously the DAL
15 costs street time were in the letter costs, so that
16 would be at the top of the page.
17 Q So this second grouping is new since Docket
18 No. R2001-1, correct?
19 A Yes. It is a change.
20 Q The only numbers that change in those two
21 tables are the numbers for ECR saturation letters and
22 ECR saturation flats, correct?
23 A Yes.
24 Q Are you the witness responsible for
25 developing this new methodology for handling DAL

1 costs?

2 A As it relates to delivery, yes.

3 Q Not witness Bradley or Stevens, for example?

4 A I mean, witness Bradley sponsors the new

5 Segment 7 methodology, but from the inputs, this

6 particular section you're referring to I do sponsor as

7 far as the DAL costs and the standard flats.

8 Q Can you tell me where in your testimony you

9 explain the rationale for developing this new

10 methodology for handling DALs?

11 A I don't think I do. I don't think I do.

12 I've justified it through a few interrogatory

13 responses.

14 Q Is it contained in the section of your

15 testimony that we discussed before where you discussed

16 improvements in methodology since R2001-1?

17 A No. That earlier question referred to just

18 the sample design for the city carrier street time

19 survey. It had nothing to do with DAL costs

20 specifically. It's not included in my testimony.

21 There is no paragraph that's referring to that, an

22 explanation of that.

23 Q No text, just this table?

24 A Right. Just the table and -- yeah.

25 Q With respect to the unit costs in the first

1 seven rows and the unit costs in the second seven rows
2 which costs are you recommending that the Commission
3 adopt?
4 A As I've stated in several interrogatory
5 responses, the second set that puts the street time
6 DAL costs with the saturation flats.
7 Q Does that recommendation appear in your
8 testimony, other than the fact you have these two
9 tables? The tables, you don't say which one you
10 recommend do you?
11 A No, it does not.
12 Q Could you look at page 2 of your testimony?
13 Before I go on, any reason for not having discussed
14 this?
15 A I hadn't thought about it until you
16 mentioned it.
17 Q Page 2, lines 7 through 9 you reference USPS
18 Library Reference K-67 and you say that library
19 reference is used by witness Abdirahman and Mosier,
20 correct?
21 A Yes.
22 Q Is that your Library Reference 67?
23 A Yes.
24 Q With respect to the two different sets of
25 rates for ECR saturation letters and flats that I just

1 asked you about did you tell witness Abdirahman or Mr.
2 Mosier which costs to use?
3 A No.
4 Q Did either of them ask you which set of unit
5 costs they should use?
6 A Not that I recall.
7 Q Could you turn to your response to Val-Pak
8 Interrogatory No. T-16-2?
9 A I'm there.
10 Q Thanks. You were in the hearing room
11 earlier with witness Pafford. I asked him some
12 questions about what you call Alternative Attachment B
13 to that interrogatory response?
14 A Yes.
15 Q You have that table do you not --
16 A Yes, I do.
17 Q Do you have one with numbers and such?
18 Because the one that is in the interrogatory response
19 doesn't print the same. I can give you one with line
20 numbers and all. I gave those out before.
21 A Yeah. Mine doesn't have line numbers.
22 MR. OLSON: Mr. Chairman, I distributed
23 these before, but I have some others for anyone who'd
24 like them if they're not at the table.
25 BY MR. OLSON:

1 Q I want to ask you to look at Row 58 on that
2 spreadsheet which says total LCR, ECR and NECR sat
3 piece rate. I take it to mean that's the rate for all
4 ECR saturation letters for the row for all saturation
5 letters. Is that correct?
6 A Yeah. Okay.
7 Q Would I be correct in assuming that when it
8 says piece rate at the end of that description on line
9 58 that those are the pieces that are paying the ECR
10 saturation letter minimum per piece rate?
11 A Well, let me just summarize in the spirit of
12 moving things along here. What we did in Val-Pak
13 basically two through 5, as you inquired about
14 discrepancies between billing determinants LRK-77 and
15 LRK-87 which is basically RPW, what we did in two
16 through five is we provided a road map that allows you
17 to reconcile those differences.
18 Then -- let me check my notes here -- in
19 Val-Pak 16 through 18 what we did was provided some
20 explanations on why those discrepancies may exist.
21 Now, for the purposes of K-67 only K-87 is relevant,
22 the RPW numbers. So I really don't have anything else
23 to add regarding billing determinants, other than the
24 road map that we provided you to try to reconcile
25 those numbers.

1 Q Well, let's ask a couple of specific
2 questions and see whether you can be of some help.
3 Could you take a look at Column D there, Letters,
4 again and look at Row 58 and you see the volume figure
5 of -- I'm just going to read the numbers instead of
6 putting in the billions and millions -- 3,418,660,723.
7 Do you see that?
8 A Yes.
9 Q If you can look in the adjacent Column E
10 which is labeled Flats there is a number 25,501,459,
11 correct?
12 A Yes.
13 Q As I understand it, these pieces pay the
14 minimum per piece rate for letters, so presumably they
15 weigh less than 3.3 ounces. Is there any additional
16 information you can give us about why these 26 million
17 pieces of allegedly flat-shaped pieces were able to
18 pay a rate that's designed for letters that weigh no
19 more than 3.3 ounces?
20 A I really can't add anymore than what I've
21 already responded to in your questions.
22 Q Part of what you said was that it could be,
23 I think there were three categories -- I think I could
24 recall it offhand. One was that it was picked up by
25 the entry personnel, but they allowed the piece to go

as a letter and did not require the mailer to rework the mail. Isn't that one of the options?

A Val-Pak 16, are you referring to the acceptance clerk determining upon verification that the pieces were a certain shape, but choosing not to require the customer to redo it? I added in a word there because you may have asked about letters somewhere else.

Q No. Thank you. That is what I was referring to. I didn't know where it was. That's one of the answers you think that might explain this curiosity in this?

A That was my best attempt at an explanation, but like I said I really don't -- billing determinants isn't used in deriving the cost in 67, so it isn't something I've really studied.

Q Do you know if an acceptance clerk signs that pieces are flats, but the person wants to pay a letter rate that the policy is not to require them to rework the mail or to pay the higher rate?

A I just don't know anything about billing determinants and just accept that I use LRK-87, which is the RPW by shape as an input.

Q The next possible explanation you offer is acceptance clerk oversight. What would the oversight

1 be of?

2 A I don't know. I mean, there I'm assuming

3 it's referring to the fact that the pieces -- well,

4 let me refer back to the specific question. The

5 question is asking how do flats get entered at letter

6 rates, so I guess the oversight is that the clerk just

7 didn't recognize that they were -- I've got to think

8 about this.

9 Flats entered at letter rates, so I mean

10 just didn't require the mailer to correct the mailing

11 statement.

12 Q Well, that's the same as one, but it doesn't

13 seem that oversight -- how would it ever be recorded

14 as a flat if it was paid at a letter rate?

15 A I just don't feel comfortable. I don't know

16 enough about billing determinants to really add any

17 insight here.

18 Q The last was data entry error. Who's data

19 entry?

20 A I don't know. Presumably, that would just

21 be someone who enters the data into the system

22 recording the wrong shape.

23 Q Well, you can understand it does seem

24 strange that 26 million pieces are paying the minimum

25 per piece rate for letters, but they're categorized in

1 your attachment as flats. Do those 25, 26 million
2 flats that paid the letter piece rate appear as part
3 of the letter volume in the billing determinants if
4 you know?
5 A Did you ask about that specifically in
6 either Val-Pak two through five?
7 Q I think this might be a new wrinkle.
8 A I just really can't provide anymore than the
9 road map to reconcile the numbers and some possible
10 explanations that I gave. That's all I have on
11 billing determinants.
12 Q If it were recorded in the letter volume of
13 the billing determinants would that represent some
14 type of error in the billing determinants?
15 A I don't know enough about billing
16 determinants to say one way or the other.
17 Q Take a look at Row 59, please? That's total
18 nonletter ECR plus NECR saturation piece rate,
19 correct?
20 A Yes.
21 Q The number in the letter column is
22 300,384,566, correct?
23 A Yes.
24 Q Now, those letter pieces are on a row called
25 nonletter ECR and NECR saturation piece rate. Can you

1 tell us what characteristics those letters have to
2 have to be listed on a row for saturation nonletters
3 that weigh no more than 3.3 ounces?
4 A I just don't know.
5 Q Have you asked anyone about this?
6 A The only thing I can -- when the question
7 came in I researched and then gave the responses that
8 I gave basically trying to give some explanation as I
9 did in 16 through 18, but like I said that's as far as
10 my knowledge goes.
11 Q This you may be able to help with. This is
12 a little different. Row 60, this is the total
13 letter/nonletter ECR plus NECR saturation pound rate
14 and that has a volume of 107,198,696 under letters, so
15 that's a row for pieces that are mailed at the
16 saturation pound rate, correct?
17 A Presumably.
18 Q Would you know this? Would you know if
19 they're mailed at the pound rate if they're those
20 heavyweight letters that are between 3.3 and 3.5
21 ounces which pay a combination piece pound rate or if
22 they're the pieces over 3.5 ounces that pay the pound
23 rate?
24 A I'm sorry. I wanted to refer to something.
25 Can you repeat the question?

1 Q Sure. That 107 million pieces under letters
2 on Column D on that line 60, presumably the mailer
3 paid the saturation pound rate and there are two
4 different kinds of letter-shaped pieces that we could
5 be talking about. The first are what we called
6 heavyweight letters in the last case.
7 3.3 to 3.5 ounce heavyweight letters that
8 pay this hybrid rate of piece rate and pound rate.
9 You're familiar with those letters?
10 A I have some understanding of that.
11 Q On the other hand there are pieces that are
12 over 3.5 ounces, letter-shaped, but they can't be
13 DPSed or automated so they pay a pound rate instead of
14 this piece pound rate. Does that sound about right?
15 A Okay. Yes.
16 Q Is there any way to tell whether this figure
17 includes just the pieces that are 3.3 to 3.5 ounces or
18 all pieces over 3.3 ounces?
19 A I don't know.
20 CHAIRMAN OMAS: Mr. Chairman, I'm sorry.
21 I'll ask this one last time.
22 BY MR. OLSON:
23 Q If I were to ask you if the billing
24 determinants record those as pound rated nonletters or
25 what would you know that?

1 A No.

2 Q That's fine. Do you know if there's another

3 witness who would know the answers to these questions?

4 A I don't know the witness that sponsors K-77.

5 Q Are you familiar with the way costing

6 systems no longer distinguish between the cost of

7 commercial and nonprofit ECR mail?

8 A Generally, yes.

9 Q So would you then look at Row 58, and under

10 Column H there's a total of 3.4 billion ECR and NECR

11 saturation piece letters. So that would be the total

12 ECR and NECR saturation piece rated letters would it

13 not?

14 A Yes.

15 Q Then, in Row 61 it says total ECR plus NECR

16 saturation. It shows a total of 3.8 billion I believe

17 -- yes -- in letters.

18 A Okay.

19 Q Would you accept subject to check that these

20 two volumes for ECR and NECR saturation letters differ

21 by about 32 million pieces?

22 A I'm comparing 3.4 billion with 3.8 billion?

23 Q Yes.

24 A I don't think that's 32 million.

25 Q Did I say 32? 382. I'm sorry. I

1 apologize. At this point in the day anything's
2 possible.
3 A It's an estimate. I'll go along with that.
4 Q That's about 10 or 11 percent of the 3.4
5 billion shown in Row 58, Column H?
6 A I mean, it would be -- yes -- higher than 10
7 percent.
8 Q So let me put this as a hypothetical. If
9 you wanted to compute the unit cost of ECR and NECR
10 saturation piece rated letters that weighed less than
11 3.3 ounces which volume figure on this spreadsheet
12 would be the correct figure to use?
13 A I just don't know enough about billing
14 determinants to really give an answer on that.
15 Q Could you look at your response to
16 Interrogatory No. T-16-5(b)? On the second page
17 halfway down there's a paragraph that begins with the
18 words to summarize. Do you see that?
19 A Yes.
20 Q You say to summarize based on the LRK-67
21 definitions of ECR saturation nonletters the correct
22 breakdown of total ECR saturation nonletters into
23 unaddressed and addressed portions is as follows. The
24 unaddressed ECR saturation nonletter is 3.3 billion,
25 correct?

1 A Yes.

2 Q Then, down at the last line of that page you

3 break it down a different way and come up with a

4 number of 3.5 billion for unaddressed ECR saturation

5 nonletters. Is that reasonable to describe it?

6 A Yes.

7 Q So you've got two different numbers for

8 unaddressed ECR saturation nonletters and all of those

9 would have DALs with them would they not?

10 A I'd have to think about that. I don't know.

11 Q Well, let me ask you between these two

12 numbers, the 3.3 --

13 A If these are from RPW -- I mean, I was just

14 thinking about it. If the 3.3 billion is from RPW --

15 which it appears that it is 3,375,000,000, that number

16 -- then in RPW the DAL volume goes with the host

17 piece. So I guess in the nonletters -- I mean,

18 they're only counted once, so no, it wouldn't have DAL

19 volume.

20 Q I didn't mean if it would include DAL

21 volume, but rather there would be a DAL with each

22 unaddressed nonletter?

23 A Yes. Right. Okay. Right.

24 Q That's all I was trying to get at. Do you

25 come to a conclusion that the definitions used in

1 Library Reference K-67 gives you a more accurate
2 estimate than when you use RPW billing determinants
3 data?
4 A I'm not sure about RPW billing determinants.
5 I mean, the established methodology is to use the
6 originating volume which is RPW and that's what we use
7 in K-67. So we're comfortable with using the
8 estimates from RPW and not billing determinants.
9 Q Well, you have two options here do you not
10 to use? You can either use the 3.3 billion piece
11 number or the 3.5 billion piece number and you chose
12 to use the lower estimated volume when correcting for
13 the cost of DALs for fiscal 2004 didn't you?
14 A Yes.
15 Q Could you just try one more time because I'm
16 not sure I grasped it, what you said as to why the
17 lower number is the better number?
18 A Well, 67, the intention is to disaggregate
19 the CRA and the denominator in those unit costs is RPW
20 volume and that's the justification for using the
21 lower number, because it arises from RPW. So when we
22 reaggregate LRK-67 we'd like to get the CRA back.
23 Q When you were trying to estimate the volume
24 of DALs did you consider any other sources of
25 information that might be available either as original

1 source material or to cross-check your estimate?
2 A There were some things discussed. I don't
3 remember specifically what they were, but we decided
4 on the household diary study.
5 Q You were satisfied with the estimate that
6 you developed?
7 A Yes. I'm satisfied.
8 Q Do you have any type of statistical estimate
9 that would indicate how much variation your estimate
10 might be subject to?
11 A I don't know. I mean, I don't.
12 Q In K-67, is that constructed in a way that
13 will allow you to enter a different number for the
14 volume of DALs if we had a better number and the
15 computer would then recompute the costs in your Table
16 1?
17 A The model is flexible enough to take a
18 different number. I'm not sure if you just put it in
19 one cell it's going to fall all the way through. So I
20 just don't want to make it sound like it's that simple
21 that you can go in and just put in one number.
22 Q Would you be able to tell us off the top of
23 your head how to do that?
24 A Not off the top of my head.
25 Q If the Commission were to determine that the

1 other estimate that you provide there of 3.5 billion
2 were a more accurate estimate is there anywhere they
3 can look to find how the costs flow from that?
4 A Well, not directly. The way that 67 does
5 it, it basically does it by a delivery per household
6 per week, so you'd have to break that down. Right now
7 the assumption is .5 DALs per household per week with
8 a slight weight adjustment for city and rural.
9 So if you took a different number --
10 whatever it is -- and broke it down into that kind of
11 terms then you could flow it through.
12 Q You think you could do that from what is
13 available on the PRC website in K-67?
14 A It certainly can be done. My earlier
15 response just referred to the fact that it isn't
16 necessarily changing one cell. It's not like the K-67
17 only works if there's .5 DAL mailings per week.
18 Q Let me ask you to turn to your response to
19 our Interrogatory No. 7(a). At the top of the second
20 page --
21 A Wait. I'm not there. Yes. Okay. I'm
22 there.
23 Q In one sentence there you say DAL mailings
24 are recorded in alignment with the shape of the host
25 piece in RPW. Would you just clarify what you mean *in*

1 *alignment with*?

2 A Well, my understanding is that a DAL mailing

3 with a flat host piece -- because that's the vast

4 majority of them -- would be assigned to flat letter

5 volume and revenue.

6 Q Did you say *flat letter volume*?

7 A I'm sorry. It would be assigned a flat

8 volume. Excuse me.

9 Q For flats therefore would the RPW record the

10 host piece the same as it records addressed saturation

11 flats?

12 A My understanding is yes.

13 Q Does the RPW to your knowledge give any data

14 that gives you a count of either the volume of

15 unaddressed flats or the number of DALs that are

16 entered in the Postal Service each year?

17 A No.

18 Q I would assume it doesn't give you the

19 number of addressed flats so we could subtract it out,

20 does it?

21 A No, otherwise we would have used it. We

22 tried to use the best data we could.

23 Q I'm still trying. Interrogatory No. T-16-

24 7(b), please?

25 A Yes. I'm there.

1 Q In part (b) of your response at one point
2 you say -- I guess the second full paragraph -- on
3 rural routes ECR basic auto letters have a unit cost
4 of 1.55 cents as compared with 1.39 cents for ECR
5 basic nonauto letters, correct?
6 A Yes.
7 Q Is the 1.55 cents the cost of delivering an
8 ECR basic auto letter on a rural route?
9 A No. It's the total rural carrier piggyback
10 cost divided by -- I'm assuming these are originating
11 test year volumes, so total test year volume.
12 Q So it would be rural carrier cost of
13 delivering an ECR basic auto letter divided by what?
14 A Divided by total test year volume of basic
15 auto.
16 Q So you're dividing by the volume of total
17 ECR basic auto letters?
18 A Yes.
19 Q You're not dividing by the total of volume
20 of those letters delivered on rural routes?
21 A Correct.
22 Q Would it not make sense to use the volume of
23 the pieces delivered on rural routes?
24 A I don't think so. Again, it gets back to
25 disaggregating the CRA which uses total originating

1 volume as its denominator. That's what 67 is trying
2 to do is disaggregate the CRA to rate category level,
3 so we want to be consistent with that.
4 Q If you're trying to develop the cost of
5 delivering an ECR basic auto letter on a rural route
6 wouldn't you divide by the number of rural routes?
7 A Well, presumably you meant rural volume.
8 Q Yes. That's what I meant.
9 A We're not trying to determine the costs of
10 ECR basic auto letters on a rural route, we're just
11 trying to come up with a unit delivery cost with
12 delivery in the CRA meaning Cost Segments 6, 7 and 10.
13 Q Maybe I missed this, but does it not say *on*
14 *rural routes ECR basic auto letters have a unit cost*?
15 Isn't that a rural route unit cost?
16 A Well, I just explained the derivation of
17 that cost. It's a rural carrier cost divided by
18 originating volume as you would find it similar to the
19 CRA.
20 Q Don't you have to have in the numerator and
21 denominator a comparable term? Maybe I'll just ask
22 one last time. I'm sure if I read the transcript I'll
23 understand this, but you're saying on rural routes
24 these types of letters have a unit cost of 1.55 cents.
25 If you're going to develop a unit cost don't

1 you have to develop a total cost divided by a volume
2 and have the numerator and denominator correlate with
3 each other?
4 A Well again, we want to get back to the CRA,
5 so we want to add this cost from Segment 10, the cost
6 from Segment 7 done in a similar way which would be
7 city carrier street time cost divided by originating
8 volume and add that to Segment 6 cost divided by
9 originating volume to get back to the CRA.
10 That's what 67 does. So that's what those
11 unit costs are.
12 Q I don't want to pretend I understand that,
13 but I accept it. I will go on and ask you about
14 Interrogatory No. T-16-9. Your response says that the
15 percentage of letters DPSed plays a significant role
16 in the unit delivery cost for standard mail, correct?
17 A Yes.
18 Q Do you anywhere in your testimony or your
19 library reference develop a cost for DPSing letters?
20 A A separate unit cost you mean for DPS?
21 Q Yes.
22 A I did that for first-class presort. It was
23 discussed earlier in a response to an interrogatory
24 from MMA. If we're just talking about standard, no.
25 Q Would the unit cost estimate for first-class

1 apply to standard do you believe? Would it be the
2 same DPSing cost?
3 A I mean, I wouldn't know. It depends on the
4 DPS percentage, so I couldn't say that it would be.
5 Q If you were to develop such a number is that
6 something you could do, you could develop a cost of
7 DPSing standard letters as you have for first-class
8 letters?
9 A I think so.
10 MR. OLSON: Mr. Chairman, in view of the
11 witness' testimony about the significant role in the
12 unit delivery costs of the DPS percentage and the
13 importance of the costs of the additional DPSing of
14 standard letters I'd ask if we could ask the Postal
15 Service to provide the information that the witness
16 indicated could be provided.
17 THE WITNESS: Can I just ask --
18 COMMISSIONER COVINGTON: Do you want some
19 clarification?
20 THE WITNESS: Which specific categories? In
21 rereading this response I may want to clarify a point.
22 Just which specific categories would you want it for?
23 Just standard mail?
24 MR. OLSON: Yes.
25 COMMISSIONER COVINGTON: I'm assuming, Mr.

1 Olson, you're still speaking in regard to T-16,
2 Question 9?
3 MR. OLSON: Yes.
4 COMMISSIONER COVINGTON: I mean response
5 nine.
6 MR. OLSON: Exactly. Exactly. Again, I'm
7 not sure how it would be easiest to do, but optimally
8 I'd seek a number for the cost of DPSing standard ECR
9 letters.
10 THE WITNESS: Can I just clarify a point at
11 this time? In just rereading it you could possibly
12 misinterpret it. As far as city carrier costs go the
13 specific DPS percentage listed in the response is not
14 relevant to the unit cost. The only category that it
15 would be relevant would be ECR saturation.
16 The specific percentage -- other than
17 implicitly -- the higher the DPS percentage, the lower
18 the casing cost. It's not direct, okay? For the
19 other standard mail categories the method of getting
20 the unit casing cost is derived similar to how it was
21 done for first-class -- I think it's MMA-18 -- and so
22 the DPS percentage is very relevant.
23 Now, just one last point. For rural costs
24 it is relevant for ECR in all categories. So I just
25 wanted to clarify that just so there isn't confusion.

1 Now that I reread it these percentages do not affect
2 the city costs because for ECR costs we get them right
3 from IOCS which we don't do for standard mail. I just
4 wanted to clarify that.
5 BY MR. OLSON:
6 Q So you could --
7 A We still could do it. The thing about it is
8 the ECR -- well, I think we could do it, but the
9 problem with the ECR costs is we don't use these
10 percentages really for anything other than my
11 response. It was more implicit that the higher the
12 percentage, presumably the lower the casing cost.
13 We don't use them other than for ECR
14 saturation letters.
15 MR. OLSON: I think I'm just forced to grant
16 you great discretion in whatever you respond. I thank
17 you for that.
18 Is that okay, Mr. Vice Chairman?
19 COMMISSIONER COVINGTON: Yes.
20 BY MR. OLSON:
21 Q Could you look at your response to Val-Pak
22 Interrogatory T-16-10?
23 A Yes. The attachment or the response?
24 Q The response first to (a) where you say that
25 ECR saturation DAL mailings delivered to rural routes

1 include mailings that consist of simplified addressed
2 DALs. Do you see that?
3 A Yes.
4 Q So you're discussing how the DMM requires
5 that if you use simplified address format that on
6 rural routes you have to send it to all post office
7 box holders or at a post office without city carrier
8 service, correct?
9 A Yes.
10 Q As an attachment you show the derivation of
11 your estimate of the volume of DALs, correct?
12 A Yes.
13 Q On that attachment there's a place where you
14 talk about business delivery points and then under it
15 is city, rural, post office box and highway contract,
16 correct?
17 A Where it says residential delivery points
18 you mean?
19 Q No. Under that. I'm sorry.
20 A Yes. yes.
21 Q Then in the third column there or fourth
22 column -- third column with numbers -- it says
23 estimated fiscal 2004 DAL mailings per year, so you
24 bring over to the right-hand column a number that
25 correlates to rural and another number that correlates

1 to highway carrier, correct?

2 A Yes.

3 Q No number over there for city or post office

4 box in that column?

5 A Yes.

6 Q Let's start with that number 6,097. That's

7 in thousands, so that's 6 million rural DALs to

8 business delivery points? Is that what you're using?

9 A Yes.

10 Q If we were to take the total number of rural

11 business delivery points which is there in Column 1

12 it's 1,172,499. Do you see that?

13 A Yes.

14 Q If we multiply that by 52 weeks and multiply

15 that result by .5 DALs per week as you do for the

16 residential delivery points we get 30,484,974 DALs.

17 Would you accept that?

18 A Yes.

19 Q You only get 6 million because you multiply

20 it by 20 percent don't you?

21 A Yes.

22 Q For the highway routes, the same general

23 thing. You have -- is it 151,000?

24 A Yes.

25 Q If we multiply it by the 58,000 plus

1 business delivery points on highway contract routes by
2 52 weeks and half the DAL per week we get up to
3 1.510184 DALs. Would you accept?
4 A Yes.
5 Q You only use 151,000 DALs because you
6 multiply it by 10 percent, correct?
7 A I'll accept that. I thought it was 20
8 percent.
9 Q Well, it was 20 percent on rural, it appears
10 to be 10 percent on highway contracts. Did you mean
11 to do 20?
12 A I don't know. I mean, it's pretty small
13 relative to 3.4 billion DAL.
14 Q Do you happen to know whether ADVO uses
15 simplified addresses when it mails to rural routes?
16 A I do not.
17 Q Would you explain why you assume that only
18 10 and 20 percent of the DALs sent to rural routes go
19 to businesses on those routes?
20 A Well, the idea being that 20 percent will
21 have simplified addresses and that number is a
22 judgment partly from data, you know, just discussing
23 field visits and also discussing data about rural
24 carrier costs, so it's a judgment number.
25 We don't have a firm number, but it was

1 based on some calls to the field and when they took
2 rural carrier tests, asking them to notice if a
3 simplified address was used as well as myself doing
4 the same thing.
5 Q Are you saying that simplified addresses
6 cannot be used to make deliveries to rural business
7 delivery points?
8 A No. The assumption being made there is that
9 the only reason that you would give a DAL to a
10 business is that because you're required to by the DMM
11 due to the simplified address because you have to go
12 to 100 percent of the deliveries, and so as a result a
13 business may be on that route and it will get hit with
14 that.
15 So we're basically assuming 20 percent of
16 the DALs -- ignoring the highway contract routes for a
17 second -- are boxholders or use simplified addresses.
18 Q Are you assuming that no one would ever use
19 a DAL to try to mail to a business delivery point?
20 A Other than if it was used as simplified
21 address that is an assumption. That's why city
22 doesn't have any.
23 Q Why city --
24 A City business doesn't have any, so the
25 assumption carries through there.

1 Q Does that come from the household diary --
2 A Well, the household diary study estimates .5
3 DALs per household per week, so by household we took
4 that to mean residential delivery point.
5 Q Does the household diary study measure
6 deliveries to businesses?
7 A No. I don't think so. It's my
8 understanding it's a sample of household.
9 Q What did you say you base your conclusion
10 on --
11 A Which conclusion?
12 Q -- that businesses served by city carriers
13 do not receive any DALs?
14 A Sixty-seven is a model and that's an
15 assumption of the model. Yes.
16 Q Zero --
17 A Zero.
18 Q -- in the country for the year 2004?
19 A That is the assumption.
20 Q When you called the field to get input on
21 the rural routes what question did you pose to them
22 that led to the 10 to 20 percent number?
23 A Just asked them to notice -- you know, with
24 the data collectors -- if they found a DAL mailing on
25 a rural carrier test if it had a simplified address or

1 not. We just got a little bit of input. It's not a
2 statistically derived number, again, it's a judgment.
3 Q Let me ask you to turn to your response to
4 Question 38 and your table that's appended there on
5 page 2 of your response.
6 A Yes. I'm there.
7 Q On Row 4 you show saturation letters. Do
8 you see that?
9 A Yes.
10 Q Column 3, Total City Carrier Costs, is .0330
11 and Column 4, Total Rural Carrier Costs, is .0084 for
12 a total saturation carrier cost I guess of .0414,
13 correct?
14 A Yes.
15 Q The 3.3 cent unit cost for city carrier
16 street costs represents the result of dividing the
17 total costs for city delivery by a volume, correct?
18 A Originating volume. So it's total volume.
19 That's why you can just add the two numbers. Both are
20 divided by originating volume.
21 Q When you talk about originating volume --
22 this is similar to before I think -- are you talking
23 about the volume of mail delivered by city carriers or
24 the total volume of mail by city and rural carriers?
25 A It's actually the total -- I mean, I think

1 if this is test year -- yeah, it's test year. So it's
2 the test year originating volume for ECR saturation
3 letters. A comparable number for the base year would
4 be the RPW volume.
5 Q So you took the total cost for city delivery
6 and divided it by the total originating volume for ECR
7 saturation letters?
8 A Yes.
9 Q Would you therefore describe this 3.3 cents
10 as the cost of delivery by city carriers? Is that
11 what that reflects?
12 A Meaning? I don't know what you mean, the
13 cost.
14 Q Well, we're trying to find a unit cost of
15 delivery by city carriers --
16 A It represents the proportion of cost
17 incurred by city carriers to deliver saturation
18 letters divided by the total volume of saturation
19 letters in the universe, or the RPW volume, or test
20 year volume
21 Q Would it be fair to in shorthand describe
22 that as the cost of delivery by city carriers of ECR
23 saturation letters?
24 A I don't know. It's consistent with the CRA
25 methodology. I'll say that.

1 Q Well, when you get to Column 5, .0414,
2 that's some kind of weighted average between city and
3 rural is it not?
4 A No. It's actually just the sum of the two
5 numbers I think. It is a weighted average, yes, but
6 it's also the sum of the two numbers.
7 Q Do you have the unit cost of city carrier
8 delivery divided by the pieces that are actually
9 delivered by city carriers? Has that been developed
10 somewhere?
11 A It's not an official number in 67 that I
12 know of. It's not used to derive Table 1 which is the
13 output of K-67.
14 Q Is it possible to develop a table that shows
15 the unit cost of city carrier delivery and the unit
16 cost of rural carrier delivery?
17 A You're defining city carrier delivery to be?
18 What's the numerator, what's the denominator?
19 Q The numerator is the total cost of
20 delivering to city routes and the denominator is the
21 total volume of mail delivered by city carriers.
22 A So your question is is it possible? Yes.
23 All those numbers are available in 67. Not the actual
24 unit cost, but the delivery volume and the costs, so
25 one could easily do it. It's not a meaningful number

1 in terms of my task for developing 67.

2 MR. OLSON: Thank you so much.

3 Thank you, Mr. Chairman.

4 CHAIRMAN OMAS: Thank you, Mr. Olson.

5 Are there any additional questions for

6 witness Kelley?

7 (No response.)

8 CHAIRMAN OMAS: Are there any questions from

9 the bench?

10 Mr. Tisdale?

11 COMMISSIONER TISDALE: Mr. Kelley, if I

12 heard you correctly with regard to the city carrier

13 street time study, you did the design for the sample?

14 THE WITNESS: Yes.

15 COMMISSIONER TISDALE: You also designed the

16 data collection efforts. Is that correct?

17 THE WITNESS: No, I did not design the data

18 collection effort. I just designed the methodology to

19 actually select the zip codes and ran the program to

20 select the zip codes. I didn't design the scans I

21 guess, or the volume sheets or that kind of thing.

22 COMMISSIONER TISDALE: Well, I just have a

23 couple of questions concerning that particular study.

24 Do you know why or can you tell me why a conclusion

25 was come to that a two week sampling period would be

1 adequate?

2 THE WITNESS: Well, my recollection is two

3 things. One is that the previous study in the mid-80s

4 -- the STS study -- was based on two weeks and

5 secondly it was just the -- that was probably the

6 primary reason, but also the cost of collecting data

7 would have made it difficult to go much longer than

8 that.

9 COMMISSIONER TISDALE: You think the primary

10 reason was because of the previous study?

11 THE WITNESS: Well, when I was given this

12 task to design the sample I looked back. I used the

13 previous accepted study as a benchmark. Now, I didn't

14 really decide necessarily, it wasn't really my

15 decision to decide on two weeks.

16 I mean, I selected the zip codes, but just

17 to answer the question it was the cost as well as that

18 we kind of looked back and said that was what was done

19 before.

20 COMMISSIONER TISDALE: Do you know who

21 decided on the two weeks?

22 THE WITNESS: I would probably say witness

23 Stevens, but I think he mentioned my name yesterday

24 didn't he? Sorry. I thought of that when he did

25 that. What we were trying to do is come up with

1 reliable estimates.

2 We did feel, again, that because we were

3 getting the whole day per carrier as opposed to three

4 deeps from the previous study that we were going to

5 come up with more reliable estimates -- what I mean by

6 that are percentages of delivery time and so forth --

7 than we had in the past even with using the same time

8 that we used.

9 I know he mentioned me. I don't remember

10 specifically making that decision.

11 COMMISSIONER TISDALE: Are you aware of how

12 many weeks are used to evaluate a city carrier route?

13 THE WITNESS: No. I'm not familiar with the

14 route inspection process I guess.

15 COMMISSIONER TISDALE: Can you tell me what

16 the rationale was for using the last week in May and

17 the first week in June?

18 THE WITNESS: I didn't pick those specific

19 dates. I really can't tell you that.

20 COMMISSIONER TISDALE: Do you know who did?

21 THE WITNESS: I hope he didn't implicate me

22 on this as well. I would say witness Stevens. Again,

23 I selected the sample, designed it and so far as

24 picked the zip codes, but I didn't pick that

25 particular timeframe.

1 COMMISSIONER TISDALE: Can you give us a
2 written explanation about the rationale for using two
3 weeks in particular and for using the last week in May
4 and the first week in June in 2002?
5 MR. KOETTING: My recollection was that
6 witness Stevens addressed that yesterday when he was
7 on the stand. The question was asked and he explained
8 how we ended up with that time period.
9 COMMISSIONER TISDALE: I don't recall that
10 he answered that.
11 MR. KOETTING: He was talking about the fact
12 that -- for example, he used the term *spike*. They
13 were trying to use a time period in which volume was
14 not spiking up or down. That was the context of the
15 discussion in which he had a fairly extensive
16 discussion with the bench I believe on that matter.
17 I suppose we can look at the transcript and
18 see if there's anymore that we can supplement it with,
19 but my recollection is witness Stevens did talk about
20 why that period was selected. We'll look at the
21 transcript and see if we can add anything to it.
22 CHAIRMAN OMAS: I think I agree with
23 Commissioner Tisdale. It would be helpful for why you
24 picked that particular time. I know you gave somewhat
25 of a discussion yesterday on it, but why wasn't it

1 over a longer period of time? Why didn't it include
2 high points, low point? You said this was more
3 typical of when things were done.
4 Do you concur with what I'm saying here?
5 COMMISSIONER TISDALE: Yes.
6 MR. KOETTING: We'll be happy to provide
7 additional explanation along those lines.
8 CHAIRMAN OMAS: We would all appreciate it
9 and I think the other Commissioners concur with that.
10 MR. KOETTING: That's fine. We can provide
11 that. I don't know that it will come from witness
12 Kelley.
13 CHAIRMAN OMAS: Or you could give us a good
14 defense of why you just isolated those two weeks.
15 MR. KOETTING: We'll be happy to provide
16 that for the record.
17 CHAIRMAN OMAS: Thank you, sir.
18 COMMISSIONER TISDALE: Thank you.
19 CHAIRMAN OMAS: Are there any additional
20 questions from anyone? Mr. Olson?
21 (No response.)
22 CHAIRMAN OMAS: Mr. Koetting, would you like
23 time with your witness?
24 MR. KOETTING: If I could have 10 minutes,
25 please?

1 CHAIRMAN OMAS: Good. We'll see you back at
2 4:05.
3 (Whereupon, a short recess was taken.)
4 CHAIRMAN OMAS: Mr. Koetting?
5 MR. KOETTING: Mr. Chairman, I'm happy to
6 report the Postal Service has no redirect for this
7 witness.
8 CHAIRMAN OMAS: Well, thank you. That's
9 very nice.
10 Mr. Kelley, that completes your testimony
11 here today. We appreciate your appearance and your
12 contribution to our record, and thank you and you are
13 now excused.
14 (Witness excused.)
15 CHAIRMAN OMAS: Ladies and gentlemen, this
16 concludes today's hearings. We are adjourned.
17 (Whereupon, at 4:08 p.m., the hearing in the
18 above-entitled matter was concluded.)
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1 REPORTER'S CERTIFICATE

2

3 DOCKET NO.: R2005-1

4 CASE TITLE: Request of the United States Postal Service for a Recommended Decision on Changes in Rates of Postage and Fees for Postal Services

5 HEARING DATE: 7/8/05

6 LOCATION: Washington, D.C.

7

8 I hereby certify that the proceedings and evidence are

9 contained fully and accurately on the tapes and notes

10 reported by me at the hearing in the above case before the

11 United States Postal Rate Commission.

12

13

14 Date: 7/8/05

15

16 C. J. Clark

17 Official Reporter

18 Heritage Reporting Corporation

19 Suite 600

20 1220 L Street, N.W.

21 Washington, D.C. 20005-4018

22

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