

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

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

RESPONSES OF POSTAL SERVICE WITNESS STEVENS
TO ORAL QUESTIONS FROM THE BENCH
(July 14, 2005)

The United States Postal Service hereby provides the responses of witness Stevens to oral questions posed from the bench at the July 7 hearing on his testimony.

Each question is paraphrased and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 14, 2005

Response of Postal Service Witness Dennis P. Stevens
To Question Posed by Commissioner Goldway

Tr. 6/2034-37. Given that some flats do not fit into mail receptacles, CCSTS counts them as parcels. Please address how this occurs and its impact on flat and parcel costs. .

RESPONSE:

The CCSTS links the times for delivery activities to workload measures. The study looks at delivery time as having two different cost drivers: mail pieces that fit into the mail receptacle and mail pieces that are not placed in the mail receptacle because of size (parcels) and because of service requirements (accountables). The study records the mail counts (volume data) for these drivers and tracks the street time (scan data) related to the delivery of these mail pieces. The only use of these volumes is by Witness Bradley in his regression analysis. Product and class information are provided by CCS and are not gathered by the study.

In most instances, CCSTS uses operational workload measures and definitions. This was not possible for parcels. Some parcels can fit in the mail receptacle, while others can not. Those parcels that can not fit in the mail box incur significantly more carrier time than the parcels that can fit in the mail receptacles. Moreover, *any pieces of mail* that cannot fit into the mail receptacles incur significantly more time than pieces that can fit in the mail receptacles. Thus the study asked the carrier to identify all mail pieces that could not fit in the mail receptacle and record them as “study defined parcels”, distinct from all other shapes recorded for the survey. By doing this CCSTS unambiguously links workload to work time. Inherent in this approach, some mail pieces (flats and parcels) are not recorded based on their normal operational definitions.

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As a practical matter, however, the number of flats that migrate to parcels, as well as the number of parcels that migrate to flats, is too small to affect the distribution key for flats.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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