

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

Party

Interrogatories

United States Postal Service

Altaf H. Taufique (USPS-T-28)

Postal Rate Commission

VP/USPS-T28-52-55

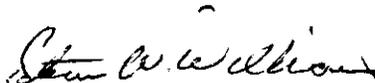
Institutional

Office of the Consumer Advocate

DBP/USPS-167

OCA/USPS-74, 77, 100a, 114

Respectfully submitted,



Steven W. Williams
Secretary

INTERROGATORY RESPONSES
DESIGNATED AS WRITTEN CROSS-EXAMINATION

Interrogatory

Designating Parties

United States Postal Service

Altaf H. Taufique (USPS-T-28)

VP/USPS-T28-52

PRC

VP/USPS-T28-53

PRC

VP/USPS-T28-54

PRC

VP/USPS-T28-55

PRC

Institutional

DBP/USPS-167

OCA

OCA/USPS-74

OCA

OCA/USPS-77

OCA

OCA/USPS-100a

OCA

OCA/USPS-114

OCA

United States Postal Service

**Altaf H. Taufique
(USPS-T-28)**

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS ALTAF H. TAUFIQUE TO INTERROGATORIES
OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND
VALPAK DEALERS' ASSOCIATION, INC.

Revised: August 24, 2005

VP/USPS-T28-52. Please refer to your testimony (USPS-T-28) at page 11 where you describe the Postal Service's attempt to comply with the nonprofit pricing relationship requirement of Public Law 106-384, and you state:

With the proposed rates, the revenue per piece for Standard Mail Nonprofit Regular is 61 percent of the Standard Mail Regular revenue per piece; the revenue per piece for Standard Mail Nonprofit ECR is 56 percent of the Standard Mail ECR revenue per piece. [USPS-T-28, p. 11, ll. 18-21.]

Public Law 106-384 specifies that for calculating nonprofit rates, the 60 percent figure be applied to TYBR billing determinants. See 39 U.S.C. § 3626(a)(6)(B) and Docket No. R2000-1, Memorandum of the United States Postal Service on Reconsideration and Request for Expedition (December 20, 2000), pp. 32-34.

Please refer to USPS-LR-K-115, file USPST28Aspreadsheets.xls, worksheet 'S-23 TYAR Commercial Revenues.'

- a. In determining the revenue per piece for Standard (Commercial) Regular mail to be used as a basis for comparison with the revenue per piece of Standard Nonprofit Regular mail, when computing total revenues in the numerator, did you multiply the proposed rates for Standard (Commercial) Regular mail by TYBR billing determinants? If not, please state the billing determinants that you used, and explain the rationale for not using TYBR billing determinants. Also, for whatever *billing determinants you used, please provide the total revenues that you used in the numerator of the revenue per piece computation for Standard (Commercial) Regular mail.*
- b. Please provide the revenue per piece that you computed for Standard (Commercial) Regular mail, and state whether you divided the total revenues referred to in preceding part a by the TYBR volume of Standard (Commercial) Regular mail? If not, please state what volume figure you used in the denominator.
- c. If you did not calculate the revenue per piece of Standard (Commercial) Regular mail using TYBR billing determinants in both the numerator and denominator, please explain how you calculated it, and explain the rationale for the methodology which you used.

RESPONSE

a-c. No. The total revenue and revenue per piece calculations shown in my worksheet S-23 were calculated using the proposed rates and TYAR volume and weight projections. The total revenue used in the revenue per piece calculation is shown

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RESPONSE to VP/USPS-T28-52 (continued):

at the bottom of worksheet S-23 as the item labeled Adjusted Commercial Revenue. The revenue per piece is shown on the line below labeled Revenue Per Piece. It was calculated by dividing the Adjusted Commercial Revenue by the total Commercial TYAR volume.

This calculation, while not erroneous in itself, was erroneously used in discussions of the appropriate relationship between the average revenue per piece for Nonprofit subclass and Regular subclass mail. The following figures, calculated based on TYBR volumes and weights, should have been used for Regular subclass mail in those discussions.

Adjusted Commercial Revenue: \$12,922,618,579

Revenue Per Piece: \$0.2268

It has come to my attention that the adjusted revenue and the revenue per piece figures reported in my responses to VP/USPS-T28-52 through VP/USPS-T28-55, as well as the ratios calculated from them and reported in VP/USPS-T28-53 and VP/USPS-T28-55 do not reflect fee revenue. In the past, the revenue per piece ratios used to determine compliance with P.L. 106-384 were developed with revenues that included fees.

As I investigated this omission, I discovered that the fee revenue shares of the nonprofit subclasses (Nonprofit and Nonprofit ECR) were anomalously high compared to the fee revenue shares of their commercial counterparts (Regular and ECR). Further

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RESPONSE to VP/USPS-T28-52 (continued):

investigation showed that approximately two-thirds of Standard Mail domestic mail fee revenue comes from permit fees and that it appeared that the number of permits estimated for the nonprofit subclasses was overstated and the number of permits estimated for the commercial subclasses was correspondingly understated. See Table 1 for the time series of estimated permit shares.

Table 1
Standard Mail Bulk Permits

	Count (000)		Share	
	Commercial Subclasses	Nonprofit Subclasses	Commercial Subclasses	Nonprofit Subclasses
1980	314	243	56%	44%
1985	454	302	60%	40%
1990	335	377	47%	53%
1995	219	433	34%	66%
2000	68	436	13%	87%
2004	11	398	3%	97%
TYBR	12	427	3%	97%

Source: USPS-LR-K-75 at 19.

The overstatement evidently occurred as follows:

1. The number of total Standard Mail bulk permits was developed based on revenue reported in the Revenue, Pieces and Weight data system.
2. The number of valid nonprofit mailer authorizations was obtained from Postal Service records.
3. The assumption was made that each nonprofit mailer authorization equaled one nonprofit permit.

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RESPONSE to VP/USPS-T28-52 (continued):

4. The number of commercial permits was developed by subtracting the number of nonprofit permits obtained in steps 2 and 3 from the total number of permits obtained in step 1.
5. The nonprofit permits and corresponding revenues were allocated to Nonprofit and Nonprofit ECR subclasses based on the relative volume shares of the two subclasses. A similar allocation was made for the commercial subclasses.

This process resulted in the permit counts for FY 2004 (the Base Year for this rate case) shown in Table 1. These are incorrect. Additional investigation revealed that it is now common for an agent to enter mail for many authorized nonprofit entities using a single permit. Therefore, the assumption made in step 3 above is incorrect meaning that the results shown for FY 2004 in Table 1 are also incorrect.

To further test the step 3 assumption, the Postal Service requested Christensen Associates to review FY 2004 mailing statement data and to count the number of permits used by commercial and nonprofit mailers to enter Standard Mail. The results of this research are shown in Table 2.

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Revised: August 24, 2005

RESPONSE to VP/USPS-T28-52 (continued):

Table 2
Standard Mail Permits
FY 2004

	Permits (000)	Volume (billions)	Permits	Volume
Commercial Only	257	48.4	63.8%	52.0%
Nonprofit Only	94	6.7	23.3%	7.2%
Both Commercial & Nonprofit*	52	38	12.9%	40.8%
Total	403	93.1	100.0%	100.0%

*7.0 billion pieces (18.4 percent) paid nonprofit rates
Source: Mailing statement data. Not adjusted to RPW totals.

As Table 2 shows, some permits are used to mail both commercial and nonprofit Standard Mail. Lacking more detailed data, I apportioned these permits (for the purposes of calculating revenue shares) between commercial and nonprofit mail based on the volumes of commercial and nonprofit mail using these "shared" permits. The restated shares of commercial and nonprofit permits are shown in Table 3. In Table 3, the total number of permits was also adjusted slightly to correspond to the RPW-derived total for FY 2004.

Table 3
Restated Standard Mail Permits
FY 2004

	Permit Share	Permit Count
Commercial	74.3%	303
Nonprofit	25.7%	105
Total	100.0%	408

Note: Permits with both commercial and nonprofit volume allocated based on volume. Adjusted to RPW totals.

The nonprofit and commercial permit totals were then distributed to the appropriate subclasses based on volume using the procedure outlined in step 5 above.

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RESPONSE to VP/USPS-T28-52 (continued):

These changes affect my workpaper USPST28C, sheet SS-36 Std Bulk Permit. I am filing a revised version of this workpaper as an attachment to this response. To calculate revenue per piece for the purposes of determining compliance with the provisions of P.L. 106-384, fees are calculated using TYBR volumes at the proposed rates. Therefore, because these changes also affect this calculation, I am filing a revision to my workpaper USPST28C, sheet SS-39 Fee Summary TYBR-Proposed as an attachment. As indicated in the revised worksheet SS-36, the projected number of TYBR and TYAR Standard Mail Bulk permits is greater than those originally projected. The number of permits increases from the Base Year to the Test Year in proportion to the growth of the underlying mail subclasses. Because the commercial subclasses are projected to grow faster than the nonprofit subclasses, the number of Standard Mail Bulk Permits and the associated fee revenue is slightly greater as a result of this revision.

Table 4, below, shows corrected Standard Mail revenues (postage, fees, and total revenue), per piece revenues (with and without fees) and revenue per piece ratios (with and without fees). I have also adjusted the Nonprofit subclass revenue downward to reflect the \$1.36 million adjustment I submitted in response to POIR No. 12, Question 5 on August 18, 2005.

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RESPONSE to VP/USPS-T28-52 (continued):

Table 4
Corrected Nonprofit Ratios for Proposed Standard Mail Rates
(based on TYBR billing determinants)

<u>Subclass</u>	<u>Volume</u>	<u>Total</u>		
		<u>Postage (\$)</u>	<u>Fees (\$)</u>	<u>Revenue (\$)</u>
Regular				
Commercial	56,909,968,113	12,922,618,579	51,019,892	12,973,638,471
Nonprofit	12,355,554,381	1,698,434,819	18,033,827	1,716,468,646
ECR				
Commercial	33,328,906,103	5,924,197,494	29,839,680	5,954,037,174
Nonprofit	3,147,174,541	312,412,288	4,593,532	317,005,820
Nonprofit Regular postage reduced \$1,355,042 (POIR No. 12 Question 5)				
<u>Subclass</u>	<u>Per Piece Revenue</u>		<u>Nonprofit Ratio</u>	
	<u>Without Fees</u>	<u>With Fees</u>	<u>Without Fees</u>	<u>With Fees</u>
Regular				
Commercial	\$0.2271	\$0.2280		
Nonprofit	\$0.1375	\$0.1389	0.605	0.609
ECR				
Commercial	\$0.1777	\$0.1786		
Nonprofit	\$0.0993	\$0.1007	0.558	0.564

As can be seen from Table 4, including fees (and the revenue adjustment reported in POIR No. 12, Question 5) slightly changes the revenue per piece ratios I reported earlier in response to VP/USPS-T28-53 and VP/USPS-T28-55. My conclusion that these ratios meet the requirements of P.L. 106-384, given the unique circumstances of this case, remains unchanged.

SPECIAL SERVICES
STANDARD MAIL BULK MAILING PERMITS
TEST YEAR 2006

REVISED: August 24, 2005

	TRANSACTIONS			FEES (\$)		REVENUES		
	FY 2004	TEST YEAR BEFORE RATES	TEST YEAR AFTER RATES	CURRENT	PROPOSED	BEFORE RATES CURRENT FEE	AFTER RATES PROPOSED FEE	PERCENT CHANGE 2/
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
REGULAR	303,400	337,783	331,615	\$150.00	\$160.00	50,667,385	53,058,468	6.67%
NONPROFIT	104,945	112,654	112,040	\$150.00	\$160.00	16,898,072	17,926,478	6.67%
TOTAL	408,345	450,436	443,656			67,565,457	70,984,946	

1/ Calculated by dividing the Revenue and Expense Summary revenue by the fee.

2/ Denotes the percentage change from the current fee to the proposed fee, or (Column 5 - Column 4)/Column 4.

USPS-LR-K-115

REVISED: August 24, 2005

TYBR DOMESTIC MAIL (PROPOSED) FEES DISTRIBUTION TO SUBCLASS
FISCAL YEAR 2006
(\$ IN 000)

FIRST CLASS	LETTERS/PARCELS		CARDS			Total
	Single	Workshare	Postal	Private		
				Single	Workshare	
Pieces (millions)	42,988	48,336	90	2,426	3,028	96,869
Percent of total FCM pieces	44.38%	49.90%	0.09%	2.50%	3.13%	100.00%
Address Correction	28,042	31,532	59	1,583	1,975	63,191
Business Reply	216,576			12,222		228,798
Certificate of Mailing	2,588	118	5	146	7	2,865
Presort Permit Fee		6,544			410	6,954
Merch. Return Fees		183				183
Special Handling	6,141					6,141
Total	253,347	38,377	64	13,951	2,393	308,132
PRIORITY MAIL						
Address Correction						96
Business Reply						1,143
Certificate of Mailing						45
Merch. Return Fees						104
Special Handling						390
Total						1,778
PERIODICALS	In-County	Nonprofit	Classroom	Regular Rate		Total
Pieces (millions)	743	1,832	65	6,438		9,079
Percent of Pieces	8.19%	20.18%	0.72%	70.92%		100.00%
Address Correction	1,661	4,093	146	14,385		20,284
Application Fees	36	89	3	313		442
Total	1,697	4,182	149	14,698		20,726
STANDARD MAIL	Commercial-Reg	Commercial-ECR	Nonprofit-Reg	Nonprofit-ECR		Total
Pieces (millions)	56,986	33,329	12,356	3,147		105,817
Percent of Pieces	53.85%	31.50%	11.68%	2.97%		100.00%
Address Correction	16,887	9,877	3,661	933		31,358
Bulk Permit Fee	34,101	19,944	14,365	3,659		72,070
Certificate of Mailing	6	3	1	0		11
Bulk Parcel Return Service	26	15	6	1		48
Total	51,020	29,840	18,034	4,594		103,487
PACKAGE SERVICES	Parcel Post	BPM	Media	Library		
Pieces (millions)	354	598	193	17		1,162
Percent of Pieces	30.47%	51.49%	16.58%	1.47%		100.00%
Address Correction	386	1,087	214	86		1,774
Certificate of Mailing	15	25	8	1		48
Presort Permit			175			175
Special Handling	308	0	136			444
Parcel Airift	18					18
Parcel Select Permit Fee	89					89
Merch. Return Fees	96	162	52	5		314
Total	911	1,274	585	91		2,861
GRAND TOTAL FEES						436,984

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Revised: August 24, 2005

VP/USPS-T28-53. Please refer to USPS-LR-K-115, file USPST28Aspreadsheets.xls, worksheet 'S-24 TYAR Nonprofit Revenues.'

- a. In determining the revenue per piece for Standard Nonprofit Regular mail to be used as a basis for comparison with the revenue per piece of Standard (Commercial) Regular mail, when computing total revenues in the numerator, did you multiply the proposed rates for Standard Nonprofit Regular mail by TYBR billing determinants? If not, please state the billing determinants that you used, and explain the rationale for not using TYBR billing determinants. Also, for whatever billing determinants you used, please provide the total revenues that you used in the numerator of the revenue per piece computation for Standard Nonprofit Regular mail.
- b. Please provide the revenue per piece that you computed for Standard Nonprofit Regular mail, and state whether you divided the total revenues referred to in preceding part a by the TYBR volume of Standard Nonprofit Regular mail? If not, please state what volume figure you used in the denominator.
- c. If you did not calculate the revenue per piece of Standard Nonprofit Regular mail using TYBR billing determinants in both the numerator and denominator, please explain how you calculated it, and explain the rationale for the methodology which you used.
- d. In calculating the ratio of (i) the average revenue per piece of Standard Nonprofit Regular mail and (ii) the average revenue per piece of Standard (Commercial) Regular mail, did you use the average revenue per piece that in each instance was based on TYBR billing determinants and volumes? If not, please explain why not.

RESPONSE

- a-d. No. The total revenue, revenue per piece and revenue per piece ratio calculations shown in my worksheet S-24 were done using TYAR volumes and weights. Please also see my response to VP/USPS-T28-52. The total revenue and revenue per piece used in the ratio calculation are shown at the bottom of worksheet S-24 as the items labeled Adjusted Nonprofit Revenue and Revenue Per Piece. While the line items labeled Adjusted Nonprofit Revenue, Revenue Per Piece, and Revenue Per Piece Ratio are not in themselves erroneous, they were erroneously used in discussing the appropriate relationship between the average revenue per piece for Nonprofit subclass and Regular subclass mail. The following figures, calculated based on TYBR volumes and weights, should have been used for Nonprofit subclass mail in those discussions.

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Revised: August 24, 2005

RESPONSE to VP/USPS-T28-53 (continued):

Adjusted Nonprofit Revenue: \$1,699,789,861

Revenue Per Piece: \$0.1376

Revenue Per Piece Ratio: 0.607.

As can be seen from the above figures, the ratio calculated using TYBR volume and weight data is not significantly different from the ratio in my workpaper S-24. The ratio calculated using TYBR data also rounds to the same whole number percentage, 61 percent, cited in my testimony.

Please see also my revision to VP/USPS-T28-52.

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Revised: August 24, 2005

VP/USPS-T28-54. Please refer to USPS-LR-K-115, file USPST28Aspreadsheets.xls, worksheet 'ECR-22 TYAR Comm. Revenues.'

- a. In determining the revenue per piece for Standard (Commercial) ECR mail to be used as a basis for comparison with the revenue per piece of Standard Nonprofit ECR mail, when computing total revenues in the numerator, did you multiply the proposed rates for Standard (Commercial) ECR mail by TYBR billing determinants? If not, please state the billing determinants that you used, and explain the rationale for not using TYBR billing determinants. Also, for whatever billing determinants you used, please provide the total revenues that you used in the numerator of the revenue per piece computation for Standard (Commercial) ECR mail.
- b. Please provide the revenue per piece that you computed for Standard (Commercial) ECR mail, and state whether you divided the total revenues referred to in preceding part a by the TYBR volume of Standard (Commercial) ECR mail? If not, please state what volume figure you used in the denominator.
- c. If you did not calculate the revenue per piece of Standard (Commercial) ECR mail using TYBR billing determinants in both the numerator and denominator, please explain how you calculated it, and explain the rationale for the methodology which you used.

RESPONSE

- a-c. No. The total revenue and revenue per piece calculations shown in my worksheet ECR-22 were calculated using the proposed rates and TYAR volume and weight projections. The total revenue used in the revenue per piece calculation is shown at the bottom of worksheet ECR-22 as the item labeled Adjusted Commercial Revenue. The revenue per piece is shown on the line below labeled Revenue Per Piece. It was calculated by dividing the Adjusted Commercial Revenue by the total Commercial TYAR volume.

This calculation, while not erroneous in itself, was erroneously used in discussions of the appropriate relationship between the average revenue per piece for Nonprofit ECR subclass and commercial ECR subclass mail. The following figures, calculated based on TYBR volumes and weights, should have been used for commercial ECR subclass mail in those discussions.

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Revised: August 24, 2005

RESPONSE to VP/USPS-T28-54 (continued):

Adjusted Commercial Revenue: \$5,924,197,494

Revenue Per Piece: \$0.1777

Please see also my revision to VP/USPS-T28-52.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS ALTAF H. TAUFIQUE TO INTERROGATORIES
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Revised: August 24, 2005

VP/USPS-T28-55. Please refer to USPS-LR-K-115, file USPST28Aspreadsheets.xls, worksheet 'ECR-23 TYAR NP Revenues.'

- a. In determining the revenue per piece for Standard Nonprofit ECR mail to be used as a basis for comparison with the revenue per piece of Standard (Commercial) ECR mail, when computing total revenues in the numerator, did you multiply the proposed rates for Standard Nonprofit ECR mail by TYBR billing determinants? If not, please state the billing determinants that you used, and explain the rationale for not using TYBR billing determinants. Also, for whatever billing determinants you used, please provide the total revenues that you used in the numerator of the revenue per piece computation for Standard Nonprofit ECR mail.
- b. Please provide the revenue per piece that you computed for Standard Nonprofit ECR mail, and state whether you divided the total revenues referred to in preceding part a by the TYBR volume of Standard Nonprofit ECR mail? If not, please state what volume figure you used in the denominator.
- c. If you did not calculate the revenue per piece of Standard Nonprofit ECR mail using TYBR billing determinants in both the numerator and denominator, please explain how you calculated it, and explain the rationale for the methodology which you used.
- d. In calculating the ratio of (i) the average revenue per piece of Standard Nonprofit ECR mail and (ii) the average revenue per piece of Standard (Commercial) ECR mail, did you use the average revenue per piece that in each instance was based on TYBR billing determinants and volumes? If not, please explain why not.

RESPONSE

a-d. No. The total revenue, revenue per piece and revenue per piece ratio calculations shown in my worksheet ECR-23 were done using TYAR volumes and weights. Please also see my response to VP/USPS-T28-54. The total revenue and revenue per piece used in the ratio calculation are shown at the bottom of worksheet ECR-23 as the items labeled Adjusted Nonprofit Revenue and Revenue Per Piece. While the line items labeled Adjusted Nonprofit Revenue, Revenue Per Piece, and Revenue Per Piece Ratio are not in themselves erroneous, they were erroneously used in discussing the appropriate relationship between the average revenue per piece for Nonprofit ECR subclass and commercial ECR subclass mail. The following figures, calculated based on TYBR volumes and weights, should have been used for Nonprofit ECR subclass mail in those discussions.

United States Postal Service
Institutional

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID B. POPKIN**

DBP/USPS-167 Please refer to your response to OCA/USPS-112 subpart c. [a] Please clarify your response. Should the second response to subpart c - i read upgraded from 3-day to 1-day : 16 as was asked in the original interrogatory? If so, please provide a listing of these 16 ZIP Code pairs, the date of the upgrade, and an explanation of how it was possible to upgrade them from 3 days to overnight. If not, please explain why you show two different values for upgraded from 2-day to 1-day, namely 16 in response to subsubpart i and 35 in subsubpart ii. [b] Please provide a listing of the 3 ZIP Code pairs that were downgraded from 1-day to 3-days, the date of the downgrade, and an explanation of why it was necessary to downgrade them from overnight to 3-day.

RESPONSE:

(a) Confirmed.

Although the identity of the following 16 specific ZIP Code pairs has no relationship to postal ratemaking, the requested information is being provided in response to this interrogatory, subject to the understanding that the Postal Service reserves the right to object in future proceedings to requests for similarly irrelevant and immaterial information.

From the following 3-digit ZIP Code areas -- 940 through 951, 954, 956, 957 and 958 -- to the following 3-digit ZIP Code: 966.

Due to the previously mentioned problems with data retention, the pair changes were calculated by comparing PQ 2-00 to PQ 2-03, thus it cannot be said exactly in which PQ the changes were made. All 16 service standards pairs originate in Northern CA to military destinations (966) that are processed out of San Francisco. The service standards used are only to the gateway office (San Francisco) rather than to actually delivery to Military destinations in 966 (overseas). The original standards were excessively long at 3-days, and were likely database errors. They were updated to be consistent with other 1-day standards for local mail to San Francisco.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID B. POPKIN**

RESPONSE to DBP/USPS-167 (continued)

- (b) From 967, 968, 969 to 966.

The language in the response to subpart (a) regarding relevance and materiality to postal ratemaking applies to this response as well. So does the language regarding data retention issues.

All 3 service standards pairs were military destinations (966) that are processed out of San Francisco that were all originating in Hawaii and Guam. The service standards used are only to the gateway office (San Francisco) rather than to actually delivery to military destinations in 966 (overseas), and the original standards were impossibly short at 1-day, and were likely database errors. The service standards were updated to be consistent with other 3-day standards for mail to San Francisco from Hawaii and Guam.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE OCA**

OCA/USPS-74. Please provide, separately for each delivery unit in the ZIP Codes in file AL161ZIPS.PRN, screen shots from DOIS, Supervisor Workbench, Daily Workload Mgmt, Capture Mail Volumes—Manual, Category: AM Available, Units: Pieces, showing delivery unit Totals for Letters (Pcs), Flats (Pcs), Seq Ltrs (Sets), Seq Flts (Sets), Parcels, Priority, DPS (Pcs), Caseable Automated Letters, and Caseable Automated Flats, for the following time periods: May 15-28, 2005; February 13-26, 2005; November 12-25, 2004; August 13-26, 2004; May 14-27, 2004. If the same data are available on a weekly basis, please provide them in lieu of daily data.

- a. Please explain the difference(s) between Ltrs (Pcs), DPS (Pcs), and Caseable Automated Letters. How does one calculate total letter-shaped pieces?
- b. Please explain the difference(s) between Flts (Pcs) and Caseable Automated Flats. How does one calculate total flat-shaped pieces?

RESPONSE:

Responsive information, in accordance with Presiding Officer's Ruling No.

R2005-1/46 (July 8, 2005), will be provided in USPS-LR-K-152.

a.. Letters (in pieces), DPS (in pieces), and Caseable Automated Letters are all counts of letters recorded for a route. Letters and Caseable Automated Letters are letters that the carrier must case. The difference is that the supervisor does not have to count the Caseable Automated letters. The count for Caseable Automated letters is downloaded from the processing equipment. The Letters number is counted by the supervisor. Together all three of these numbers plus the sequenced letters are the total letter volume for the route.

b. The explanation in part a. above is the same for the count of a route's flats.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE OCA**

OCA/USPS-77. Please provide, on a daily basis, screen shots from DOIS showing the clock time for scan for first delivery point and the clock time for scan for last delivery point corresponding to the days in the same time periods, same ZIP Codes, and same delivery units requested in OCA/USPS-74 and OCA/USPS-76.

RESPONSE:

Responsive information, in accordance with Presiding Officer's Ruling No.

R2005-1/46 (July 8, 2005), will be provided in USPS-LR-K-152.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE OCA**

OCA/USPS-100. Please refer to the attached page of a DOIS report.

a. Please provide, separately for each delivery unit in the ZIP Codes in file AL161ZIPS.prn of LR-K-80, screen shots from DOIS, showing delivery unit totals for Cased Letters, Cased Flats, Delivered Seq, Delivered DPS, PP, and Street Hours Actual for the following time periods: May 15-28, 2005; February 13-26, 2005; November 12-25, 2004; August 13-26, 2004; May 14-27, 2004. If the same data are available on a weekly or pay-period basis, please provide them in lieu of daily data.

RESPONSE:

Responsive information, in accordance with Presiding Officer's Ruling No.

R2005-1/46 (July 8, 2005), will be provided in USPS-LR-K-152.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OFFICE OF THE CONSUMER ADVOCATE INTERROGATORY
Revised: September 20, 2005**

OCA/USPS-114

Please refer to the response to USPS-LR-K-117, "First-Class Mail Service Standard Changes."

- a. For PQ 4 of 2002, please confirm that the Postal Service upgraded 40 First-Class Mail 3-digit ZIP Code pairs from 3-day service standard to 2-day service. If you do not confirm, please explain.
- b. For PQ 4 of 2002, please provide the percentage of First-Class Mail volume associated with the 40 3-digit ZIP Code pairs that were upgraded.
- c. During FY 2002, did the Postal Service upgrade or downgrade any other First-Class Mail 3-digit ZIP Code pairs? If so, please provide for each service standard, the number of 3-digit ZIP Code pairs that were upgraded or downgraded, and the percentage of First-Class Mail volume associated with these upgraded and downgraded 3-digit ZIP Code pairs.
- d. For PQ 1 of 2003, please confirm that the Postal Service upgraded 106 First-Class Mail 3-digit ZIP Code pairs from 3-day service standard to 2-day service, and downgraded 90 ZIP Code pairs from 2-day service standard to 3-day service standard. If you do not confirm, please explain.
- e. For PQ 1 of 2003, please provide the percentage of First-Class Mail volume associated with the 106 3-digit ZIP Code pairs that were upgraded, and the 90 3-digit ZIP Code pairs that were downgraded.
- f. During FY 2004, did the Postal Service upgrade or downgrade any First-Class Mail 3-digit ZIP Code pairs? If so, please provide for each service standard, the number of 3-digit ZIP Code pairs that were upgraded or downgraded, and the percentage of First-Class Mail volume associated with these 3-digit ZIP Code pairs.
- g. For PQ 2 of 2005, please confirm that the Postal Service upgraded 20 First-Class Mail 3-digit ZIP Code pairs from 2-day service standard to 1-day service, and downgraded 9 ZIP Code pairs from 1-day service standard to 2-day service standard. If you do not confirm, please explain.
- h. For PQ 2 of 2005, please provide the percentage of First-Class Mail volume associated with the 20 3-digit ZIP Code pairs that were upgraded, and the 9 3-digit ZIP Code pairs that were downgraded.

RESPONSE:

- a. Confirmed.
- b. The Postal Service interprets the question as seeking the estimated percentage of total originating and total destinating First-Class Mail volumes represented by

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OFFICE OF THE CONSUMER ADVOCATE INTERROGATORY
Revised: September 20, 2005**

RESPONSE to OCA/USPS-114 (continued):

the 40 3-digit ZIP Code pairs referenced in subpart (a) during FY 02, Quarter 4.

That percentage is 0.027.

c. Because of the data archiving problems described in response to DBP/USPS-4,

the Postal Service is unable to respond here beyond the scope indicated in

response to that interrogatory, meaning that it will only be able to provide the

Quarter 4 data in response to subpart (b).

d. Confirmed.

e. The Postal Service interprets the question as seeking the estimated percentage

of total originating and total destinating First-Class Mail volumes represented by

the 106 upgraded and the 90 downgraded 3-digit ZIP Code pairs referenced in

subpart (d) during FY 03, Quarter 1. That percentage is 0.008.

f. As indicated in Library Reference K-117, there were 20 First-Class Mail upgrades

and 197 downgrades made during FY 04, Quarter 4. The Postal Service

interprets the question as seeking the estimated percentage of total originating

and total destinating First-Class Mail volumes represented by the 20 upgraded

and the 197 downgraded 3-digit ZIP Code pairs referenced in subpart (e) during

FY 03, Quarter 1. That percentage is 0.006.

g. Confirmed.

h. The Postal Service interprets the question as seeking total originating and total

destinating First-Class Mail volumes estimated by ODIS to travel between the 20

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OFFICE OF THE CONSUMER ADVOCATE INTERROGATORY
Revised: September 20, 2005**

RESPONSE to OCA/USPS-114 (continued):

3-digit ZIP Code upgraded pairs and the 9 downgraded pairs referenced in subpart (g) during FY 05, Quarter 2. That percentage is 0.013.