Postal Rate Commission
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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268–0001

PARCEL RETURN SERVICE

Docket No. MC2006-1

REVISED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY OCA/USPS–9 (ERRATA)

The United States Postal Service hereby provides a revised response to interrogatory OCA/USPS–9. The revision corrects the second sentence of the first paragraph of part A3. It is changed from "The pickup frequency varies by mailer and facility, ranging from two days a week to *seven* days per week." to "The pickup frequency varies by mailer and facility, ranging from two days a week to *five* days per week." A complete replacement for the previous answer is provided herewith.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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December 5, 2005

REVISED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-9. Please refer to the response to OCA/USPS-1, filed November 14, 2005. The response indicates that the next data collection report is not due until after December 31, 2005 for the period July 1, 2005 to December 31, 2005. In order to provide the most up-to-date information available for this docket, please submit an updated report, including both parts A and B, covering the period July 1, 2005 to November 1, 2005.

RESPONSE:

A1. Volume by RDU and RBMC, by weight and zone (as possible).

Due to the fact that only two Parcel Select customers are participating, these data are not provided.

A2. Weekly volume for each RDU and RBMC (identification of facility names/locations not required and data may be provided electronically in a PC-compatible format without hardcopy).

Due to the fact that only two Parcel Select customers are participating, these data are not provided.

A3. Pickup frequency by facility type.

Both participants pick up Parcel Select Return Bulk Mail Center (RBMC) product pieces at all 21 BMCs. The pickup frequency varies by mailer and facility, ranging from two days a week to five days per week. In most cases, the participants retrieve the PRS mail pieces three or five days per week.

As of September 30 2005, the Return Delivery Unit (RDU) service has been rolled out to 1,368 Delivery Units within 61 districts. On average, preliminary field observations indicate that the PRS participants retrieve the mail pieces three days per week.

A4. Number and types of facilities used as pickup locations.

See response to A3.

A5. Evaluation of whether the process flows match those used to estimate costs.

The mail processing cost estimates have been revised as described in Docket No. MC2006-1, USPS-T-2, Section III.B.

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A6. To the extent possible, RDU volume broken down between regular-sized and oversized parcels.

Due to the fact that only two Parcel Select customers are participating, these data are not provided.

A7. RBMC volume broken down among machinable, non-machinable and oversized parcels.

Due to the fact that only two Parcel Select customers are participating, these data are not provided.

A8. Number of pieces addressed to an RDU but picked up at an RBMC, broken down into machinable, non-machinable, and oversized groups.

Please see the report filed on August 22, 2005.

A9. To the extent possible, the number of machinable pieces addressed to an RBMC or an RDU that were transported inter-BMC.

It is estimated, on average, that 1.8 percent of the mail pieces isolated as PRS at a given BMC were actually entered as origin mail within the service area of another BMC.

A10. The number of shippers participating in BPM PRS.

Zero.

A11. The number of shippers participating in Parcel Select PRS, broken down into shippers that participate solely in RBMC; solely in RDU; or participate in both.

Both participants are now using the RBMC and RDU products.

B1. Review operations being performed and comment upon potential adjustments to the list of RBMC and RDU return service mail processing activities listed on USPS-T-2, Attachment C, at pages 10-15.

Mail processing modifications to the model filed in Docket No. MC2003-2, USPS-T-2, Attachment C, at pages 10-15 are described in Docket No. MC2006-1, USPS-T-2, Section III.B.

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B2. Comment upon the accuracy of the percentage estimates provided in USPS-T-2, Attachment C, page 6, i.e., that containers are as full as estimated, separately for RBMC and RDU activities.

The percentage full estimates appear reasonable. Field observations have shown that most containers being dispatched to PRS processing facilities exceed 100 percent full, if the top of the container is defined as being 100 percent.

B3. Provide a ballpark (or more precise) estimate of the capacity utilization (pieces per container) for Parcel Return Service containers and compare it to the estimate in USPS-T-2, Attachment D.

During limited sampling, there appeared to be some variation among the participants as to the number of machinable pieces per container. The range was from 50 pieces to 110 pieces.

The number of nonmachinable / oversize pieces per NMO container was found to fall between 20 pieces to 30 pieces.

B4. To the extent possible, review and comment upon whether the productivities in USPS-T-2, Attachment C, pages 2 and 3, continue to reflect best current estimates.

The productivity data relied upon in the PRS cost model have been revised as described in Docket No. MC2006-1, USPS-T-2, Section III.B.

B5. Review and comment upon the actual sampling operations for manifest review as compared to the planned operations.

The sampling methods and procedures are likely to evolve over time. At the current time, however, the sampling operations included in the cost model reflect those performed in the field.

B6. Review and comment upon the accuracy of the travel time estimate incorporated into USPS-T-2, Attachment G, page 1, based upon a sample of actual travel times to shipper locations by Postal Service Return Technicians.

As described in B5, the sampling methods currently being used reflect those performed in the field. Consequently, the travel time estimate is also reasonable.

B7. Review and comment upon the accuracy of the estimate for the average number of pieces per manifest in USPS-T-2, Attachment H.

Due to the fact that only two Parcel Select customers are participating, this response is not provided.

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B8. Review and comment upon whether the estimated storage days for RBMC and RDU in USPS-T-2, Attachment D are correct or need to be revised.

The storage cost estimate has been revised as described in Docket No. MC2006-1, USPS-T-2, Section III.C.

B9. Review and comment upon the extent of the need for adjustments in pick-up schedules to alleviate excessive storage time.

During field observations, several BMC managers mentioned that there were instances when either (1) PRS mail had not been picked up as scheduled, or (2) additional transportation was required due to higher than expected mail volume. In all cases, they mentioned that their efforts to work with the participants to solve the problems had, for the most part, been successful. Over time, the occurrence of such adjustments appears to have decreased.

B10. Review and comment upon the accuracy of the following estimates used in USPS-T-2, Attachments C and D.

a. The estimated units per hour for sorting parcels to mailers for RBMC machinable returns (125.4 units/hr), RBMC non-machinable returns (100 units/hr) and RBMC non-machinable oversize returns (100 units/hr).

Please see the response to B4.

b. The estimated units per hour for sorting parcels to mailers for RDU machinable mail (460.6 units/hr).

Please see the response to B4.

c. The estimated space utilization storage costs estimated for RBMC and RDU rate categories beyond what is reported in response to Part B, subpart (8).

The storage cost estimate has been revised as described in Docket No. MC2006-1, USPS-T-2, Section III.C.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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