

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS BOZZO (USPS-T-12) TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE, (OCA/USPS-T42-5(c)), REDIRECTED FROM WITNESS McCRERY
(June 27, 2006)

The United States Postal Service hereby provides the response of witness Bozzo (USPS-T-12) to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T42-5(c), filed on June 13, 2006, and redirected to witness Bozzo.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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June 27, 2006

Response of United States Postal Service Witness A. Thomas Bozzo
To Interrogatory of the Office of the Consumer Advocate
Redirected from Witness McCrery

OCA/USPS-T42-5. This interrogatory seeks information on the processing of “low aspect ratio” letter mail on mail processing equipment. Please refer to your response to GCA/USPS-T42-1, which describes a “low aspect ratio” mailpiece. Your response to GCA/USPS-T42-1(b)(i), states that “Certain facilities manually face and cancel the rejects and direct them to a MLOCR/DIOSS for automated processing.”

- a. What types of facilities “manually face and cancel the rejects” for further automated processing? Please identify the types of facilities referred to, and the number of such facilities where this manual activity takes place.
- b. Please confirm that, in the facilities that “manually face and cancel the rejects,” the costs of this manual activity are recorded as manual operations. If you do not confirm, please explain.
- c. Please provide the MODS operation codes and the total and unit costs associated with these manual activities.
- d. In those facilities that “manually face and cancel the rejects,” what is the probability of being rejected again on a MLOCR/DIOSS?

Response.

a.-b. Answered by Witness McCrery.

c. Estimates of the total cost and unit volume-variable cost (VVC) for MOD 010 (“hand cancellations”) are provided in the table below. Please note that the MOD 010 cost is developed using the method used in the response to VP/USPS-T12-12.

Line	Description	Data	Source
(1)	MOD 010 hours	1,646,343	USPS-LR-L-55, Table I-2B
(2)	1CANCEL pool hours	9,251,561	USPS-LR-L-55, Table I-2B
(3)	MOD 010 % of 1CANCEL	17.8%	L1/L2
(4)	1CANCEL cost (\$000)	307,118	USPS-LR-L-55, Table I-1
(5)	MOD 010 cost (\$000)	54,653	L3*L4
(6)	MOD 010 TPH	869,913,688	Response to TW/USPS-T11-1(b-c)
(7)	1CANCEL variability factor	0.5	USPS-T-12, Table 1
(8)	MOD 010 unit VVC (cents/TPH)	3.14	L5*L7/L6, in cents

d. Answered by Witness McCrery.

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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