

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

RECEIVED

OCT 21 4 29 PM '97

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R97-1187

POSTAL RATE AND FEE CHANGES, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
DAVID B. POPKIN
(DBP/USPS-72, 79 AND 81)

The United States Postal Service hereby provides responses to the following interrogatories of David B. Popkin: DBP/USPS-72, 79 and 81, filed on October 7, 1997.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999; Fax -5402
October 21, 1997

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

DBP/USPS-72.

The response to DBP/USPS-18 subparts b and c indicates that costs for retail products are not tracked. [a] Does this mean that the Postal Service enters into various selling arrangements without determining that it will in a profit? [b] If not, please explain.

RESPONSE:

(a) & (b). No. Current policy requires that such a project must show profitability before it is fully implemented.

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

- DBP/USPS-79:** In your response to DBP/USPS-35,
- (a) confirm that all DBCS and CSBCS sorters will trap Certified Mail.
 - (b) Clarify Witness Moden's testimony on page 7 that by the end of this year, DBCS and CSBCS will be installed at all mail processing centers and that all incoming mail will be run through them so as to trap all incoming Certified Mail.
 - (c) Provide an estimate of the percentage for your use of "virtually all" and "vast majority" in your response to subparts a through c.
 - (d) Confirm, or explain if you are unable to do so, that there is no postal employee who is aware of processing centers which do not tray 100% of their mail for Certified Mail letters.

Response:

- (a). Confirmed.
- (b). There are no statements on page 7 in witness Moden's testimony stating that "DBCS and CSBCS will be installed at all mail processing centers" or "that all incoming mail will be run through them so as to trap all incoming Certified Mail." Both of your interpretations of witness Moden's testimony along with the Postal Service's response to DBP/USPS-35 are incorrect in that (1) the CSBCS is located primarily in delivery units so they are not "installed at all mail processing centers" and (2) all incoming mail is not processed on a DBCS and/or a CSBCS because there is some mail that is not automation compatible. This mail is processed manually, so any Certified Mail would be "trapped" during the distribution process by a manual clerk.
- (c). An approximate estimate of "virtually all", as used in the context of "virtually all of the delivery point sequencing (DPS) performed by the Postal Service is on

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

a CSBCS or a DBCS”, would be close to 100 percent. An approximate estimate of “vast majority”, as used in the context of “the vast majority of the incoming secondary processing is performed on a CSBCS or DBCS”, would be above 85 percent.

(d). Not confirmed. There are nearly 800,000 postal employees (per the 1996 United States Postal Service Annual Report). These employees possess various levels of knowledge and expertise about specific postal operations such as the handling and processing of Certified Mail. Accordingly, it is impossible to confirm that all postal employees are aware of the handling and processing procedures for Certified Mail. Also, the question incorrectly implies that processing centers trap 100% of the Certified Mail. As mentioned in part (b), some Certified Mail is trapped by a manual clerk; in many cases, this processing is performed at a local post office and not in a processing center.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO DBP INTERROGATORIES

DBP/USPS-81. Clarify your response to DBP/USPS-40 subparts c and d. [a] Confirm, or explain if you are unable to do so, that if a mailer has a 15-ounce parcel containing merchandise that it will cost \$3.20 to mail and that if the piece weighs 17-ounces it will cost \$3.15 or less to mail it. [b] What is the logic for having a rate which costs less for heavier but similar parcels?

Response:

[a] Confirmed.

[b] With the elimination of single-piece Standard, this mail will be shifted into Priority Mail which has a higher level of service than does Parcel Post.

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.



Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
October 21, 1997