

# DOCKET SECTION

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF  
MAJOR MAILERS ASSOCIATION REDIRECTED FROM WITNESSES HATFIELD,  
FRONK AND O'HARA AND MOTION FOR LATE ACCEPTANCE  
(MMA/USPS-T25-1(B) and (C), MMA/USPS-T32-15(B), MMA/USPS-T30-3(A), 30-4(A)  
and (D), 30-6, 30-7(A)(2), AND 30-8(C)(1) and (3))

The United States Postal Service hereby provides responses to the following interrogatories of Major Mailers Association: MMA/USPS-T25-1(B) and (C), MMA/USPS-T32-15(B), MMA/USPS-T30-3(A), 30-4(A) and (D), 30-6, 30-7(A)(2), and 30-8(C)(1) and (3)), filed on August 13, 1997 and redirected from witnesses Hatfield, Fronk and O'Hara. These responses are provided pursuant to Order No. 1197, issued October 1, 1997.

The Postal Service moves for acceptance of these responses one day late. The closing of Postal Service Headquarters from Friday afternoon, October 10, 1997 through Monday, October 13, 1997, as well as the undersigned counsel's presence at hearings on Tuesday, October 14, 1997, resulted in this brief delay. Also, as indicated in the response to MMA/USPS-T25-1(C), the information requested is still being prepared and likely will be available next week. At the time a supplemental response to that interrogatory subpart is filed, the Postal Service will again move for late acceptance of that response.

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

A handwritten signature in dark ink, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

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October 16, 1997

**RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF  
MMA/USPS-T25-1(B) AND (C) OF MAJOR MAILERS ASSOCIATION  
REDIRECTED FROM WITNESS HATFIELD**

**MMA/USPS-T25-1.**

On page 3 of USPS-T-25, you indicate that, for your analysis of First-Class bulk mail cost savings, your benchmark is a "shape specific, product specific mail processing unit cost that included all volume variable mail processing costs that are captured in the CRA."

- (B) Does this mean that your unit benchmark processing cost differ from those that would be produced under the Commission's approved costing methodology as provided in the last omnibus rate proceeding, Docket No. R94-1? Please explain any no answer.
- (C) Please refer to your answer to Paragraph (B) of this Interrogatory. If you had used the Commission-approved methodology, what would be the effect upon the costs for First-Class letters that are shown in Table II-2 on page 4 of your testimony, USPS-T-25? Please provide a version of Table II-2 that shows how the costs for First-Class letters would change if you had used the Commission-approved methodology.

**MMA/USPS-T25-1 RESPONSE:**

- (B) The unit benchmark processing costs in witness Hatfield's testimony, USPS-T-25, differ from those that would be produced under the Commission's costing methodology.
- (C) The Postal Service is in the process of preparing the requested information. As indicated in various Postal Service pleadings regarding this particular response, preparation of the requested information is burdensome. The Postal Service currently estimates that the requested information will be available sometime next week. At that time, a supplemental response to this interrogatory subpart will be filed.

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**MMA/USPS-T32-15(B).**

(B) Under the Postal Service's proposal, what are the coverages for (1) First-Class single-piece letters and (2) First-Class worksharing letters, under the Commission-approved costing methodology?

**MMA/USPS-T30-3(A).**

In response to Commission Rule 54(a)(1), the Postal Service filed USPS Library Reference H-215, which includes a Part II entitled "Fiscal Year 1998 BR" and a Part III entitled "Fiscal Year 1998 AR."

(A) Does Part III of Library Reference H-215 show the "cost coverages," "proposed rate levels" and "the test-year finances of the Postal Service on a subclass-by-subclass basis" (as these terms are used in your testimony) in a manner consistent with the "attribution procedures applied by the Commission in the most recent general rate proceeding." (See Commission Rule 54(1), 62 Fed. Reg. 30242, 30250 (June 3, 1997).)

**MMA/USPS-T30-4(A) and (D).**

Please refer to Interrogatory USPS-T30-3.

(A) Using the information provided in Library Reference H-215, can a party derive--for each subclass--the test year after-rates: (1) costs, (2) volumes, (3) cost coverages, (3) cost mark-ups, (4) cost coverage index, and (5) markup index--using the "attribution procedures applied by the Commission in the most recent general rate proceeding." (See Commission Rule 54(1), 62 Fed. Reg. 30242, 30250 (June 3, 1997).)

(D) Alternatively to providing this information about derivation methods in writing or at a data conference, please provide a table that compares your proposed test year after-rates cost coverages using the "attribution procedures applied by the Commission in the most recent general rate proceeding." (See Commission Rule 54(1), 62 Fed. Reg. 30242, 30250 (June 3, 1997).) Such a table should also include total revenues, costs, volumes, cost mark-up, cost coverage index, and mark-up index for all subclasses and, for First-Class, also separately for nonpresorted letters and worksharing letters.

**MMA/USPS-T30-6.**

Please provide, for each subclass during the test year (after the Postal Service's proposed rates), the contribution per piece to overhead under the "attribution procedures applied by the Commission in the most recent general rate proceeding." (See Commission Rule 54(1), 62 Fed. Reg. 30242, 30250 (June 3, 1997).)

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**MMA/USPS-T30-7(A)(2).**

Please refer to Interrogatories MMA/USPS-T30-5 and T30-6 and your responses thereto.

(A) What are the contributions per piece to overhead of First-Class nonpresorted letters and First-Class worksharing letters (stated separately):

(2) Under the "attribution procedures applied by the Commission in the most recent general rate proceeding"? (See Commission Rule 54(1), 62 Fed. Reg. 30242, 30250 (June 3, 1997).)

**MMA/USPS-T30-8(C)(1) and (3).**

Please refer to your Exhibits USPS-30F and 30G.

(C) Please refer to USPS Library Reference H-215, Part III, the page headed "Matrix fy98rcam.c, Page 3."

(1) Does that exhibit page include the adjustments referred to in Paragraphs (A) and (B) of this Interrogatory?

(3) If your answer to Subparagraph (1) of this Interrogatory is other than yes, please provide a table (comparable to the cited page of USPS Library Reference H-215) that includes the adjustments referred to in Paragraphs (A) and (B) of this Interrogatory.

**RESPONSE:**

As provided in Order No. 1197, the response to the entire group of interrogatories takes the form of a summary table of attributable costs (after final adjustments) and cost coverages. This table is page 1 of the attachment, and is labeled "PRC-30B"; it corresponds to witness O'Hara's Exhibit USPS-30B. The attributable costs therein are developed on the remaining pages of the attachment.

Pages 2 and 3, labeled PRC-30F, correspond to witness O'Hara's Exhibit USPS-30F, with the addition of column 1a, which presents modifications to the treatment of the air transportation costs in LR-H-215 that parallel those made by witness Patelunas in his 9-19-97 revised response to UPS/USPS-T33-36. With respect to columns 2 and 3, the Postal Service believes that neither the stamped card adjustment nor the Delivery Confirmation cost adjustment are affected by the difference in costing methodology. The adjustments by pricing

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witnesses in column 5 are, however, affected in many cases, as described in the remaining pages of the attachment, labeled PRC W/P III. This corresponds to witness O'Hara's Workpaper III, but with two additional pages to explain the nature of the changes that have been made in order to conform these adjustments as nearly as practicable to the Commission's costing methodology.

The first page of PRC W/P III shows the (sometimes approximate) cost adjustments under the Commission's costing methodology, the second page indicates the general approach used for each adjustment, and the final page develops the scale factors used for some of the adjustments. The adjustments in PRC W/P III fall into one of three categories: (1) those unaffected by the difference in costing methodology, (2) those for which the adjustments in witness O'Hara's W/P III are scaled by the ratio of the subclass's unit cost under Commission's costing methodology to that under the proposed costing methodology, and (3) those for which a more specialized treatment has been used.

In the Delivery Confirmation column, costs are treated as follows: volume-related costs (First-Class Mail, part of Priority Mail costs, Express, Parcel Post, and Certified) are scaled. The Delivery Confirmation base cost in Priority Mail (from line 27 of USPS-T-33, Table 6) and the Delivery Confirmation costs on line 34 of PRC W/P III are unaffected by the difference in costing methodology.

For the Packaging Service column, the volume-related costs (Priority, Express, Parcel Post, and Certified) are scaled, while the cost of the Packaging Service itself is unaffected by the difference in methodology since it was taken from testimony in MC97-5 which did not use the proposed new costing methods.

For the column dealing with the elimination of Standard (A) Single Piece, the Single-Piece line is simply the negative of the Single-Piece entry in column 4 of PRC-30F. In parallel with the treatment in witness O'Hara's W/P III, this cost is then distributed to First-Class, Priority, and BPRS. For Priority, witness O'Hara's W/P III costs are scaled; for BPRS, costs are unaffected since

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they were developed without reference to the new proposed costing methodology. The remaining costs are assigned to First-Class.

The Parcel/Special Services Reform column reflects a variety of initiatives. The Parcel Post and Bound Printed Matter entries primarily reflect net additional volume, and have been scaled from witness O'Hara's W/P III. The Standard (B) Special and Library Rate entries reflect barcode cost savings and have also been scaled. The Insurance entry is unaffected by difference in costing methodology.

The Standard (A) column adjusts for volume shifts between Standard (A) ECR basic letters and Standard (A) Regular automation 5-digit letters. These volumes were included in the volume forecast driving the roll-forward, and the adjustment is necessary because the roll-forward in effect treats these pieces as having the average cost in each subclass. In fact, the automation 5-digit pieces are well below the average cost of Standard (A) Regular pieces (so the new pieces will add fewer costs than indicated by the roll-forward). Conversely, the departing ECR basic letters cost slightly more than the average ECR piece, and the roll-forward therefore under-estimates the extent to which ECR costs decline as these pieces move to Standard (A) Regular. These costs adjustments are scaled from those in witness O'Hara's W/P III.

For the Hazardous Materials column, the entries reflect volume reductions resulting from the imposition of new surcharges, and the adjustments are scaled from those in witness O'Hara's W/P III.

Attachment to Response to MMA/USPS-T32-15(B) et al, p 1  
PRC-30B

**SUMMARY OF ESTIMATED FISCAL YEAR 1998 AFTER RATES FINANCES**  
(Dollars in Thousands)

Line No.	Description	Attributable Costs	Revenues	Percent of Costs (Col 2/Col 1)	Contribution To Other Costs (Col 2 - Col 1)
		(1)	(2)	(3)	(4)
1	First-Class Mail				
2	Single-piece Letters	15,494,399	22,148,759	142.95%	6,654,360
3	Worksharing Letters	4,755,649	11,466,010	241.10%	6,710,361
4	Total Letters	20,250,048	33,614,769	166.00%	13,364,721
5	Single-piece Cards	557,638	661,012	118.54%	103,374
6	Worksharing Postcards	197,982	427,967	216.16%	229,984
7	Total Cards	755,620	1,088,979	144.12%	333,358
8	Total	21,005,668	34,703,748	165.21%	13,698,079
9	Priority Mail	2,307,317	4,352,693	188.65%	2,045,376
10	Express Mail	720,028	841,217	116.83%	121,189
11	Mailgrams	310	4,676	1508.16%	4,366
12	Periodicals				
13	In County	81,866	83,865	102.20%	1,799
14	Outside County				
15	Nonprofit	333,086	342,631	102.87%	9,545
16	Classroom	11,635	10,540	90.59%	(1,095)
17	Regular-Rate	1,573,326	1,688,945	107.35%	115,619
18	Total	1,999,913	2,125,781	106.29%	125,868
19	Standard Mail A				
20	Single Piece	0	0	0.00%	0
21	Commercial Regular	5,741,425	8,022,045	139.72%	2,280,620
22	Commercial Enhanced Carrier Route	2,038,198	4,304,004	211.17%	2,265,806
23	Total Commercial	7,779,622	12,326,049	158.44%	4,546,427
24	Nonprofit	1,222,679	1,351,433	110.53%	128,754
25	Nonprofit Enhanced Carrier Route	127,079	201,408	158.49%	74,329
26	Total Nonprofit	1,349,758	1,552,841	115.05%	203,083
27	Total Standard Mail A	9,129,381	13,878,890	152.02%	4,749,509
28	Standard Mail B				
29	Parcel Post	719,927	782,916	108.75%	62,989
30	Bound Printed Matter	329,563	524,608	159.18%	195,045
31	Special Rate	278,431	352,330	126.54%	73,899
32	Library Rate	52,475	52,427	99.91%	(48)
33	Total	1,380,396	1,712,281	124.04%	331,885
34	Free-for-the-Blind, etc.	34,619	0	0.00%	(34,619)
35	International Mail	1,369,844	1,643,844	120.00%	274,000
36	Special Services				
37	Registry	70,029	122,606	175.08%	52,577
38	Certified	341,619	448,962	131.42%	107,343
39	Insurance	47,385	74,453	157.12%	27,068
40	COD	20,825	18,024	86.55%	(2,801)
41	Money Orders	217,763	237,240	108.94%	19,477
42	Stamped Envelopes	10,088	16,008	158.69%	5,921
42a	Stamped Cards	4,585	11,660	254.29%	7,075
42b	Delivery Confirmation	22,139	23,563	106.43%	1,424
42c	BPRS	5,410	8,370	154.71%	2,960
42d	Packaging Service	28,098	34,705	123.52%	6,607
43	Special Handling	1,332			(1,332)
44	Post Office Boxes	634,958	683,362	107.62%	48,404
45	Other		370,652		370,652
46	Total	1,404,232	2,049,606	145.96%	645,373
47	Other Costs	245,457			(245,457)
48	Other Income		217,242		217,242
49	Attributable Costs and Revenues	39,597,165	61,529,977	155.39%	21,932,813
50	Total Other Costs	26,683,278			(26,683,278)
51	Prior Years Loss Recovery	446,933			(446,933)
52	Continuing Appropriations		67,498		67,498
53	Investment Income		54,371		54,371
54	GRAND TOTAL	66,727,375	61,651,846	92.39%	(5,075,528)

Sources: Attributable Costs: PRC-30F, column (6) times 1.01 (adds 1% contingency);  
line 50, col 7, p2 of Attachment 1 to Response to UPS/USPS-T33-36 (revised 9/19/97). Revenue: Exh USPS-30B (9-19-97)



**Test-Year After-Rates Cost Adjustments**  
 (\$000's, before contingency)

Line No	Classification	LR-H-215, Pt III Sec 12 (revised 9-4-97) Costs (1)	Net Air Transp. Card Manu Adjust. Cost (1a) (2)	Delivery Confirm. Costs (3)	LR-H-215+AirTrans+ Del. Conf +Stp Cds (Cols. 1 + 1a + 2 + 3) (4)	Adjustments by Pricing Witnesses (5)	Total Cost (Col. 4+Col. 5) (6)
<b>First Class Mail</b>							
1	Single Letters & Parcels	15,183,330	-26,286	7,584	15,164,628	176,362	15,340,990
2	Worksharing Letters	4,719,629	-15,546	4,480	4,708,563	0	4,708,563
3	Total Letters	19,902,959	-41,832	12,064	19,873,191	176,362	20,049,553
4	Single Cards	556,767	-490	380	552,117	0	552,117
5	Worksharing Cards	195,952	-96	166	196,022	0	196,022
6	Total Cards	752,719	-586	546	748,139	0	748,139
7	Total First Class Mail	20,655,678	-42,418	12,610	20,621,330	176,362	20,797,692
8	Priority Mail	2,111,248	65,958	421	2,177,627	106,845	2,284,472
9	Express Mail	728,222	-7,495	91	720,818	-7,919	712,899
10	Mailgrams	306	0	1	307	0	307
<b>Periodicals</b>							
11	In County	80,925	0	130	81,055	0	81,055
12	Nonprofit	329,710	-250	328	329,788	0	329,788
13	Classroom	11,518	-8	10	11,520	0	11,520
14	Regular Rate	1,557,686	-1,097	1,160	1,557,749	0	1,557,749
15	Total Periodicals	1,979,839	-1,355	1,628	1,980,112	0	1,980,112
<b>Standard Mail A</b>							
16	Single Piece	248,843	-287	94	248,650	-248,650	0
17	Commercial Regular	5,929,454	-1,251	3,893	5,932,096	-247,517	5,684,579
18	Commercial Enhanced CR	2,048,977	-129	3,410	2,052,258	-34,241	2,018,017
19	Commercial Total	7,978,431	-1,380	7,303	7,984,354	-281,758	7,702,596
20	Nonprofit	1,238,346	-482	915	1,238,779	-28,205	1,210,574
21	Nonprofit Enhanced CR	130,022	-1	212	130,233	-4,412	125,821
22	Nonprofit Total	1,368,368	-483	1,127	1,369,012	-32,618	1,336,394
23	Total Standard Mail A	9,595,642	-2,150	8,524	9,602,016	-563,025	9,038,991
<b>Standard Mail B</b>							
24	Parcel Post	705,849	-7,132	184	698,901	13,898	712,799
25	Bound Printed Matter	313,431	-150	215	313,496	12,804	326,300
26	Special	276,368	-52	115	276,431	-757	275,674
27	Library	51,956	-31	20	51,945	11	51,956
28	Total Standard Mail B	1,347,604	-7,365	534	1,340,773	25,956	1,366,729

Line No.	Classification	LR-H-215, Pt III Sec 12 (revised 9-4-97) Costs (1)	Net Air Transp. Adjust (1a)	Stamped Card Manu. Cost (2)	Delivery Confirm. Costs (3)	LR-H-215+AirTrans+ Del Conf +Stp Cds (Cols 1 + 1a + 2 + 3) (4)	Adjustments by Pricing Witnesses (5)	Total Cost (Col. 4+Col 5) (6)
0	USPS Penalty	215,210	-393		52	214,869		214,869
1	Free for the Blind, etc	34,284	-22		14	34,276		34,276
2	International Mail	1,357,389	-1,198		90	1,356,281		1,356,281
	Special Services							
3	Registry	69,303			33	69,336	0	69,336
4	Certified	341,767			516	342,283	-4,046	338,237
5	Insurance	40,594			19	40,613	6,303	46,916
6	COD	20,596			23	20,619	0	20,619
7	Money Orders	215,603			4	215,607	0	215,607
8	Stamped Envelopes	9,988			0	9,988		9,988
8a	Stamped Cards			4,540		4,540		4,540
8b	Delivery Confirmation						21,920	21,920
8c	BPRS						5,357	5,357
8d	Packaging Service						27,820	27,820
9	Special Handling	1,319			0	1,319		1,319
10	Post Office Box	628,670			1	628,671		628,671
11	Other *	229,530			28	229,558	13,469	243,027
12	Total Special Services	1,557,370		4,540	624	1,562,534	70,822	1,633,356
13	TOTAL ATTRIBUTABLE	39,367,582	3,955	0	24,537	39,396,074	-190,961	39,205,113
14	OTHER (incl USPS Penalty)	21,379,790	-3,955		27,312	21,403,147	0	21,403,147
15	TOTAL COSTS	60,747,372	0	0	51,849	60,799,221	-190,961	60,608,260

\*In this Exhibit as originally filed, the entry at what is now page 2, line 11, column 5, was 56,144 and was for the items now shown individually on lines 8b, 8c, and 8d (with corrected entries, their total is now 55,097). The current entry in this location is for costs resulting from growth in Return Receipt and Restricted Delivery volumes between the base-year and the test-year, see source below

Sources: (1) LR-H-215, Part III, Section 12, revised 9-4-97, with USPS Penalty costs included on p.2, line 14 (not line 13)  
 (1a) Net Air Transportation Adjustment (this parallels the adjustment made in Response to UPS/USPS-T33-36, revised 9-19-97): (col(3), p 2 of Attach 1 to that response) - (LR-H-215,Part III, Section 8, p 15, Comp. 14 0.1+14 0 2)  
 (2) Stamped Card Manufacturing Cost: Exhibit USPS-15H, p. 49  
 (3) Delivery Confirmation Costs: USPS-T-22, Worksheet C-2  
 (5)Adjustments by Pricing Witnesses: p.2, line 11. USPS-T-40, WP 14, all others PRC W/P III

**Test-Year After-Rates Cost Adjustments - Supporting Detail**  
**(\$000s, before contingency)**

Attach. to Resp to MMA/USPS-T32-15(B) et al, p 4

PRC W/P III

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Line	Classification	Delivery Confirmation	Pack'g Service	Std A Single Piece	Parcel/ Spec Serv Reform	Standard (A)	Hazmat	Total	Source
<b>First Class Mail</b>									
1	Single Letters/Parcels	-37,256	0	218,609	0	0	-4,992	176,362	USPS-T-32 WP I p3, p9
2	Worksharing Letters	0	0	0	0	0	0	0	
3	Total Letters	-37,256	0	218,609	0	0	-4,992	176,362	
4	Single Cards	0	0	0	0	0	0	0	(Exh.USPS-15H, pp 49; my Exh. F footnote)
5	Worksharing Cards	0	0	0	0	0	0	0	
6	Total Cards	0	0	0	0	0	0	0	
7	Total First Class	-37,256	0	218,609	0	0	-4,992	176,362	
8	Priority Mail*	80,407	1,813	24,684	0	0	-60	106,845	USPS-T-33 p23, lines 26+27,23,20,30
9	Express Mail*	-8,856	937	0	0	0	0	-7,919	USPS-T-33 p13, lines 16, 19
10	Mailgrams	0	0	0	0	0	0	0	
<b>Periodicals</b>									
11	In County	0	0	0	0	0	0	0	
12	Nonprofit	0	0	0	0	0	0	0	
13	Classroom	0	0	0	0	0	0	0	
14	Regular Rate	0	0	0	0	0	0	0	
15	Total Periodicals	0	0	0	0	0	0	0	
<b>Standard Mail A</b>									
16	Single Piece	0	0	-248,650	0	0	0	-248,650	USPS-T-32 WP I p3
17	Comm. Regular	0	0	0	0	-247,517	0	-247,517	USPS-T-36 WP1 p24
18	Comm. Enhanced CR	0	0	0	0	-34,241	0	-34,241	USPS-T-36 WP1 p24
19	Commercial Total	0	0	0	0	-281,758	0	-281,758	
20	Nonprofit	0	0	0	0	-28,205	0	-28,205	USPS-T-36 WP2 p34
21	Nonprofit Enhanced CR	0	0	0	0	-4,412	0	-4,412	USPS-T-36 WP2 p34
22	Nonprofit Total	0	0	0	0	-32,618	0	-32,618	
23	Total Standard A	0	0	-248,650	0	-314,375	0	-563,025	
<b>Standard Mail B</b>									
24	Parcel Post	4,612	-237	0	10,507	0	-983	13,898	USPS-T-37 WP II,C p4
25	Bound Printed Matter*	0	0	0	12,804	0	0	12,804	USPS-T-38 WP BPM1, Final cost- Forecast cost
26	Special *	0	0	0	-757	0	0	-757	USPS-T-38 WP SR1, Final cost- Forecast cost
27	Library *	34	0	0	-23	0	0	11	USPS-T-38 WP Lib8
28	Total Standard B	4,646	-237	0	22,531	0	-983	25,956	
<b>Special Services</b>									
29	Registry	0	0	0	0	0	0	0	
30	Certified*	-4,051	5	0	0	0	0	-4,046	USPS-T-39 WP4 (volume); WP17 (unit cost)
31	Insurance	0	0	0	6,303	0	0	6,303	USPS-T-40 WP 15
32	COD	0	0	0	0	0	0	0	
33	Money Orders	0	0	0	0	0	0	0	
34	Delivery Confirmation*	21,920						21,920	USPS-T-40 WP 5
35	BPRS	0	0	5,357	0	0	0	5,357	MC 97-4, Exh.USPS-2A
36	Packaging Service		27,820					27,820	MC97-5, Ex USPS-3C p1
37	Total Spec. Serv.	17,869	27,824	5,357	6,303	0	0	57,353	

\*The source documents for the costs in these rows include the contingency; the costs shown above are source costs divided by 1.01

Line	Classification	Delivery Confirmation	Pack'g Service	Std A Single Piece	Parcel/ Spec Reform	Standard Serv (A)	Hazmat
First Class Mail							
1	Single Letters/Parcels	scaled	0	See Text	0	0	scaled
2	Worksharing Letters	0	0	0	0	0	0
3	Total Letters	0	0	0	0	0	0
4	Single Cards	0	0	0	0	0	0
5	Worksharing Cards	0	0	0	0	0	0
6	Total Cards	0	0	0	0	0	0
7	Total First Class	0	0	0	0	0	0
8	Priority Mail*	scaled/unaff	scaled	scaled	0	0	scaled
9	Express Mail*	scaled	scaled	0	0	0	0
10	Mailgrams	0	0	0	0	0	0
Periodicals							
11	In County	0	0	0	0	0	0
12	Nonprofit	0	0	0	0	0	0
13	Classroom	0	0	0	0	0	0
14	Regular Rate	0	0	0	0	0	0
15	Total Periodicals	0	0	0	0	0	0
Standard Mail A							
16	Single Piece	0	0	EAP-30F	0	0	0
17	Comm Regular	0	0	0	0	scaled	0
18	Comm Enhanced CR	0	0	0	0	scaled	0
19	Commercial Total	0	0	0	0	0	0
20	Nonprofit	0	0	0	0	scaled	0
21	Nonprofit Enhanced CR	0	0	0	0	scaled	0
22	Nonprofit Total	0	0	0	0	0	0
23	Total Standard A	0	0	0	0	0	0
Standard Mail B							
24	Parcel Post	scaled	scaled	0	scaled	0	scaled
25	Bound Printed Matter*	0	0	0	scaled	0	0
26	Special *	0	0	0	scaled	0	0
27	Library *	scaled	0	0	scaled	0	0
28	Total Standard B	0	0	0	0	0	0
Special Services							
29	Registry	0	0	0	0	0	0
30	Certified*	scaled	scaled	0	0	0	0
31	Insurance	0	0	0	unaffected	0	0
32	COD	0	0	0	0	0	0
33	Money Orders	0	0	0	0	0	0
34	Delivery Confirmation	unaffected					
35	BPRS	0	0	unaffected	0	0	0
36	Packaging Service		unaffected				
37	Total Spec Serv	0	0	0	0	0	0

# Roll-Forward Cost Per Piece Scale Factor

Attach. to Resp to MMA/USPS-T32-15(B) et al, p.6

PRC W/P III

Page 3 of 3

Line	Classification	USPS-15I, pp.1-2, Total	LR-H-215, Pt III Sec 12 (revised)	Volume Before Final	Cost per Piece		Scaling
		Vol Variable		Adjustments	USPS-15I Col 1 / Col 3	LR-H-215 Col 2 / Col 3	Ratio Col 5 / Col 4
		(1)	(2)	(3)	(4)	(5)	(6)
<b>First Class Mail</b>							
1	Single Letters/Parcels	12,492,466	15,183,330	54,413,387	0.2296	0.2790	1.2154
2	Worksharing Letters	4,017,041	4,719,629	41,033,182	0.0979	0.1150	1.1749
3	Total Letters	18,509,507	19,902,959	95,446,569	0.1730	0.2085	1.2055
4	Single Cards	432,590	556,767	3,059,661	0.1414	0.1820	1.2871
5	Worksharing Cards	158,467	195,952	2,463,385	0.0643	0.0795	1.2365
6	Total Cards	591,057	752,719	5,523,046	0.1070	0.1363	1.2735
7	Total First Class	17,100,564	20,655,678	100,969,615	0.1694	0.2046	1.2079
8	Priority Mail	2,067,595	2,111,248	1,087,829	1.9007	1.9408	1.0211
9	Express Mail	413,570	728,222	63,410	8.5222	11.4843	1.7608
10	Mailgrams	502	306	4,757	0.1055	0.0643	0.6096
<b>Periodicals</b>							
11	In County	80,424	80,925	901,870	0.0892	0.0897	1.0062
12	Nonprofit	328,112	329,710	2,161,077	0.1518	0.1526	1.0049
13	Classroom	12,627	11,518	47,452	0.2661	0.2427	0.9122
14	Regular Rate	1,562,202	1,557,886	7,147,574	0.2188	0.2179	0.9971
15	Total Periodicals	1,983,365	1,979,839	10,257,973	0.1933	0.1930	0.9982
<b>Standard Mail A</b>							
16	Single Piece	221,986	248,843	161,574	1.3739	1.5401	1.1210
17	Comm Regular	5,361,440	5,929,454	37,627,554	0.1425	0.1578	1.1059
18	Comm. Enhanced CR	1,894,972	2,048,977	28,686,181	0.0661	0.0714	1.0813
19	Commercial Total	7,256,412	7,978,431	66,313,735	0.1094	0.1203	1.0995
20	Nonprofit	1,121,232	1,238,346	10,550,968	0.1063	0.1174	1.1045
21	Nonprofit Enhanced CR	128,015	130,022	2,571,283	0.0498	0.0506	1.0157
22	Nonprofit Total	1,249,247	1,368,368	13,122,251	0.0952	0.1043	1.0954
23	Total Standard A	8,727,645	9,595,642	79,597,560	0.1096	0.1206	1.0995
<b>Standard Mail B</b>							
24	Parcel Post	738,878	705,849	231,879	3.1865	3.0440	0.9553
25	Bound Printed Matter	329,083	313,431	561,718	0.5859	0.5580	0.9524
26	Special	254,953	276,368	200,511	1.2715	1.3783	1.0840
27	Library	48,595	51,956	28,709	1.6927	1.8097	1.0692
28	Total Standard B	1,371,509	1,347,604	1,022,817	1.3409	1.3175	0.9826
<b>USPS Penalty</b>							
	Free	173,330	215,210	297,820	0.5820	0.7226	1.2416
	International	31,451	34,284	58,390	0.5577	0.6080	1.0901
		1,195,076	1,357,389	1,006,682	1.1871	1.3484	1.1358
<b>Special Services</b>							
29	Registry	75,985	69,303	14,288	5.3181	4.8504	0.9121
30	Certified	326,161	341,767	293,118	1.1127	1.1660	1.0478
31	Insurance	41,205	40,594	30,600	1.3466	1.3266	0.9852
32	COD	16,797	20,596	3,886	4.3224	5.3001	1.2262
<b>Special Delivery</b>							
33	Money Orders	28					
		145,902	215,603	236,570	0.6167	0.9114	1.4777
	Stamped Envelopes	12,186	9,988	452,000	0.0270	0.0221	0.8196
	Special Handling	1,270	1,319	0			
	Post Office Boxes	589,953	628,670	15,099	39.0723	41.8365	1.0656
	Other	155,139	229,530	0			
37	Total Spec. Serv	1,364,626	1,557,370	1,045,561	1.3052	1.4895	1.1412
<b>Total Vol Vari/Attributable</b>							
		34,429,233	39,582,792	195,410,414	0.1762	0.2026	1.1497
<b>Other</b>							
		26,260,888	21,164,580				
<b>Total Costs</b>							
		60,690,121	60,747,372	195,410,414	0.3106	0.3109	1.0009

## 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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Susan M. Duchek

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October 16, 1997