

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

WRITTEN RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS DEGEN TO ORAL CROSS-EXAMINATION

The United States Postal Service hereby provides the following written responses of witness Degen to oral questions posed at the hearings on October 21, 1997.

Each question is stated with a transcript cite and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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October 28, 1997

Written Response of United States Postal Service Witness Degen
to Oral Questions of Alliance of Nonprofit Mailers

Q. Suppose that this tally involves nonprofit Standard A mail. In this case it's a single piece of flat-shaped mail, and the piece is recorded as weighing six pounds and six ounces... Do you have any idea of how the F-45 handbook would call for the disposition of such a tally? (Tr. 12/6637 lines 14-17; 21-22.)

A. The F-45 handbook (LR-H-49) contains no specific instructions for the disposition of such a tally. Mail class is recorded in question 23b. The question 23b instructions indicate that the Third-Class/Standard Mail (A) categories apply to mailpieces weighing less than 16 ounces. Weight is recorded in question 23g. The instructions to question 23g (LR-H-49, p. 131) are simply to record the weight in pounds and ounces, rounded to the nearest ounce, for mailpieces weighing more than 4 ounces. It cannot be determined from the hypothetical whether the mail class was misidentified or the weight was incorrectly entered.

**Written Response of United States Postal Service Witness Degen
to Oral Questions of Alliance of Nonprofit Mailers**

Q. Would you accept, subject to check, that the rate schedule for Standard A letters doesn't go beyond 3.3 ounces? (Tr. 12/6642 lines 4-6.)

A. Upon checking the Standard Mail (A) rate schedules, my understanding is that eligibility for Standard Mail (A) letter rates is limited to letter-size mailpieces weighing less than 3.3 ounces. Heavier Standard Mail (A) mailpieces could still be considered letters under DMM C050, and for the purposes of shape identification in IOCS, but would not be eligible for the letter-size rates.

**Written Response of United States Postal Service Witness Degen
to Oral Questions of Alliance of Nonprofit Mailers**

Q. Now, when IOCS clerks distinguish between letters and non-letters, do they consider only the outside dimensions of the piece, or do they also consider the weight of the piece? (Tr. 12/6642 lines 8-11.)

A. Shape data are collected in IOCS question 22. The instructions to question 22 (please see LR-H-49, pages 92-93, and Appendix A) indicate that the data collector should consider the outside dimensions of the piece, but not the weight of the piece, in determining whether the piece is letter-sized. This approach is consistent with the definition of the letter-size mail processing category in DMM C050.

Written Response of United States Postal Service Witness Degen
to Oral Questions of Alliance of Nonprofit Mailers

Q. Suppose at the... moment of data collection the Postal Service employee is handling a bundle... of mail. Is the... tally supposed to reflect the weight of the entire bundle or the weight of a single piece in the bundle. (Tr. 12/6643, lines 21-25.)

A. The tally is supposed to reflect the weight of the mailpiece selected (per the Top Piece Rule) for the question 22 and 23 responses. More generally, weight will only be recorded for an item tally if the tally contains identical mail or is subject to the Top Piece rule, in which cases the employee again selects a single piece upon which the question 22 and 23 responses are based. No weight will be recorded in other cases, i.e., mixed-mail item tallies subject to counting in question 24 and "uncounted" item tallies.

Written Response of United States Postal Service Witness Degen
to Oral Questions of Alliance of Nonprofit Mailers

Q. Suppose that... at the point of data collection the employee is working on a container that... contains a number of items... What would the tally-taker record, the weight of the container, the weight of an individual item, or the weight of a representative piece? (Tr. 12/6644 lines 4-6; 9-11.)

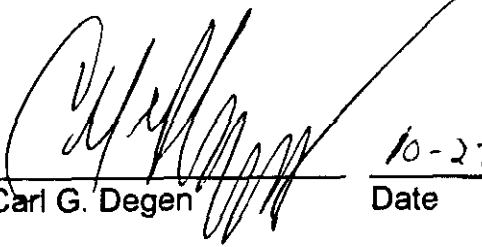
A. If the contents of the container are identical mail, then the weight of the representative piece selected for the question 22 and 23 responses is recorded. Otherwise, no weight is recorded for the container.

Written Response of United States Postal Service Witness Degen
to Oral Question of Dow Jones & Company, Inc.

Q. Is it a fact that under the new methodology you assumed that loose letters and flats in containers have the same subclass composition as all individually-handled letters and flats at each MODS cost pool. (Tr. 12/6660, lines 2-5.)

A. No. Loose letters in containers and loose flats in containers are separate mixed-mail categories under the new methodology. Correct statements would be as follows. Loose letters in containers are assumed to have the same subclass composition as all individually handled letters in the same MODS cost pool. Loose flats in containers are assumed to have the same subclass composition as all individually handled flats in the same MODS cost pools. Please see Docket No. R97-1, Tr. 12/6173, for a general summary of mixed-mail distribution rules under the new methodology.

I, Carl G. Degen, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

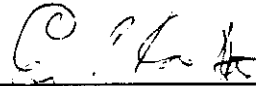


Carl G. Degen

10-27-97
Date

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.



Eric P. Koetting

475 L'Enfant Plaza West, S.W.
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