

DOCKET SECTION

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
Docket No. R97-1

POSTAL RATE AND FEE CHANGES, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS MCGRANE TO INTERROGATORIES OF  
THE NEWSPAPER ASSOCIATION OF AMERICA  
(NAA/USPS-ST44-23-25)

The United States Postal Service hereby provides responses of witness McGrane to the following interrogatories of the Newspaper Association of America: NAA/USPS-ST44-23-25, filed on November 14, 1997.

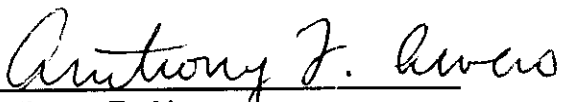
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
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November 21, 1997

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INTERROGATORIES OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-ST44-23. Please refer to your response to NAA/USPS-ST44-6. Please reconcile the volumes provided in this response with volumes provided in LR-H-145 (the Billing Determinants) for the each of these categories of mail.

RESPONSE

The numbers supplied were from a different source than the Billing Determinants. The attached table reconciles these estimates with the Billing Determinant volumes.

**Response to NAA/USPS-ST44-23.  
FY96 ECR Mail Volumes Separated Into Pre and Post Reclassification**

**A. Mail Volumes From PERMIT Transactions**

Commercial ECR (000)

Category	Letters		Non-Letters	
	Pre-Reclass	Post-Reclass	Pre-Reclass	Post-Reclass
Basic	8,702,253	1,016,870	6,572,299	1,747,561
High Density	35	127,898	541,141	202,801
Saturation	2,064,702	892,028	5,876,778	1,393,887

**B. Source Data for Control Factor**

Commercial ECR (000)	Sum Over Pre/Post Reclass		LR-H-145 Billing Determinants	
	Letters	Non-Letters	Letters	Non-Letters
Basic	9,719,123	8,319,859	9,663,822	8,462,895
High Density and Saturation	3,084,663	8,014,607	2,525,429	8,528,591

**C. Control Factor (LR-H-145 / PERMIT)**

	Letters	Non-Letters
Basic	0.994310065	1.017192124
High Density and Saturation	0.818704896	1.064130891

**D. Mail Volumes Reconciled to Billing Determinant Volumes (= A \* C)**

Commercial ECR (000)

Category	Letters		Non-Letters	
	Pre-Reclass	Post-Reclass	Pre-Reclass	Post-Reclass
Basic	8,652,738	1,011,084	6,685,291	1,777,605
High Density	28	104,711	575,845	215,806
Saturation	1,690,381	730,308	6,253,661	1,483,278

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NAA/USPS-ST44-24. Please refer to your response to NAA/USPS-ST44-9. For each of the cost pools in Table 1 of Exhibit 44A, please provide a breakdown of the "direct tally IOCS" costs, the costs associated with "mixed mail" tallies, and the "not-handling-mail" costs. Please provide these costs separately for Standard A Regular ECR letters and non-letters.

RESPONSE

See attached table.

Response to NAA/USPS-ST44-24.

FY96 IOCS Volume Variable Costs (\$000s) - Broken Down by Handling Category

LDC	Pool	Std A ECR Letters				Std A ECR Non-Letters			
		Direct	Mixed Mail	Not-Handlin	Total	Direct	Mixed Mail	Not-Handlin	Total
mods	bcs/	8,919	2,085	5,981	16,985	130	52	99	281
mods	express	0	1	2	2	0	5	8	12
mods	fsm/	95	20	54	169	8,197	926	4,321	13,443
mods	lsm/	4,296	491	1,700	6,487	236	54	103	394
mods	manf	150	17	82	249	5,380	844	3,078	9,302
mods	manl	7,578	467	3,674	11,718	737	92	378	1,207
mods	manp	55	57	89	201	283	69	280	632
mods	mecparc	0	19	14	32	175	31	149	355
mods	ocr/	2,667	497	1,675	4,838	0	9	5	14
mods	priority	38	35	59	132	101	44	116	261
mods	spbs Oth	1,150	296	1,137	2,584	3,440	1,133	3,523	8,096
mods	spbsPrio	224	76	274	574	268	75	313	656
mods	BusReply	0	4	3	6	0	6	4	10
mods	INTL	66	11	61	138	0	30	24	54
mods	LD15	6,245	36	0	6,281	0	0	0	0
mods	LD41	214	3	251	468	0	0	0	0
mods	LD42	0	2	2	3	26	4	25	54
mods	LD43	6,426	1,351	6,641	14,417	11,087	3,638	12,529	27,255
mods	LD44	403	25	271	699	631	78	448	1,158
mods	LD48 Exp	0	2	5	7	0	1	3	4
mods	LD48 Oth	100	62	333	496	217	118	624	959
mods	LD48_SSv	13	1	26	40	92	5	183	280
mods	LD49	900	79	700	1,679	811	96	648	1,555
mods	LD79	730	186	4,103	5,018	627	146	3,465	4,239
mods	MAILGRAMS	0	0	0	0	0	0	0	0
mods	Registry	0	0	0	1	0	1	2	3
mods	REWRAP	0	2	3	5	0	5	9	14
mods	1Bulk pr	0	15	17	33	209	65	311	585
mods	1CancMPP	555	193	498	1,245	131	71	135	337
mods	1EEQMT	0	484	351	834	0	685	408	1,093
mods	1MISC	0	35	992	1,027	168	156	998	1,322
mods	1OPbulk	4,704	2,406	6,659	13,769	4,658	2,243	6,388	13,289
mods	1OPpref	3,213	2,570	5,133	10,915	3,692	2,260	5,260	11,212
mods	1Platfrm	2,162	5,087	11,031	18,280	3,174	5,492	13,267	21,933
mods	1POUCHNG	1,386	920	2,143	4,449	1,122	734	1,725	3,581
mods	1SackS_h	427	654	1,301	2,382	1,294	1,246	3,089	5,629
mods	1SackS_m	325	1,072	1,844	3,241	276	540	1,010	1,826
mods	1SCAN	78	208	372	659	3	40	51	94
mods	1SUPPORT	47	29	1,134	1,210	62	53	1,140	1,255
BMCs	nmo	0	9	4	13	348	108	205	661
BMCs	psm	134	19	36	190	917	27	219	1,163
BMCs	spb	422	308	247	978	1,018	548	531	2,097
BMCs	ssm	2,275	510	1,171	3,956	1,291	414	717	2,422
BMCs	Othr	1,493	1,575	1,510	4,578	1,573	1,418	1,473	4,464
BMCs	Pla	1,232	1,118	2,359	4,708	1,880	1,736	2,469	6,085
Non Mods		27,418	5,866	13,403	46,687	34,453	9,827	22,129	66,409

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NAA/USPS-ST44-25. Please refer to your response to NAA/USPS-ST44-3. Consider a mailing of ECR Basic mail that is prepared in walk-sequence, rather than line of travel sequence. Please list all possible endorsements for pieces of such a mailing, and state whether the possible endorsements differ between letters and nonletters.

RESPONSE

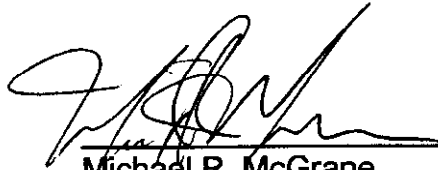
Section M620.1.1(e) of issue 50 of the Domestic Mail Manual, which was effective beginning on July 1, 1996, reads as follows:

Subject to M012, all pieces must be marked "Bulk Rate" or "Blk. Rt." In addition, Basic, High Density, and Saturation rate pieces must each be marked "ECRLLOT," "ECRWSH," or "ECRWSS," respectively, either in the optional endorsement line under M013 or in the carrier route information line under M014. Pieces not claimed at the corresponding rate must not bear the "ECRLLOT," "ECRWSH," or "ECRWSS" marking unless single-piece rate postage is affixed or a corrective single-piece rate marking is applied under P600.

This standard makes clear that mail entered as ECR Basic must bear the marking "ECRLLOT." This marking requirement applies to both letters and nonletters.

DECLARATION

I, Michael R. McGrane, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.



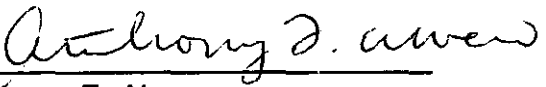
Michael R. McGrane

November 21, 1997

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.

  
Anthony F. Alverno

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