

DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

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

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS DANIEL TO INTERROGATORY OF
THE ADVERTISING MAIL MARKETING ASSOCIATION
REDIRECTED FROM THE POSTAL SERVICE
(AMMA/USPS-USPS-1)

The United States Postal Service hereby provides the response of witness Daniel to the following interrogatory of the Advertising Mail Marketing Association: AMMA/USPS-USPS-1, filed on November 14, 1997, and redirected from the Postal Service.

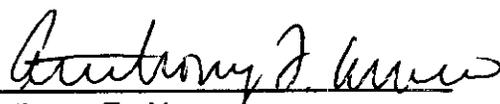
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Anthony F. Alverno

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November 21, 1997

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO
INTERROGATORY OF ADVERTISING MAIL MARKETING ASSOCIATION**

AMMA/USPS-USPS-1 The response to AMMA/USPS-LR-H-103-3a, states, "There are no results from LR-H-105 used directly or indirectly in USPS-T-29 Appendix I pages 5, 7, or 9." However, LR-H-105 is referenced by Witness Daniel as the source of the mail entry profile (USPS-T-29: page 3 line 23; Appendix I pages 36 and 37). If LR-H-105 is not the source of the "Mix of Handlings" (column [1] of pages 5, 7 and 9 of USPS-T-29 Appendix I) please provide the source of the "Mix of Handlings" including page, line, and column locations and any required derivations.

RESPONSE:

Pages 5, 7 and 9 of Appendix I are cost summaries of Standard (A) Automation 5-Digit, Automation 5-Digit 100% DBCS, and Automation ECR letter mail flows. Because of the high degree of worksharing involved, the mail flows for these mail streams are simple. As a consequence, mail characteristics data are not needed to determine the mailflows for these types of mail. Below, I demonstrate why the initial mix of handlings of each of the three categories on pages 5, 7, and 9 is self-evident.

- *Automation 5-Digit.* Because Automation 5-Digit letters are by definition barcoded and presorted to the 5-Digit level in full trays, they will be processed in an incoming secondary operation either on barcode sorters or manually. As stated on page 4 of USPS-T-29, "[t]he number of pieces entered on automation equipment, *i.e.*, the BCS and OCR, is then usually adjusted by subclass-specific coverage factors¹ (USPS LR-H-128) to reflect the fact that not all sites have automation equipment."
- *Automation 5-Digit 100% DBCS.* Automation 5-Digit 100% DBCS by definition will be processed in an incoming secondary operation on DBCSs and no coverage factors are needed to determine where the mail is entered.
- *Automation ECR.* Automation ECR letters begin processing on CSBCSs or manually based on coverage factors.

The sources of the mix of handlings in the first column appearing on pages 5, 7, and 9 of Appendix I consists of the figures presented in the boxes of the corresponding operation in the mail flow diagrams on pages 4, 6, and 8 of Appendix I.

¹ Coverage factors used are found in Appendix I, pages 38 and 39.

DECLARATION

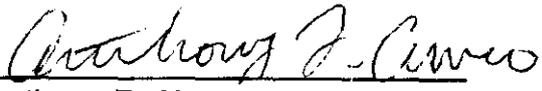
I, Sháron Daniel, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Sharon Daniel

Dated: November 21, 1997

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

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