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POSTAL RATE COMMISSION
OFFICE OF THE
UNITED STATES POSTAL RATE COMMISSION

In the Matter of: POSTAL RATE AND FEE CHANGES

Docket No. R97-1

VOLUME 19-B

DESIGNATED INSTITUTIONAL RESPONSES OF THE
UNITED STATES POSTAL SERVICE

DATE: Friday, December 19, 1997
PLACE: Washington, D.C.
PAGES: 8673 - 8995

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BEFORE THE
POSTAL RATE COMMISSION

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In the Matter of: :
POSTAL RATE AND FEE CHANGES : Docket No. R97-1
- - - - - X

Third Floor Hearing Room
Postal Rate Commission
1333 H Street, N.W.
Washington, D.C. 20268

Volume 19-B
Friday, December 19, 1997

The following documents were transcribed into the
record.

BEFORE:

HON. EDWARD J. GLEIMAN, CHAIRMAN
HON. W. H. "TREY" LeBLANC, III, COMMISSIONER
HON. GEORGE A. OMAS, COMMISSIONER

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**Designated Responses of the
United States Postal Service
to DMA Interrogatories**

DMA/USPS-1

- a. Please provide all data in an electronic spreadsheet relating to the "informal survey" conducted by the Postal Service to determine how many barcoded pieces may be expected in the test year if bar code readers are affixed to FSM 1000 equipment. If the Postal service considers such information to be confidential, please describe the results of the survey in general and provide the data subject to a protective order.
- b. Please identify the Postal Service witness who is responding to this interrogatory.

Response:

- a. The data were not collected electronically, but are provided in the attached table. The data are not confidential because the names of the respondents are not shown. Instead, the respondents are identified as Mailer/Association #, because some of the responses were for specific mailers while other responses were an aggregate total of an association's respondents.
- b. The response is being filed as an institutional response.

Results of Informal Survey**Projected volume of barcoded flats for the FSM 1000**

Survey Respondent	
Mailer / Association #1	7,000,000
Mailer / Association #2	1,610,000
Mailer / Association #3	12,000,000
Mailer / Association #4	35,000,000
Mailer / Association #5	3,500,000
Mailer / Association #6	4,000,000
Mailer / Association #7	5,000,000
Mailer / Association #8	12,000,000
Mailer / Association #9	25,000,000
Mailer / Association #10	76,200,000
Mailer / Association #11	6,850,000
Mailer / Association #12	242,197,187
All Mailer/Association Totals	430,357,187

RESPONSE OF THE POSTAL SERVICE
TO INTERROGATORIES OF DMA

DMA/USPS-2. Please refer to the Postal Service's response to DMA/USPS-T14-34b where it states that "in comparison with MODS, the numbers used by different BMCs to refer to various operations are much less uniform across facilities." Please provide the operation codes or numbers used by BMCs to describe the various mail processing operations.

RESPONSE:

As stated in the original response, there are no standardized operation codes or numbers used in the PIRS system. Instead, individual BMC use different numbers or codes, depending on their local needs and practices.

RESPONSE OF THE POSTAL SERVICE
TO INTERROGATORIES OF DMA

DMA/USPS-3. Please refer to the Postal Service's response to DMA/USPS-T14-34b where it lists various categories for operations, but notes that the manual letter (no. 045) and manual flat operations categories (no. 075) "are no longer in effect. Most facilities do not report hours or workload in those operations."

- a. Please explain why BMC facilities do not report data for these operations.
- b. Please explain the full extent to which BMCs report data on workhours or workload for flat or letter processing operations (including automated, mechanized and manual activities).

RESPONSE:

a.-b. Most facilities do not report data for single piece letter and flat operations because most BMCs no longer process single piece letters and flats. There is one BMC that still reports a small amount of data for letter and flat operations.

RESPONSE OF THE POSTAL SERVICE
TO INTERROGATORIES OF DMA

DMA/USPS-4. Please refer to the Postal Service's response to DMA/USPS-T14-34(b) where it discusses workhours at BMCs.

- a. What percentage of workers are clocked into a base operation for an entire tour?
- b. What percentage of workers actually work in one base operation for an entire tour?
- c. When an employee moves between operations during their tour, what percentage of such moves are calculated by (i) clock rings or (ii) use of Form 2345 by their supervisor?
- d. Please explain fully why some moves are calculated by clock rings and others by the Form 2345.
- e. What safeguards are in place to ensure the reliability that moves by employees are accurately reflected on either the clock rings or Form 2345?

RESPONSE:

a.-b. The original response may have introduced some ambiguity with the use of the term "base operation." A "base operation" in that response was intended to refer to one of the types of general operational activities that are performed at BMCs. These are the operational categories listed in the original response (e.g., PPSM, SPSM, SSM, etc.). In that sense, the majority of individuals clock into and remain working in the same "base operation" or activity throughout their tours. It is estimated that in excess of 90 percent of workers would fall into this category.

There are, however, more refined operation codes at BMCs, which are comparable in function to the three-digit MODS codes within activities. See USPS-T-14 at 25-27. Even workers who remain working within the same general activity (e.g.,

RESPONSE OF THE POSTAL SERVICE
TO INTERROGATORIES OF DMA

PPSM, SPSM, SSM, etc.) may shift to a different portion of the activity, and thus move between operation codes at this more refined level. At this level of detail, probably less than 20 percent of employees work and are clocked into the same "operation" for the entire tour.

c.-d. In the past, Forms 2345 were the exclusive means of reporting worker movements. While these forms can be used to evaluate efficiency in various operations, they are in the process of being replaced by electronic time clocks. However, it is estimated that approximately four-fifths of movements are still reported by the use of Form 2345.

e. The only safeguards that exist are those created by local management review at the sites.

RESPONSE OF THE POSTAL SERVICE
TO INTERROGATORIES OF DMA

DMA/USPS-5. Please refer to the Postal Service's response to DMA/USPS-T14-34(b) where it states, "For manual operations, the workload measures are derived from the type and number of containers sorted, which is collected as the containers are being dumped. Conversion factors are used to estimate the number of pieces associated with the number of containers processed. Some of these conversion factors are fairly standard nationwide, while others exhibit more variation based on local equipment and handling practices."

- a. Please list the manual operations for which conversion factors are used (including, but not limited to, NMOs, IPPs, and 115s).
- b. Please describe the conversion factors used in each operation.
- c. When were these conversion factors last revised?
- d. Do these conversion factors assume that the containers are full?

RESPONSE:

a. NMO, IPP, and 115 are the operations for which conversion factors are used in deriving the workload for the manual portion of the operation.

b. The conversion factors used in each operation are a function of the type of containers that are used to bring mail to that operation. The conversion factors applied in a particular facility might reflect a national conversion factor, or might reflect local equipment and handling practices.

c. The national conversion factors were most recently revised in 1987.

d. The conversion factors were calculated for the "average" container, and therefore they do not necessarily assume that each container is full, but merely assume that, on average, this particular type of container contains this estimated number of pieces.

RESPONSE OF THE POSTAL SERVICE
TO INTERROGATORIES OF DMA

DMA/USPS-6. Please refer to the Postal Service's response to DMA/USPS-T14-34(b).

- a. Please list all mechanized operations for which conversion factors are used (including, but not limited to, NMOs and 115s).
- b. Please describe the conversion factors used in each mechanized operation.
- c. When were these conversion factors last revised?
- d. Do these conversion factors assume that the containers are full?

RESPONSE:

a. NMO and 115 are the operations for which conversion factors may be used in deriving the workload for the mechanized portion of the operation.

b.-d. Please see the response to DMA/USPS-5, parts b. - d.

RESPONSE OF THE POSTAL SERVICE
TO INTERROGATORIES OF DMA

DMA/USPS-7. Please refer to the Postal Service's response to DMA/USPS-T14-34(b). Please describe in greater detail how TEP (Total Equivalent Pieces) are calculated, including the determination of the weight to be given to pieces processed on different operations.

RESPONSE:

TEP is calculated as described in the original response. The weights come from an index which has been in use since at least 1987, in which parcels are given a weight of 1.00, and other types of pieces are given a weight based on the ratio of the estimated workload required to handle that type of piece to the estimated workload required to handle a parcel. The weights applied are:

Parcel	1.00
Sack	1.84
NMO	3.11
IPP	0.49
Flat	0.24
Letter	0.16
115	11.89
Pallet	30.48

RESPONSE OF THE POSTAL SERVICE
TO INTERROGATORIES OF DMA

DMA/USPS-8. Please refer to the Postal Service's response to DMA/USPS-T14-34(b) concerning reporting under PIRS.

- a. Please describe what it means by "Headquarters routine."
- b. Please explain when the "Headquarters routine" would be run on a (i) preliminary, (ii) revised or (iii) finalized basis.

RESPONSE:

a.-b. As described in the original response, the BMCs individually report their information to San Mateo. The Headquarters routine performs the task of taking the data as entered by individual BMCs and creating a database that can then be made available to all the BMCs for purposes of generating reports. One purpose of the Headquarters routine is to allow another opportunity for the data from each site to be reviewed for accuracy before they are entered into the data base. Another purpose is to provide the opportunity to correct formatting problems (i.e., make sure each site has used the correct format when entering its data). If the first run of the Headquarters routine causes no identification of any need for correction, the routine has been finalized. If revisions are made after the first run, then, by definition, the first run has become preliminary. No matter how many times the routine is run, once no more revisions are necessary, the routine has been finalized.

RESPONSE OF THE POSTAL SERVICE
TO INTERROGATORIES OF DMA

DMA/USPS-9. Please refer to the Postal Service's response to DMA/USPS-T14-34(b) concerning data reliability under PIRS.

- a. Please explain the "steps" that are taken by Supervisors to ensure that operation workhours are accurately recorded.
- b. Have there been instances where the ending inventory for the supervisor from the prior shift is not equal to the beginning inventory for the next shift? If so, please explain fully.
- c. Please explain the manner in which "obvious reporting errors or questionable observations" are detected and corrected by local staff and the frequency of such errors or observations.
- d. Please explain the manner in which "potential errors and discrepancies" are detected and corrected by Headquarters personnel and the frequency of such errors or discrepancies.

RESPONSE:

a. Among the responsibilities of a supervisor are to keep track of where employees are working and the operations into which they are clocked. If an electronic time clock system is available, it can be used during a tour to monitor this type of information. In other situations, supervisors will need to pay attention that all necessary Forms 2345 have been submitted.

b. Beginning and ending inventories are formally reported each morning only on a daily (i.e. 24-hour) basis. Beginning and ending inventories on individual tours are done informally, and discrepancies would have to be worked out among the individual supervisors involved.

RESPONSE OF THE POSTAL SERVICE
TO INTERROGATORIES OF DMA

c. The most "obvious" type of errors corrected at the local level would be, for example, a Form 2345 that purports to report an employee move during Tour 1, but reports a time of day that is in Tour 2. Local staff, however, can also rely on their experience to be aware of the likely range of valid workhour and workload information, plus their knowledge of local conditions (organization and structure of the facility, major equipment failures, heavy and light mail volume patterns, weather, etc.) to identify "obvious reporting errors or questionable observations." Once potential problems are identified, they may be corrected by consulting with the individuals likely to have accurate information. Since these actions are taken locally and informally, there is no information available on how frequently they might occur.

d. Headquarters staff rely on their experience to be aware of the likely range of valid workhour and workload information, plus whatever knowledge they may have of local conditions at the site in question, to identify "obvious reporting errors or questionable observations." Once potential problems are identified, they may be corrected by consulting with the individuals at the site likely to have accurate information. This process occurs each AP when the Headquarters routine is performed, as well as when performing daily review functions. As opposed to formatting problems, the detection of substantive reporting errors during the running of the Headquarters routine is infrequent. In FY 1997, of the 273 possibilities (21 BMCs over 13 APs), revisions were necessary in only 4 instances, and these tended to be formatting problems.

RESPONSE OF THE POSTAL SERVICE
TO INTERROGATORIES OF DMA

DMA/USPS-10. Please identify the individual who provided the Postal Service's responses to DMA/USPS-T14-34 and DMA/USPS-2-9.

RESPONSE:

There is no one individual who has provided the institutional responses to the referenced questions. Information has been compiled from different sources, including Headquarters operations personnel, personnel at BMCs, and consultants with experience conducting analysis of BMC issues.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO THE
INTERROGATORIES OF THE DIRECT MARKETING ASSOCIATION
REDIRECTED FROM WITNESS MODEN**

DMA/USPS-T4-14. Please refer to your response to DMA/USPS-T4-3(a) in which you state that "It is expected that the number of city carriers will continue to decrease as additional zones are put on DPS, but I am unable to give you a projection on how many fewer city carriers will be employed."

- a. Please define "zone".
- b. Please describe in detail the places where the cost implications of the future reductions in the number of city carriers are reflected in the Postal Service's Test Year cost estimates.

Response:

- a. Response provided by witness Moden.
- b. The cost implications in future reductions in the number of city carriers are available in Exhibit C of Library Reference H-10. See also the testimony of witness Hume, USPS-T-18, who has incorporated DPS savings to develop delivery costs by rate category.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE DIRECT MARKETING ASSOCIATION
REDIRECTED FROM WITNESS MODEN**

8689

DMA/USPS-T4-24

- c. Please provide the percentage of total mail processing direct labor work hours in 1996 performed by Casual and Part Time workers. Please also provide such information by A/P.
- d. Please provide the average number of hours that a Casual worker works per week. Please also provide such information by A/P.
- e. Please provide the average number of hours that a Part Time worker works per week. Please also provide such information by A/P.

Response:

c, d & e. The requested information is shown in the attached table. It was derived from USPS files as described in the attachment. Complement data (NORPES) is a census as of the middle of each AP while workhour data is, of course, the total for the AP.

Attachment to DHS/CSPS - FY - 24 B'de page 1/2

National F-1 Complement
FY 96

Year	AP	Full Time	Part Time	Casual	Transitional
96	01	110,270	12,729	4,506	15,958
96	02	110,244	12,973	4,500	16,456
96	03	110,067	13,071	4,578	18,504
96	04	110,173	13,424	4,510	60,127
96	05	110,072	13,660	4,792	18,618
96	06	110,499	13,348	4,532	17,836
96	07	110,439	13,940	4,564	17,295
96	08	110,624	13,904	4,753	15,994
96	09	110,813	13,936	4,815	15,333
96	10	110,771	14,202	4,956	14,904
96	11	110,771	14,342	4,936	17,764
96	12	110,631	14,249	4,931	15,376
96	13	110,618	14,144	4,839	14,887

National
F-1 Work Hours FY 96

AP	01	02	03	04	05	06	07	08	09	10	11	12	13	Annual
Clerk FT	16,461,563	16,542,089	15,937,664	16,469,462	15,785,438	15,826,182	15,964,019	15,918,897	15,715,304	14,807,730	14,598,207	15,211,821	15,520,227	204,758,603
Clerk PT	2,014,137	2,020,376	2,066,189	2,245,780	2,090,420	2,063,050	2,118,713	2,108,936	2,072,705	2,039,726	2,111,994	2,048,192	2,115,934	27,116,152
MH FT	7,254,670	7,368,471	7,150,690	7,043,443	6,951,256	6,993,159	7,084,822	7,088,383	6,976,760	6,593,347	6,389,746	6,752,123	6,989,493	90,636,363
MH PT	693,463	692,662	725,420	739,353	683,554	688,896	724,928	722,899	720,968	737,348	713,895	736,024	9,267,815	
Casuals	2,396,157	2,511,604	3,599,707	6,695,828	2,796,581	2,732,077	2,639,700	2,426,205	2,289,537	2,153,988	2,340,956	2,349,837	2,288,547	37,220,724
Transitional	2,944,661	3,106,338	3,334,293	3,643,378	3,091,587	3,217,538	3,200,855	3,284,405	3,234,185	3,035,559	2,803,697	2,805,021	2,745,949	40,447,466
Total Hours	31,764,651	32,241,540	32,813,963	36,837,244	31,398,836	31,520,411	31,697,005	31,551,754	31,011,390	29,351,318	28,981,948	29,880,889	30,396,174	409,447,123
Percent of Total Mall Processing work hours	7.54%	7.79%	10.97%	18.18%	8.91%	8.67%	8.33%	8.86%	7.69%	7.34%	7.83%	7.86%	7.53%	9.09%
Part-Time	8.52%	8.41%	8.51%	8.10%	8.83%	8.73%	8.86%	8.98%	9.01%	9.41%	9.83%	9.24%	9.38%	8.89%
Average Number of work hours per week	37.54	38.16	48.63	27.84	37.55	38.29	38.16	37.93	37.27	36.13	32.95	36.00	38.43	37.62
Casuals	AP 01	AP 02	AP 03	AP 04	AP 05	AP 06	AP 07	AP 08	AP 09	AP 10	AP 11	AP 12	AP 13	
Part-Time	39.27	38.82	39.54	41.61	38.11	38.47	37.93	37.97	37.27	36.03	32.95	36.00	38.43	

NOTES: Analysis excludes F-1 Supervision and Training hours
Analysis includes Christmas Casuals

attachment to DHS/USPS-74-24 EDC page 2 of 2

Data Source and Methodology:

Work hours were formulated from the National Payroll Man Hours Summary File (NPMHSF)

NPMHSF reference numbers used for:

Full Time Mail Handler 1200

Part Time Mail Handler 1210

Full Time Clerks 1100

Part Time Clerks 1110

Casuals - 2932 minus NonBargaining Temporary 2920

Transitional - 2935

Complement was formulated from the National On Roll Paid Employees File (NORPESEF)

NORPESEF reference numbers used for:

Full Time Mail Handler 0610 and 2820

Part Time Mail Handler 0620 and 0630

Full Time Clerks 1610 minus Mail Handlers - 0610

Part Time Clerks 1620 and 1630 minus Mail Handlers - 0630 and 0620

Casuals - 2930 and 2936

Transitional - 2935

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTERROGATORIES OF THE DIRECT MARKETING ASSOCIATION
REIRECTED FROM WITNESS MODEN**

8692

DMA/USPS-T4-47. Please refer to your response to DMA/USPS-T4-38. For years, the Postal Service has maintained that the In-Office Cost System (IOCS) determines the percentages of time craft employees spend on the various classes and subclasses of mail.

- a. Please explain how the IOCS may be used to provide information on the relative percentages of mail processed.
- b. Please explain whether the IOCS has been recently modified to count pieces.

Response:

- a. As indicated by the Postal Service in previous years, IOCS can not provide information on the volumes of mail, or relative percentage of mail, by class or subclass for processing on automated equipment, mechanized equipment or manually. Please see witness Moden's revised response to DMA/USPS-T4-38.
- b. See the response to subpart a.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE DIRECT MARKETING ASSOCIATION**

8693

DMA/USPS-T4-50. Please provide the amounts and percentages, for the past three and next three fiscal years, of Standard A mail (i) letters, (ii) flats, and (iii) parcels that are machinable. For each shape, please disaggregate the machinable items by the actual processing machine (e.g., the percentage of flats that are processed on an FSM 881, the percentage that are processed on an FSM 1000, etc.).

Response:

The percentage of machinable letters for automation equipment is provided in the testimony of witness Daniel, USPS-T-29, Appendix 1, page 37 for Regular and Appendix 3, page 37 for Nonprofit.

The percentage of machinable flats for FSM 881s is provided in the response of the Postal Service to TW/USPS-2.

Information on the machinability of parcels is provided in Table C-2 of LR-PCR-38 from Docket No. MC97-2.

Apart from these estimates there are no year by year estimates of machinability (e.g. for the past three and next three fiscal years) as requested.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DMA
(REDIRECTED FROM WITNESS MODEN)

DMA/USPS-T4-58. Has the Postal Service ever used MODS data as the basis of a distribution key in a proceeding before the Postal Rate Commission? If so, please provide all such citations to such testimony.

RESPONSE:

MODS data do not include information by subclass of mail. Therefore, MODS data cannot be used as the basis of a distribution key, and the Postal Service has not done so in this or any other proceeding.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN**

8695

DMA/USPS-T4-63. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that, in accord with Article 7, Section 1.B.2 of the APWU Agreement, flexible part-time employees must be scheduled prior to scheduling casuals.

Response:

The contractual language provides the Postal Service with some flexibility / discretion in the scheduling when it says the Postal Service "will make every effort to insure that qualified and available" PTFs are used at the straight time rate prior to assigning such work to casuals. As such, this contractual language does not mandate that PTFs "must" be scheduled in all cases prior to scheduling casuals.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN**

8696

DMA/USPS-T4-64. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that, in accord with Article 7, Section 3 of the APWU Agreement, a flexible part-time employee will be converted to a full-time employee if one works on the same assignment for eight (8) hours within 10 hours on the same 5 days per week over a six (6) month time period.

Response:

This section dictates that if an assignment is worked in that configuration of days and hours, there is a need to convert that assignment to a full-time position. The filling of that newly created position is then accomplished using the appropriate craft article. The filling of the full-time position may or may not necessarily result in a part-time employee being converted.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN

8697

DMA/USPS-T4-65. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that overtime for a flexible part-time employee is identified as more than eight (8) hours on a service day.

Response:

Confirmed, or over 40 hours in a week.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN**

8698

DMA/USPS-T4-66. Please refer to your response to DMA/USPS-T4-24(a).

- (a) Please explain in detail the parameters within which flexible part-time employees are scheduled for work.
- (b) Please explain how far in advance a flexible part-time employee is scheduled and the employees' capacity to refuse a work shift.
- (c) Please explain whether or not an employee is given a set number of hours to work or whether an employee is told in advance whether or not overtime will be expected.
- (d) Please explain how many shifts a flexible part-time employee could potentially have on a given service day.

Response:

- a. The parameters are spelled out in Article 8, sections 1 through 3.
- b. As far in advance as practicable based on the circumstances of the need, usually at least daily, sometimes longer. Management has the flexibility to change this daily. Refusals are handled on a case-by-case basis.
- c. Depends on the category of employee, full-time regular and part-time regular are given a set number of hours in their regular schedule, but may be required to work additional hours in accordance with the contract - all others are flexible. Overtime is communicated as soon as it is known there is the need.
- d. There is no established limit on the number of shifts.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN**

8699

DMA/USPS-T4-67. Please refer to your response to DMA/USPS-T4-24(a).

- (a) Please explain in detail the parameters within which casual employees are scheduled for work.
- (b) Please explain how far in advance a casual employee is scheduled and the employees capacity to refuse a work shift.
- (c) Please explain whether or not an employee is given a set number of hours to work, or whether an employee is told in advance whether or not overtime will be expected.
- (d) Please explain how many shifts a casual employee could potentially have on a given service day.

Response:

- a. They are scheduled within the parameters set up in Article 7, section 1.B.
- b. Usually weekly or daily, but could be changed at any time. Refusals are handled on a case by case basis.
- c. Casuals are not given a set number of hours and are told in advance as soon as practicable if there is a need to work them over 40 hours.
- d. As long as they are used within the context of the contractual provisions, there are no limits to number of shifts.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN**

8700

DMA/USPS-T4-68. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that a casual employee is paid overtime when the employee works more than eight (8) hours on a service day or more than forty (40) hours in a service week. If not, please correct this statement.

Response:

They only get overtime for more than 40 workhours in a service week, not for more than 8 hours in a service day.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN**

8701

DMA/USPS-T4-69. Please refer to your response to DMA/USPS-T4-24(a).

- (a) Please explain in detail the parameters within which transitional employees are scheduled for work.
- (b) Please explain how far in advance a transitional employee is scheduled and the employees' capacity to refuse a work shift.
- (c) Please explain whether or not an employee is given a set number of hours to work or whether an employee is told in advance whether or not overtime will be expected.
- (d) Please explain how many shifts a transitional employee could potentially have on a given service day.

Response:

- a. TEs are scheduled to work within the parameters set up in Article 7.
- b. Usually weekly or daily, depending on which category they are covering or where they are working, but management has discretion to change. Refusals are handled on a case-by-case basis.
- c. TEs are not given a set number of hours and are told as far in advance as practicable when they will need to work more than 40 hours on overtime.
- d. As long as they are used within the contractual provisions, there are no limits on shifts for TEs.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN

8702

DMA/USPS-T4-70. Please refer to your response to DMA/USPS-T4-24(a).

- (a) Please confirm that, in accord with Article 8, Section 4.G of the APWU Agreement, a transitional employee is paid overtime when the employee works more than forty (40) hours in a service week.
- (b) What is the maximum number of consecutive hours a transitional employee can be scheduled to work?

Response:

a. Confirmed.

b. Provided they are used within the contractual provisions and limits of Postal Service policies, a maximum is not set.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN**

8703

DMA/USPS-T4-71. Please refer to your response to DMA/USPS-T4-24(a).

- (a) Please confirm that, in accord with Article 8, Section 2.C of the APWU Agreement, the work week of a full-time regular employee does not necessarily consist of five (5) consecutive service days.
- (b) Please confirm that the work week can be made up of any 5 service days within the calendar week, which extends from 12:01 a.m. Saturday through 12 midnight Friday.

Response:

- a. Confirmed.
- b. The work week could be made up of any five service days, but may not extend from 12:01 a.m. Saturday, e.g., the employee who starts at 11 p.m. on Friday night.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN

8704

DMA/USPS-T4-72. Please refer to your response to DMA/USPS-T4-24(a).

- (a) Please confirm that, in accord with Article 8, Section 1 and 2 of the APWU Agreement, full-time employee is guaranteed 40 hours of work [or pay] per week over the course of five (5) service days.
- (b) Please confirm that each service day for a full-time employee consists of eight (8) hours within ten (10) consecutive hours, except in a facility with more than 100 full-time employees, where each service day consists of eight (8) hours within nine (9) consecutive hours.

Response:

- a. Confirmed for full-time regular employees.
- b. Confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN

8705

DMA/USPS-T4-73. Please refer to your response to DMA/USPS-T4-24(a).

- (a) Does a full-time regular employee have a predetermined work schedule that is consistent from week to week ?

- (b) If your response to subpart (a) is "no":
 - (i) How much input does the employee have as to his schedule?
 - (ii) How far in advance is the employee's schedule determined?
 - (iii) If the employee is not able to work a scheduled shift, what action is taken?
 - (iv) Is the employee able to exchange shifts with another employee?
 - (v) If your response to subpart (b)(iv) is "yes," must management approve such a change?

Response:

- a. Yes, with certain exceptions. It can be changed by management as long as the procedures agreed to in the contract are followed.

- b. n/a

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN

8706

DMA/USPS-T4-74. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that, in accord with Article 8, Section 5.D of the APWU agreement, a full-time regular employee can be required to work overtime by management.

Response:

Provided the conditions in Article 8, Section 5.D exist, confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN

8707

DMA/USPS-T4-75. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that, in accord with Article 8, Section 5.E of the APWU agreement, management has full, unrestricted latitude to approve a full-time regular employee's request to be excused from required overtime.

Response:

As stated in Article 8, Section 5.E, exceptions may be approved by local management in exceptional cases based on equity, not based on unrestricted latitude.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN

8708

DMA/USPS-T4-76. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that, in accord with Article 8, Section 5.F of the APWU agreement, a full-time regular employee cannot be required to work overtime for more than four (4) of five (5) scheduled days in a service week.

Response:

Confirmed for employees not on the Overtime Desired List (ODL). ODL employees can be required to work up to 12 hours each day or 60 each week and generally must be required to do so before forcing non-ODL employees to work (if available and operational window permits).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN**

8709

DMA/USPS-T4-77. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that, in accord with Article 8, Section 5.F of the APWU agreement, a full-time regular employee who did not sign the "Overtime Desired" list cannot be required to work more than ten (10) hours on a regularly scheduled day, eight (8) hours on a non-scheduled day, or more than six (6) days in a service week.

Response:

Confirmed.

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REDIRECTED FROM WITNESS MODEN

8710

DMA/USPS-T4-78. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that, in accord with Article 8, Section 5.G of the APWU agreement, a full-time regular employee who did sign the "Overtime Desired" list can be required to work as much as, but no more than, twelve (12) hours per day and sixty (60) hours in a service week.

Response:

Confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN

8711

DMA/USPS-T4-79. Please refer to your response to DMA/USPS-T4-24(a).

- (a) How far in advance is overtime scheduled?
- (b) How much notice is an employee given that overtime is desired?
- (c) How much notice is an employee given that overtime is required?

Response:

- a. As far in advance as management knows of the need.
- b. As far in advance as management knows of the need.
- c. As far in advance as management can when it knows of the need.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN**

8712

DMA/USPS-T4-80. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that, in accord with Article 8, Section 8 of the APWU agreement, if a full-time regular employee is called in outside of and not consecutive to a regular shift, the employee is guaranteed 4 hours of work or pay, and if the employee is called in a non-scheduled service day, the employee is guaranteed 8 hours of work or pay.

Response:

Confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN

8713

DMA/USPS-T4-81. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that, in accord with Article 8, Section 8 of the APWU agreement, a part-time regular employee, part-time flexible employee, casual employee, and transitional employee are each guaranteed 4 hours of work or pay if called in outside of and not consecutive to a regular shift.

Response:

Not confirmed for PTFs, casuals or TEs. Under the provisions of the collective bargaining agreement, these categories do not have regular shifts. For employees with regular shifts, confirmed.

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REDIRECTED FROM WITNESS MODEN

8714

DMA/USPS-T4-82. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that, in accord with Article 8, Section 8 of the APWU agreement, a part-time regular employee, part-time flexible employee, and casual employee are each guaranteed four (4) hours of work or pay when scheduled or requested to work in a facility with over 200 man years of employment per year. In other facilities, each such employee is guaranteed two (2) hours of work or pay.

Response:

Not confirmed, as there are no guarantees for casuals. TEs are only guaranteed what is allowed under Article 8.8.D.

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TO THE INTEROGATORIES OF THE DMA
REDIRECTED FROM WITNESS MODEN**

8715

DMA/USPS-T4-83. Please refer to your response to DMA/USPS-T4-24(a). Please confirm that, in accord with Article 8, Section 8 of the APWU agreement, a transitional employee is guaranteed two (2) hours of work or pay for scheduled shifts, as long as they were not directed not to report prior to the scheduled shift.

Response:

Confirmed.

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REDIRECTED FROM WITNESS MODEN**

8716

DMA/USPS-T4-84. Please refer to your response to interrogatory ABP/USPS-T4-11, in which you state that an informal survey was conducted to determine how many more barcoded pieces there would be in the test year if bar-code readers were affixed to FSM 1000 equipment.

- (a) When was this survey conducted?
- (b) If a survey instrument was used, please provide it.
- (c) Please describe the participants in this survey.
- (d) Please provide a detailed account of the findings of this survey. How many non-automated, non-machinable pieces does the survey suggest would become barcoded in the test year?

Response:

- a. The survey was conducted during the early part of 1997.
- b. Not applicable. See response to DMA/USPS-1(a).
- c. See response to DMA/USPS-1(a).
- d. See attachment to DMA/USPS-1(a).

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8717

DMA/USPS-T4-85. Please refer to your direct testimony at page 9, lines 22-26, and to your response to interrogatory NAA/USPS-T4-7.

- (a) What percentage of total routes are in zones possessing 10 or more city routes and/or rural routes with city style addressing?
- (b) What percentage of the total volume of letters do the routes in subpart (a) receive?
- (c) What percentage of total routes are in zones with five to nine routes?
- (d) What percentage of the total volume of letters do the routes in subpart (c) receive?
- (e) What percentage of total routes are represented by the 1,183 zones with fewer than 10 routes that receive DPS as a result of local decisions?
- (f) What percentage of the total volume of letters do the routes in subpart (e) receive?

Response:

- a. Response provided by witness Moden.
- b. The percentage is 69.6. This is calculated by using the data from LR-H-128, page 20, used in developing the coverage factors for the letter models used by witnesses Daniel and Hatfield, USPS-T-29 and USPS-T-25 respectively. A ratio of LC13/LC7 for all classes shown on page 20 is used. The numerator, LC13, is the total volume of letters destinating at the 5-digit zones at plants with MPBCS or DBCS which have 10 or more city or rural routes. Rural routes are not distinguish regarding the type of addressing. In addition, this could include mail going to Post office boxes and firm directs at these zones. The denominator, LC7, is total destinating letter volumes, including mail going to 5-digit zones with only post office boxes or firm directs. Both LC7 or LC13 are defined at pages 5-6 of LR-H-128.

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8718

- c. Response provided by witness Moden.
- d. This percentage is 7.7 percent. This is also calculated from the data of LR-H-128, page 20. The ratio of LC12/LC7 is used. LC12 is the total volume of letters destinating at the 5-digit zones at plants with MPBCS or DBCS which have 5 to 9 city or rural routes. Rural routes are not distinguish regarding the type of addressing. In addition, this could include mail going to Post office boxes and firm directs at these zones. LC7 is discussed above in subpart b. Both LC7 or LC12 are defined at pages 5-6 of LR-H-128.
- e. Response provided by witness Moden.
- f. Response provided by witness Moden.

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DMA/USPS-T14-34. Please refer to your response to DMA/USPS-T14-6.

a. Please describe any source (either within or outside of the Postal Service) that describes the PIRS system.

b. If your response to sub-part a. indicates that no such documentation is available, please provide a narrative description of the PIRS system (including, but not limited to, the role and training of the data collector, the types of mail processing and distribution activities that are recorded, the method in which such activities are recorded, the types of coding or tallies that are used to reflect the activities, and the processes used to ensure the reliability of the data).

RESPONSE:

a. No such documentation is available.

b. The PIRS system is an operating data systems analogous to the MODS system in many (albeit not all) respects, which reports data for the 21 Bulk Mail Centers. As with MODS, the purpose of the system is to report both workload measurement data and workhour data. PIRS procedures, however, tend to be less standardized than MODS procedures, which is made possible by the smaller number of facilities involved.

Operations covered: The PIRS system reports information for mail processing operations in the BMCs. In comparison with MODS, the numbers used by different BMCs to refer to various operations are much less uniform across facilities.

Nevertheless, the operations themselves are consistent. The categories are:

- PPSM -- Primary Parcel Sorting Machine operations
- SPSM -- Secondary Parcel Sorting Machine operations
- SSM -- Sack Sorting Machine operations (also handle trays)
- NMO -- Non Machineable Outside operations
- IPP -- Irregular Parcel and Packages operations
- 115 -- Sack Opening operations (includes SPBS machines)
- Indirect -- Allied operations

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Inbound -- Dock/platform operations
045 -- Manual letter operations
075 -- Manual flat operations

The last two categories, 045 and 075, are no longer in effect. Most facilities do not report hours or workload in those operations.

Workhours: In BMCs, employees upon arrival generally clock into a base operation, in which most of them will spend their entire tour. If for some reason they move between operations, the shift can be handled in either of two ways. One, they may use their badges to clock out of the first operation and clock into the second. Two, the supervisors may use a manual form (Form 2345) to detail staffing movements into and out of their operation. In either case, the number of hours worked in each operation will be calculated in the timekeeping office at the BMC, using the clock rings and the Forms 2345.

Workload: Workload measures are available for six sorting activities (PPSM, SPSM, SSM, NMO, IPP, and 115). For the machine-based sortations, the piece counts are recorded electronically and transmitted to the BMC's computer room. For manual operations, the workload measures are derived from the type and number of containers sorted, which is collected as the containers are being dumped. Conversion factors are used to estimate the number of pieces associated with the number of containers processed. Some of these conversion factors are fairly standard nationwide, while others exhibit more variation based on local equipment and handling practices. Weighing of mail is not part of the workload measurement

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process at BMCs. In manual operations, the supervisors provide the estimate of pieces worked to the BMC's computer room at the end of their tour.

Further details on those operations that have some manual component are as follows:

NMO: Despite the label, NMO operations include both a machine-sort and a manual-sort component. (The "outside" in NMO refers to parcels that do not fit in enclosed containers such as OTRs or APCs.) For the mechanized portion, piece counts come from sensors, or from container conversions. For the *manual portion, the workload measure comes from container conversion factors.*

IPP: The procedure in this operation is to use container conversion factors to convert containers worked to piece counts.

115: The sack opening operation also has a manual and a mechanized component. In the mechanized component, using the Small Parcel and Bundle Sorter (SPBS) equipment, the procedure is either to convert the number of bundles keyed (machine count) to sacks, to count sacks at the point of induction, or use container conversion factors. All sack counts are converted to piece counts. In the manual portion, the procedure is to use container conversion factors to estimate piece counts from the number of containers worked.

Two other workload measures are reported by PIRS that are not directly associated with any of the specific operations, but are reported for the facility as a whole. These are:

Cross-dock pallets: While this is not a separate operation, PIRS does report information on the number of cross-dock pallets. These counts, taken by either the fork lift drivers or the dock clerks/supervisors, are made at the inbound dock, the outbound dock, or both.

TEP (Total Equivalent Pieces): TEP is essentially an index number intended to reflect the total workload throughout the facility. It is calculated by applying different weights to pieces of different types (e.g., parcels, IPPs, NMOs, etc.) as reported in each of the various operations, and summing across all types.

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Reporting: While facilities can generate reports by tour, day, week, or year, the national aggregation process is done on an AP basis. At the end of each 4-week AP, the in-plant operations personnel in the computer room will generate a weekly report for each of the 4 weeks, and transmit the data to the data center in San Mateo. After all 21 BMCs have transmitted their data for an AP to San Mateo, personnel at Headquarters can access the data and run the Headquarters routine on a preliminary and, if necessary, revised basis. Once the Headquarters routine has been finalized, individual facilities can use the San Mateo database to generate reports.

Training: Since PIRS requires the involvement of no data collectors per se, there is no training for such individuals. To the extent that supervisors provide part of the data that the system reports, those supervisors are instructed at the local level regarding their responsibilities in this regard as part of the same process by which they are instructed as to the rest of their supervisory functions. Similarly, other BMC personnel involved in the PIRS reporting process (e.g., timekeeping, computer room) receive the necessary instructions in these matters in the same manner as they learn the other aspects of their job.

Data reliability: Data recorded electronically, such as clock rings and machine counts, have less opportunity for error. Data provided by supervisors on a manual basis present other issues. There are several important factors to bear in mind, however. Supervisors are instructed to take steps to insure that the hours for the operation(s) for which they are responsible are accurately recorded. When workers

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move between operations, there are likely to be at least two supervisors with the responsibility to make sure the move is recorded, either by clock ring or by Form 2345.

With respect to manual workload data, another factor to keep in mind is the relationship between the reported mail volume worked, and the reported beginning and ending inventories of mail. Supervisors report all three types of data, and, obviously, the volume worked during a tour is closely related to the beginning and ending inventory. Yet one supervisor's ending inventory is the next supervisor's beginning inventory. This creates a partial system of checks and balances in terms of reporting workload measures.

As workhour and workload data are assembled in the computer room, local personnel will review the numbers, and seek to rectify obvious reporting errors or questionable observations. Local revisions can thus be made before any data are sent to San Mateo. After the data have gone to San Mateo, Headquarters personnel will also review the data for each facility in the course of running the Headquarters routine. Potential errors and discrepancies will be identified, and Headquarters personnel will work with individual facilities to resolve any problems. If necessary, the Headquarters routine will be rerun with revised data before the San Mateo database is finalized for report writing purposes.

DMA/USPS-T14-43. Please refer to your response to DMA/USPS-T14-32 and explain precisely which data requested therein do not exist.

- (a) Please describe how the data relating to volumes (piece handlings) in each MODS operations are recorded by the offices that submit volume data to the corporate data base.
 - i. At what frequency are the data initially recorded by the office?
 - ii. Are they aggregated or otherwise transformed by the office? If so, once such aggregations or transformations are performed, are the initial data primitives retained?
 - iii. At what frequency are piece handlings data transmitted to the corporate data base?
 - iv. Are they aggregated or otherwise transformed once in the corporate data base? If so, once such aggregations or transformations are performed, are the initial data received from the reporting offices retained?
 - v. In the corporate data base, do piece handlings data by office and MODS operations exits (a.)by AP, (b.)by week, (c.) by day of the week, and/or (d.) by hour of the day? For each affirmative answer, specify the years for which these data are available at this level of specificity and produce these data for the most recent fiscal year, and at least the two previous years if possible. For each negative answer, indicate the reasons why these data do not exist (e.g., were the data not collected, were the data collected by not retained, or some other reason?) Please explain fully.

(b) Please describe how the data relating to work hours in each MODS operation are recorded by the office that submit hours data to the corporate data base.

- i. At what frequency are the data initially recorded by the office?
 - ii. Are they aggregated or otherwise transformed by the office? If so, once such aggregations or transformations are performed, are the initial data primitives retained?
 - iii. At what frequency are work hour data transmitted to the corporate data base?
 - iv. Are they aggregated or otherwise transformed once in the corporate data base? If so, once such aggregations or transformations are performed, are the initial data received from the reporting offices retained?
 - v. In the corporate data base, do work hour data by office and MODS operations exits(a.) by AP, (b.) by week, (c.) by day of the week, and/or (d.) by hour of the day? For each affirmative answer, specify the years for which these data are available at this level of specificity and produce these data for the most recent fiscal year, and at least the two previous years if possible. For each negative answer, indicate the reasons why these data do not exist (e.g., were the data not collected, were the data collected by not retained, or some other reason?) Please explain fully.
- (c) When an employee clocks into or clocks out of a mail processing operation, how is the employee's time recorded in the MODS system? For example, is the actual time of day recorded or is the time interval worked recorded? Is this information retained in the data system at the facility level? If so, is the data retained once the data are transmitted to the corporate data base.

DMA/USPS-T14-43 RESPONSE:

Please see the explanations below.

- (a)(i). Piece handling volumes are initially recorded as individual volume transactions as the mail is processed, throughout the day -- for example, as each container of mail is weighed to its first distribution operation, or

as each automated or mechanized processing run of mail occurs.

- ii. Piece handling volume data are generally aggregated by operation by software applications from individual volume transactions. In some cases this aggregation takes place at the office level (for example, for automated processing runs on different mail processing equipment for the same operation number) or at the main frame computer (for example, mail weighed to the same manual operation). Individual volume transactions are not retained.
- iii. Piece handling data are transmitted to the corporate data base on a weekly and AP basis.
- iv. Piece handling data are transmitted to the corporate data base at the office level. The data can then be aggregated in any number of ways for different purposes.
- v. In the corporate data base, piece handling data by office and MODS operations exist by AP and by week, but not by day of the week or hour of the day. Daily data exist for MODS 1 offices for those operations with which volumes are associated on archived tapes in report format, going back an undetermined number of years. The daily data are used for

scheduling and staffing purposes. Hourly data do not exist. While data are collected at this level, the data storage needs for this level of detail have been deemed excessive.

Dr. Bradley's data by office and MODS operation supplies piece handling data by offices and MODS operations by AP. The Postal Service will produce, as Library Reference H-285, weekly data for those offices and MODS operations used in witness Bradley's analysis for FY 1994 through FY 1996, as data is generally retained on the corporate data base for the most recent fiscal year and the two previous years. Please note, however, that production of this material will take several weeks. A large amount of data needs to be downloaded. For example, it is estimated that there will be over 40,000 observations for the OCR activity alone. The total number of observations involved may well be over 700,000. Once the data are downloaded, office identifications will need to be encrypted and assigned the same encryption code as in Dr. Bradley's database. Once this process is completed, a CD-ROM will have to be produced. Please note that there may be more or less offices reporting data by week than by AP, so there may not be an exact match between the offices in this database and those in Dr. Bradley's. Please also note that the weekly data will not have been "scrubbed."

The daily data from the archived tapes, which is not in the corporate data base and therefore is technically outside the scope of this interrogatory, will not be produced. The Postal Service is unable to estimate, at this time, how long it would take to produce the information. Please note, however, that the data reside on the archived tapes in report format, meaning that it cannot be "queried" as with that residing on the corporate data base. In other words, a report would have to be generated for each day, and the data would then have to be consolidated in some fashion by those interested in using it. If the Postal Service were to produce these reports for the last three fiscal years, this would involve a massive amount of data. Basically there would be approximately 142,350 hard-copy or electronic reports (365 days x 130 MODS offices (approximately) x 3 years).

(b)(i). Work hour data are initially recorded as individual clock rings entered for each postal employee, throughout the day.

ii. Work hour data are aggregated by operation number by postal payroll software applications. The work hour data by operation are transferred from postal payroll applications to MODS. Individual employee clock ring data are not retained by MODS.

- iii. Work hour data are transmitted to the corporate data base on a weekly and AP basis.

- iv. Work hour data are transmitted to the corporate data base at the office level. The data can then be aggregated in any number of ways for different purposes.

- v. In the corporate data base, work hour data by office and MODS operations exist by AP and by week, but not by day of the week or hour of the day. Daily data exist for MODS 1 offices for those operations with which volumes are associated on archived tapes in report format, going back an undetermined number of years. The daily data are used for scheduling and staffing purposes. Hourly data do not exist. While data are collected at this level, the data storage needs for this level of detail have been deemed excessive.

Dr. Bradley's data by office and MODS operation supplies work hour data by offices and MODS operations by AP. The Postal Service will produce, as Library Reference H-285, weekly data for those offices and MODS operations used in witness Bradley's analysis for FY 1994 through FY 1996, as data is generally retained on the corporate data base for the most recent fiscal year and the two previous years. Please note,

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however, that production of this material will take several weeks. A large amount of data needs to be downloaded. For example, it is estimated that there will be over 40,000 observations for the OCR activity alone. The total number of observations involved may well be over 700,000. Once the data are downloaded, office identifications will need to be encrypted and assigned the same encryption code as in Dr. Bradley's database. Once this process is completed, a CD-ROM will have to be produced. Please note that there may be more or less offices reporting data by week than by AP, so there may not be an exact match between the offices in this database and those in Dr. Bradley's. Please also note that the weekly data will not have been "scrubbed."

The daily data from the archived tapes, which is not in the corporate data base and therefore is technically outside the scope of this interrogatory, will not be produced. The Postal Service is unable to estimate, at this time, how long it would take to produce the information. Please note, however, that the data reside on the archived tapes in report format, meaning that it cannot be "queried" as with that residing on the corporate data base. In other words, a report would have to be generated for each day, and the data would then have to be consolidated in some fashion by those interested in using it. If the Postal Service were to produce these reports for the last three fiscal years, this would involve a massive

amount of data. Basically there would be approximately 142,350 hard-copy or electronic reports (365 days x 130 MODS offices (approximately) x 3 years).

- (c) Work hour data are initially recorded as individual clock rings entered for each postal employee, throughout the day. Work hour data are aggregated by operation number by postal payroll software applications. The work hour data by operation are transferred from postal payroll applications to MODS. Individual clock ring data are not retained at the facility level for those offices on the Time and Attendance application on the Postal Source Data System (mainframe MODS facilities) network. Individual clock ring data are retained at the facility level for those offices on the Electronic Time Clock application (PC MODS facilities).

**Response of the United States Postal Service
to
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(Redirected from Witness Bradley)**

DMA/USPS-T14-46. Please refer to your response to DMA/USPS-T14-20b(ii)(a).

- (a) What proportion of mail processing labor hours is spent clocked into operations during temporary equipment breakdowns lasting ten minutes or less? Please specify by craft, CAG, and MODS operation code.
- (b) What proportion of mail processing labor hours is spent clocked into operations during temporary equipment breakdowns lasting more than ten minutes? Please specify by craft, CAG, and MODS operation code.

DMA/USPS-T14-46 Response:

- (a) As stated in the response to DMA/USPS-T14-20b(ii)(a), employees would remain clocked into the operation during a temporary equipment breakdown of ten minutes or less. No data are available to determine the proportion of hours spent clocked into operations during temporary equipment breakdowns lasting ten minutes or less as these hours are not isolated using a discrete operation number.
- (b) No data are available to determine the proportion of hours spent clocked into operations during temporary equipment breakdowns lasting more than ten minutes. Please note that if the breakdown persists, the employee would likely be temporarily reassigned to an alternate processing activity.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE DIRECT MARKETING ASSOCIATION
REDIRECTED FROM WITNESS O'HARA

DMA/USPS-T30-6. Please refer to your testimony at page 33, lines 13-18, in which you discuss the availability of alternatives (criterion 5) and where you state, "the Regular subclass is somewhat more suited to demographic targeting of commercial messages and the Enhanced Carrier Route subclass is somewhat more suited to geographic targeting. For this reason, the availability of alternatives (criterion 5) is somewhat less for Regular, but a number of alternatives for demographically targeted advertising exists, including special-interest magazines, cable television channels, and internet websites."

- a. Please identify all documents available to the Postal Service detailing the extent of the "alternatives for demographically targeted advertising." Please summarize the conclusions of any such documents and provide them as library references.
- b. Please identify all documents available to the Postal Service detailing the extent of the "alternatives for geographically targeted advertising." Please summarize the conclusions of any such documents and provide them as library references.

RESPONSE:

The following documents have been identified in response to this request:
the 1995 Household Diary Study and the 1992 USPS Nonhousehold Survey.

The former is on file as USPS Library Reference H-162. The latter does not exist in hard-copy form, but can be accessed through a database at USPS Headquarters. Arrangements to examine it can be made through Postal Service counsel.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES
OF THE DIRECT MARKETING ASSOCIATION, INC.
(REDIRECTED FROM WITNESS O'HARA)**

DMA/USPS-T30-11. Please refer to your response to DMA/USPS-T30-4(e) concerning the EX3C data collection effort and to witness Moeller's response to VP-CW/USPS-T36-9 concerning the EX3C, ADVANCE/DAR, and TCMAS systems.

- (a) Please provide all data (including, but not limited to, the aggregated data from PQ 3, FY 94) relating to the EX3C data collection effort. Please provide copies of all EX3C reports as library references as requested in DMA/USPS-T30-4(e); if the Postal Service considers such reports to be confidential, please describe these reports in detail and summarize the information they contain.
- (b) Please explain which mailings and mailers were selected to participate in EX3C and why such mailings and mailers were selected.
- (c) Please explain why EX3C was discontinued on November 3, 1996. Are there any plans to initiate a similar data collection endeavor in the future? If "yes," please explain fully.
- (d) Please describe all other efforts by the Postal Service to develop a performance measurement system for Third Class or Standard (A) mail (including, but not limited to, the ADVANCE/DAR and TCMAS systems), including the date on which the system was initially established, the number and types of mailers and mail involved, and the scope and current status of the system. Please provide copies of all reports relating to these efforts or, if the Postal Service considers such reports to be confidential, please describe these reports in detail and summarize the information they contain.
- (e) Please explain whether any of the efforts described in subpart (d) resulted in a performance measurement system for Third Class or Standard (A) mail. If "yes," please describe fully the performance and results of such a system. If "no," please explain fully why no such measurement system was created.

RESPONSE:

- (a) Please see the first page of the attachment.
- (b) Mailers participated on a voluntary basis, subject only to their ability to meet the requirements of the system. These requirements included ability to relay time of deposit and location of deposit information accurately and reliably, ability to de-

**RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES
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(REDIRECTED FROM WITNESS O'HARA)**

duplicate their mailing lists to avoid sending duplicate pieces in the measurement process, ability to seed reporter names into their own mailing lists, and ability to conform to EX3C addressing requirements. Each participating mailer selected which of its mailings were to be measured.

- (c) EX3C was discontinued because it did not provide a nationally representative measure of Third-Class or Standard Mail (A) service performance nor did it provide data that could be used effectively by Postal Service field and headquarters management to improve delivery performance. There are no current plans to initiate a similar data collection effort.
- (d) The ADVANCE program is described in LR-H-234. Pages 2 and 3 of the attachment provide a summary report for the modest fraction of Standard (A) ECR volume tracked by this program, which is limited to mailings with certain characteristics. TCMAS was the forerunner of EX3C.
- (e) There are no systems extant or planned that provide such information. The Postal Service has not found any logistically or economically practical way to develop an independent end-to-end system that would provide projectable service performance information for Standard Mail (A) mail.

EXTERNAL THIRD-CLASS MANAGEMENT SYSTEM
Aggregation of Mailings
TIME PERIOD: (FY94, P03)

SUCCEED RATE			*** EXPLICIT ***			REJECTED		
IN-HOME	AVERAGE	RANGE	IN-HOME	AVERAGE	RANGE	IN-HOME	AVERAGE	RANGE
WITHIN	+	-	WITHIN	+	-	WITHIN	+	-
-----	-----	-----	-----	-----	-----	-----	-----	-----
48.28	1.88	6.58	0.38	67.69	1.46	5.27	8.24	19.08
1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76
0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51

*** THIRD CLASS MAIL THAT HAS IN-HOME DATES ON THE PIECE OR BUNDLE SLIP
THIRD CLASS MAIL THAT DOES NOT HAVE IN-HOME DATES ON THE PIECE OR BUNDLE SLIP

NO AGGREGATION OF INFORMATION WAS GENERATED FOR THE PARTICIPANTS OF EX3C AFTER P0 3, FY 94. THIS WAS DUE TO THE FACT THAT THE DATA WERE NOT REPRESENTATIVE OF THE ENTIRE THIRD-CLASS MAIL STREAM.
EX3C WAS DISMANTLED ON NOVEMBER 3, 1996. NO DATA WAS MAINTAINED OR ARCHIVED FOR EX3C.

ADVANCE VOLUME TOTAL
TRACKED BY
USPS ACCOUNTING PERIOD
FY 96

ACCTG. PERIOD	AP1	AP2	AP3	AP4	AP5	AP6	AP7	AP8	AP9	AP10	AP11	AP12	AP13	TOTAL
08/13/95-10/11/95	8,327,138	20,728,802	18,803,534	11,864,133	7,120,820	17,980,507	50,321,108	33,153,214	69,798,735	58,319,818	30,458,202	41,570,228	47,832,073	407,174,393
10/10/95	68.84%	78.20%	77.66%	78.17%	82.99%	82.99%	78.17%	82.22%	80.39%	84.71%	84.74%	78.05%	68.43%	78.66%
EARLY	838,412	1,087,073	2,243,473	428,957	482,281	1,390,605	2,740,427	3,128,708	3,123,328	3,186,317	1,828,578	3,442,271	2,380,075	28,340,573
	8.84%	4.14%	8.75%	2.76%	5.74%	6.05%	4.48%	7.80%	4.42%	4.83%	4.88%	3.48%	3.48%	8.15%
LATE	331,814	1,288,729	1,013,786	1,957,268	2,018,678	2,777,992	2,523,421	2,328,382	2,678,637	2,678,637	848,008	2,588,578	5,435,108	28,385,073
	2.75%	4.78%	3.86%	12.57%	8.76%	4.46%	8.12%	3.30%	3.88%	3.88%	2.58%	4.88%	7.82%	5.15%
EARLY/LATE	8,588	10,384	128,383	7,716	32,227	121,781	-135,480	188,325	189,400	135,848	23,581	158,081	227,858	1,348,252
	0.05%	0.04%	0.80%	0.05%	0.38%	0.53%	0.22%	0.41%	0.27%	0.20%	0.08%	0.29%	0.33%	0.26%
NOT IDENTIFIED	1,279,724	1,743,890	1,291,218	873,085	218,080	831,211	3,181,075	1,142,878	2,908,323	2,758,482	1,388,803	2,832,330	6,488,881	28,750,881
	10.58%	8.58%	6.04%	5.81%	2.64%	2.74%	5.20%	2.77%	4.12%	4.01%	3.79%	6.32%	8.47%	8.23%
INCOMPLETE	1,043,281	1,281,202	934,564	358,267	158,674	812,331	1,228,205	785,884	1,528,032	1,278,302	851,722	1,841,878	3,180,425	14,778,727
	8.64%	4.87%	3.85%	2.28%	1.86%	2.23%	2.00%	1.88%	2.16%	1.88%	1.50%	3.85%	4.65%	2.88%
NO RESPONSE	251,675	368,888	114,730	88,473	22,331	345,154	885,538	355,281	718,417	483,017	1,468,832	719,228	3,228,739	8,005,102
	2.08%	1.38%	0.46%	0.87%	0.28%	1.41%	0.86%	1.02%	0.87%	4.00%	1.35%	4.70%	1.76%	1.76%
TOTAL	12,078,823	28,804,748	28,838,888	18,878,888	8,888,888	23,081,247	81,288,288	41,238,881	70,884,827	68,818,832	38,888,738	82,280,888	88,882,887	911,788,881

**Designated Responses of the
United States Postal Service
to FGSA Interrogatories**

Response of United States Postal Service to Interrogatories of Florida Gift Fruit Shippers
Association (Redirected from Witness Bradley)

FGFSA/USPS-T-13-39
Page 1 of 1

FGFSA/USPS-T-13-39

If the density of a sub-class of mail transported in highway transportation exceeds the maximum allowable density of the vehicle transporting the mail:

- a. Do you agree that the excess density of this sub-class of mail could limit or restrict the quantity of other mail that might be loaded in the trailer? Fully explain your response.
- b. Do you agree that it would be reasonable and appropriate to reflect the excess density of this sub-class of mail, along with actual cubic feet, in determining the allocation of the costs of the highway transportation? Fully explain your response.

Response to FGFSA/USPS-T-13-39.

- a. No. As explained in the response to FGFSA/USPS-T-13-38, comparing this calculated "maximum allowable density" to the density of a sub-class of mail is an apples-to-oranges comparison because trailers are not fully vertically utilized, thus trailers can be fully loaded (in terms of floorspace utilization) with mail of a density above any calculated "maximum allowable density" that considers only cubic footage of the truck and a legislated load weight limit.
- b. No. Cubic foot miles are the cost driver in Intra-BMC and Inter-BMC highway transportation. Density in and of itself is not a cost driver. TRACS converts sampled weights to cubic feet using standard density factors. An additional distribution of cost based on density would be inappropriate.

FGFSA/USPS-T13-53

- a) Are Postal Service contractors on highway routes allowed to carry non-postal freight if there is available empty space over any portion of the route?
- b) Of the 14,781 contracts, how many permit carrying of non-postal freight concurrently with the transportation of mail?

RESPONSE

- a) No. Non-postal freight may not be carried inter-mixed with mail on a contractors vehicle. The contractor may use the vehicle to carry non-postal freight when it is not being used to carry mail, however.
- b) None.

FGFSA/USPS-T-16-17. Refer to your response to FGFSA/USPS-T-16-10 and your statement that "However, there do exist instances in which parcel post travels directly from on origin SCF to a destination SCF."

a) Identify all of the factors taken into account in determining when those "instances" apply for machinable parcels entered using the Intra-BMC.

b) Confirm that the usual and customary operating procedures for handling parcel post provide that the parcels will be sent to the BMC for sorting.

c) Are the parcels sent to the BMC for sorting for the convenience of the Postal Service or the mailer?

d) Confirm that one reason for sending the parcels to the BMC for sorting is to avoid manual sorting at the SCF.

e) If more than 30 parcels, destined for various 5-digit delivery offices, are entered by the same mailer at the same time, will these parcels be sorted manually by the SCF or will they be sent to the BMC for sorting?

RESPONSE:

a) Response provided by witness Hatfield.

b) Normal operating procedures for Parcel Post include routing through at least one BMC for processing.

c) Parcels are sent to a BMC for processing because these facilities are better equipped to handle Parcel Post than other processing facilities.

d) Confirmed.

e) Please see the response to part b) above.

**Designated Responses of the
United States Postal Service
to MH Interrogatories**

MH/USPS-1: With reference to the September 30, 1997 response to MH/USPS-T2-1 (redirected from witness Nieto to witness Patelunas) that "[e]xamination of the BY 1995 and BY 1996 costs indicates that a shift has occurred in the use of highway transportation by Periodicals":

- (a) Please explain fully the nature of the shift;
- (b) Please explain fully all operational and other factors that would explain what caused the shift;
- (c) Please provide any and all written analyses and other documents that (in whole or part) address the shift or are otherwise material to your answers to this interrogatory.

RESPONSE

(a) The nature of the shift is further explained in the responses to MH/USPS-T2-1 and ABP/USPS-T15-9, and in USPS-T-5, Workpaper B,

Worksheet 14.

(b) The Postal Service has not performed an analysis of how changes in operations may have effected transportation costs for Periodicals mail. A contributing factor, although not an operational one, could be variation in the statistical estimates produced by TRACS.

(c) No such analyses or documents exist.

MH/USPS-2: With reference to the September 30, 1997 response to MH/USPS-T2-2 (redirected from witness Nieto to witness Patelunas):

- (a) Please explain fully all operational and other reasons why Periodicals mail receives air transportation, as opposed to surface transportation;
- (b) Please explain fully all operational and other factors that would explain what has caused the fluctuation in domestic purchased air transportation costs attributed to Periodicals (second-class) mail since FY 1994.
- (c) Please provide any and all statements of operational policy written analyses, and other documents that (in whole or part) are material to your answers to his interrogatory.

RESPONSE

- (a) Please see the response to ABP/USPS-T15-7(d).
- (b) The Postal Service is unaware of how operational or other factors may have caused the fluctuation in domestic purchased air transportation. However, part of the observed changes in costs may be the result of changes in the usage of purchased transportation by either Periodicals or other categories of mail. Also, as discussed in response to ABP/USPS-T15-2, statistical variation in the TRACS distribution keys may also be a contributing factor.
- (c) No such analyses or documents exist.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MCGRAW-HILL COMPANIES

8746

MH/USPS-T2-5. With reference to your testimony on p. 2:

(a) Please explain fully the parameters that determine the amount to be paid under purchased highway contracts (e.g., per mile, per trip, per year, etc.).

(b) Please state whether route information for all destinations on all trips under all highway contracts is available in NASS, and whether route costs for all highway contracts are listed in the accounting files. If not, why not?

(c) Please explain fully how random selection of mail on randomly selected contract route destination-days is likely to provide an accurate forecast of costs. How are seasonal fluctuations accounted for?

Response to MH/USPS-T2-5.

(a) Answered by witness Bradley.

(b) All route information for all destinations for regularly scheduled contracts is available in NASS. To the extent that a contract is active and payments have been made on a contract, its estimated annual and paid-to-date route costs will be included in the accounting files.

(c) Answered by witness Nieto.

MH/USPS-T2-6. With reference to your testimony on p. 3:

- (a) Please explain fully the parameters that determine the amount to be paid for freight rail transportation.
- (b) Please state whether information for all rail movements of mail are included in RMIS. If not, why not?
- (c) Please explain fully how random selection of mail on randomly selected rail vans is likely to provide an accurate forecast of costs. How are seasonal fluctuations accounted for?

Response to MH/USPS-T2-6.

- (a) The Postal Service pays for freight rail service based on the cost per van on each origin-destination segment times the number of vans actually moved on the segment. In addition, the Postal Service pays a fee for the use of larger vans and for early arrivals, and charges a fee for late arrivals. There are some segments which have guaranteed minimums, usually one trailer per day.
- (b) RMIS contains all the potential movements which the Postal Service has available for the purpose of moving mail as needed.
- (c) Answered by witness Nieto.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MCGRAW-HILL COMPANIES

MH/USPS-T2-7. With reference to your testimony on p. 4:

- (a) Please explain fully the parameters that determine the amount to be paid under domestic air transportation.
- (b) Please explain fully how random selection of mail on randomly selected flight days is likely to provide an accurate forecast of costs.

Response to MH/USPS-T2-7.

- (a) For commercial passenger air, the Postal Service pays a specified negotiated rate for terminal handling (per-pound charge) and linehaul (per pound-mile charge). For network air (Eagle, Western, and CNET) the Postal Service specifies capacity between city-pairs, and pays based on the cost of providing that service plus terminal handling. Please refer to the response to NDMS/USPS-T33-28-29 for a more detailed discussion of air transportation rates.
- (b) Answered by witness Nieto.

MH/USPS-T2-8. With reference to your testimony on p. 7:

- (a) Please explain fully the parameters that determine the amount to be paid for passenger rail service.
- (b) Please explain fully how random selection of mail on randomly selected train-segment days is likely to provide an accurate forecast of costs.

Response to MH/USPS-T2-8.

(a) The Postal Service contracts for passenger rail service based on a linehaul charge for a specified quantity of space between a city-pair. The Amtrak contract also guarantees that, regardless of mail volume, we will pay the contractor for a minimum amount of space on the movement. The contractor assures that this minimum space is available for postal use. When more space is used, the rate is paid on a cost per linear-foot.

(b) Answered by witness Nieto.

Response of United States Postal Service
to Interrogatories of
McGraw-Hill Companies
(Redirected from Witness Alexandrovich, USPS-T-5)

8750

MH/USPS-T5-1:

(a) Please confirm that the volume variable costs calculated for Periodicals mail in this proceeding are higher than the attributable costs calculated for Periodicals mail (pursuant to section 54(a)(1) of the Commission's rules of practice) in this proceeding. See, e.g., Attachment A (attached hereto) to the Motion of the United States Postal Service for Reconsideration of Parts of Presiding Officer's Ruling No. R97-1/7 (August 15, 1997). To the extent that you are unable to confirm, please explain fully.

(b) Please explain fully (with appropriate cross-references to USPS-LR-H-196 and 215, and to any other relevant materials) each of the factors which cause the volume variable costs calculated for Periodicals Regular mail to be higher than the attributable costs calculated for Periodicals Regular mail.

MH/USPS-T5-1 Response:

(a) Part (a) is confirmed.

(b) To understand fully each of the factors which cause the volume variable cost calculated for Periodicals Regular mail to be higher than the attributable costs calculated for Periodicals Regular mail, begin with a comparison of Witness Alexandrovich's workpapers, WP-B, and the Commission's workpapers provided in Section 4 of Library Reference H-196 (revised). Next, refer to Attachment I to this response. Attachment I shows the differences in Periodicals Regular mail between the Postal Service's cost model and the Commission's cost model on a component by component basis. Columns (1), (6) and (11) are the component numbers used in the Postal Service's cost model. See the testimonies of Witnesses Alexandrovich, USPS-T-5 and Patelunas, USPS-T-15. Columns (3), (8) and (13) are the component numbers used in the Commission's cost model. See USPS Library References H-196 (revised) and H-215 (revised). Section 12 of USPS Library Reference H-196 shows: an

Response of United States Postal Service
to Interrogatories of
McGraw-Hill Companies
(Redirected from Witness Alexandrovich, USPS-T-5)

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MH/USPS-T5-1 Response continued:

arrangement by cost segment, a descriptive title for each of the components and a cross-walk between the Postal Service's component numbers and the Commission's component numbers. Additionally, the last column of USPS-LR-H-196, Section 12 shows that either there is no difference between the Postal Service's model and the Commission's model or that there is a difference, and where there is a difference, the reason for the difference is provided.

Attachment I shows the Postal Service's Base Year 1996 variable costs less PESSA costs in column (2) and the Postal Service's Base Year 1996 volume variable costs including PESSA column (7). Likewise, the Commission's Base Year 1996 attributable costs less PESSA costs appear in column (4) and the Commission's Base Year 1996 attributable costs including PESSA appear in column (9). For Test Year 1998 After Rates, the Postal Service's variable costs including PESSA appear in column (12) and the Commission's attributable costs including PESSA appear in column (14). The amounts shown in columns (5), (10) and (15) are the differences between the Postal Service's model and the Commission's model for each of the years indicated.

Attachment I is a comparison of the output of the two models. To understand the differences between the Postal Service's cost model and the Commission's cost model, please refer to the following. The Postal Service's cost model is documented in: Docket No. R94-1, USPS Library Reference G-5, Costs and Revenue/Roll Forward, Listings of Programs, Job Control Language, and Command Procedures, and Docket No. R97-1, USPS Library References H-4, Base Year/Roll Forward, Input Data Files, and H-5, Base Year/Roll Forward, Processing Documentation reports. Additionally, Attachment I and II to Witness Patelunas's response to OCA/USPS-T5-3, redirected

Response of United States Postal Service
to Interrogatories of
McGraw-Hill Companies
(Redirected from Witness Alexandrovich, USPS-T-5)

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MH/USPS-T5-1 Response continued:

from Witness Alexandrovich might be helpful. The Commission's cost model is documented in Docket No. R97-1, USPS Library References H-196 (revised) and H-215 (revised).

USPS BY96 A File					PRC BY96 A File					USPS BY96 C File					PRC BY96 C File					USPS 98 TYAR C File					PRC 98 TYAR C File				
Component	Amount	Component	Amount	Difference	Component	Amount	Component	Amount	Difference	Component	Amount	Component	Amount	Difference	Component	Amount	Component	Amount	Difference	Component	Amount	Component	Amount	Difference					
(1)	(2)	(3)	(4)	(5)=(2)-(4)	(6)	(7)	(8)	(9)	(10)=(7)-(9)	(11)	(12)	(13)	(14)	(15)=(12)-(14)															
4	35,913	2.01	40,793	-4,880	4	35,913	2.01	40,793	-4,880	4	38,450	2.01	43,397	-4,947															
7	204	2.02	85	119	7	204	2.02	85	119	7	218	2.02	91	127															
9	1,526	2.03	1,529	-3	9	1,526	2.03	1,529	-3	9	1,634	2.03	1,630	4															
13	7,840	2.04	8,089	-249	13	7,840	2.04	8,089	-249	13	8,394	2.04	8,660	-266															
14	2,728	2.05	3,119	-391	14	2,728	2.05	3,119	-391	14	2,920	2.05	3,340	-420															
15	0	2.06	193	-193	15	0	2.06	193	-193	15	0	2.06	199	-199															
16	352	2.07	117	235	16	352	2.07	117	235	16	363	2.07	123	240															
17	1,755	2.08	1,545	210	17	1,755	2.08	1,545	210	17	1,879	2.08	1,649	230															
18	723	2.09	282	441	18	723	2.09	282	441	18	787	2.09	306	481															
680	0	2.10	734	-734	680	0	2.10	734	-734	680	0	2.10	755	-755															
26	1	2.12	3	-2	26	1	2.12	3	-2	26	1	2.12	3	-2															
30	2,308	2.15	2,350	-42	30	2,308	2.15	2,350	-42	30	2,469	2.15	2,379	90															
31	36	2.16	41	-5	31	36	2.16	41	-5	31	38	2.16	43	-5															
601	1,267	2.20	1,356	-89	601	1,267	2.20	1,356	-89	601	1,357	2.20	1,380	-23															
674	402	2.21	323	79	674	402	2.21	323	79	674	430	2.21	346	84															
675	3,041	2.22	1,608	1,433	675	3,041	2.22	1,608	1,433	675	3,256	2.22	1,722	1,534															
676	1,206	2.23	1,302	-96	676	1,206	2.23	1,302	-96	676	1,290	2.23	1,322	-32															
677	3,106	2.24	3,180	-74	677	3,106	2.24	3,180	-74	677	3,326	2.24	3,383	-57															
678	5,716	2.25	6,014	-298	678	5,716	2.25	6,014	-298	678	6,117	2.25	6,390	-273															
35	467,201	3.01	362,766	104,435	35	467,201	3.01	362,766	104,435	35	493,023	3.01	380,401	112,622															
36	0	3.02	114,094	-114,094	36	0	3.02	114,094	-114,094	36	0	3.02	119,697	-119,697															
40	2,186	3.04	960	1,226	40	2,186	3.04	960	1,226	40	2,389	3.04	1,047	1,342															
228	5,097	3.07	7,053	-1,956	228	5,097	3.07	7,053	-1,956	228	5,507	3.07	7,582	-2,075															
41	1,038	3.08	0	1,038	41	1,038	3.08	0	1,038	41	1,095	3.08	0	1,095															
421	2,437	3.09	3,542	-1,105	421	2,437	3.09	3,542	-1,105	421	2,633	3.09	3,611	-978															
66	0	3.10	79	-79	66	0	3.10	79	-79	66	0	3.10	84	-84															
422	14,623	3.11	27,277	-12,654	422	14,623	3.11	27,277	-12,654	422	15,804	3.11	27,962	-12,158															
423	1,063	3.12	1,608	-545	423	1,063	3.12	1,608	-545	423	1,148	3.12	1,647	-499															
467	170	3.13	298	-128	467	170	3.13	298	-128	467	183	3.13	306	-123															
468	321	3.14	446	-125	468	321	3.14	446	-125	468	347	3.14	461	-114															
469	4	3.15	7	-3	469	4	3.15	7	-3	469	4	3.15	6	-2															
470	2,663	3.16	3,697	-1,034	470	2,663	3.16	3,697	-1,034	470	2,879	3.16	3,797	-918															
42	84	4.01	83	1	42	84	4.01	83	1	42	91	4.01	90	1															
43	109,766	5.01	109,766	0	43	109,766	5.01	109,766	0	43	114,956	5.01	118,689	-3,733															
44	21,111	5.02	20,230	881	44	21,111	5.02	20,230	881	44	22,831	5.02	21,875	956															
45	10	5.03	1	9	45	10	5.03	1	9	45	10	5.03	10	0															
604	0	5.04	5,042	-5,042	604	0	5.04	5,042	-5,042	604	0	5.04	5,451	-5,451															

(1)	(2)	(3)	(4)	(5)=(2)-(4)	(6)	(7)	(8)	(9)	(10)=(7)-(9)	(11)	(12)	(13)	(14)	(15)=(12)-(14)
USPS BY96 A File	USPS BY96 A File	PRC BY96 A File	PRC BY96 A File	Difference	USPS BY96 C File	USPS BY96 C File	PRC BY96 C File	PRC BY96 C File	Difference	USPS 98 TYAR C File	USPS 98 TYAR C File	PRC 98 TYAR C File	PRC 98 TYAR C File	Difference
46	45,544	7:01	52,074	-6,530	46	52,074	7:01	52,074	-6,530	46	49,256	7:01	56,323	-7,067
47	0	7:02	192	-192	47	192	7:02	192	-192	47	0	7:02	206	-206
610	0	7:03	3,037	-3,037	610	3,037	7:03	3,037	-3,037	610	0	7:03	3,148	-3,148
48	5,876	7:04	1,947	3,929	48	1,947	7:04	1,947	3,929	48	6,125	7:04	2,069	4,056
683	0	7:05	12,259	-12,259	683	0	7:05	12,259	-12,259	683	0	7:05	12,733	-12,733
49	19,048	7:06	3,542	15,506	49	3,542	7:06	15,506	15,506	49	20,601	7:06	16,771	3,830
50	7,253	7:07	7,192	61	50	7,192	7:07	7,192	61	50	7,843	7:07	7,779	64
51	0	7:08	407	-407	51	39	7:08	39	-39	51	0	7:08	42	-42
684	0	7:09	407	-407	684	0	7:09	407	-407	684	0	7:09	422	-422
52	986	7:10	306	680	52	306	7:10	306	680	52	1,028	7:10	326	702
639	0	7:11	1,672	-1,672	639	0	7:11	1,672	-1,672	639	0	7:11	1,737	-1,737
53	2,003	7:12	1,340	663	53	1,340	7:12	663	663	53	2,199	7:12	729	1,470
54	12,074	7:13	4,700	7,374	54	4,700	7:13	4,700	7,374	54	13,268	7:13	5,165	8,103
57	30,135	8:01	15,936	14,199	57	30,135	8:01	15,936	14,199	57	32,339	8:01	17,102	15,237
58	6	9:01	12	-6	58	12	9:01	12	-6	58	6	9:01	13	-7
59	17	9:02	31	-14	59	17	9:02	31	-14	59	17	9:02	33	-16
69	98,749	10:01	79,164	19,585	69	98,749	10:01	79,164	19,585	69	104,697	10:01	83,933	20,764
70	9,539	10:02	7,897	1,642	70	7,897	10:02	7,897	1,642	70	10,114	10:02	8,373	1,741
74	0	11:01	0	0	74	18,301	11:01	18,301	0	74	18,843	11:01	0	18,843
75	13,710	11:02	11,769	1,941	75	13,710	11:02	11,769	1,941	75	15,775	11:02	13,610	2,165
79	0	11:03	0	0	79	8,958	11:03	8,958	0	79	9,147	11:03	0	9,147
81	0	11:04	0	0	81	1,212	11:04	1,212	0	81	1,255	11:04	0	1,255
82	583	12:01	0	583	82	583	12:01	0	583	82	624	12:01	0	624
83	200	12:02	143	57	83	200	12:02	143	57	83	214	12:02	153	61
84	0	12:03	1	-1	84	0	12:03	1	-1	84	0	12:03	1	-1
85	215	12:04	81	134	85	215	12:04	81	134	85	223	12:04	86	137
86	480	12:05	227	253	86	480	12:05	227	253	86	522	12:05	247	275
543	172	12:06	155	17	543	172	12:06	155	17	543	180	12:06	162	18
685	0	12:07	546	-546	685	0	12:07	546	-546	685	0	12:07	561	-561
88	1	12:08	3	-2	88	1	12:08	3	-2	88	1	12:08	3	-2
545	2,509	12:09	1,327	1,182	545	2,509	12:09	1,327	1,182	545	2,628	12:09	1,390	1,238
548	60	12:10	49	11	548	60	12:10	49	11	548	62	12:10	51	11
91	640	12:12	0	640	91	640	12:12	0	640	91	699	12:12	0	699
92	220	12:13	156	64	92	220	12:13	156	64	92	239	12:13	171	68
93	0	12:14	10	-10	93	0	12:14	10	-10	93	0	12:14	11	-11
94	236	12:15	147	89	94	236	12:15	147	89	94	248	12:15	96	152
95	527	12:16	1	526	95	527	12:16	1	526	95	583	12:16	277	306

Component Amount	Component Amount	Component Amount	Component Amount	Component Amount	Component Amount	Component Amount	Component Amount	Component Amount	Component Amount	Component Amount	Component Amount	Component Amount	Component Amount	Component Amount	Component Amount
(1)	(2)	(3)	(4)	(5)=(2)-(4)	(6)	(7)	(8)	(9)	(10)=(7)-(9)	(11)	(12)	(13)	(14)	(15)=(12)-(14)	
USPS BY96 A File	USPS 98 TYAR C File	PRC BY96 A File	USPS BY96 C File	USPS BY96 C File	PRC BY96 C File	USPS 98 TYAR C File	PRC BY96 C File	USPS BY96 C File	USPS BY96 C File	USPS 98 TYAR C File	PRC BY96 A File	USPS BY96 C File	PRC BY96 A File	USPS BY96 C File	PRC BY96 A File
178	190	160	18	549	178	549	178	160	18	549	178	160	18	549	178
12:17	12:17	12:18	12:18	12:18	12:18	12:18	12:18	12:19	12:19	12:19	12:18	12:18	12:18	12:18	12:17
598	598	598	598	598	598	598	598	598	598	598	598	598	598	598	598
3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470
550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550
12:20	12:20	12:21	12:21	12:21	12:21	12:21	12:21	12:21	12:21	12:21	12:22	12:22	12:22	12:22	12:20
66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66
288	288	279	288	288	288	279	279	288	288	288	279	279	288	288	288
12:23	12:23	12:24	12:24	12:24	12:24	12:23	12:23	12:23	12:23	12:23	12:24	12:24	12:24	12:24	12:23
100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12:25	12:25	12:26	12:26	12:26	12:26	12:25	12:25	12:25	12:25	12:25	12:26	12:26	12:26	12:26	12:25
15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
32	32	30	32	32	32	30	30	32	32	32	30	30	32	32	32
12:27	12:27	12:28	12:28	12:28	12:28	12:28	12:28	12:28	12:28	12:28	12:28	12:28	12:28	12:28	12:27
568	568	568	568	568	568	568	568	568	568	568	568	568	568	568	568
12:30	12:30	13:09	13:09	13:09	13:09	13:09	13:09	13:10	13:10	13:10	13:09	13:09	13:09	13:09	13:09
121	121	80	121	121	121	80	80	121	121	121	80	80	121	121	121
55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55
13:10	13:10	13:11	13:11	13:11	13:11	13:10	13:10	13:11	13:11	13:11	13:10	13:10	13:10	13:10	13:10
0	0	3	0	3	0	3	3	0	3	3	0	0	3	3	0
13:12	13:12	13:13	13:13	13:13	13:13	13:12	13:12	13:12	13:12	13:12	13:13	13:13	13:13	13:13	13:12
4	4	6	4	6	4	6	6	4	6	6	4	4	6	6	4
13:14	13:14	13:17	13:17	13:17	13:17	13:14	13:14	13:14	13:14	13:14	13:17	13:17	13:17	13:17	13:14
72	72	70	72	72	72	70	70	72	72	72	70	70	72	72	72
13:18	13:18	13:18	13:18	13:18	13:18	13:18	13:18	13:18	13:18	13:18	13:18	13:18	13:18	13:18	13:18
44	44	48	44	48	44	48	48	44	48	48	44	44	48	48	44
13:19	13:19	13:20	13:20	13:20	13:20	13:19	13:19	13:20	13:20	13:20	13:19	13:19	13:19	13:19	13:19
0	0	1	0	1	0	1	3	0	1	3	0	0	1	3	0
13:21	13:21	13:22	13:22	13:22	13:22	13:21	13:21	13:21	13:21	13:21	13:22	13:22	13:22	13:22	13:21
140	140	6	140	6	140	6	6	140	6	6	140	140	6	6	140
13:515	13:515	14:01	14:01	13:515	14:01	14:01	14:01	13:515	14:01	14:01	14:01	14:01	14:01	14:01	13:515
681	681	0	681	0	681	0	121	681	0	681	0	0	681	0	681
14:03	14:03	14:04	14:03	14:03	14:03	14:04	14:03	14:03	14:03	14:03	14:03	14:03	14:03	14:03	14:03
158,791	158,791	72,881	158,791	72,881	158,791	72,881	72,881	158,791	72,881	72,881	72,881	72,881	72,881	72,881	158,791
144	144	145	144	145	144	145	144	144	145	144	145	144	145	144	144
14:05	14:05	14:06	14:05	14:05	14:05	14:06	14:05	14:05	14:05	14:05	14:06	14:05	14:05	14:05	14:05
3,091	3,091	3,108	3,091	3,108	3,091	3,108	3,091	3,091	3,108	3,091	3,108	3,091	3,108	3,091	3,091
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16:11	16:11	16:14	16:11	16:14	16:11	16:14	16:11	16:14	16:14	16:11	16:14	16:14	16:14	16:14	16:11
10,050	10,050	261	10,050	261	10,050	261	261	10,050	261	261	261	261	261	261	261
-1,162	-1,162	184	-1,162	184	-1,162	184	184	-1,162	184	184	-1,162	184	184	184	-1,162
18:06	18:06	18:08	18:06	18:08	18:06	18:08	18:06	18:06	18:08	18:06	18:08	18:08	18:08	18:08	18:06
1,135	1,135	1,133	1,135	1,133	1,135	1,133	1,135	1,135	1,133	1,135	1,133	1,135	1,133	1,135	1,135
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18:09	18:09	18:09	18:09	18:09	18:09	18:09	18:09	18:09	18:09	18:09	18:09	18:09	18:09	18:09	18:09
5,464	5,464	5,475	5,464	5,475	5,464	5,475	5,464	5,464	5,475	5,464	5,475	5,464	5,475	5,464	5,464
15,072	15,072	15,102	15,072	15,102	15,072	15,102	15,072	15,072	15,102	15,072	15,102	15,072	15,102	15,072	15,072

Attachment 1
 MH/USPS-15-1
 (Redirected from Witness Alexandrovich)

Component Amount	(1)	USPS BY96 A File	(2)	Component Amount	(3)	PRC BY96 A File	(4)	Difference	(5)=(2)-(4)	(6)	USPS BY96 C File	(7)	Component Amount	(8)	PRC BY96 C File	(9)	Difference	(10)=(7)-(9)	(11)	USPS 98 TYAR C File	(12)	Component Amount	(13)	PRC 98 TYAR C File	(14)	Difference	(15)=(12)-(14)
71	0	71	0	0	0	71	0	0	0	0	71	0	0	0	71	0	0	0	148	71	0	18:17	0	169	0	169	
1435	0	1435	0	0	0	1435	0	0	0	0	1435	0	0	0	1435	0	0	0	12,512	1435	0	18:18	0	18:18	0	0	
221	0	221	0	0	0	221	0	0	0	0	221	0	0	0	221	0	0	0	413	221	0	20:01	0	534	0	534	
222	0	222	0	0	0	222	0	0	0	0	222	0	0	0	222	0	0	0	142	222	0	20:02	0	165	0	165	
224	0	224	0	0	0	224	0	0	0	0	224	0	0	0	224	0	0	0	153	224	0	20:04	0	175	0	175	
225	0	225	0	0	0	225	0	0	0	0	225	0	0	0	225	0	0	0	340	225	0	20:05	0	409	0	409	
229	0	229	0	0	0	229	0	0	0	0	229	0	0	0	229	0	0	0	1	229	0	20:07	0	1	0	1	
581	0	581	0	0	0	581	0	0	0	0	581	0	0	0	581	0	0	0	1,659	581	0	20:08	0	1,919	0	1,919	
582	0	582	0	0	0	582	0	0	0	0	582	0	0	0	582	0	0	0	10	582	0	20:09	0	0	0	11	
1436	0	1436	0	0	0	1436	0	0	0	0	1436	0	0	0	1436	0	0	0	35,773	1436	0	20:22	0	77,127	0	77,127	
252	68,133	252	68,133	-4,537	-4,537	252	68,133	68,133	72,670	72,670	252	68,133	72,670	252	68,133	72,670	72,670	-4,537	521,826	252	72,938	525,012	72,938	546,602	-4,189	-4,189	
253	496,803	253	496,803	-25,023	-25,023	253	496,803	496,803	521,826	521,826	253	496,803	521,826	253	496,803	521,826	521,826	-25,023	83	253	91	525,012	91	546,602	-21,590	-21,590	
254	84	254	84	1	1	254	84	84	84	84	254	84	84	254	84	84	84	1	83	254	91	84	90	90	1	1	
256	130,887	256	130,887	-4,160	-4,160	256	130,887	130,887	135,047	135,047	256	130,887	135,047	256	130,887	135,047	135,047	-4,160	135,047	256	137,797	146,025	146,025	-8,228	-8,228		
257	92,784	257	92,784	-7,211	-7,211	257	92,784	92,784	99,995	99,995	257	92,784	99,995	257	92,784	99,995	99,995	-7,211	99,995	257	100,320	107,451	107,451	-7,131	-7,131		
258	30,135	258	30,135	14,199	14,199	258	30,135	30,135	15,936	15,936	258	30,135	15,936	258	30,135	15,936	15,936	14,199	15,936	258	32,339	17,102	17,102	15,237	15,237		
259	23	259	23	43	43	259	23	23	20	20	259	23	23	259	23	23	23	43	20	259	23	23	46	46	-23	-23	
260	108,288	260	108,288	21,227	21,227	260	108,288	108,288	87,061	87,061	260	108,288	87,061	260	108,288	87,061	87,061	21,227	87,061	260	114,811	92,305	92,305	22,506	22,506		
261	13,710	261	13,710	1,941	1,941	261	13,710	13,710	11,769	11,769	261	13,710	11,769	261	13,710	11,769	11,769	1,941	11,769	261	15,775	13,610	13,610	2,165	2,165		
262	9,873	262	9,873	3,795	3,795	262	9,873	9,873	6,078	6,078	262	9,873	6,078	262	9,873	6,078	6,078	3,795	6,078	262	10,558	6,475	6,475	4,083	4,083		
263	261	263	261	-15	-15	263	261	261	276	276	263	261	261	263	261	261	261	-15	276	263	292	310	310	-18	-18		
264	248,294	264	248,294	18,681	18,681	264	248,294	248,294	229,613	229,613	264	248,294	229,613	264	248,294	229,613	229,613	18,681	229,613	264	276,747	252,884	252,884	23,863	23,863		
266	10,311	266	10,311	-1,163	-1,163	266	10,311	10,311	11,474	11,474	266	10,311	11,474	266	10,311	11,474	11,474	-1,163	11,474	266	8,273	9,234	9,234	-961	-961		
268	21,734	268	21,734	-44	-44	268	21,734	21,734	21,778	21,778	268	21,734	21,778	268	21,734	21,778	21,778	-44	21,778	268	18,169	18,123	18,123	46	46		

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MCGRAW-HILL COMPANIES
(REDIRECTED FROM WITNESS O'HARA)**

8757

MH/USPS-T30-2. With respect to the "intrinsic value" of mail service provided for Periodicals mail, which you describe (p. 29, line 22, through p. 30, lines 1-2) as "moderately high" by comparison with other mail classes:

(a) Please describe fully the data collection program known as "EX2C", including its purpose, methodology, time-frame, and results.

(b) Please explain fully all of the reasons why the EX2C program was terminated.

(c) Please provide as a library reference all reports, summaries, analyses, and aggregations of the data (redacted if necessary to protect the identity of program participants) generated by the EX2C program.

(d) Please identify any and all other information available to the Postal Service (whether or not based upon "nationally representative" data) relating to the extent to which Periodicals (second class) service have or have not been met from January 1994 forward, and provide all documents reflecting such information.

(e) Please state the extent to which, and the reasons why, Periodicals (second-class) mail has been processed with (or after) Standard A (third-class) mail at ADCs (or other mail processing facilities other than delivery units) since January 1996, resulting in a delay (loss of preference) in the processing or delivery of Periodicals (second-class) mail, and provide all documents relating to such practice.

RESPONSE:

(a) Periodicals participated on a voluntary basis, subject only to their ability to meet the requirements of the system. These requirements included ability to relay time of deposit and location of deposit information accurately and reliably, ability to de-duplicate their mailing lists to avoid sending duplicate pieces in the measurement process, ability to seed reporter names into their own mailing lists, and ability to conform to EX2C addressing requirements. Each participating mailer selected which of its mailings were to be measured.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MCGRAW-HILL COMPANIES
(REDIRECTED FROM WITNESS O'HARA)**

8758

- (b) EX2C was discontinued on November 3, 1996 because it did not provide a nationally representative measure of second-class or Periodicals service performance nor did it provide data that could be used effectively by Postal Service field and headquarters management to improve delivery performance.
- (c) The EX2C program has been discontinued and the attached summary for PQ3, FY 1994 provides the only available information .
- (d) No responsive documents have been identified.
- (e) Answered by witness O'Hara.

EXTERNAL RECORD-CLASS MEASUREMENT SYSTEM
 PERFORMANCE REPORT
 ALL MAILINGS COMBINED

Page 1
 RDN DATE: 06/04/94

TIME PERIOD: (FY94, P03)

SERVICE COMMITMENT	% ON-TIME	RANGE +/-	AVERAGE DAYS	RANGE +/-
OVERNIGHT	81.82	0.55	0.97	0.02
TWO DAY	67.25	1.88	2.16	0.09
THREE DAY	48.84	3.07	4.07	0.17
FOUR DAY	46.50	4.87	5.03	0.29
FIVE DAY	55.29	5.88	5.66	0.25
SIX DAY	66.68	5.48	6.26	0.52
SEVEN DAY	25.59	4.96	12.98	0.85
ALL COMMITMENTS	71.91	1.35	2.12	0.11

NO AGGREGATION OF INFORMATION WAS GENERATED FOR THE PARTICIPANTS OF EX2C AFTER PQ 3, FY 94. THIS WAS DUE TO THE FACT THAT THE DATA WERE NOT REPRESENTATIVE OF THE ENTIRE SECOND-CLASS MAIL STREAM.
 EX2C WAS DISMANTLED ON NOVEMBER 3, 1996. NO DATA WAS MAINTAINED OR ARCHIVED FOR EX2C.

**Designated Responses of the
United States Postal Service
to MMA Interrogatories**

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION

8761

MMA/USPS-INST-1. Please confirm that, as reported in the December 1995 article from the AMMA Bulletin 52-95 (attached hereto), Deputy Postmaster General Michael Coughlin told AMMA that the Postal Service was pleased with the results of tests it has been conducting with a group of AMMA-member companies involving pieces weighing up to 3.5 ounces. If you cannot confirm, please explain why and state the Postal Service's policy about the maximum permissible weight for automation-rated letters.

RESPONSE:

The Postal Service has no specific record of the remarks by Deputy Postmaster General Michael Coughlin and thus cannot confirm that the remarks were in fact made. However, the Postal Service can confirm that AMMA reported on results of tests the Postal Service had been conducting with a group of AMMA-member companies involving pieces weighing up to 3.5 ounces. The Postal Service's *policy with regard to maximum weight limits for automation letters are as stated in the Domestic Mail Manual.*

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION

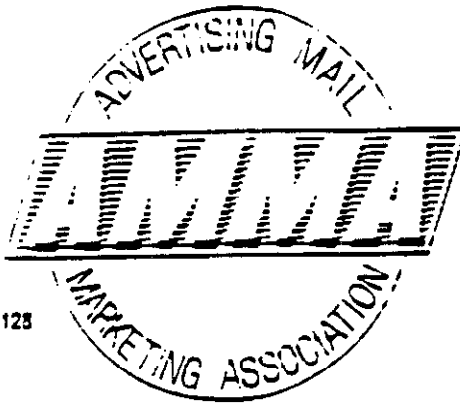
8762

MMA/USPS-INST-2. Please confirm that, as reported in the December 1995 article from the AMMA Bulletin 52-95 (attached hereto), the Postal Service announced in late 1995 that it had approved AMMA's request to increase the maximum permissible weight for automation-rated letters above the then-present 3.0 ounces. If you cannot confirm, please explain why and state the Postal Service's policy about the maximum permissible weight for automation-rated letters.

Response:

Confirmed.

BULLETIN



BULLETIN

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AMMA BULLETIN 52-95

DECEMBER 15, 1995

HIGHLIGHTS.....

.....USPS APPROVES AMMA HEAVY-WEIGHT LETTER PETITION—The U.S. Postal Service (USPS) announced it has approved the Advertising Mail Marketing Association's request to increase the maximum permissible weight for automation-rated letters above the present 3.0 ounces. Deputy Postmaster General Michael Coughlin told AMMA that the USPS has been pleased with the results of the tests it has been conducting with a group of AMMA-member companies involving pieces weighing up to 3.5 ounces. USPS officials intend to make the change permanent as soon as the appropriate steps are completed through the DMM regulatory process, which might take as little as three months. In the meantime, mail weighing up to the present minimum per-piece/per-pound break-point (3.5067 ounces for regular rate mail) will continue to be accepted at automation rates on an experimental basis to allow mailers to gain more experience with the preparation of heavier weight automation-rated letters.

[Unrelated Material Deleted]

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RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION

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MMA/USPS-INST-3. Has the Postal Service taken the steps necessarily to implement a higher weight limit for Standard Mail A automation letters on a permanent basis? If yes, please explain. If no, why not?

Response:

Yes, see Postal Bulletin 21913, dated 2-15-96.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION

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MMA/USPS-INST-4.

- Q) Please refer to our answer to MMA/USPS-T32-24(B). There you indicate that the unit cost derived for First-Class Single Piece letters includes the cost pool for mail preparation and acceptance, including culling, facing, and canceling stamped mail. Please state precisely in LR-H-106 where that cost pool is shown as being included for First-Class single piece letters.

RESPONSE:

The mail processing unit costs for First-Class single piece letters are shown in LR-H-106 at page II-5. The cost pool containing information on culling, facing, canceling and other mail preparation is labeled "1CancMMP." This is described in the Postal Service's response to ABA&EEI&NAPM/USPS-T25-24, subpart a. Acceptance costs, primarily for bulk entered mailings, are contained in the cost pool labeled "LD79" and also in the cost pool "NonMODS." These cost pools are described in the Postal Service's response to ABA&EEI&NAPM/USPS-T25-17.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION

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MMA/USPS-INST-5.

- Q) Please refer to your answer to MMA/USPS-T32-25(D) and USPS witness Hatfield's answer to MMA/USPS-T25-3(E). If the Commission finds that labor processing costs are 100% variable with volume, do you agree that the difference between the unit costs for First-Class single piece letters and First-Class presorted letters will increase in similar fashion as the unit costs derived by USPS witness Hayfield [sic] in his cost models. If not, please explain.

RESPONSE:

It is likely that if an assumption of 100 percent volume variable mail processing costs were used in place of the current volume variability study, then the cost difference between single piece First-Class Mail letters and presorted First-Class Mail letters would increase.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION

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MMA/USPS-INST-6.

In answer to NDMS/USPS-T32-29 you estimate the percentage of BY 1996 First-Class single piece nonstandard letters that have paid the nonstandard surcharge. Please estimate the number of First-Class single piece 2-ounce letters that have paid 32 cents for the second ounce (total postage of 64 cents) in BY 1996.

RESPONSE:

The number of First-Class single piece 2-ounce letters that paid 32 cents for the second ounce (total postage of 64 cents) in FY 1996 was approximately 202.1 million.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION

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MMA/USPS-FU-1

In the Postal Service's October 16 Response, on the page designated as "Attachment to Response to MMA/USPS-T32-15(B) et al., page 3, PRC-30F, Page 2 of 2," please refer to line 14. There the Postal Service has provided two adjustments to institutional costs (all expressed in \$000). One adjustment pertains to air transportation (\$-3955); the other to delivery confirmation costs (\$27,312). The result of these two adjustments increases the LR-215 institutional costs of \$21,379,790, by \$23,357. The adjusted institutional costs thus become \$21,403,147.

- (A) Please explain the rationale for the two adjustments to the LR-H-215 institutional costs, as show (sic) in line 14 of PRC-30F.
- (B) When Exhibit USPS 30-F was revised on September 19, 1997, why were similar adjustments not made to the Postal Service's institutional cost of \$26,683,278, as shown in line 50 of Exhibit 50 (sic) of Exhibit USPS-30B (rev.)?

Response:

- (A) These adjustments are necessary because both Air Transportation (as treated before the 9-19-97 revision) and the Delivery Confirmation adjustment involve non-volume-variable costs as well as volume-variable costs. Note that the Delivery Confirmation adjustment was not changed on 9-19-97; the non-volume variable costs for Delivery Confirmation have always been included in line 50 of Exhibit USPS-30B.
- (B) The non-volume-variable cost on line 50 of Exhibit USPS-30B was in fact revised on 9-19-97, to \$26,683,278 from \$26,698,560 in the 8-22-97 revision, a reduction of \$15,282 (there is an offsetting increase in volume-variable cost, so total cost is unchanged). The difference between this \$15,282 reduction and the reduction of \$3,955 shown on PRC-30F page 2, line 14 reflects differences in costing methodology.

MMA/USPS-FU-2

Please refer to the Postal Service's October 21 Response to Order No. 1197, Table II-2, where the Service lists the total mail processing unit cost results for the following categories of First-Class letter and cards: (a) Nonautomation presort, (b) Automation basic presort, (c) Automation 3-digit presort, (d) Automation 5-digit presort, and (e) Automation carrier route presort.

Please confirm (as requested by the Interrogatory) that the information provided in this Response "shows how the costs of First-Class letters would change if [the Service] had used the Commission-approved methodology."

Response:

Confirmed. This response shows the costs under the Postal Service's best attempt at using the Commission's methodology.

MMA/USPS-FU-3

Please refer to Interrogatory MMA/USPS-FU-2 and to Order No. 1197, pages 6-7 and 8, where the Commission said that witness Hatfield's "unit costs [for the various rate categories of First-Class letters and cards] provide the basis of worksharing discounts for First-Class letters and cards because they indicate the amount of costs avoided by the various worksharing categories" and "The effect of the Postal Service's proposed changes in mail processing attribution methods on the cost avoidance calculations that underlie its proposed rate category discounts is information that is obviously relevant to evaluating both its proposed attribution methods and its proposed discounts. Indeed, it would be difficult to properly evaluate the Postal Service's proposed discounts without it."

(A) Is it possible to determine from the Table II-2 unit costs *alone*:

- (1) "[T]he basis of worksharing discounts for letter and cards" (See Order No. 1197, page 6)?
- (2) "[T]he amount of the costs avoided by the various worksharing categories" (See Order No. 1197, pages 6-7)?
- (3) "[T]he cost avoidance calculations that [should] underlie...rate category discounts" (See Order No. 1197, page 8)?

If the answer to any of the subparts of this Interrogatory is other than "no," please explain in detail and provide a calculation of the basis of the discounts, the amount of costs avoided, and the cost avoidance calculations that should underlie First-Class rate category discounts under the Commission's methodology.

Response:

- A. (1) - (3) No, it not possible to determine from Table II-2 alone the cost avoided relative to single-piece First-Class letters.

U.S. POSTAL SERVICE RESPONSE TO MMA INTERROGATORIES

MMA/USPS-FU-4. Please refer to Interrogatory MMA/USPS-FU-2 and to Exhibit USPS-T32, page 19, where the Postal Service witness stated that "cost avoidances and the resulting discounts are measured by subtracting the cost of the rate category under consideration from the benchmark cost" and that "the benchmark is just as critical as the measured cost of the rate category in determining the discount." Please also refer to Exhibit USPS-T32, pages 19-21, where the Postal Service witness disapproved the use of "all presorted letters as a benchmark," saying that instead: "The specific benchmark I used in setting the discounts for bulk automation letters is the sum of mail processing and delivery costs *for bulk metered mail*" (Italics added).

If the Commission decides to establish discounts by using the methodology implicit in the Table II-2 of the October 21 Response and the unit costs shown in that Table, does the Postal Service still believe that:

- (A) Cost avoidances and the resulting discounts should be measured by subtracting the (labor plus delivery) cost of the rate category under consideration from the benchmark cost?
- (B) The benchmark is just as critical as the measured cost of the rate category in determining the discount?
- (C) The unit costs of all presorted letters should not be used as a benchmark?
- (D) The specific benchmark that should be used in setting the discounts for bulk automation letters is the sum of mail processing and delivery unit costs *for bulk metered mail*?

RESPONSE: Please note that the preamble to parts (a)-(d) of this interrogatory contains three typos, which have not been corrected above. In the first and sixth lines of the preamble, witness Fronk's testimony (USPS-T32) is incorrectly referred to as an exhibit. Also, in the seventh line of the preamble, the quotation "all presorted letters as a benchmark" should instead read "all nonpresort letters as a benchmark," per line 17 of page 19 of USPS-T32.

(a) To correctly characterize the discussion concerning benchmarks and avoided costs which appears at pages 19-21 of USPS-T32, the parenthetical to this question, "(labor plus delivery)," should read "(mail processing plus delivery)." If this change is made, the response to this question is "yes" with respect to measuring cost avoidances; in setting the "resulting discounts," not only cost avoidance but other criteria may need to

be considered. Also, note that the view of the Commission is cited at page 20, lines 20-22, through page 21, lines 1-3, of USPS-T32:

I focused on the mail processing and delivery cost aspects of this benchmark because these are the costs that will be affected by presorting and barcoding. Transportation and "other costs" are not likely to be avoided by these worksharing activities. The Commission reached the same conclusion about transportation and "other" costs in MC95-1 (paragraph 4273 at page IV-123).

(b) Yes.

(c)-(d) Consistent with the preamble to this response, the question set forth in subpart (c) should read "nonpresorted letters" rather than "presorted letters." If this change is made, the response to these subparts is "yes." Also, note that the choice of the benchmark was made within the context of the discussion which appears at pages 19-21 of USPS-T32 and was consistent with the Commission decision in Docket No. MC95-1. As stated at lines 17-20 of page 20 of USPS-T32:

As the Commission stated in Docket No. MC95-1 (paragraph 4302 at page IV-136), "...the single-piece mail most likely to convert to the automation categories is limited to the bulk metered mail component."

U.S. POSTAL SERVICE RESPONSE TO MMA INTERROGATORIES

MMA/USPS-FU-5

Please refer to Interrogatory MMA/USPS-FU-4.

- (A) Does the Postal Service's October 21 Response to Order No. 1197 show a unit processing cost for the bulk metered mail benchmark for First-Class letters, computed in accordance with the Commission's methodology ?
- (B) Has the Postal Service submitted any other document in this proceeding that shows the unit processing cost for the bulk metered mail benchmark for First-Class letters, computed in accordance with the Commission's methodology? If so, please provide a copy of that document or (if it is voluminous) a citation to the place in the record where that benchmark is available.

Response:

A. No.

B. No.

MMA/USPS-FU-6

Please refer to Interrogatories MMA/USPS-FU-4 and FU-5 and to the Postal Service's October 16 Response to Order No. 1197. In response to Interrogatory MMA/USPS-T25-1, the Postal Service said that "The unit benchmark processing costs in witness Hatfield's testimony...differ from those that would be produced under the Commission's costing methodology."

- (A) Does the Postal Service's unit cost for the bulk metered benchmark, used in Exhibit USPS-T32 (page 26) in conjunction with witness Hatfield's "unit processing costs" to derive the First-Class cost savings shown on that page, also "differ from [the bulk metered benchmark] that would be produced under the Commission's costing methodology"?
- (B) If the Commission decided to compute discounts according to its own methodology, using the unit processing costs shown in Table II-2 of the Service's October 21 Response, would it be proper and consistent with the Commission's methodology for the Commission to adopt the Postal Service's unit cost bulk metered benchmark used in Exhibit USPS-T32 (page 26) in conjunction with witness Hatfield's "unit processing costs" to derive the First-Class letter-discount?
- (C) If the answer to Subparagraph (B) is other than "no," please explain in detail why it is appropriate to derive discounts by subtracting unit costs derived under one methodology from a benchmark that is derived under a different methodology?

Response:

- A. The answer to the question is yes. As noted in our response to MMA/USPS-FU-4, witness Fronk's testimony (USPS-T32) is incorrectly referred to as an exhibit in this question as well. The response to this question takes this reference to be "testimony."
- B. No.
- C. Not applicable.

U.S. POSTAL SERVICE RESPONSE TO MMA INTERROGATORIES

MMA/USPS-FU-7

Please refer to Interrogatories MMA/USPS-FU-2 and FU-4 through 6. Please provide the unit processing cost for a bulk metered mail benchmark that is *comparable to the unit processing costs shown in Table II-2 to the Service's October 21 Response to Order 1197* and that will provide the Commission with a consistent basis to employ the Table II-2 costs in making a determination, under the Commission's methodology, about:

- (1) "[T]he basis of worksharing discounts for letter and cards" (See Order No. 1197, page 6)?
- (2) "[T]he amount of the costs avoided by the various worksharing categories" (See Order No. 1197, pages 6-7)?
- (3) "[T]he cost avoidance calculations [for]...rate category discounts" (See Order No. 1197, page 8)?

Response:

The mail processing unit cost for bulk metered First-Class single-piece letters is 13.16 cents. This is the metered First-Class single-piece letter unit cost of 14.61 cents minus the Opcode 1 unit cost for First-Class single-piece letters of 1.45 cents.

The first step in this calculation is to compute the mail processing unit costs by shape for First-Class single-piece Letters, Flats and Parcels. This calculation was done using the methodology from LR-MCR-10 from Docket No. MC95-1. The mail processing unit costs for First-Class single-piece letters, flats and parcels are 15.84, 36.34, and 67.67 cents respectively.

Bulk metered First-Class single-piece letter costs were not previously calculated in MC95-1. This calculation is done here mirroring the calculations done in LR-H-106. The metered First-Class single-piece letter mail processing unit cost is obtained by computing the percent of direct tally costs associated with metered letters as compared with the total First-Class single-piece letter costs by basic function. This leads to a mail processing First-Class single-piece metered letter cost of 14.61 cents. To reflect the

U.S. POSTAL SERVICE RESPONSE TO MMA INTERROGATORIES

bulk entry aspect the cost for Opcode 01, which is 1.45 cents, is subtracted from the metered letter costs. Opcode 01 covers mail preparation costs, including facing and canceling and traying First-Class single-piece. Opcode 01 costs for First-Class single-piece metered letters were computed by using the LIOCATT Opcode 01 costs for First-Class single-piece letters and determining the percentage of direct tally costs associated with metered letters as compared with the total First-Class single-piece letter costs by basic function. This is the same method used to compute the total metered First-Class single-piece letter unit cost.

MMA/USPS-FU-8

Please supply the workpapers that support the Service's October 21 Response to Order No. 1197, especially Table II-2 of that Response.

Response:

The workpapers are contained in LR-H-301, filed October 29th.

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION
(Redirected from Witness Alexandrovich, USPS-T-5)

MMA/USPS-T5-4

Please provide the indirect piggyback factors for each piece of equipment that processes First-Class letters. The data should be comparable to similar data utilized by the Commission in Docket No. R90-1, Appendix F, page 6.

Response:

The mail processing operation specific piggyback factors have been provided in USPS-LR-H-77, at pages 231-3.

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION
(Redirected from Witness Alexandrovich, USPS-T-5)

MMA/USPS-T5-7

Please provide[d] the BY 1996 First-Class volumes by shape for each category.

Response:

This is contained in USPS LR-H-126, page IV-1.

**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.

Supplemental 10/21/97

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF
MMA/USPS-T25-1(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) Answered previously.
- (C) Attachment I to this response provides Table II-2 Total Mail Processing Unit Cost Results for all First-Class rate categories listed in the table. These costs are based on the following elements:
 - (1) Witness Hatfield's models with productivities based on volume variabilities of 100 percent;
 - (2) Operation-specific piggyback factors developed based on LR-H-215; and

Supplemental 10/21/97

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

- (3) Benchmark costs (or costs by shape) based on the piggyback factors developed as stated in item 2, and based on LR-H-196 and 215, and LIOCATT. The benchmark costs are calculated consistent with LR-MCR-10 in Docket No. MC95-1, with the following modifications. Modifications were made (a) to better account for RBCS growth between the base year and the test year; (b) to reflect additional CSBCS processing for automation carrier route presort; (c) to better reflect RBCS piggyback costs; and (d) to reconcile only labor costs by shape for the benchmarks, as opposed to total costs, with test year costs because overall piggyback factors for First-Class presort were not available based on LR-H-215.

Attachment I
MMA/USPS-T25-1 (C)

TABLE II-2

TOTAL MAIL PROCESSING UNIT COST RESULTS

First-Class Rate Category	Cost (in cents)
Nonautomation presort letters	9.3779
Automation basic presort letters	6.5947
Automation 3-digit presort letters	5.5707
Automation 5-digit presort letters	3.5113
Automation carrier route presort letters	2.3136
Nonautomation presort cards	6.7976
Automation basic presort cards	4.7802
Automation 3-digit presort cards	4.0379
Automation 5-digit presort cards	2.5452
Automation carrier route presort cards	0.9337

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

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

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

The United States Postal Service hereby provides a revised response to the following interrogatory of Major Mailers Association: MMA/USPS-T25-1(C), filed on August 13, 1997 and redirected from witnesses Hatfield. The initial response was filed on October 16, 1997 and a supplemental response was filed on October 21, 1997. Only the attachment to the supplemental response has changed and accordingly, it is the only part of the response included with this cover page.

The changes to the attachment result from revised benchmark costs, occurring due to changes in weighted piggyback factors by shape and basic function, changes in the calculation of test year costs taken from Library Reference H-215, and certain changes in the ratio of total mail processing labor costs. For a more detailed explanation of these changes, please refer to *Notice of United States Postal Service of Filing of Revised Pages and Diskette for Library Reference H-301*, filed today.

TABLE II-2

TOTAL MAIL PROCESSING UNIT COST RESULTS

First-Class Rate Category	Cost (in cents)
Nonautomation presort letters	9.1534
Automation basic presort letters	6.4369
Automation 3-digit presort letters	5.4374
Automation 5-digit presort letters	3.4273
Automation carrier route presort letters	2.2402
Nonautomation presort cards	6.4723
Automation basic presort cards	4.5515
Automation 3-digit presort cards	3.8447
Automation 5-digit presort cards	2.4234
Automation carrier route presort cards	0.8717

**RESPONSE OF THE U. S. POSTAL SERVICE TO
INTERROGATORIES OF MMA REDIRECTED FROM WITNESS HATFIELD**

MMA/USPS-T25-11. Please refer to Exhibit USPS-T-25, p. 2. There you show that the *First-Class Carrier Route Presort unit processing cost* is 2.2910 cents. The source of this figure is LR H-106.

(A) Please confirm that this unit cost was derived under the USPS proposed cost methodology that assumes that labor costs are not 100% variable with volume. If you cannot confirm, please explain.

(B) Please provide this unit cost under the current accepted cost methodology whereby labor costs are assumed to be 100 % variable with volume.

RESPONSE:

(A) Confirmed.

(B) The unit cost for First-Class carrier route presort letters has not been calculated using a methodology other than that presented in this docket. In addition, the major inputs necessary to calculate the requested cost have not been developed and are therefore not available.

The requested "current accepted cost methodology whereby labor costs are assumed to be 100% variable with volume" is interpreted to mean the mail processing costs based on witness Degen's testimony, USPS-T-12, and an assumed 100% volume variability for labor costs. The primary steps to develop the necessary inputs and compute the test year mail processing unit cost for First-Class carrier route presort letters in the requested way are:

1. Calculate the Base Year Attributable costs (USPS-T-5A and supporting workpapers) by rerunning the base year model using the 100% volume variability for mail processing labor costs,
2. Calculate the Test Year Attributable Costs (USPS-T-15E and supporting workpapers) using the Base Year from step 1 (and possibly other modifications) and rerunning the rollforward model,
3. Calculate piggyback factors as done in LR-H-77, using the Test Year from step 2, and
4. Calculate the costs by shape (or benchmark costs) as requested by modifying LR-H-106 and LR-H-146, using inputs from all previous steps.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION**

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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 (revised 10-23-97)
 SUMMARY OF ESTIMATED FISCAL YEAR 1998 AFTER RATES FINANCES
 (Dollars in Thousands) PRC-30B

Line No.	Description	Attributable Costs (1)	Revenues (2)	Percent of Costs (Col 2/Col 1) (3)	Contribution To Other Costs (Col 2 - Col 1) (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	83,665	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	21,617,178			(21,617,178)
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	61,661,275	61,651,846	99.98%	(9,429)

Sources: Attributable Costs: PRC-30F, column (6) times 1.01 (adds 1% contingency);
 Revenue: Exh USPS-30B (9-19-97)

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)

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18	Total	1,999,913	2,125,781	106.29%	125,868
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20	Single Piece	0	0	0.00%	0
21	Commercial Regular	5,741,425	8,022,045	139.72%	2,280,620
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45	Other		370,652		370,652
46	Total	1,404,232	2,049,606	145.96%	645,373
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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. 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)
First Class Mail								
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	-4,540	380	552,117	0	552,117
5	Worksharing Cards	195,952	-96		166	196,022	0	196,022
6	Total Cards	752,719	-586	-4,540	546	748,139	0	748,139
7	Total First Class Mail	20,655,678	-42,418	-4,540	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
Periodicals								
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
Standard Mail A								
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
Standard Mail 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	214,859		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	13,459	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
 Page 1 of 3

Line	Classification	Delivery Confirmation	Pack'g Service	Std A Single Piece	Parcel/ Spec. Serv. Reform	Standard (A)	Hazmat	Total	Source
First Class Mail									
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	
Priority Mail*									
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	
Periodicals									
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	
Standard Mail A									
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	
Standard Mail 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	
Special Services									
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. Serv. (A) Reform	Standard	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,	LR-H-215, Pt III	Volume	Cost per Piece		Scaling
		pp.1-2: Total Vol. Variable	Sec 12 (revised)	Before Final 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)
First Class Mail							
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	16,509,507	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	6.5222	11.4843	1.7608
10	Mailgrams	502	306	4,757	0.1055	0.0643	0.6096
Periodicals							
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	1,557,686	7,147,574	0.2186	0.2179	0.9971
15	Total Periodicals	1,983,365	1,979,839	10,257,973	0.1933	0.1930	0.9982
Standard Mail A							
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	0.1576	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
Standard Mail 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
USPS Penalty							
	Free	173,330	215,210	297,820	0.5820	0.7226	1.2416
	International	31,451	34,284	56,390	0.5577	0.6080	1.0901
	International	1,195,076	1,357,389	1,006,682	1.1871	1.3484	1.1358
Special Services							
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
Special Delivery							
33	Money Orders	28	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	41.6365	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
	Total Vol Var/Attribtable	34,429,233	39,582,792	195,410,414	0.1762	0.2026	1.1497
	Other	26,260,888	21,164,580				
	Total Costs	60,690,121	60,747,372	195,410,414	0.3106	0.3109	1.0009

RESPONSE OF U.S. POSTAL SERVICE TO
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS FRONK

8797

MMA/USPS-T32-1. In Docket No. R94-1, USPS Witness O'Hara provided a table showing First-Class volumes, by subclass and shape, for each ounce increment (1 oz. through 11 oz.). This information was provided in Table A-8 of Exhibit USPS-T-17 and was based on FY 1993 mailing statements.

(A) Please provide a comparable Table showing First-Class volumes, by subclass and shape for each ounce increment (1 oz. through 11 oz.) for BY 1996.

(B) If the requested data is not available for BY 1996, please provide comparable data for the latest available year.

RESPONSE:

(a)-(b) Witness O'Hara did not testify in Docket No. R94-1, but did produce a table in Docket No. MC95-1 that corresponds to the description in this question. In an effort to be as responsive as possible, this question is being interpreted as referring to Docket No. MC95-1.

See attachment.

Attachment to MMA/USPS-T32-1

Base Year 96 First Class Pieces (thousands)

Distribution of Pieces by Weight Increment (ounces)

	1	2	3	4	5	6	7	8	9	10	11	Total
Non-Presort Letters/Non-letters	47,187,413	3,227,355	1,223,864	660,652	428,503	295,235	214,782	166,485	131,041	96,103	73,803	53,705,236
ZIP+4	394,188	17,388	904	1	0	0	0	0	0	0	0	412,482
Prebarcoded Flats	2,842	10,638	7,680	2,983	4,262	1,068	954	640	799	839	337	33,041
Subtotal	47,584,443	3,255,361	1,232,448	663,636	432,764	296,303	215,736	167,125	131,840	96,942	74,140	54,150,759
3/5-Presort Non-Auto Presort Letters	6,992,039	200,182	64,063	8,435	1,662	569	325	135	83	43	69	7,267,605
Non-Auto Presort - Non-Letters	29,474	67,755	84,466	28,806	5,881	4,430	2,667	2,049	1,597	1,519	786	229,430
Basic Automation	1,547,622	34,834	5,016	186	0	0	0	0	0	0	0	1,587,659
3/5-Digit Residual	1,759,108	88,224	27,530	7,462	2,650	2,781	2,222	2,149	1,831	1,572	961	1,896,489
ZIP+4 Letters	617,947	38,954	1,004	0	0	0	0	0	0	0	0	657,904
Prebarcode 3-Digit	15,064,606	161,410	14,940	197	0	0	0	0	0	0	0	15,241,153
Prebarcode 5-Digit	9,037,688	195,297	18,189	241	0	0	0	0	0	0	0	9,251,414
Prebarcode Flats	15,064	34,131	15,959	6,736	3,600	1,854	1,295	1,322	861	462	609	81,894
Subtotal	35,063,548	820,787	231,168	52,062	13,793	9,633	6,509	5,655	4,372	3,596	2,425	36,213,548
Carrier Route Letters	2,685,450	128,634	11,246	821	575	8	0	0	0	0	0	2,826,734
Non-Letters	6,678	5,362	1,398	582	440	507	48	56	24	2	13	15,110
Residual	1,736	65	0	0	0	0	0	0	0	0	0	1801
Subtotal	2,693,864	134,060	12,644	1,403	1,015	507	56	56	24	2	13	2,843,645

Note: Total pieces are from the 1996 Billing Determinants (USPS LR H-145). The above distribution of the total pieces among weight increments is approximate and is based on 1996 mailing statements, except for non-presort letters/non-letters which is based on domestic RPW data.

Base Year 96 First Class Pieces (thousands)

Distribution of Pieces by Weight Increment (ounces)

	1	2	3	4	5	6	7	8	9	10	11	Total
Non-Presort Letters/Non-letters	47,187,413	3,227,355	1,223,864	660,652	428,503	295,235	214,762	166,485	131,041	96,103	73,803	53,705,236
ZIP+4	394,188	17,388	904	1	0	0	0	0	0	0	0	412,482
Prebarcoded Flats	2,842	10,638	7,680	2,983	4,262	1,068	954	640	799	839	337	33,041
Subtotal	47,584,443	3,255,381	1,232,448	663,636	432,764	296,303	215,736	167,125	131,840	96,942	74,140	54,150,759
3/5-Presort Letters	7,681,123	219,910	70,377	9,266	1,826	625	357	149	92	47	76	7,983,847
Non-Auto Presort Letters	32,379	74,432	92,791	31,645	6,461	4,866	2,930	2,251	1,754	1,669	864	252,041
Non-Auto Presort - Non-Letters	827,401	18,623	2,682	100	0	0	0	0	0	0	0	848,806
Basic Automation	1,759,108	88,224	27,530	7,462	2,650	2,781	2,222	2,149	1,831	1,572	961	1,896,489
3/5-Digit Residual	617,947	38,954	1,004	0	0	0	0	0	0	0	0	657,904
ZIP+4 Letters	15,064,606	161,410	14,940	197	0	0	0	0	0	0	0	15,241,153
Prebarcode 3-Digit	9,037,688	195,297	18,189	241	0	0	0	0	0	0	0	9,251,414
Prebarcode 5-Digit	15,064	34,131	15,959	6,736	3,600	1,854	1,295	1,322	861	462	609	81,894
Subtotal	35,035,316	830,982	243,472	55,646	14,536	10,126	6,804	5,871	4,538	3,750	2,509	36,213,548
Carrier Route Letters	2,685,450	128,634	11,246	821	575	0	8	0	0	0	0	2,826,734
Non-Letters	6,678	5,362	1,398	582	440	507	48	56	24	2	13	15,110
Residual	1,736	65	0	0	0	0	0	0	0	0	0	1,801
Subtotal	2,693,864	134,060	12,644	1,403	1,015	507	56	56	24	2	13	2,843,645

Note: Total pieces are from the 1996 Billing Determinants (USPS LR H-145). The above distribution of the total pieces among weight increments is approximate and is based on 1996 mailing statements, except for non-presort letters/non-letters which is based on domestic RPW data.

RESPONSE OF U.S. POSTAL SERVICE TO
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS FRONK

8800

MMA/USPS-T32-2. Pages A-1 through A-3 Library Reference H-145 provide the billing determinants for First-Class Mail for FY 1996. For Postal Quarter IV and for GFY total, please provide the *numerical* computations that resulted in the entries for "Additional Ounces" of:

- (A) 5,096,798 and 16,683,201 (page A-1--see note 5),
- (B) 547,321 and 1,758,201 (page A2--see note 3), and
- (C) 48,461 and 176,866 (page A3--see note 3)

RESPONSE: Additional ounces have historically been calculated using a formula, which is provided in footnotes which appear in Library Reference H-145, as you reference in your questions. Implementation of this formula was more complicated for Postal Quarter IV and GFY 1996 than is typical due to changes in rates and rate categories that took place during Postal Quarter IV with the implementation of Docket No. MC95-1. Mail preparation requirements and rate categories changed significantly in some instances due to Docket No. MC95-1. To avoid data comparability issues, witness Fronk used FY 1997 billing determinant data, as noted in USPS-T-32, Workpaper I, page 7 of 9.

The requested calculations appear below. The formulas referenced in your questions also appear for ease of reference.

$$(a) AU = (PR - (P * FPR) - (ZP * ZD) - (PB * PD) - (NP * NS)) / APR$$

Where: Additional Ounces (AU), Postage Revenue (PR), Pieces (P), First Ounce Postage Rate (FPR), ZIP+4 Pieces (ZP), ZIP+4 Discount (ZD), Prebarcoded Flats (PB), Prebarcoded Discount (PD), Nonstandard Pieces (NP), Nonstandard Surcharge (NS), Additional Ounce Postage Rate (APR).

$$5,096,798 = (\$6,196,649 - (15,672,194 * \$0.32) - (52,131 * (-\$0.015)) - (11,922 * (-\$0.0284) - (94,579 * \$0.11)) / \$0.23$$

Note: the PD rate is a weighted average of the discount in effect for pre-July 1 and post-July 1.

$$16,683,201 = (\$21,194,141 - (54,150,759 * \$0.32) - 412,482 * (-\$0.015)) - 33,041 * (-\$0.0263) - 325,611 * \$0.11) / \$0.23$$

Note: the PD rate is a weighted average for the year.

RESPONSE OF U.S. POSTAL SERVICE TO
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS FRONK

8801

RESPONSE to MMA/USPS-T32-2 (Continued)

(b) Add Oz = (Rev - (Bas Auto Lt Pcs*Bas Auto Lt Pc Rate) - (Bas Auto Hvy Pcs*Bas Auto Hvy Pc Rate) - (Lt Pcs*Lt Pc Rate) - (Hvy Pcs*Hvy Pc Rate) - (ZIP+4 Pcs*ZIP+4 Disc) - (3-D Bar Pcs*3-D Bar Disc) - (5-D Bar Pcs*5-D Bar Disc) - (Flat Bar Pcs*Flat Bar Disc) - Nonstandard Pcs*Nonstandard Surcharge) - (Residual Pieces*Residual Rate))/Add Oz Rate

547,321 = (\$2,936,445 - (735,751*\$0.261) - (3,102*\$0.215) - ((10,354,504-735,751)*\$0.288329) - ((103,888-3,102)*\$0.242329) - (74,917*(-\$0.007) - (5,013,176*(-\$0.031153) - (2,410,080*(-\$0.043976) - (35,348*(-\$0.022141) - (14,190*\$0.05) - (258,845*\$0.32)))/\$0.23

Note: discounts that change due to Docket No. MC95-1 are a weighted average of the discount from the light piece (or heavy piece) rate in effect for pre-July 1 and post-July 1.

1,758,201 = (\$10,050,277 - (845,237*\$0.261) - (3,569*\$0.215) - ((34,017,382-845,237)*\$0.278176117) - ((299,678-3,569)*\$0.2329309162) - (657,904*(-\$0.007) - (15,241,153*(-\$0.017059593) - (9,251,414*(-\$0.02327891715) - (81,894*(-\$0.01875127805) - (49,601*\$0.05) - (1,896,489*\$0.32)))/\$0.23

Note: rates that change due to Docket No. MC95-1 are a weighted average for the year.

(c) Add Oz. = (Post Rev - (Lt Pcs*Lt Pc Rate) - (Hvy Pcs*Hvy Pc Rate) - (Nonstandard Pcs * Nonstandard Surcharge) - (Residual Pieces*Residual Rate))/Add Oz Rate

48,461 = (\$136,417 - (526,414*\$0.237624) - (323*\$0.191624) - (955*\$0.05) - (228*\$0.32))/0.23

Note: Lt Pc and Hvy Pc rates are a weighted average of the discount in effect pre-July 1 and post-July 1

176,866 = (\$754,886 - (2,839,400*\$0.251014) - (2,444*\$0.205914) - (7,977*\$0.05) - (1,801*\$0.32))/0.23

Note: Lt Pc and Hvy Pc rates are a weighted average for the year

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS DAVID R. FRONK

8802

MMA/USPS-T32-11. Please refer to the Postal Service's Final Rules, entitled "Revisions To Weight and Preparation Standards for Barcoded Letter Mail, published in 59 Federal Register 65967-71 (Dec. 22, 1994) and 60 Federal Register 5860-61 (January 31, 1995).

- a. Please confirm that "For a period of up to 1 year, beginning January 16, 1995, the Postal Service [proposed] to conduct a test of live barcoded bulk third-class regular rate letter mail weighing between 3.0 and 3.3071 ounces, and barcoded bulk third-class nonprofit rate, First-Class and second-class letter mail weighing between 3.0 and 3.376 ounces" (60 Fed. Reg. at 5860) in order "to determine whether a permanent increase in the maximum weight for barcoded letter mail is appropriate...." (59 Fed. Reg. at 65969).
- b. Please state whether the tests were conducted.
- c. What were the results of the tests? Please attach copies of all written reports of the test results.
- d. How did the test results affect the rule published in 59 Federal Register 65967-71 and 60 Federal Register 5860-61 ?
 - (1) Was the rule continued in effect and, if so, does the rule remain in effect?
 - (2) Was the rule modified and, if so, how was it modified? Does the modified rule remain in effect?
 - (3) Was another rule adopted in place of the rule and, if so, what did the modified rule provide and does it remain in effect?
- e. With respect to automation-compatible barcoded letter-size mail, does the Postal Service currently allow Standard and First-Class Mail weighing 3.0 ounces to be accepted at Automation rates and, if so, what is the maximum allowable rate?
- f. With respect to automation-compatible barcoded letter-size mail, does the Postal Service currently allow Standard and First-Class Mail weighing 2.0 ounces or more to be accepted at Automation rates and, if so, what is the maximum allowable rate?
- g. In the live tests announced in 59 Federal Register 65967-71 and 60 Federal Register 5860-61, were the First-Class and the third-class letters processed on the same machines and, if so, were the First-Class and third-class letters processed together?
- h. With respect to the Standard letter mail and the First-Class letter mail referred

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS DAVID R. FRONK

8803

to in your answers to Paragraphs (E) and (F) above, are both types of letter mail usually processed together on the applicable machinery?

RESPONSE:

- a. Confirmed.
- b. Yes.
- c. The test results were published in Postal Bulletin 21913 (2-15-96).
- d. The final rule, which was published in 59 Federal Register 65967-71, and the Revision to the final rule, which was published in 60 Federal Register 5860-61, proposed that certain barcoded mailpieces weighing more than 3 ounces would be acceptable at Barcoded rates for a trial period of up to 1 year.
 - (1) The rule, allowing certain barcoded mailpieces weighing more than 3 ounces to claim the barcoded rate, has continued in effect.
 - (2) The rule has only been modified to the extent that the breakpoints have changed since the publication of the two Federal Registers that you referenced. Further, as indicated in Postal Bulletin 21913, "weight limits will be adjusted in the future but not to exceed 3.5 ounces to reflect any further change in the "breakpoint", the maximum weight subject to minimum per piece rates."
 - (3) No.
- e. Yes, assuming you are requesting the maximum allowable weights instead of "rates." The maximum weights are listed in DMM C810.2.3.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS DAVID R. FRONK

8804

- f. See response to 11e.
- g. Yes to both questions. While First Class and Standard letters were generally processed separately from each other, they were often combined during Delivery Point Sequencing (DPS) in order to maximize the amount of DPS mail.
- h. First Class and Standard letters generally are processed separately from each other; however, they are often combined during Delivery Point Sequencing (DPS) in order to maximize the amount of DPS mail.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS DAVID R. FRONK

8805

MMA/USPS-T32-12. Please refer to Interrogatory MMA/USPS-T32-10.

- a. In the live tests announced in 59 Federal Register 65967-71 and 60 Federal Register 5860-61, on what types of Postal Service processing machines were the third-class and First-Class letters processed?
- b. What was the basis on which it was determined that the tests should be conducted on these types of machines?

RESPONSE:

Interrogatory MMA/USPS-T-32-10 does not refer to the live tests announced in the two Federal Registers you referenced. It is assumed that, instead, you are referring to Interrogatory MMA/USPS-T-32-11 which does reference the two Federal Registers and the live tests.

- a. *The types of equipment, utilized to process the First Class and Third Class letters in the referenced tests, are listed on page 7, lines 5 through 21, of witness Moden's testimony (USPS-T4).*
- b. Letters included in the test had to bear mailer-applied barcodes. The equipment cited in witness Moden's testimony is what the Postal Service uses to process letters that have mailer-applied barcodes.

RESPONSE OF U.S. POSTAL SERVICE TO
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS FRONK

8806

MMA/USPS-T32-17. In USPS-T-32 you state (page 23) that the First-Class additional-ounce rate generated about \$4.3 billion in revenue for 1996 and (page 24) the elimination of the heavy-weight discount for presorted mail weighing more than two ounces "affects a relatively small number of mail pieces."

(A) Please provide the revenues generated in 1996 by category for First-Class Mail weighing:

- (1) more than one ounce but not more than two ounces
- (2) more than two ounces but not more than three ounces
- (3) more than three ounces but not more than four ounces
- (4) more than four ounces but not more than five ounces
- (5) more than five ounces but not more than six ounces
- (6) more than six ounces but not more than seven ounces
- (7) more than seven ounces but not more than eleven ounces

If data is not available for some ounce increments, provide combined data for a group of ounce increments as available (as, for example, ounces four through eleven).

(B) Please provide the number of mail pieces during 1996 (or the latest year for which data is available) by category for First-Class Mail weighing:

- (1) more than two ounces but not more than three ounces
- (2) more than three ounces but not more than four ounces
- (3) more than four ounces but not more than five ounces
- (4) more than five ounces but not more than six ounces
- (5) more than six ounces but not more than seven ounces
- (6) more than seven ounces but not more than eleven ounces
- (7) more than eleven ounces but not more than twelve ounces.

If data is not available for some ounce increments, provide combined data for a group of ounce increments as available (as, for example, ounces four through eleven).

RESPONSE: See attachment. With respect to question (B)(7), First-Class rates apply through 11 ounces.

Attachment to MMA/USPS-T32-17

MMA/USPS-T32-17(A)

Base Year 96 First-Class Revenue (thousands)

Service Category	2	3	4	5	6	7	8 to 11
Non-Presort	1,804,753	972,310	676,340	539,364	437,829	367,469	1,028,693
3/5-Presort	421,042	173,057	52,890	17,194	14,540	11,420	36,683
Carrier Route	64,529	8,402	1,258	1,143	687	89	188

MMA/USPS-T32-17(B)

Base Year 96 First Class Pieces (thousands)

Service Category	3	4	5	6	7	8 to 11
Non-Presort	1,232,448	663,636	432,764	296,303	215,736	470,047
3/5-Presort	231,168	52,062	13,793	9,633	6,509	16,048
Carrier Route	12,644	1,403	1,015	507	56	95

Note: The above distributions are approximate and are based on 1996 mailing statement data and domestic RPW data.

RESPONSE OF U.S. POSTAL SERVICE TO
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS FRONK

MMA/USPS-T32-17. In USPS-T-32 you state (page 23) that the First-Class additional-ounce rate generated about \$4.3 billion in revenue for 1996 and (page 24) the elimination of the heavy-weight discount for presorted mail weighing more than two ounces "affects a relatively small number of mail pieces."

(A) Please provide the revenues generated in 1996 by category for First-Class Mail weighing:

- (1) more than one ounce but not more than two ounces
- (2) more than two ounces but not more than three ounces
- (3) more than three ounces but not more than four ounces
- (4) more than four ounces but not more than five ounces
- (5) more than five ounces but not more than six ounces
- (6) more than six ounces but not more than seven ounces
- (7) more than seven ounces but not more than eleven ounces

If data is not available for some ounce increments, provide combined data for a group of ounce increments as available (as, for example, ounces four through eleven).

(B) Please provide the number of mail pieces during 1996 (or the latest year for which data is available) by category for First-Class Mail weighing:

- (1) more than two ounces but not more than three ounces
- (2) more than three ounces but not more than four ounces
- (3) more than four ounces but not more than five ounces
- (4) more than five ounces but not more than six ounces
- (5) more than six ounces but not more than seven ounces
- (6) more than seven ounces but not more than eleven ounces
- (7) more than eleven ounces but not more than twelve ounces.

If data is not available for some ounce increments, provide combined data for a group of ounce increments as available (as, for example, ounces four through eleven).

RESPONSE: See attachment. With respect to question (B)(7), First-Class rates apply through 11 ounces.

10-2-97

Revised Attachment to MMA/USPS-T32-17

MMA/USPS-T32-17(A)

Base Year 96 First-Class Revenue (thousands)

Service Category	2	3	4	5	6	7	8 to 11
Non-Presort	1,804,753	972,310	676,340	539,364	437,829	367,469	1,028,693
3/5-Presort	421,042	173,057	52,890	17,194	14,540	11,420	36,683
Carrier Route	64,529	8,402	1,258	1,143	687	89	188

MMA/USPS-T32-17(B)

Base Year 96 First Class Pieces (thousands)

Service Category	3	4	5	6	7	8 to 11
Non-Presort	1,232,448	663,636	432,764	296,303	215,736	470,047
3/5-Presort	243,472	55,646	14,538	10,126	6,804	16,667
Carrier Route	12,644	1,403	1,015	507	56	95

Note: The above distributions are approximate and are based on 1996 mailing statement data and domestic RPW data.

U.S. POSTAL SERVICE RESPONSE TO INTERROGATORIES OF MMA
 REDIRECTED FROM WITNESS FRONK

MMA/USPS-T32-24. Please examine the unit processing costs and proposed rates in cents for First-Class Mail as shown in the following table.

(A) Please confirm that these figures are correct or, if you cannot confirm them, please provide the correct figures, along with an explanation for your corrections.

	<u>Processing</u> <u>Cost</u>	<u>Difference</u>	<u>Proposed</u> <u>Rate</u>	<u>Difference</u>	<u>Notes</u>
Single Piece Letters	16.7		33.0		
Bulk Metered Benchmark	14.7		33.0		
Presort	11.3	3.4	31.0	2.0	Diff with benchmark
Basic Automation	9.0	5.7	27.5	5.5	Diff with benchmark
3-Digit Automation	8.2	6.5	26.5	6.5	Diff with benchmark
5-Digit Automation	6.6	1.6	24.9	1.6	Diff with 3-digit
Carrier Route	6.4	0.2	24.6	0.3	Diff with 5-digit

Source: USPS-29C, page 1, corrected based on footnote 5

(B) Please confirm that the unit processing cost shown for single piece letters, 16.7 cents, (1) is an average for all single piece letters, including bulk metered letters, and (2) excludes all mail preparation and acceptance costs. If you cannot confirm, please explain.

RESPONSE:

(a) Answered by witness Fronk.

(b) As noted in witness Fronk's response to part (a), the costs listed above include processing and delivery costs. The mail processing cost portion of 16.7 cents, 11.742 cents, is an average for all single piece letters including bulk metered letters. This cost includes all mail processing costs including mail preparation and acceptance.

MMA/USPS-T32-25. In footnote 4 on page 24 of USPS-T-32, you refer to USPS-29C. Footnote 5 on page 1 of USPS-29C refers to LR-H-106. Page II-5 of LR-H-106 shows the unit cost for the First-Class single piece letters is 11.742 cents. On that same page the unit presorted letter cost is shown to be 4.606 cents.

(A) Is the difference between these two figures, 7.136 cents, the difference between processing an average nonpresort letter and an average presorted letter for the test year, excluding mail preparation costs? If not, please explain.

(B) Does the analysis provided in LR-H-106 take into account the Postal Service's attributable cost methodology whereby labor costs are not assumed to be 100% variable with volume? Please explain any no answer.

(C) Are the 11.742 cent and 4.606 cent total unit cost figures shown for the unit variable cost to process non-presorted letters and presorted (non-carrier route) letters, respectively, reconciled to the Postal Service's In-Office Cost System? Please explain.

(D) Do you agree that if the Commission rejects the Service's methodology for reducing direct labor attributable costs, then (a) the unit costs of 11.742 and 4.606 would increase and (b) the difference between the two numbers would increase? If not, please explain.

Response:

(a) Both costs include mail preparation costs. Therefore the 7.136 cents is the difference between the average mail processing costs for non-presort letters and (non-carrier route) presorted letters for the test year.

(b) Yes.

(c) These costs are based on the same methodology used by witness Degen as indicated in LR-H-106 and LR-H-146, part III. These costs are consistent with witness Degen's use of the In-Office Cost System.

(d) These costs would both increase if calculated using the mail processing variability as done prior to R97-1. It is not known if the difference would increase.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
MMA INTERROGATORY REDIRECTED FROM WITNESS FRONK

8812

MMA/USPS-T32-27. Please refer to USPS-T-32. Table 5 on p. 26.

- (A) Please confirm that the unit MP + D cost for Bulk Metered letters was derived under the USPS proposed cost methodology that assumes that labor costs are not 100% variable with volume. If you cannot confirm, please explain.
- (B) Please provide the unit Mail Processing Cost for Bulk Metered letters under the current cost methodology whereby labor costs are assumed to be 100% variable with volume.

Response:

- a. Confirmed.
- b. The mail processing unit cost for First-Class single-piece bulk metered letters have not been calculated using cost methodologies other than that proposed in this docket. In addition, the major inputs necessary to calculate the requested cost have not been developed and are therefore not available.

The requested "current cost methodology whereby labor costs are assumed to be 100% variable with volume" is interpreted to mean the mail processing costs based on witness Degen's testimony, USPS-T-12, and an assumed 100% volume variability for labor costs. The primary steps to develop the necessary inputs and compute the test year mail processing unit cost for bulk metered First-Class single-piece letters in the requested way are:

1. Calculate the Base Year Attributable costs (USPS-T-5A and supporting workpapers) by rerunning the base year model using the 100% volume variability for mail processing labor costs,
2. Calculate the Test Year Attributable Costs (USPS-T-15E and supporting workpapers) by using the Base Year from step 1 (and possibly other modifications) and rerunning the rollforward model,
3. Calculate piggyback factors as done in LR-H-77, using the Test Year from step 2, and
4. Calculate the costs by shape (or benchmark costs) as requested by modifying LR-H-106 and LR-H-146, using inputs from all previous steps.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF MMA
REDIRECTED FROM WITNESS FRONK

8813

MMA/USPS-T32-28. Please refer to your response to MMA/USPS-T32-11(H). When First-Class and Standard letters are processed separately by the same equipment, are the same separation schemes for each class generally used? If not, how do Postal employees modify the separation schemes, depending upon which class of mail is being processed?

RESPONSE: Yes.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF MMA
REDIRECTED FROM WITNESS FRONK

8814

MMA/USPS-T32-29. Please refer to your response to MMA/USPS-T32-21(b). There you refer to the cost pool for culling cancellation and metered mail preparation costs as shown in LR-H-106, page II-11. Please indicate precisely where that cost pool is on that page, and explain how this cost pool is included for single piece letters but excluded for bulk metered letters.

RESPONSE:

The cost pool for culling, facing, cancellation and metered mail preparation costs as shown in LR-H-106, page II-11 is labeled "mods 1CancMPP." It is the 16th row above the last cost pool "Non Mods." The unit cost for this cost pool, .57, is included in the calculation of First-Class single-piece letters, as shown in column 1 of page II-11 and on page II-5. The unit cost for this cost pool is .353 for First-Class single-piece metered letters as shown in column 5 of page II-11.

However, the unit cost for this cost pool and the cost pool "BusReply" is not included in the calculation of "Bulk Entered Metered Letters" as shown in column 6 of page II-11.

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REDIRECTED FROM WITNESS JOSEPH D. MOELLER

MMA/USPS-T36-8. In a document entitled "Revisions To Weight and Preparation Standards for Barcoded Letter Mail, published in 59 Federal Register 65967-71 (Dec. 22, 1994) and 60 Federal Register 5860-61 (January 31, 1995), the Postal Service announced: "For a period of up to 1 year, beginning January 16, 1995, the Postal Service will conduct a test of live barcoded bulk third-class regular rate letter mail weighing between 3.0 and 3.3071 ounces, and barcoded bulk third-class nonprofit rate, First-Class and second-class letter mail weighing between 3.0 and 3.376 ounces" (60 Fed. Reg. at 5860) in order "to determine whether a permanent increase in the maximum weight for barcoded letter mail is appropriate...." (59 Fed. Reg. at 65969).

- a. In those tests, did the Postal Service test letters that weighed:
- (1) 2.9 ounces but not more than 3.0 ounces?
 - (2) 3.0 ounces but not more than 3.3 ounces (rounded)?
- b. Did the tests show that the automation machinery experienced reduced throughputs for letters that weighed:
- (1) 2.9 ounces but not more than 3.0 ounces?
 - (2) 3.0 ounces but not more than 3.3 ounces (rounded)?
- c. If the answer to Paragraph (b)(1) or (2) is other than no, please explain and state the weight of letters that reduced throughputs. Please state the degree of such reduction in throughputs for each type of letter by weight.

RESPONSE:

- a. (1) Not to our knowledge.
- (2) Yes. The maximum weight of pieces included in the test was 3.3 ounces (rounded) until October 1, 1995, when the breakpoint for Standard nonprofit was then changed to 3.4383 ounces.
- b. (1) Not to our knowledge.
- (2) Yes. However, the test results that were published in Postal Bulletin 21913 (2/15/96), indicated that while processing heavier barcoded letters may have resulted in lower throughput on barcode sorting equipment, the same data

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proved that processing this mail on automated equipment was generally more cost effective than processing it on mechanized equipment or manually.

- c. Detailed results of the tests are no longer available. However, throughput impacts were greatest when heavier weight pieces were run in quantity (i.e., all together). Impacts were lessened when heavier weight pieces were interspersed with lighter weight pieces.

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REDIRECTED FROM WITNESS JOSEPH D. MOELLER

MMA/USPS-T36-10. Please refer to Interrogatory MMA/USPS-T36-8 and 9 concerning the Postal Service's "live" test announced in 59 Federal Register 65967-71 and 60 Federal Register 5860-61. Those Federal Register Notices also published a final rule entitled "Revisions To Weight and Preparation Standards for Barcoded Letter Mail.

- a. How did the test results affect the rule published in 59 Federal Register 65967-71 and 60 Federal Register 5860-61?
 - (1) Was the rule continued in effect and, if so, does the rule remain in effect?
 - (2) Was the rule modified and, if so, how was it modified? Does the modified rule remain in effect?
 - (3) Was another rule adopted in place of the rule and, if so, what did the modified rule provide and does it remain in effect? If another rule was adopted, please provide a copy.
- b. With respect to automation-compatible barcoded letter-size mail, does the Postal Service currently allow Standard and First-Class Mail weighing 3.0 ounces to be accepted at Automation rates and, if so, what is the maximum allowable rate?
- c. With respect to automation-compatible barcoded letter-size mail, does the Postal Service currently allow Standard and First-Class Mail weighing 2.0 ounces or more to be accepted at Automation rates and, if so, what is the maximum allowable rate?
- d. In the live tests announced in 59 Federal Register 65967-71 and 60 Federal Register 5860-61, were the First-Class and the third-class letters processed on the same machines and, if so, were the First-Class and third-class letters processed together?

RESPONSE:

- a. See MMA/USPS-T-32-11d.
- b. See MMA/USPS-T-32-11e.
- c. See MMA/USPS-T32-11f.
- d. See MMA/USPS-T-32-11g.

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REDIRECTED FROM WITNESS JOSEPH D. MOELLER

MMA/USPS-T36-11. Please refer to Interrogatories MMA/USPS-T36-8 through 10.

- a. In the live tests announced in 59 Federal Register 65967-71 and 60 Federal Register 5860-61, on what types of Postal Service processing machines were the third-class and First-Class letters processed?
- b. What was the basis on which it was determined that the tests should be conducted on these types of machines?

RESPONSE:

- a. See MMA/USPS-T32-12a.
- b. See MMA/USPS-T32-12b.

**Designated Responses of the
United States Postal Service
to MPA Interrogatories**

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA

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MPA/USPS-1. Witness Moden identifies "a couple of peculiar outputs from the cost models" relating to Periodicals and Standard (A) Nonprofit flats which he characterizes as "enigmatic." He states ". . .we are determined to identify the factors that may have led to these results." USPS-T-4 at II-12. Similarly, witness O'Hara notes that "the proposed cost coverage [for Regular Periodicals] has been further reduced due to consideration of the effect of rate increases (criterion 4)." According to witness O'Hara, "[t]he Postal Service is undertaking an analysis to understand what factors may have contributed to increases in flats mail processing costs, especially for Periodicals." USPS-T-30 at 30.

- a. Has the Postal Service undertaken the analysis referred to by witness O'Hara, or any analysis or study to address the "enigmatic" behavior of costs for Regular Periodicals noted by witness Moden?
- b. If the answer to a. is yes, please provide any such analyses or studies.
- c. If the answer to a. is no, please describe any such analyses or studies which are planned.

RESPONSE:

- a-c. The analyses referred to by witnesses O'Hara and Moden are still in the design phase. An internal operations review of Regular Periodicals mail processing, as well as an analysis of the "enigmatic" cost behavior mentioned by witness Moden, are planned. Please see the Postal Service's response to MPA/USPS-2, filed October 1, 1997, and the response of witness O'Hara to ABA&EBI&MAPM/USPS-T30-7, filed October 3, 1997.

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MPA/USPS-2 The Commission, in the past, has tried to examine unexplained cost increases analogous to the "peculiar outputs" and cost increases identified by witnesses Moden, USPS-T-4 at 11-12, and O'Hara, USPS-T-30 at 30. In its Order Terminating Docket No. RM92-2 it noted "[a]t issue is the seemingly excessive and unexplained growth in two cost areas – the costs of 'nonproductive time' time and of mail processing for second-class regular and third-class carrier route mail." PRC Order No. 1002 (January 14, 1994) at 1.

- a. Since January 14, 1994, has the Postal Service undertaken any analysis or study of "seemingly excessive and unexplained growth" in the costs of nonproductive time and mail processing for Regular Periodicals?
- b. If the answer to a is yes, please provide any such analyses or studies.
- c. If the answer to a. is no, please describe any such analyses or studies which are planned.

RESPONSE:

a ,b, c. "Nonproductive time" is a misnomer for time spent moving empty equipment, clocking in and out, and breaks and personal needs time. In Postal Service reports this time is referred to as "Overhead."

In past proceedings the Postal Service has provided plausible reasons for the growth in overhead costs and the attributable costs for various classes of mail, including Regular Periodicals. The rebuttal testimony of Peter Hume in R90-1 and the rebuttal testimony of Dana Barker in R94-1 are examples. As has been explained, the data have not existed to quantify the specific impact of any particular reason we have identified as contributing to the growth in these cost

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categories. This has not, however, caused the Postal Service to doubt the reliability of the cost data that have been available. The Postal Service monitors annual changes in overhead and the attributable costs for all classes and subclasses of mail. Changes from year to year are reviewed for reasonableness and anomalous changes are investigated. Any anomalous changes that are the result of data collection or processing errors are corrected before publication of the Cost and Revenue Analysis. No formal studies or analyses have been conducted regarding trends in overhead or Regular Periodicals costs since January 14, 1994. An internal, operations review of Regular Periodicals is planned. It is anticipated that Periodicals mailers will join in this review after the conclusion of the current rate case.

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MPA/USPS-3. Please refer to the Postal Service's response to MPA/USPS-2.

8823

- a. Please confirm that on February 28, 1997, the Postal Service issued a Solicitation for Proposals for a "Data Quality Study" (Solicitation Number: 102590-97-A-0044).
- b. Please confirm that the February 28, 1997, Solicitation in Attachment I, page B-2, provides that one of the purposes of the Study is to address the following specific questions:
 - "7. Is the accuracy of IOCS estimates strongly affected by factors such as:
 - "—shifts from manual and mechanized processing to automated mail processing?
 - "—growth in time associated with 'mixed mail,' 'nonproductive,' 'non-handling,' and 'overhead' observations?
- c. Please confirm that the February 28, 1997, Solicitation in Attachment I, pages B-7-8 provides, with respect to the questions specified in paragraph 7., above, that:
 - "[T]he contractor will estimate the extent to which changes in the proportions of direct tallies (i.e., tallies observing employees handling mail) and indirect tallies affect the ability of the USPS to associate employee time with specific subclasses.
 - "Having thus determined quantitatively the increase in 'non-mail handling' activity, the contractor will (1) assess these costs, (2) comment on the USPS's ability to link these costs to classes of mail, and (3) identify any potential problems arising from that linkage and assess their impact."
- d. Has a contract for the Study been awarded? If yes, on what day was it awarded? If no, when will it be awarded?
- e. Is the Study underway?
- f. What is the delivery date for the completed Study?
- g. Have any interim progress reports been provided? If yes, please provide copies.
- h. Have any interim progress reports been requested? If yes, what are the due dates?

RESPONSE

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Yes.

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TO INTERROGATORIES OF THE MAGAZINE PUBLISHERS OF AMERICA

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- e. Yes.
- f. June 30, 1998.
- g. Objection filed, October 30, 1997.
- h. No.

MPA/USPS-4. Please refer to Table 2 of the Postal Service's response to MPA/USPS-T5-2c. - d. [Redirected from Witness Alexandrovich]. Please provide Base Year 1996 post-adjustment rural carrier mail volumes by subclass/special service for all rural carrier distribution keys.

Response:

The adjustment referred to changed only the distributions of rural carrier mail volumes by subclass/special service for the "letters delivered" and "flats delivered" evaluation items. Both the pre-adjustment distributions of volumes by subclass/special service for these two items, and the corresponding post-adjustment distributions, are shown in table 2 of the Postal Service's response to MPA/USPS-T5-2c. - d. The distributions of mail volumes for all other evaluation items can be found in USPS-LR-201 in the spreadsheet Rdgovadj.xls.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTERROGATORIES OF THE MPA
REDIRECTED FROM WITNESS MODEN**

8826

MPA/USPS-T4-1. Please refer to your response to TW/USPS-T4-7, part C. You state that "We staff to workload".

- a. Please describe in detail the chain command for staffing decisions. Do facility managers make all decisions for their facility? Please describe in detail all circumstances in which staffing decisions are made at a more centralized level, such as area distribution center, or at a more decentralized level, such as at a supervisory (operation) level within a facility.
- b. For what time period are staffing levels set? Please describe in detail how changes in staffing levels are transmitted to facility personnel. What is the lead time for staffing changes?
- c. Please define precisely the workload you refer to as the basis for staffing decisions. Is this a historical or anticipated workload? Please describe how schedulers obtain the workload information. Is such information provided as one workload figure or as a range?
- d. Does the Postal Service use any other staffing tools (computer based or otherwise) in making scheduling decisions? If yes, please list all such tools, briefly describe each, and provide supporting documentation.

Response:

- a. Staffing decisions are made at various levels within the Postal Service, and practices vary greatly from Area to Area. In some Areas, decision making on both career and non-career hiring is centralized, in others it is delegated to individual Districts and/or processing and distribution installations. Some Areas use a hiring committee approach at the District or Area levels, or at both. Day-to-day staffing decisions are made within individual operations or facilities.
- b. Staffing levels are set for an average volume period. There is no single common practice on how data is transmitted, how long it takes to implement staffing changes within the Postal Service, or for what period those staffing levels will remain in effect.
- c. Workload is generally mail pieces, as determined by meter counts, weight conversions, or linear conversion factors. Generally, anticipated workload is projected based on historical workload and recent trend data. There is no single way schedulers obtain this information. It is generally a single figure, but is the sum of various components based upon mail sizes, shapes, or processing methods.

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REDIRECTED FROM WITNESS MODEN**

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d. Scheduling decision are made using the Site META computer model (see LR-H-221) and other locally developed scheduling techniques.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTERROGATORIES OF THE MPA
REDIRECTED FROM WITNESS MODEN**

8828

MPA/USPS-T4-2. Please refer to your response to TWUSPS-T4-7, part h., where you describe the META staffing system. You state that META is used at local discretion to adjust local staffing.

- a. Please provide an estimate of the number of facilities using the META system in FY 1996.
- b. Can facilities use the META system on an occasional basis?
- c. Has the Postal Service conducted any studies or written any reports evaluating the effectiveness of the META system? If so, please provide copies of any such studies or reports.

Response:

- a. No national estimate is available.
- b. Yes.
- c. No.

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REDIRECTED FROM WITNESS ALEXANDROVICH

MPA-USPS-T5-2. Please refer to Witness Baron's responses to MPA/USPS-T17-2 and 3, Table 1 of this interrogatory, the FY 1996 Cost Segments and Components report, and the BY 1996 Cost Segments and Components report.

- c. Please explain fully why the distribution of attributable Rural Carrier costs to mail classes changed between FY 1996 and BY 1996.
- d. Was there any change in the distribution key? If so, please describe the change.

Response:

Parts (c) and (d). Several updates were made to the base year calculations in the rural carrier worksheets (USPS-T-5, WP-B-10) to ensure that current data are used whenever available.

The average allowance values per route (see WP-B-10, 10.2.1, column 2) and the rural letters and flats adjustment factor (see USPS LR H-193, Attachment A) have been updated for the BY 1996 using FY 1996 rural mail counts and the FY 1996 rural carrier cost system. Please refer to USPS LR-H-192 and USPS LR-H-193 that accompany the testimony of Witness Alexandrovich (USPS-T-5).

Fiscal year 1996 costing still uses the average allowance values per route documented in Docket No. R90-1, LR-F-178 (see Section VI, page 15). In addition, the rural carrier letters and flats adjustment factor used in fiscal year 1996 was last updated in Docket No. R-94-1, through the use of the FY 1993 rural carrier cost system data (see testimony of Witness Dana Barker, Docket No. R94-1, USPS-T-14, WP-B, worksheet 10.0.3.)

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The average allowance values per route are used to assign portions of rural carrier volume variable cost to each evaluation item. For example, the portion of costs allocated to flats increases from 45.5% in FY 1996 to 48.7% in BY 1996. Refer to Witness Alexandrovich, USPS-T-5, WP-B, 10.2.1, column 7.

The rural carrier letters and flats adjustment factor (also called the mail shape adjustment) changes from 17.32% of letters reclassified as flats FY 1996 (1 out of every 5.77452) to 14.66% of letters reclassified as flats in BY 1996 (1 out of every 6.81994). The following tables shows the effects of these alternative rural carrier letters and flats adjustments on fiscal year and base year cost distributions. The last two columns of each table show the percentages of each mail subclass in the adjusted letters and flats distribution keys

The remaining update for the base year adds costs for DPS and sector segment mail. This is not a change in methodology, but rather an update of the current methodology to reflect additions to the rural carrier evaluation factors. This change in the base year can be seen in the workpapers of Witness Alexandrovich, WP-B, 10.1.1 and 10.2.1.

All of the above changes will affect the costs distributed to individual subclasses and classes of mail by 1) changing the percentage of costs going to each evaluation item, and thus the weight the evaluation item and its distribution has in the total rural carrier cost, and 2) changing the letters and flats distribution

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keys, which distribute the costs in the letter and flat evaluation items to subclasses and classes of mail.

Table 1. Fiscal Year 1996 Letter and Flats Distribution Keys

	FY96 Pre-adjusted	FY96 Adjusted Ltrs Pre Ltrs times	Difference	FY96 Pre-adjusted Flats	FY96 Post-adjusted Flats	Adj Ltrs	Adj Flats
LTRS & PARCELS		3 82683					
PRE LTRS & PARCELS	6 348 432	5 249 049	1 099 387	748 470	1 847 857	0 28306	0 13480
CAR PRESORT LETTERS	7 168 204	5 926 854	1 241 350	334 061	1 575 411	0 31961	0 11493
ZIP-4 FIRST	349 030	288 587	60 443	20 787	81 230	0 01556	0 00583
TOTAL PRESORTED	7 517 234	6 215 441	1 301 793	354 848	1 656 641	0 33518	0 12085
GOVT POST CARDS	42 417	42 417	0	0	0	0 00229	0 00000
PRIVATE CARDS	615 117	615 117	0	0	0	0 03317	0 00000
PRESORT PRV CARDS	353 285	353 285	0	0	0	0 01905	0 00000
CARR PRESORT CARDS	40 252	40 252	0	0	0	0 00217	0 00000
ZIP-4 PRV CARDS	0	0	0	0	0	0 00000	0 00000
TOTAL PS PRV CARDS	393 537	393 537	0	0	0	0 02122	0 00000
TOTAL FIRST	14 916 737	12 515 557	2 401 180	1 103 318	3 504 486	0 67492	0 25565
PRIORITY MAIL	2 483	2 053	430	35 961	36 391	0 00011	0 00265
EXPRESS MAIL	0	0	0	0	0	0 00000	0 00000
MAILGRAM	325	325	0	0	0	0 00002	0 00000
SECOND-CLASS MAIL	0	0	0	0	0	0 00000	0 00000
WITHIN COUNTY	0	0	0	0	0	0 00000	0 00000
OUTSIDE COUNTY	0	0	0	0	0	0 00000	0 00000
OTHER REGULAR RATE	0	0	0	0	0	0 00000	0 00000
2ND NONPROFIT	0	0	0	0	0	0 00000	0 00000
CLASSROOM	0	0	0	0	0	0 00000	0 00000
TOT PUBLISHERS	297 875	248 125	51 550	2 543 919	2 595 489	0 01327	0 18934
TOTAL SECOND	297 875	248 125	51 550	2 543 919	2 595 489	0 01327	0 18934
THIRD-CLASS MAIL							
SINGLE PIECE RATE	3 217	2 660	557	4 613	5 170	0 00014	0 00038
BULK RATE - REGULAR							
CARR RT	1 825 310	1 509 213	316 097	2 798 495	3 114 592	0 08139	0 22721
3/5-DIG PRSRT	3 564 987	2 947 822	617 365	2 905 243	3 522 608	0 15895	0 25698
TOTAL REGULAR	5 390 297	4 456 835	933 462	5 703 738	6 637 200	0 24034	0 48419
BULK RATE - NP							
CARR RT	198 821	184 390	34 431	115 583	150 024	0 00886	0 01094
3/5-DIG PRSRT	1 301 467	1 078 086	223 381	468 378	693 759	0 05803	0 05061
TOTAL NONPROFIT	1 500 288	1 240 476	259 812	583 971	843 783	0 06689	0 06155
TOTAL THIRD	6 893 802	5 699 971	1 193 831	6 292 322	7 486 153	0 30738	0 54612
FOURTH-CLASS MAIL	0	0	0	0	0	0 00000	0 00000
TOTAL ZONE RATE	3 214	2 657	557	10 681	11 238	0 00014	0 00082
BOUND PRINTED MATTER	1 822	1 506	316	27 897	28 213	0 00008	0 00206
SPECIAL FOURTH	303	251	52	8 376	8 428	0 00001	0 00061
LIBRARY RATE	2 726	2 254	472	2 851	3 323	0 00012	0 00024
TOTAL FOURTH	6 065	6 066	1 397	49 805	51 202	0 00036	0 00374
PENALTY-USPS	29 783	24 825	5 158	5 585	10 743	0 00133	0 00078
FREE BLIND/MDC SERV	4 860	4 018	842	4 246	5 088	0 00022	0 00037
INTERNATIONAL MAIL	53 737	44 431	9 306	9 103	16 409	0 00240	0 00134
BUNDLED MAIL	0	0	0	0	0	0 00000	0 00000
TOTAL ALL MAIL	22 207 467	18 543 775	3 663 692	10 044 259	13 707 951	1 00000	1 00000
SPECIAL & OTHER SERVICES							
REGISTRY - FEES AFFIXED	0	0	0	0	0	0 00000	0 00000
INSURANCE	0	0	0	0	0	0 00000	0 00000
COD	0	0	0	0	0	0 00000	0 00000
CERTIFIED	0	0	0	0	0	0 00000	0 00000
SPECIAL DELIVERY	0	0	0	0	0	0 00000	0 00000
MONEY ORDER	0	0	0	0	0	0 00000	0 00000
REG & COD	0	0	0	0	0	0 00000	0 00000
RETURN RECEIPTS	0	0	0	0	0	0 00000	0 00000
TOTAL SPEC SERVICES	0	0	0	0	0	0 00000	0 00000
TOTAL MAIL/SPEC SERV	22 207 467	18 543 775	3 663 692	10 044 259	13 707 951	1 00000	1 00000

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Table 2. Base Year 1996 Letter and Flat Distribution Keys

	BASE YEAR 1996 Pre-adjusted Letters	BASE YEAR 1996 Adjusted Ltrs Pre Ltrs Times 0 85337	Offset	BASE YEAR 1996 Pre-adjusted Flats	BASE YEAR 1996 Post-adjusted Flats	Adj Ltrs	Adj Flats
LTRS & PARCELS	6 348 432	5 417 569	930 863	748 470	1 679 333	0 28356	0 12774
PRE LTRS & PARCELS	7 168 204	6 117 139	1 051 065	334 061	1 385 126	0 32018	0 10536
CAR PRESORT LETTERS	349 030	297 852	51 178	20 787	71 965	0 01559	0 06547
ZIP-4 FIRST	0	0	0	0	0	0 00000	0 00000
TOTAL PRESORTED	7 517 234	6 414 991	1 102 243	354 848	1 457 091	0 33577	0 11054
GOVT POST CARDS	42 417	42 417	0	0	0	0 00222	0 00000
PRIVATE CARDS	615 117	615 117	0	0	0	0 03220	0 00000
PRESORT PRIV CARDS	353 285	353 285	0	0	0	0 01849	0 00000
CARR PRESORT CARDS	40 252	40 252	0	0	0	0 00211	0 00000
ZIP-4 PRIV CARDS	0	0	0	0	0	0 00000	0 00000
TOTAL PS PRIV CARDS	393 537	393 537	0	0	0	0 02060	0 00300
TOTAL FIRST	14 916 737	12 883 830	2 033 107	1 103 318	3 136 425	0 67435	0 23858
PRIORITY MAIL	2 483	2 119	364	35 981	36 325	0 00011	0 00276
EXPRESS MAIL	0	0	0	0	0	0 00000	0 00000
MAILGRAM	325	325	0	0	0	0 00002	0 00000
SECOND-CLASS MAIL	0	0	0	0	0	0 00000	0 00000
WITHIN COUNTY	0	0	0	0	0	0 00000	0 00000
OUTSIDE COUNTY	0	0	0	0	0	0 00000	0 00000
OTHER REGULAR RATE	0	0	0	0	0	0 00000	0 00000
2ND NONPROFIT	0	0	0	0	0	0 00000	0 00000
CLASSROOM	0	0	0	0	0	0 00000	0 00000
TOT PUBLISHERS	297 675	254 027	43 648	2 542 919	2 587 587	0 01330	0 19683
TOTAL SECOND	297 675	254 027	43 648	2 542 919	2 587 587	0 01330	0 19683
THIRD-CLASS MAIL	0	0	0	0	0	0 00000	0 00000
SINGLE PIECE RATE	3 217	2 745	472	4 613	5 085	0 00014	0 00039
BULK RATE - REGULAR	0	0	0	0	0	0 00000	0 00000
- CARR RT	1 825 310	1 557 567	267 743	2 798 495	3 066 138	0 08153	0 23323
- 3/5-DIG PRSRT	3 564 987	3 042 257	522 730	2 905 243	3 427 973	0 15924	0 26075
TOTAL REGULAR	5 390 297	4 599 824	790 373	5 703 738	6 494 111	0 24077	0 49399
BULK RATE - NP	0	0	0	0	0	0 00000	0 00000
- CARR RT	198 821	169 668	29 153	115 593	144 746	0 00888	0 01101
- 3/5-DIG PRSRT	1 301 467	1 110 634	190 833	468 378	659 211	0 05813	0 05014
TOTAL NONPROFIT	1 500 288	1 280 303	219 985	583 971	803 956	0 06701	0 06115
TOTAL THIRD	6 893 802	5 882 972	1 010 830	6 287 709	7 303 152	0 30792	0 55553
FOURTH-CLASS MAIL	0	0	0	0	0	0 00000	0 00000
TOTAL ZONE RATE	3 214	2 743	471	10 681	11 152	0 00014	0 00085
BOUND PRINTED MATTER	1 822	1 558	264	27 887	28 164	0 00008	0 00214
SPECIAL FOURTH	303	259	44	8 376	8 420	0 00001	0 00064
LIBRARY RATE	2 728	2 328	400	2 851	3 251	0 00012	0 00025
TOTAL FOURTH	6 065	5 882	1 183	48 805	50 968	0 00036	0 00388
PENALTY-USPS	29 783	25 416	4 367	5 585	9 952	0 00133	0 00076
FREE BLIND/HNDC SERV	4 880	4 147	713	4 246	4 959	0 00022	0 00038
INTERNATIONAL MAIL	53 737	45 858	7 879	9 103	16 982	0 00240	0 00129
BUNDLED MAIL	0	0	0	0	0	0 00000	0 00000
TOTAL ALL MAIL	22 207 487	19 105 377	3 102 090	10 044 259	13 146 349	1 00000	1 00000
SPECIAL & OTHER SERVICES	0	0	0	0	0	0 00000	0 00000
REGISTRY - FEES AFFIXED	0	0	0	0	0	0 00000	0 00000
INSURANCE	0	0	0	0	0	0 00000	0 00000
COO	0	0	0	0	0	0 00000	0 00000
CERTIFIED	0	0	0	0	0	0 00000	0 00000
SPECIAL DELIVERY	0	0	0	0	0	0 00000	0 00000
MONEY ORDER	0	0	0	0	0	0 00000	0 00000
REG & COO	0	0	0	0	0	0 00000	0 00000
RETURN RECEIPTS	0	0	0	0	0	0 00000	0 00000
TOTAL SPEC SERVICES	0	0	0	0	0	0 00000	0 00000
TOTAL MAIL&SPEC SERV	22 207 487	19 105 377	3 102 090	10 044 259	13 146 349	1 00000	1 00000

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MPA/USPS-T5-3. Please refer to Docket No. R90-1, USPS-T13, Appendix F, Section III. This section describes the FY 1989 Rural Carrier mail shape adjustment. This adjustment reclassified 1 out of every 6.0106 letters as flats so that 4858R survey data had the same percentages of letters and flats as the National Mail Count.

- a. Please confirm that the Postal Service made this shape adjustment in the current case before distributing attributable costs to Classes and Subclasses of mail.
- b. If part a. is confirmed, please identify where this adjustment is documented.
- c. If part a. is confirmed, please provide the proportion of letters in Base Year 1996 that were reclassified as flats.
- d. If part a. is confirmed and the reclassified proportion of letters is smaller than in Docket R90-1, please explain fully why the proportion has decreased.
- e. If part a. is not confirmed, please explain fully why the Postal Service did not make the rural carrier mail shape adjustment.
- f. If part a. is not confirmed, please state whether there is still a discrepancy between the 4858R survey and the National Mail Count in terms of percentages of letters and flats.

Response:

Part (a). Confirmed.

Part (b). This adjustment is documented in LR H-193. See the answer to parts b and c in the previous interrogatory.

Part (c). Attachment A of LR H-193 shows that 6.81994 letters are reclassified as flats.

Part (d). N/A

Part (e). N/A

Part (f). N/A

Response of United States Postal Service
To Interrogatories of MPA
(Redirected from Witness Baron USPS-T-17)

8834

MPA/USPS-T17-8. Please refer to LR-H-192, Page 3. Please confirm that there are five types of rural carrier routes: H, J, K, Auxiliary and Mileage.

MPA/USPS-T17-8 Response:

Confirmed.

Revised
9/10/97

Response of the United States Postal Service
to
Interrogatory of MPA
(Redirected from Witness Baron, USPS-T-17)

MPA/USPS-T17-9 Please disaggregate the number of routes and rural carrier cost by type (e.g., H. J. K., auxiliary, mileage).

Response:

The number of routes and the rural carrier salary costs as of the end of fiscal year 1996 are listed in the following table.

Route Type	Number of Routes	Salary Costs (000)
H	5,297	1,894,539
J	4,868	189,973
K	38,484	192,102
Mileage	90	3,719
Auxiliary	8,915	163,574
Unknown		65,626
TOTAL	57,654	2,509,533

The rural carrier salary costs include salaries, holidays, and leave. Benefit costs are not available by route type and are not included. Salary costs in the 'Unknown' category are for training and auxiliary assistance and could not be matched to route type.

Response of the United States Postal Service
to
Interrogatory of MPA
(Redirected from Witness Baron, USPS-T17)

8836

MPA/USPS-T17-10. Please provide documentation on how the Postal Service calculated the salary of an individual rural carrier for FY 1996. Include in this documentation a formula that derives annual rural carrier salary for an individual route from the route evaluation item workload and evaluation factors on that route. Also, please confirm that the data used to calculate FY 1996 workload for evaluated routes was from the "route evaluations...done over a four week period in the fall of 1995." [LR-H-192, Page 3]

Response to MPA/USPS-T17-10

The Postal Service based FY 1996 rural carrier salaries on route evaluations conducted in the fall of 1995. The evaluation process begins with a four week mail count conducted in accordance with Chapter 5 of Handbook PO-603, *Rural Delivery Carrier Duties and Responsibilities* (see Attachment 1 of the response to MPA/USPS-T17-12a). For each of the twenty four days in the count each evaluation workload item is recorded on a PS Form 4239, *Rural Route Count of Mail* (see Attachment 1 to this response). At the end of the second and fourth weeks of the count, the information from each of the daily PS Forms 4239 is transferred to a PS Form 4241, *Rural Delivery Statistics Report* (see Attachment 1, page 7 of the response to MPA/USPS-T17-12a). Upon the completion of the four week count, the information contained on the two PS Forms 4241 is recorded on PS Form 4241-X, *Rural Delivery Statistics Summary Report* (see Attachment 2 to this response). The data from the PS Form 4241-X is electronically submitted to the Minneapolis Information Service Center where it is used to generate PS Form 4241-A, *Rural Route Evaluation* (see Attachment 3

Response of the United States Postal Service
to
Interrogatory of MPA
(Redirected from Witness Baron, USPS-T17)

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to this response). PS Form 4241-A is the worksheet that calculates the route time and salary for an individual route. To determine route time, counts for each evaluation workload item are applied to its respective evaluation factor and then summed. Salaries for individual routes are then determined by applying the route time to the appropriate step on the Rural Carrier Evaluated Schedule (see Attachment 4 to this response).



Rural Route Count of Mail

		Post Office		State & ZIP+4 Code		Route No.	
A. Letter Size	B. Section/Segment Letters	C. Newspapers, Magazines, Folds, Catalogs, and Rolls	D. Periods	E. Booklets	F. Bulk, Cert. Spec. Del. Mail, Insured, Reg. Mail, and Bulk, & Exp. Mail	G. CODs, Customs Due Rcvd. for Deliv.	H. Postage Due I. C.O.D. (Form 3575) J. Mailed-Up K. Form 3821 Completed
Total		Total		Total		Total	
Total		Total		Total		Total	
Comments		V. Disposal (If in Comments)		W. Counting Time		X. Waiting Time	
		Y. Intermediate Offices Served Daily		Z. Weights of Locked Pouches Carried Daily			
I certify that the above is correct.		Day	Date	Carrier or Supervisor's Signature			

PS Form 4239, March 1984

ATTACHMENT 1
MPA/USPS-T17-10



**Rural Delivery Statistics
Summary Report**

(Follow Instructions in Chapter 5 of Handbook PO-803)

Post Office, State, and ZIP + 4

National Amended
 District: _____ District ZIP Code: _____ Carrier's Name: _____

Date of Count From - Through	Finance Number	Route Number	Route Miles (Hundreds)	Regular Boxes	Centralized Boxes	NCCBU Cell Comp.	Parcel Lockers	Vehicle Stops
Weeks 1 & 2								
Weeks 3 & 4								
Total								

Date	DPS Letters (L)	M.O. Applications (M)	Letter Size and Flat Coll (N)	Ord. Inc. PP Accepted (O)	Reg. & Cert. Accepted (P)	Loading in Actual Minutes (Q)	Other Subtable Allowance (R) *	Put Stamp Stock (S)	Return Receipts (T)	Auth. Daily Damours (Total) (U)	Total Distance of Auth. Daily Damours Del. (Feet) (V)	Locked Pouch Weight (Z)
Weeks 1 & 2												
Weeks 3 & 4												
Total												

(A) National Amended
 (B) Families Served: _____
 (C) Number of Locked Pouch Stops: _____
 (D) Mail Withdrawal: Yes No

* All Entries in Column "R" Must Be Explained on Reverse.

(E) Time Used During Count (Hrs & Hund) (Subtract Lunch Time from Office and/or Route Time as Reported on Form 4240)

Office Time				
Route Time				
Net Total Time				
Auxiliary Assistance Used	Office			
	Route			
Waiting and Counting Time				

In the event that I am eligible to elect a higher route classification, I agree to use sufficient annual leave during the guarantee period to assure that my total actual work hours will not exceed 2,080 during the guarantee period.

(F) Current Delour: Yes No
 Delour Miles (Hundreds): _____

Carrier's Signature: _____
 Date of Local Conference: _____

Seasonal Route? Yes No
 In Season? Yes No

(G) Seasonal Miles (Hundreds): _____

Regular Boxes			
Central Boxes			

Certified to be Correct

(H) EMA OEMA Government Vehicle

(I) If 38:00 Plus, Convert to Regular: Yes No

(J) High Option: Yes No

(K) Leave Commitment: Yes No

(L) Pending Relief Day: Yes No

Carrier's Signature: _____
 Postmaster's Signature: _____
 Date Signed: _____

PS FORM 4241-A WORKSHEET (FACSIMILE)

OFFICE: _____ ROUTE: _____ EFF: _____
 LENGTH IN WEEKS: _____ BOXES/MILE: _____ HIGH DEN: _____

ITEM	REF	DATA DESCRIPTION	OFFICE TIME ALLOW	ROUTE TIME ALLOW	OFFICE TIME	ROUTE TIME
1		ROUTE LENGTH MILES		\$ x 12.0		
2		NON-REGULAR BOXES		\$ x 2.0		
3		LRTE REGULAR BOXES		\$ x 2.0 x 0.82		
4		CENTRALIZED BOXES		\$ x 1.0		
5		NDCBU BOXES		\$ x 1.0		
6		PARCEL LOCKERS		\$ x 2.0		
7	A	LETTER SIZE	(# / L) x 0.0825			
8	B	SECTOR SEGMENT LTRS	(# / L) x 0.0444			
9	C	PAPERS, MAGS, CATS	(# / L) x 0.125			
10	D	PARCELS	(# / L) x 0.333	(# / L) x 0.167		
11	E	BOX HOLDERS	(# / L) x 0.04			
12	F	REG CERT INS SPEC EX	(# / L) x 1.0	(# / L) x 3.0		
13	G	COD CUSTOMS DUE DEL	(# / L) x 1.5	(# / L) x 4.0		
14	H	POSTAGE DUE	(# / L) / 5 ROUND TO NEXT MIN.			
15	I	CHANGE OF ADDRESS	(# / L) x 2.0			
16	J	MARK-UP	(# / L) x 0.25			
17	K	FORMS 3821	(# / L) x 2.0			
18	L	DPS LETTERS		(# / L) x 0.0333		
19	M	M O APPLICATIONS	(# / L) x 1.5	(# / L) x 2.0		
20	N	LETTER SIZE & FLATS COLLECTED	(# / L) x 0.04			
21	O	ORD INS PP ACCEPTED	(# / L) x 2.0	(# / L) x 2.0		
22	P	REG & CERT COLLECTED		(# / L) x 2.0		
23	Q	LOADING IN ACT MINUTES	(# / L)			
24	R	OTHER SUITABLE ALLOW	(# / L)			
25	S	ADD'L TIME FOR USPS VEHICLE ROUTE	((RT MI x 6) / 100) x 4.5 = TOT IF < 6, 30 MIN IF >= 6, TOT + 24			
26	S	LRTE PURC STAMP STOCK	(# / L) x 5.0			
27	S	NON-L STAMP HANDLING	30 MIN. (15 TRI WEEK)			
28		STRAPPING OUT TIME	((A + B + C - J) / L) x 0.0166			
29	T	LRTE RETURN RECEIPT	(# / L) x 0.25			
30		PERSONAL TIME	30 MIN. (15 TRI WEEK)			
31	U	AUTH DAILY DISMOUNTS		(# / L) x 0.1		
32	V	DISMOUNT DISTANCE		(# / L) x 0.00284		
33	2C	LOCK POUCH STOPS		\$ x 30 (ELSE MONETARY)		
34	2D	MAIL WITHDRAWAL	30 (YES); 0 (NO)			
		WEEKLY TOTALS				
		TIME IN STD. MIN				

TOTAL ROUTE TIME: HOURS _____ MIN _____ (* => BACK OFF FROM BOX FACTOR TIME)
 STOPS: _____ DAILY EM RATE: _____ HIGH OPTION: _____ ROUTE EVAL: _____ SALARY: _____
 NO/LOW OPTION: _____ ROUTE EVAL: _____ SALARY: _____
 ASSIGNED CARRIER: _____ MILEAGE: _____ ROUTE EVAL: _____ SALARY: _____
 STEP: _____ VOLUME FACTOR - TIME = OFFICE + ROUTE - * : _____ TOTAL BOXES: _____ VOL FACTOR: _____

Rural Carrier Evaluated Schedule
Full-Time Annual Basic Rates
Effective March 16, 1996 (PP 7-96)

HOURS	A	B	C	1	2	3	4	5	6	7	8	9	10	11	12
12	7,240	8,052	8,874	9,505	9,597	9,487	9,578	9,868	9,782	9,853	9,942	10,035	10,125	10,217	10,307
13	7,841	8,726	9,388	10,081	10,180	10,277	10,375	10,473	10,671	10,671	10,771	10,868	10,966	11,063	11,161
14	8,445	9,396	10,122	10,855	10,962	11,069	11,174	11,279	11,389	11,495	11,600	11,706	11,813	11,917	12,027
15	9,049	10,066	10,846	11,633	11,746	11,861	11,974	12,088	12,201	12,316	12,427	12,539	12,656	12,766	12,882
16	9,651	10,738	11,668	12,405	12,520	12,652	12,771	12,894	13,014	13,135	13,258	13,379	13,500	13,621	13,741
17	10,255	11,410	12,290	13,185	13,309	13,440	13,569	13,697	13,827	13,958	14,083	14,210	14,342	14,472	14,598
18	10,858	12,080	13,013	13,957	14,094	14,232	14,368	14,506	14,641	14,778	14,915	15,053	15,190	15,328	15,461
19	11,462	12,751	13,735	14,733	14,878	15,021	15,165	15,308	15,452	15,599	15,742	15,884	16,029	16,172	16,314
20	12,066	13,422	14,460	15,512	15,663	15,814	15,964	16,119	16,271	16,421	16,575	16,727	16,877	17,028	17,183
21	12,666	14,094	15,183	16,285	16,442	16,603	16,761	16,921	17,079	17,239	17,398	17,555	17,717	17,875	18,034
22	13,270	14,765	15,906	17,062	17,226	17,394	17,557	17,723	17,891	18,058	18,223	18,386	18,554	18,720	18,887
23	13,873	15,435	16,628	17,833	18,011	18,184	18,357	18,532	18,704	18,882	19,057	19,229	19,404	19,575	19,750
24	14,477	16,102	17,347	18,611	18,790	18,970	19,152	19,333	19,515	19,697	19,878	20,056	20,242	20,422	20,605
25	15,079	16,778	18,073	19,385	19,576	19,765	19,955	20,142	20,332	20,523	20,713	20,901	21,092	21,280	21,469
26	15,683	17,449	18,796	20,164	20,358	20,556	20,751	20,950	21,143	21,341	21,538	21,733	21,931	22,126	22,321
27	16,287	18,119	19,519	20,937	21,140	21,348	21,551	21,758	21,960	22,167	22,369	22,571	22,780	22,983	23,187
28	16,889	18,788	20,241	21,711	21,921	22,136	22,345	22,559	22,767	22,980	23,194	23,404	23,618	23,826	24,039
29	17,493	19,463	20,963	22,485	22,706	22,928	23,145	23,365	23,582	23,807	24,027	24,243	24,465	24,681	24,901
30	18,096	20,135	21,691	23,266	23,491	23,721	23,945	24,171	24,399	24,626	24,852	25,079	25,307	25,535	25,760
31	18,699	20,803	22,412	24,038	24,275	24,509	24,744	24,976	25,213	25,450	25,686	25,921	26,157	26,392	26,623
32	19,302	21,472	23,132	24,815	25,056	25,298	25,538	25,781	26,022	26,266	26,508	26,747	26,991	27,234	27,474
33	19,905	22,145	23,857	25,588	25,837	26,089	26,338	26,590	26,839	27,090	27,341	27,587	27,841	28,090	28,340
34	20,510	22,816	24,580	26,364	26,622	26,879	27,134	27,392	27,650	27,908	28,165	28,419	28,680	28,934	29,194
35	21,111	23,487	25,304	27,138	27,407	27,672	27,937	28,201	28,468	28,734	29,000	29,262	29,531	29,793	30,056
36	21,715	24,156	26,027	27,915	28,184	28,462	28,731	29,002	29,277	29,548	29,821	30,095	30,367	30,638	30,910
37	22,319	24,825	26,747	28,690	28,971	29,252	29,532	29,810	30,092	30,375	30,655	30,935	31,218	31,498	31,774
38	22,922	25,500	27,470	29,468	29,754	30,041	30,328	30,619	30,902	31,192	31,480	31,764	32,056	32,342	32,628
39	23,525	26,172	28,193	30,238	30,534	30,833	31,128	31,425	31,721	32,019	32,313	32,606	32,905	33,198	33,493
40	24,128	26,840	28,915	31,016	31,318	31,622	31,923	32,227	32,529	32,832	33,136	33,437	33,742	34,043	34,346
41	24,733	27,545	29,699	32,179	32,492	32,808	33,124	33,437	33,750	34,064	34,382	34,694	35,011	35,322	35,635
42	25,337	28,256	31,085	33,344	33,667	33,995	34,317	34,646	34,968	35,295	35,620	35,940	36,270	36,591	36,919
43	25,943	28,961	32,167	34,506	34,842	35,184	35,517	35,851	36,190	36,527	36,868	37,198	37,539	37,876	38,209
44	26,548	29,669	33,254	35,670	36,016	36,369	36,714	37,063	37,411	37,760	38,108	38,456	38,806	39,155	39,500
45	27,152	30,374	34,336	36,831	37,191	37,552	37,913	38,278	38,631	38,991	39,354	39,711	40,074	40,433	40,788
46	27,757	31,082	35,421	37,995	38,363	38,737	39,105	39,479	39,847	40,220	40,589	40,955	41,331	41,698	42,070
47	28,362	31,785	36,506	39,158	39,538	39,924	40,305	40,685	41,069	41,454	41,837	42,214	42,599	42,981	43,360
48	28,967	32,492	37,589	40,321	40,715	41,109	41,501	41,895	42,291	42,685	43,078	43,472	43,867	44,260	44,653

Note: At 40 hours, this schedule reflects the \$104 per year COLA increase effective 2/16/96.

Response of United States Postal Service
To Interrogatories of MPA
(Redirected from Witness Baron USPS-T-17)

MPA/USPS-T17-11. The following questions refer to the evaluation factors.

- a. When was the last time that the evaluation factors were revised?
- b. How often does the Postal Service revise its evaluation factors?
- c. When will the next revision of evaluation factors by the Postal Service occur?

MPA/USPS-T17-11 Response:

- a. The last time there was any change in rural standards was a change to the stamp stock allowance for rural routes. A memorandum of understanding was signed during the negotiation of the 1995-1999 agreement with the National Rural Letter Carrier's Association which established a single stamp allowance for all routes. This change went into effect on October 26, 1996.
- b. As needed.
- c. No changes are currently planned.

Response of United States Postal Service
to Interrogatories of MPA
(Redirected from Witness Baron USPS-T-17)

8843

MPA/USPS-T17-12

a. Please provide the definitions of letters, flats, and parcels used for determining the evaluation factor and average value figures provided on this worksheet.

b. Please provide the average value and evaluation factor for the past ten years for each route evaluation item listed in W/S 10.1.1

MPA/USPS-T17-12 Response:

a. See Attachment 1 to this response.

b. See Attachment I, parts a-e, to this response for the W/S 10.1.1 worksheets for Fiscal Years 1992 - 1996. Fiscal Year 1992 was the first year in which the Postal Service performed these calculations in spreadsheet format.

These spreadsheets do not exist for the earlier years.

ALL OFFICES WITH RURAL DELIVERY

National Count of Mail on Rural Routes

In accordance with Article 9.2.C.3.a(2) of the 1995 National Agreement between the Postal Service and the National Rural Letter Carriers' Association (NRLCA), a 24-day National Count of Mail will be conducted September 2-29, 1997. The count will be conducted on encumbered regular rural routes where either the employer or the regular rural carrier opted for a count by June 27, 1997, and on any auxiliary or vacant regular rural route where management elects to count. Additionally, where mutually agreed to by management and the regular rural carrier, the carrier may conduct the count, as provided by the March 14, 1997, USPS/NRLCA Memorandum of Understanding on National Mail Count on Rural Routes and Route Inspection Procedures.

Mail Count Procedures

Mail count procedures for all 24 days of the count must be in accordance with Chapter 5 of Handbook PO-603, Rural Delivery Carrier Duties and Responsibilities (June 1991 edition), except part 535.12, which is revised as follows:

Handbook PO-603, Rural Delivery Carrier Duties and Responsibilities

5	Inspection, Count, and Adjustment of Rural Routes	•	•	•	•	•
530	Rural Route Mail Counts	•	•	•	•	•
535	Mail Count Forms	•	•	•	•	•

535.12 Completion. During the entire mail count period, complete PS Form 4239 daily for each route. Transfer the totals daily from PS Form 4239 to PS Form 4241. Use the following guidelines to complete PS Form 4239:

a. Column A — Letter-Size Mail

(1) Enter in this column all letter-size mail, including ordinary letters, cards, newsletter type mail, and circulars five inches or less in width that can be cased in the separations of the carrier cases. Small magazines and small catalogs 5 inches or less in width and 3/8 inch or less in thickness are included in this column. Include detached address labels (specifically addressed) for sample merchandise, magazines, and catalogs in the letter count.

Note: The maximum thickness of 3/8 inch applies only to small magazines and small catalogs. Letter-size mail is mail that fits in the width of the case separation in use, regardless of thickness. All detached address cards (with a specific address) for sample merchandise, shared mail, magazines, and catalogs are included in the letter count.

(2) Do not include newspapers, boxholders, flats, and rolls even though they may be cased with letter mail. Count each direct or segmented bundle (see part 225.4) distributed and tied out at mail distribution cases as one parcel and enter that number in column D. Do not count direct or segmented bundles tied out at the carrier case (see part 225.5) as parcels. Do not include registered, certified, COD, numbered insured, Express Mail, and other accountable mail in this column. For special delivery articles see column F.

b. Column B — Sector/Segment Letters

Enter in this column all mail up to 6 1/8 inches in width that is processed on automated equipment in sector/segment order.

c. Column C — Papers, Magazines, Catalogs, Flats, Other Non-Letter-Size Mail

Enter in this column newspapers, flats, magazines, catalogs, rolls, and other non-letter-size mail that can be cased for delivery using carrier casing equipment. This includes catalogs cased with other mail or cased separately. This does not include those items specifically referenced in column D, Parcels.

Exceptions: Count simplified address articles, including mail with detached labels, as boxholder mail and enter the number in column E. Count each direct or segmented bundle distributed and tied out at mail distribution cases (see part 225.4) as one parcel and enter the number in column D. Do not count direct or segmented bundles tied out at the carrier case (see part 225.5) as parcels. Do not count registered, certified, COD, numbered insured mail, Express Mail, and other accountable mail in this column. For special delivery articles see column F.

d. Column D — Parcels

(1) A parcel is any rigid article that exceeds any one of the following dimensions:

- (a) 5 inches in height.
- (b) 18 inches in length.
- (c) 1 9/16 inches in width.

Examples: A rigid article that measures 4 x 15 x 1 3/4 is recorded as a parcel because the 1 3/4 thickness exceeds the 1 9/16 criteria. However, a rigid article that mea-

ures 5 x 18 x 1 9/16. is recorded as a flat because *none* of the dimensions *exceed* the stated criteria. (This includes articles properly prepared and endorsed "Do Not Fold or Bend" in accordance with *Domestic Mail Manual* (DMM) C010.8.2c.)

(2) In addition, any nonrigid article that does not fit in the letter or flat separations (where flat separations are used) *with other mail* is considered a parcel. (This includes articles that have not been prepared in accordance with DMM C010.8.2c, even though the mailer has endorsed them "Do Not Fold or Bend." These nonrigid articles should be carried and credited as parcels, provided that they do not fit in the letter or flat separation (where flat separations are used) with other mail without damage to the article).

(3) The carrier has the option of handling odd-size articles either with flat mail or separately, regardless of how it is credited.

(4) Parcels with detached labels do not belong in this column. They are counted as boxholders in column E. Only specifically addressed samples too large to be cased are included in the parcel count.

(5) Each direct or segmented bundle distributed and tied out at the mail distribution cases (see part 225.4) is counted as a parcel. Direct or segmented bundles tied out at the *carrier case* (see part 225.5) are not counted as a parcel.

(6) Registered, certified, COD, numbered insured, Express Mail, and other accountable mail are not counted in this column. (For special delivery articles see column F.)

e. Column E — Boxholders

Enter the daily number of boxholders (families, boxes, or deliveries, as appropriate) taken out for delivery on the route. This includes all simplified address mail, including samples with simplified address (see DMM A040). When samples are received with detached address labels (specifically addressed), enter the total number of samples. (See part 535.12.a, column A, for recording the label count.) Include simplified address, detached labels (no specific name or address) in this column. The number of pieces of boxholder mail must not exceed the number of families or boxes (as appropriate) on the route for each mailing. Include in this column all boxholders, whether cased or not.

f. Column F — Registered Mail, Certified Mail, Numbered Insured Articles, Express Mail, and Other Accountable Mail.

(1) Enter the number of articles received daily for delivery in this column. Entries in this column preclude entries for the same items in columns A, B, C, D, or H.

Note: Where the carrier dismounts or leaves the line of travel to effect delivery or attempt delivery of special delivery mail, enter the number of special delivery articles in this column. Otherwise, enter them in columns A, B, C, or D as

appropriate. Do not record any articles entered in columns A, B, C, D, or L in column F.

(2) On high-density (L) routes where multiple accountable items are received for one address, enter the items on PS Form 3883. The route receives credit for one accountable article per page or partial page completed.

Example: If a route received 10 accountable articles of which five were for delivery to one address, the route would receive credit for six accountable items: one item each for the five articles for delivery to individual addresses, and one item for the five articles entered on PS Form 3883, *Firm Delivery Book for Accountable Mail*, for delivery to the one address. Under no circumstances use a PS Form 3883 for delivery of only one accountable item.

(3) When a PS Form 3883 is authorized for use on high-density (L) routes, additional credit is allowed for handling return receipts on items listed in the book (see column T).

g. Column G — CODs and Customs Due Received for Delivery

Enter daily the number of articles received for delivery.

h. Column H — Postage Due

Enter the number of postage due articles taken out for delivery. Do not include postage due items in columns A, B, C, or L.

Note: A carrier can receive a double credit for a postage due parcel.

Example: An ordinary parcel with postage due would be credited as a parcel in column D, Parcels, and in column H, Postage Due.

i. Column I — Change of Address (COA)

Enter in this column the number of change of address orders (PS Form 3575, *Change of Address Order*, or PS Form 3546, *Forwarding Order Change Notice*) received and entered during the count period. PS Form 3546, initiated by the carrier, is creditable as a forwarding order, provided that it is not a duplication of a previous action. There must be no accumulation of change of address orders at the start of the count period.

Note: Do not record the entry of a new or additional customer's name on PS Form 1564, *Address Change Sheet*, or PS Form 4232, *Rural Delivery Customer Instructions*, as a change of address order.

j. Column J — Marked Up Mailpieces

(1) In this column, record the number of pieces of all classes of mail marked up. Markups are mailpieces undeliverable as addressed that require the carrier to endorse the mail with the reason for nondelivery specified in DMM F010.4. Do not record mail missorted to a route as a markup. Do include missorted and missent mail in the original count

of mail. This applies where routes have been adjusted, territory has changed, or the mail is routed to the wrong carrier.

(2) In instances where mailing addresses have been changed from rural routes and box numbers to street names and numbers, mail is not credited as a markup on the route where the territory transferred to or from. This is considered a hand-off and credit is given in the original count of mail.

(3) Markup credit is provided for the following categories of undeliverable mail:

(a) *Mail Sorted to the Undeliverable-as-Addressed Separations or Designated Location at the Carrier Case.* Credit one markup for each bundle of the following categories of mail:

- (i) A-Z separations/machinable or non-machinable.
- (ii) Insufficient address.
- (iii) Undeliverable-as-addressed, unable to forward.
- (iv) Undeliverable bulk business mail.
- (v) Other undeliverable bulk business mail.

(b) *Excess Boxholders.* Carriers will do all of the following:

(i) Bundle separately each set of excess boxholder mail. (A sack, hamper, tray, etc., may be used for this purpose.)

(ii) Endorse a facing slip *In Excess of Requirements*, initial, and attach to each bundle, and

(iii) Receive one markup credit for each set.

(c) *Mail Individually Endorsed by the Carrier.* Credit a markup for each piece of mail in the following categories:

- (i) Attempted--Not Known.
- (ii) No Such Number.
- (iii) Deceased.
- (iv) No Mail Receptacle.
- (v) Refused.
- (vi) *Vacant.* Only First-Class Mail, Periodicals, endorsed Standard Mail (A) or Standard Mail (B) addressed to *Occupant*. Do not endorse undeliverable bulk business mail.

(vii) *Undeliverable-as-Addressed (Parcels).* Do not credit as a markup parcel post endorsed only to indicate that an attempted delivery notice was left.

(viii) *No Record Mail.* Credit as a markup each piece of mail given to the carrier under the provisions of 242.4, whether or not the piece is marked up by the carrier.

(ix) Other required individual carrier endorsements in DMM FD10.4.2, as appropriate, and undeliverable mail the postmaster or supervisor requires the carrier to individually endorse.

k. Column K — PS Form 3821 Completed

Enter only the number of completed PS Forms 3821, *Clearance Receipt*.

l. Column L — Delivery Point Sequence (DPS) Letters

Enter in this column all mail up to 6 1/8 inches in width that is processed on automated equipment as Delivery Point Sequence mail.

Exception: If fewer than 2,400 pieces of DPS mail are averaged per week during the entire mail count period and/or the route was not validated before the count as meeting the 98 percent quality threshold, mail processed as DPS will be cased and recorded as sector/segment mail in column B on PS Form 4241, *Rural Delivery Statistics Report*, or, if it does not qualify as sector/segment mail, recorded in column A, Letter Size, or column C, Newspapers, Magazines, Flats, Catalogs, and Rolls, as appropriate.

Note: Casing of DPS mail will not change mail count procedures or time standards applied to DPS or other mail.

m. Column M — Money Order Applications

Record in this column the number of money order applications received on the route. If rural carriers reside on the route they serve and regularly purchase money orders throughout the year, they will receive credit. Postmasters or supervisors review each money order application daily.

n. Column N — Letters and Flats Collected

Enter in this column the number of letters and flats collected on the route. If mail is received in bundles, count each bundle as one piece. Do not count each piece in the bundle. Do not include mail picked up from a collection box or cluster box unit (CBU) collection compartment. Centralized delivery equipment collection compartments receive a standard allowance.

Enter in column R the actual time required to open the collection boxes, remove the mail, and close the boxes.

o. Column O — Ordinary and Insured Parcels Accepted

(1) Enter in this column the number of ordinary and insured parcels accepted on the route. That is:

(a) Parcels that require the carrier to weigh, rate, and affix postage to the article, or

(b) Parcels weighing more than 2 pounds for which postage has been prepaid.

(2) Do not enter obvious letter- and flat-size mail, including flmpacks, etc., whether the carrier affixes postage or not. Count presacked parcels for which postage has been computed as one parcel for each sack. Do not credit parcels that a customer refuses or are not deliverable as a parcel accepted.

p. Column P — Registers and Certified Accepted

Record in this column the number of registered and certified articles accepted on the route. Do not include in the count those articles returned when PS Form 3849 has been left for the customer. Time credit for No Response — Left Notice items is included in the time factor for delivery.

q. Column Q — Loading Vehicle

Enter the time spent transferring mail from the carrier's work area to the vehicle. This time should include taking mail from the work area to the vehicle, placing mail in the vehicle, and returning the equipment to a designated location. Postmasters or supervisors must observe the loading operation daily to ensure that carriers operate efficiently. Include only the time required to place mail in gurneys or hampers in loading time if mail cannot be placed in the conveyance during strap out. In offices where the carrier does not normally withdraw all mail for the route, the required final withdrawal from the designated distribution case, or other equipment, will be accomplished in conjunction with the loading operation, and the actual time required included in the loading allowance. Do not include the time used for this function if the carrier receives the withdrawal allowance. Loading time in excess of 15 minutes must be fully explained in the Comments section of PS Form 4239. However, do not interpret the loading allowance to be a minimum 15 minutes daily. The actual time shown for loading the vehicle must not include time for arranging parcels in delivery sequence; this is included in the time allowance for those items in column D.

r. Column R — Other Suitable Allowance

(1) A reasonable time allowance may be claimed for unusual conditions, or for other services rendered on a daily or weekly basis that are not accounted for under the normal work functions. This does not include time for vehicle breakdowns. Management must authorize items for which time is claimed under this heading. These items must recur daily or weekly. Weekly safety talks must be conducted, and the actual time required (usually 5 minutes per week) recorded in column R.

(2) The actual time required to place Central Markup System/Computerized Forwarding System (CMU/CFS) mail in the designated location is credited in column R.

(3) Where no office personnel are on duty when the carrier returns from serving the route on Saturday, the carrier receives actual time allowance only for those duties performed over and above the normal functions of this day and the fol-

lowing work day. (This does not include time spent counting mail or completing count forms.)

(4) Those carriers who serve a nonpersonnel rural unit receive a minimum allowance of 15 minutes daily for each unit served. Boxes located in these units are not included in the route totals on PS Form 4241. Additional time above 15 minutes claimed for servicing a nonpersonnel unit must be explained in the Comments section.

(5) Personal time, or time used for purchasing and checking stamp stock, should not be entered. These times are credited when the evaluation is processed at the Information Service Center (ISC).

(6) No entries are made in this column for those routes using USPS-owned or -leased vehicles. The ISC will automatically credit appropriate time allowances as indicated in 535.23. Time spent waiting for vehicle repair or tow while on the route is not a recurring function, and is not granted.

(7) All entries in column R require explanation in the Comments section.

Note: No entries are made in this column for those routes with collection compartments, or parcel post lockers located in centralized delivery equipment.

s. Column S — Purchasing Stamp Stock

All rural routes will be automatically credited with 20 minutes per week for purchasing and checking stamp stock.

Note: The Minneapolis ISC will credit the 20 minutes per week and record the proper allowance on PS Form 4241-A, *Rural Route Evaluation*.

t. Column T — Return Receipts

On high-density (L) routes, an additional credit is received only for those return receipts for accountable items handled via PS Form 3883 (see column F). Enter in this column the number of return receipts attached to those accountable items entered on PS Form 3883. Do not credit return receipts on accountable items delivered other than those listed on PS Form 3883.

Example: If a route received 10 accountable items and each had a return receipt attached, but only four of the items were listed in a firm delivery book, the route receives credit for four return receipts in column T.

u. Column U — Authorized Dismounts

The number of authorized dismounts is shown daily. (See part 313 for those instances where dismount deliveries may be authorized.)

Example: A carrier is authorized to dismount at a school. The school office is closed on Saturdays. The route would be credited with a dismount Monday through Friday, but would not receive dismount credit on Saturday. Authorized dismounts must be explained in the *Comments* section. When a

carrier dismounts primarily to provide other services, such as delivery or pickup of accountable mail, COD, Express Mail, etc., do not authorize dismount credit; existing time allowances include time for dismounting.

v. Column V — Authorized Dismount Distance (In feet)

(1) Enter the authorized dismount distance (in feet) traveled daily by the carrier. The distance entered could vary daily depending upon the number of dismounts authorized each day (see column U). Before determining the authorized dismount distance, the postmaster or supervisor must:

(a) For single delivery point dismounts such as CBUs, a school, mailroom, etc., establish the authorized parking location at the closest practicable point.

(b) For multiple deliveries requiring a dismount (such as multiple apartment buildings served from one park point, shopping centers, etc.), a parking location is established at the most advantageous point or points, and the authorized dismount line of travel between delivery points is laid out in the most efficient travel pattern. To avoid unnecessary trips to the vehicle and to ensure employee safety, the postmaster or supervisor may authorize the use of a carrier satchel or satchel cart.

(2) When determining the authorized dismount distance, the postmaster or supervisor must measure the most direct and/or efficient distance from the point of dismount from the vehicle to the delivery point, or points, and return to the vehicle. Record measurements to the closest foot. Make all entries on the basis of the number of trips required by the carrier each day.

Example: A school is authorized as a dismount delivery point. The total dismount distance from the vehicle to the delivery point and return is 140 feet. If, on the first day of the mail count, the volume for this delivery requires only one trip by the carrier, the carrier would receive credit for one dismount in column U and 140 feet dismount distance in column V. If, however, on the second day, the volume for this delivery required two trips, the carrier would receive credit for one dismount in column U and 280 feet in dismount distance.

(3) There must be a reasonable expectation that the line of travel established for the dismount is available to the carrier at least 90 percent of the time. This consideration is especially important in areas that experience consistently heavy snowfalls where direct dismount routes (not coinciding with existing sidewalks) will be blocked most of the winter.

w. Column W — Counting Time

Enter the number of minutes actually used to count the mail. Only the carrier's time is recorded and not the postmaster's or supervisor's counting time.

x. Column X — Waiting Time

Enter the number of minutes the carrier spent waiting for mail after the official starting time.

y. Column Y — Intermediate Offices Served Daily, Services Performed at Intermediate Offices

(1) Enter the number of intermediate post offices served daily. Carriers who perform functions or services at intermediate offices for which time allowances are provided will receive appropriate time credit for these services.

(2) Record daily on PS Form 4239 all functions performed or services provided at intermediate offices, and forward, in a sealed envelope, to the postmaster at the carrier's originating office.

(3) When a non-L route carrier purchases stamp stock at an intermediate office, show the actual time required to perform this function, not to exceed 5 minutes daily, in the *Other Suitable Allowance* column and explain in the *Comments* section. During the mail count period, maintain the normal frequency of stamp purchases at the intermediate office.

Note: For high-density (L) route carriers to receive this additional allowance, their purchases must meet the minimum requirements of 150 times the First-Class Mail postage rate.

(4) When completing PS Form 4241 for the week, the postmaster or supervisor at the office from which the route begins will include in the proper *Total* columns the items applicable to the intermediate office, and writes in above the signature line the words, "includes services performed at intermediate office." Indicate on the form, in the *Comments* section, the functions or services performed.

z. Column Z — Weight of Locked Pouches Carried Daily

Enter the weight carried in pounds (rounded to the nearest whole pound) of all mail, including outside pieces, to or from designated offices. Carriers serving nonpersonnel rural units do not receive credit for a locked pouch.

Note: To determine the daily weight, total the pouch weight of all days and divide by 24. Then divide the daily weight by the number of locked pouch stops from line C, Additional Information, to determine the average daily weight. Enter this number in column Z on PS Form 4241-X.

* * * * *

Future editions of Handbook PO-603 will include the changes in part 535.12 as published. Postmasters must hold joint conferences to discuss mail count procedures and instructions with supervisors and rural carriers involved in the count *no later than close of business on Saturday, August 16, 1997.*

Completion of PS Form 4239

PS Form 4239, *Rural Route Count of Mail* (March 1994) (NSN 7530-02-000-9205, Quick Pick Number 316), is in stock and may be ordered from the material distribution centers (MDCs) using PS Form 7380, *MDC Supply Requisition*, or by Touch-Tone Order Entry. At least 24 forms are required for each rural route being counted. Instructions for completing this form are included with this article.

Completion of PS Form 4241

PS Form 4241, *Rural Delivery Statistics Report* (May 1994), is included on page 19 of this *Postal Bulletin* and must be reproduced locally as needed. Because this is a four-week national mail count, two PS Forms 4241 will be required for each route being counted. Transfer data daily from PS Form 4239 and total PS Form 4241 at the end of each 2-week period. Completion instructions for this form are found in Part 535.2 of Handbook PO-603, *Rural Delivery Carrier Duties and Responsibilities* (June 1991 edition).

Completion of PS Form 4241-X

One PS Form 4241-X, *Rural Delivery Statistics Summary Report* (May 1995), will be required for each route being counted. Transfer data from PS Forms 4241 at the end of each 2-week period. Completion instructions for this form are the same as PS Form 4241. PS Form 4241-X is not in stock at the MDCs. A copy of PS Form 4241-X is included on page 21 of this *Postal Bulletin* and must be reproduced locally as needed.

Completion Requirements and Dates

In addition to completing PS Form 4239 and transferring the information daily to PS Form 4241, individual postmasters and supervisors are responsible for completing and reviewing PS Forms 4241 and PS Form 4241-X for accuracy by October 1, 1997.

In accordance with Handbook PO-603, individual rural carriers are given 2 days to review PS Form 4241-X before signing it. Rural carrier reviews must be completed by October 3, 1997, so that all forms are submitted and received by the district no later than October 4, 1997.

APO/FPO Changes

Make the following ink change to the most recent APO/FPO tables published in *Postal Bulletin* 21951 (7-31-97).

APO/FPO	Action	Effective Date	See Restrictions
09866	Not Active	Immediately	

—*International and Military Mail Operations, International Business Unit, 8-14-97*

Individuals responsible for input of mail count data through the Distributed Data Entry/Data Reporting (DDE/DR) application must be familiar with the entry screen to ensure data is properly entered and recorded in the correct column. Data entry may begin on October 1, 1997. All DDE/DR data entry must be completed by close of business on October 31, 1997. Do not submit PS Forms 4241-X to the Minneapolis Information Service Center (ISC).

PS Form 4241-A, *Rural Route Evaluation*

PS Form 4241-A, *Rural Route Evaluation* (July 1994), is a laser-printed form generated by the DDE/DR systems. This form is not available from the MDC. Minneapolis will process all counts November 1, 1997, and complete and mail this form to each district and associate office for receipt by November 7, 1997.

National Mail Count Training

Districts conducting national mail count training should notify the NRLCA state stewards of the date, time, and location of all training sessions. Administrative leave to attend one of these sessions should be approved for each state steward. State stewards may use annual leave or request leave without pay to attend other district-authorized mail count training sessions.

Option Election for Rural Routes Not Being Counted

Regular rural carriers who qualify for a high or low option and who do not count in September are eligible to elect a high option (see Article 9.2.C.8 of the USPS-NRLCA Agreement) for the new guarantee year by completing PS Form 4015-A, *Rural Carrier Agreement to Use Annual Leave Pursuant to Election of Higher Route Classification*. Option changes are entered by processing PS Form 4003, *Official Rural Route Description*, and are effective with the beginning of the new guarantee period, November 8, 1997 (PP 24-97).

—*Delivery Policies and Programs, Operations Support, 8-14-97*

ATTACHMENT 1
page 6 of 7
MPA/USPS-T17-12a

Attachment I
 Part a.
 MPA/USPS-T17-12 b.

LINE NO.	ROUTE EVALUATION ITEM	AVERAGE VALUE	EVALUATION FACTOR	EVALUATION ALLOWANCE				DELIVERED AND COLLECTED MAIL COSTS		
				(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	COLUMN SOURCE >	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
2	VOLUME VARIABLE	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
3	LETTERS DELIVERED	601,304	<	0.0710	47,563.15	900.15	750.88	492,114.18	352,181	46
4	FLATS DELIVERED	415,017	<	0.1416	58,766.41	1,112.17	927.75	60,806.33	435,137	57
5	PARCELS DELIVERED	12,185	<	0.3300	4,057.61	76.79	64.06	4,198.46	30,045	(103)
6	BOXHOLDERS DELIVERED	178,193	<	0.0400	7,127.72	134.89	112.53	7,375.14	52,777	
7	COU DELIVERED	107	<	5.5000	588.50	11.14	9.29	608.93	4,358	
8	ACCOUNTABLES DELIVERED	1,404	<	4.0000	5,616.00	106.28	88.66	5,810.94	41,584	
9	POSTAGE DUE	407	<	0.2000	81.40	1.54	1.29	84.23	603	
10	RETURN RECEIPTS	8	<	0.2500	2.00	0.04	0.03	2.07	15	
11	LETTERS/FLATS COLLECTED	98,719	<	0.0400	3,948.76			3,948.76	28,258	
12	PARCELS ACCEPTED	276	<	4.0000	1,104.00			1,104.00	7,900	
13	ACCOUNTABLES ACCEPTED	45	<	2.0000	90.00			90.00	644	
14	MONEY ORDERS	79	<	3.5000	276.50			276.50	1,979	
15	VEHICLE LOADING	4,686	<	0.5000	2,343.00	(2,343.00)	(1,954.49)			
16	MARKUPS	8,374	<	0.2340	1,954.49			133,519.54	955,481	0
17	TOTAL				133,519.54		0.00			
18	FIXED									
19	MILES	5,757	<	12.0000	69,084.00					
20	REGULAR BOXES	25,284	<	2.0000	50,568.00					
21	CENTRALIZED BOXES	4,281	<	1.0000	4,281.00					
22	L BOXES	17,056	<	1.6400	27,971.84					
23	NDCBU COMPARTMENTS	156	<	1.0000	156.00					
24	PARCEL POST LOCKERS	142	<	2.0000	284.00					
25	POUCHES	107	<	1.0000	107.00					
26	WITHDRAWALS	2,221	<	1.0000	2,221.00					
27	CHANGE OF ADDRESS	432	<	2.0000	864.00					
28	FORM 3579	464	<	2.0000	928.00					
29	OFFICE WORK	3,000	<	1.0000	3,000.00					
30	PURCHASE STAMPS	2,163	<	1.0000	2,163.00					
31	OTHER SUITABLE ALLOWANCE	1,445	<	1.0000	1,445.00					
32	DISMOUNT	1,866	<	0.1000	186.60					
33	DISMOUNT DISTANCE	186,345	<	0.00284	529.22					
34	TOTAL									
35	ATTRIBUTABLE (a)									
36	INSTITUTIONAL									
37	TOTAL	1,571,523			297,308.20				955,481	2,171,547

a - LR F-178, SEC VI (LINES 15, 25, 26, 29, 30, 31 ARE FOR ALLOWANCE FOR AVERAGE ROUTE)
 b - LR F-178, SEC VI (LINES 15, 25, 26, 29, 30, 31 = 1.0000 TO CONFORM WITH NOTE a. ABOVE)
 c - C4L15 APPORTIONED ON C4L3, L10
 d - C4L16 APPORTIONED ON C4L3, L10
 e - L17 and L35, W/S10.1 C4L6; L11, L14, L15 APPORTIONED ON C7;
 f - C9L5 (C8L3 x BUNDLED LETTERS AND FLATS FACTOR) APPORTIONED ON
 COMPOSITION OF (C8L3 + C8L4)
 g - C9L5 (C8L3 x BUNDLED LETTERS AND FLATS FACTOR) APPORTIONED ON
 L37, W/S10.1 C4L4; L36, L37-L35
 h - L17 and L35, W/S10.1 C4L6; L11, L14, L15 APPORTIONED ON C7;
 FACTOR = 0.003430 (SEE W/S 10.12, FN C)

LINE NO.	ROUTE EVALUATION ITEM	AVERAGE VALUE	EVALUATION FACTOR	EVALUATION ALLOWANCE					DELIVERED AND COLLECTED MAIL COSTS			
				UNADJUSTED	ADJUSTED	MARKUPS	ADJUSTMENT	VEHICLE LOAD	ADJUSTMENT	UNADJUSTED	ADJUSTED	
1	COLUMN SOURCE >	(1)	(2)	(3)	(4)=	(5)	(6)	(7)=	(8)	(9)	(10)=	(11)=
1	2 VOLUME VARIABLE	601,304	<	0.07910	47,563.15	900.15	750.88	49,214.18	373,342	0	373,342	373
3	4 FLATS DELIVERED	415,017	<	0.14160	58,766.41	1,112.17	927.75	60,806.33	461,282	1	461,282	4
5	5 PARCELS DELIVERED	12,185	<	0.33300	4,057.61	76.79	64.06	4,198.46	31,850	(1)	31,849	32
6	6 BOXHOLDERS DELIVERED	178,193	<	0.04000	7,127.72	134.89	112.53	7,375.14	55,948		55,948	56
7	7 COD DELIVERED	107	<	5.50000	588.50	11.14	9.29	608.93	4,619		4,619	7
8	8 ACCOUNTABLES DELIVERED	1,404	<	4.00000	5,616.00	106.28	88.66	5,810.94	44,082		44,082	44
9	9 POSTAGE DUE	407	<	0.20000	81.40	1.54	1.29	84.23	639		639	8
10	10 RETURN RECEIPTS	8	<	0.25000	2.00	0.04	0.03	2.07	16		16	10
11	11 LETTERS/FLATS COLLECTED	98,719	<	0.04000	3,948.76			3,948.76	29,956		29,956	30
12	12 PARCELS ACCEPTED	276	<	4.00000	1,104.00			1,104.00	8,375		8,375	8
13	13 ACCOUNTABLES ACCEPTED	45	<	2.00000	90.00			90.00	683		683	1
14	14 MONEY ORDERS	79	<	3.50000	276.50			276.50	2,098		2,098	2
15	15 VEHICLE LOADING	4,686	<	0.50000	2,343.00	(2,343.00)	(1,954.49)					14
16	16 MARKUPS	8,374	<	0.23340	1,954.49							15
17	17 TOTAL		<		133,519.54	(0.00)	0.00	133,519.54	1,012,889	0	1,012,889	1,013
18	18 FIXED											
19	19 MILES	5,757	<	12.00000	69,084.00							
20	20 REGULAR BOXES	25,284	<	2.00000	50,568.00							
21	21 CENTRALIZED BOXES	4,281	<	1.00000	4,281.00							
22	22 L BOXES	17,056	<	1.64000	27,971.84							
23	23 NDCB COMPARTMENTS	156	<	1.00000	156.00							
24	24 PARCEL POST LOCKERS	142	<	2.00000	284.00							
25	25 POUCHES	107	<	1.00000	107.00							
26	26 WITHDRAWALS	2,221	<	1.00000	2,221.00							
27	27 CHANGE OF ADDRESS	432	<	2.00000	864.00							
28	28 FORM 3579	464	<	2.00000	928.00							
29	29 OFFICE WORK	3,000	<	1.00000	3,000.00							
30	30 PURCHASE STAMPS	2,163	<	1.00000	2,163.00							
31	31 OTHER SUITABLE ALLOWANCE	1,445	<	1.00000	1,445.00							
32	32 DISMOUNT	1,866	<	0.10000	186.60							
33	33 DISMOUNT DISTANCE	186,345	<	0.00284	529.22							
34	34 TOTAL											
35	35 ATTRIBUTABLE (e)								1,012,889		1,012,889	1,013
36	36 INSTITUTIONAL								1,289,132		1,289,132	1,289
37	37 TOTAL	1,571,523			297,308.20			2,302,021	2,302,021		2,302,021	2,302

a - LR F-178, SEC VI (LINES 15, 25, 26, 29, 30, 31 ARE FOR ALLOWANCE FOR AVERAGE ROUTE).
b - LR F-178, SEC VI (LINES 15, 25, 26, 29, 30, 31 = 1.0000 TO CONFORM WITH NOTE a, ABOVE).
c - C4L15 APPORTIONED ON C4L3, L10.
d - C4L16 APPORTIONED ON C4L3, L10.
e - LR F-178, SEC VI (LINES 15, 25, 26, 29, 30, 31 ARE APPORTIONED ON C7).
f - C9L5 (C8L5 x BUNDLED LETTERS AND FLATS FACTOR) APPORTIONED ON
COMPOSITION OF [C8L3 + C8L4]
FACTOR = 0.000020 (SEE W/S 10.12, FN c).

EVALUATION ALLOWANCE

Attachment I
 Part C.
 MPA/USPS-T17-12 b.

LINE NO	ROUTE EVALUATION ITEM	AVERAGE VALUE		EVALUATION FACTOR	UNADJUSTED (2)(K3)		VEHICLE LOAD ADJUSTMENT (5)	MARKUPS ADJUSTMENT (6)	ADJUSTED (7)(F)	UNADJUSTED (8)		BUNDLES AND FLATS ADJUSTMENT (9)	ADJUSTED (10)(8)+(9)	ADJUSTED (11)(10)/1000	LINE NO
		(2)	(3)		(4)	(5)				(6)	(7)				
1	COLUMN SOURCE>>														1
2	VOLUME VARIABLE	801,304 <	0.07910 <		47,563.15		900.15	750.88	49,214.18	408.071			408.072	408	2
3	LETTERS DELIVERED	415,017 <	0.14180 <		58,786.41		1,112.17	927.75	80,808.33	504.190		1	504.191	504	3
4	FLATS DELIVERED	12,185 <	0.33300 <		4,057.61		76.79	64.06	4,188.46	34.812		1	34.810	35	4
5	PACELTS DELIVERED	170,193 <	0.04000 <		7,127.72		134.80	112.53	7,375.14	61.153	(2)		61.153	61	5
6	BOHOLDERS DELIVERED	107 <	5.00000 <		588.50		106.28	88.86	608.83	5.049			5.049	5	6
7	COO DELIVERED	1,404 <	4.00000 <		5,816.00		106.28	1.29	5,810.84	48.183			48.183	48	7
8	ACCOUNTABLES DELIVERED	407 <	0.20000 <		81.40		0.04	0.03	84.23	0.68			0.68	1	8
9	POSTAGE PAID	8 <	0.25000 <		7.00				2.07	1.7			1.7	1	9
10	RETURN RECEIPTS	68,718 <	0.04000 <		3,948.76				3,948.76	32.742			32.742	33	10
11	LETTERS/FLATS COLLECTED	278 <	4.00000 <		1,104.00				1,104.00	9.154			9.154	9	11
12	PACELTS ACCEPTED	45 <	2.00000 <		90.00				90.00	7.6			7.6	1	12
13	ACCOUNTABLES ACCEPTED	79 <	3.50000 <		276.50				276.50	2.293			2.293	2	13
14	MONEY ORDERS	4,888 <	0.50000 <		2,343.00		(2,343.00)								14
15	VEHICLE LOADINGS	4,888 <	0.50000 <		2,343.00										15
16	MARKUPS	8,374 <	0.23340 <		1,864.48		0.00	(1,864.48)	133,519.54	1,107.108		0	1,107.108	1,107	16
17	TOTAL				133,519.54				133,519.54	1,107.108			1,107.108	1,107	17
18	FIXED														18
19	MILES	5,757 <	12.00000 <		89,084.00										19
20	REGULAR BOXES	25,284 <	2.00000 <		50,568.00										20
21	CENTRALIZED BOXES	4,281 <	1.00000 <		4,281.00										21
22	L BOXES	17,056 <	1.00000 <		27,971.84										22
23	INDOOR COMPARTMENTS	156 <	1.00000 <		156.00										23
24	PACEL POST LOCKERS	142 <	2.00000 <		284.00										24
25	POLICES	107 <	1.00000 <		107.00										25
26	WITHDRAWALS	2,221 <	1.00000 <		2,221.00										26
27	CHANGE OF ADDRESS	432 <	2.00000 <		864.00										27
28	FORM 3578	464 <	2.00000 <		928.00										28
29	OFFICE WORK	3,000 <	1.00000 <		3,000.00										29
30	PURCHASE STAMPS	2,183 <	1.00000 <		2,183.00										30
31	OTHER SUITABLE ALLOWANCE	1,445 <	1.00000 <		1,445.00										31
32	DISCOUNT DISTANCE	1,880 <	0.10000 <		188.00										32
33	TOTAL	186,345 <	0.00284 <		529.22										33
34	ATTRIBUTABLE (H)									1,107.108			1,107.108	1,107	34
35	INSTITUTIONAL									1,408.047			1,408.047	1,408	35
36	TOTAL	1,571,523			297,508.70					2,516.155			2,516.155	2,516	36
37	TOTAL														37

(H) - IR-G-37, SEC 7(L) LINES 15, 25, 26, 29, 30, 31 ARE FOR ALLOWANCE FOR AVERAGE ROUTE
 (I) - IR-G-37, SEC 7(L) LINES 15, 25, 26, 29, 30, 31 = 1.0000 TO CONFORM WITH NOTE #, ABOVE)
 (J) - CAL 15 APPOINTED ON CAL 3 L10
 (K) - CAL 18 APPOINTED ON CAL 3 L10

(L) - L17 and L35 W/S 10.01 CAL 6, L1, L4, L15 APPOINTED ON C7.
 (M) - W/S 10.01 CAL 4, L36, L37, L35
 (N) - CR 5, CAL 5 + BUNDLED LETTERS AND FLATS FACTOR) APPOINTED ON COMPOSITION OF CAL 3 * CAL 4)
 (O) - CAL 18 APPOINTED ON CAL 3 L10
 FACTOR = 0.000000 [SEE W/S 10.12, FN C]

LINE NO	ROUTE EVALUATION ITEM	AVERAGE VALUE	EVALUATION FACTOR	EVALUATION ALLOWANCE				DELIVERED AND COLLECTED MAIL COSTS			
				UNADJUSTED (2)(M)	VEHICLE LOAD ADJUSTMENT (5)	MARKUPS ADJUSTMENT (6)	ADJUSTED (7)= (4)+(5)+(6)	UNADJUSTED (8)	BUNDLES AND FLATS ADJUSTMENT (9)	ADJUSTED (10)= (8)+(9)	ADJUSTED (11)= (10)/1000
1	COLUMN SOURCE (1)	601.304 <	0.07910 <	47,583.15	800.15	750.88	48,214.18	434,866	0	434,866	435
2	VOLUME VARIABLE LETTERS DELIVERED	415.017 <	0.14180 <	58,789.41	1,112.17	927.75	60,806.33	537,444	0	537,444	538
3	FLATS DELIVERED	12,185 <	0.33300 <	4,057.81	76.78	84.06	4,186.46	37,109	0	37,109	37
4	PANCLIS DELIVERED	176,193 <	0.04000 <	7,127.72	134.89	112.53	7,375.14	65,186	0	65,186	65
5	BOVHOLDERS DELIVERED	107 <	5.50000 <	584.50	11.14	9.29	600.93	5,382	0	5,382	5
6	COB DELIVERED	1,494 <	4.00000 <	5,916.00	106.26	88.66	6,110.94	51,381	0	51,381	51
7	ACCOUNTABLES DELIVERED	407 <	0.29000 <	81.40	1.54	1.29	84.23	744	0	744	7
8	POSTAGE DUE RETURN RECEIPTS	5 <	0.25000 <	2.00	0.04	0.03	2.07	16	0	16	1
9	LETTERS/FLATS COLLECTED	98,778 <	0.04000 <	3,948.78	0.04	0.03	3,948.78	34,802	0	34,802	35
10	PANCLIS ACCEPTED	278 <	2.00000 <	556.00	0.00	0.00	556.00	4,758	0	4,758	5
11	ACCOUNTABLES ACCEPTED	45 <	3.50000 <	157.50	0.00	0.00	157.50	1,382	0	1,382	1
12	MONEY ORDERS	79 <	0.50000 <	39.50	0.00	0.00	39.50	328	0	328	3
13	VEHICLE LOADING MARKUPS	4,888 <	0.50000 <	2,444.00	(2,343.00)	1,291.00	1,392.00	795	0	795	10
14	MARKUPS	8,374 <	0.23340 <	1,954.49	0.00	(1,954.49)	0.00	2,444	0	2,444	2
15	TOTAL			133,519.54	0.00	0.00	133,519.54	1,180,129	0	1,180,129	1,180
16	FIXED MILES	5,787 <	12.00000 <	69,444.00			69,444.00				
17	REGULAR BOXES	29,284 <	2.00000 <	58,568.00			58,568.00				
18	CENTRALIZED BOXES	4,281 <	1.00000 <	4,281.00			4,281.00				
19	L BOXES	17,056 <	1.64000 <	27,971.44			27,971.44				
20	NONCAU COMPARTMENTS	158 <	2.00000 <	316.00			316.00				
21	PANCLIS POST LOCKERS	142 <	1.00000 <	142.00			142.00				
22	POUCHES	107 <	1.00000 <	107.00			107.00				
23	WITHDRAWALS	2,221 <	1.00000 <	2,221.00			2,221.00				
24	CHANGE OF ADDRESS FORM 3512	432 <	2.00000 <	864.00			864.00				
25	OFFICE WORK	464 <	2.00000 <	928.00			928.00				
26	PURCHASE STAMPS	3,100 <	1.00000 <	3,100.00			3,100.00				
27	OTHER SUIABLE ALLOWANCE	2,183 <	1.00000 <	2,183.00			2,183.00				
28	DISCOUNT	1,445 <	1.00000 <	1,445.00			1,445.00				
29	DISCOUNT DISTANCE	1,889 <	0.10000 <	188.90			188.90				
30	TOTAL	186,345 <	0.00284 <	529.22			529.22				
31	ATTRIBUTABLE (a)										
32	DISTRIBUTION										
33	TOTAL	1,571,523		297,308.20			1,868,831.20				

(a) - LRG-37 SEC V(LINES 15, 25, 26, 29, 30, 31 ARE FOR ALLOWANCE FOR AVERAGE ROUTE)
 (b) - LRG-37, SEC V(LINES 14, 25, 26, 29, 30, 31 = 1.0000 TO CONFORM WITH NOTE 9, ABOVE)
 (c) - CALLS APPORTIONED ON CALLS, L10
 (d) - CALLS APPORTIONED ON CALLS, L10

(e) - L17 AND L25 WIS 10 D 1 CALL, L1 14, L15 APPORTIONED ON C7.
 L37 WIS 10 D 1 CALL, L38 (37/L35)
 (f) - CALLS CALLS BUNDLED LETTERS AND FLATS (FACTOR) APPORTIONED ON COMPOSITION OF CALLS * CALL 9
 FACTOR = 0.000010 (SEE WIS 10 1 2, FN 6)

1,180,129
 1,501,983
 2,082,112

1,180
 1,502
 2,082

LINE NO	ROUTE EVALUATION ITEM	AVERAGE VALUE	EVALUATION FACTOR	EVALUATION ALLOWANCE					DELIVERED AND COLLECTED MAIL COSTS					LINE NO		
				UNADJUSTED (2)(h)(3)	VEHICLE LOAD ADJUSTMENT (5)	MAILRUPS ADJUSTMENT (6)	ADJUSTED (7)= (4)+(5)+(6)	UNADJUSTED (8)	BUILDINGS AND FLATS ADJUSTMENT (9)	ADJUSTED (10)= (8)+(9)	ADJUSTED (11)= (10)/(1000)					
1	COLUMN SOURCE>>															
2	VOLUME VARIABLE	601,304 <	0.07810 <	47,563.15	800.15	750.88	48,214.18	454,338	83	454,419	454					
3	LETTERS DELIVERED	415,017 <	0.14180 <	58,766.41	1,112.17	927.75	60,800.33	561,352	102	561,454	561					
4	FLATS DELIVERED	12,185 <	0.33300 <	4,057.61	76.79	64.06	4,186.46	36,574	(185)	36,374	36					
5	PARCELS DELIVERED	178,193 <	0.04000 <	7,127.72	134.69	112.53	7,375.14	68,086		68,086	68					
6	BORHOOLDERS DELIVERED	107 <	5.50000 <	586.50	11.14	9.29	608.93	5,822		5,822	5					
7	COOD DELIVERED	1,404 <	4.00000 <	5,616.00	108.28	84.66	5,810.94	53,645		53,645	54					
8	ACCOUNTABLES DELIVERED	407 <	0.25000 <	81.40	0.04	0.03	84.23	778		778	7					
9	POSTAGE DUE	8 <	0.20000 <	2.00		2.07	2.07	18		18	1					
10	RETURN RECEIPTS	88,719 <	0.04000 <	3,948.76		3,948.76	3,948.76	36,454		36,454	36					
11	LETTERSFLATS COLLECTED	276 <	4.00000 <	1,104.00		1,104.00	1,104.00	10,192		10,192	10					
12	PARCELS ACCEPTED	48 <	3.50000 <	90.00		90.00	90.00	831		831	1					
13	ACCOUNTABLES ACCEPTED	79 <	0.80000 <	278.50		278.50	278.50	2,553		2,553	3					
14	MONEY ORDERS	4,888 <	0.20000 <	2,343.00	(2,343.00)											
15	VEHICLE LOADING	4,888 <	0.20000 <	2,343.00		1,954.40	1,954.40									
16	MAILRUPS	8,374 <	0.23340 <	1,954.40	0.00	(1,954.40)	0.00									
17	TOTAL			133,519.54		133,519.54	1,232,827		0	1,232,827	1,233					
18	FIXED															
19	MALES	3,737 <	12.00000 <	69,084.00												
20	REGULAR BOXES	25,284 <	2.00000 <	50,568.00												
21	CENTRALIZED BOXES	4,281 <	1.00000 <	4,281.00												
22	L BOXES	17,050 <	1.84000 <	27,971.84												
23	NICBU COMPARTMENTS	158 <	1.00000 <	158.00												
24	PARCEL POST LOCKERS	142 <	2.00000 <	284.00												
25	POUCHES	107 <	1.00000 <	107.00												
26	WITHDRAWALS	2,221 <	1.00000 <	2,221.00												
27	CHANGE OF ADDRESS	432 <	2.00000 <	864.00												
28	FORM 3579	464 <	2.00000 <	928.00												
29	OFFICE WORK	3,000 <	1.00000 <	3,000.00												
30	PURCHASE STAMPS	2,163 <	1.00000 <	2,163.00												
31	OTHER SUITABLE ALLOWANCE	1,445 <	1.00000 <	1,445.00												
32	DISCOUNT	1,868 <	0.10000 <	186.80												
33	DISCOUNT DISTANCE	186,345 <	0.00284 <	529.22												
34	TOTAL															
35	ATTRIBUTABLE (a)							1,232,827		1,232,827	1,233					
36	INSTITUTIONAL							1,568,797		1,568,797	1,568					
37	TOTAL			297,308.20				2,801,424		2,801,424	2,801					

(a) - L16-G-37 SEC MAIL LINES 15, 26, 28, 29, 30, 31 ARE FOR ALLOWANCE FOR AVERAGE ROUTE.
 (b) - L16-G-37 SEC MAIL LINES 15, 26, 28, 29, 30, 31 = 1.0000 TO CORRECT WITH NOTE #1 ABOVE)
 (c) - C4L15 APPORTIONED ON C4L3 L10
 (d) - C4L18 APPORTIONED ON C4L3 L10

(a) - L17 and L15 WIS 10 0 1 C4L8 L1 14, L15 APPORTIONED ON C7.
 L17 WIS 10 0 1 C4L4 L16 L27 L15
 (b) - C6L5, C6L4, 5 * BUNDLED LETTERS AND FLATS FACTOR) APPORTIONED ON COMPOSITION OF C6L3 * C6L4
 FACTOR = 0.004780 (SEE WIS 10 1 2, FN 6)

**Designated Responses of the
United States Postal Service
to NAA Interrogatories**

ANSWERS OF U.S. POSTAL SERVICE
TO INTERROGATORIES OF THE NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-1.

Please list all postal data systems which collect information regarding:

- a. Standard (A) Mail Regular volume:
 - (i) by weight;
 - (ii) by shape;
 - (iii) by weight and shape;
 - (iv) by rate category and
 - (a) by weight
 - (b) by shape; or
 - (c) by weight and shape.
- b. Standard (A) Enhanced Carrier Route volume:
 - (i) by weight;
 - (ii) by shape; or
 - (iii) by weight and shape;
 - (iv) by rate category and
 - (a) by weight
 - (b) by shape; or
 - (c) by weight and shape.
- c. Periodicals Mail volume:
 - (i) by weight;
 - (ii) by shape; or
 - (iii) by distance
 - (iv) by rate category
 - (a) by weight;
 - (b) by shape; or
 - (c) by distance.

NAA/USPS-1.

RESPONSE:

- a. Standard (A) Mail Regular volume:
 - (i) RPW and Non-countable Subsystem System;
 - (ii) RPW and Non-countable Subsystem (letter vs. non-letter, except flat shape for automation presort), and ODIS;

(iii) RPW and Non-countable Subsystem

(letter vs. non-letter, except flat shape for automation presort);

(iv)

(a) RPW and Non-countable

Subsystem;

(b) RPW and Non-countable Subsystem

(letter vs. non-letter, except flat shape for automation presort), and

(c) Not applicable.

b. Standard (A) Enhanced Carrier Route volume:

(i) RPW and Non-countable Subsystem

System;

(ii) RPW and Non-countable Subsystem

(letter vs non-letter, except flat shape for automation presort), and ODIS;

(iii) RPW and Non-countable Subsystem

(letter vs non-letter, except flat shape for automation presort);

(iv)

(a) RPW and Non-countable

Subsystem;

(b) RPW and Non-countable Subsystem

(letter vs non-letter, except flat

shape for automation presort), and

(c) Not applicable.

c. Periodicals Mail volume:

(i) Non-countable Subsystem System;

(ii) Non-countable Subsystem & ODIS;

(iii) None;

(iv)

(a) Non-countable Subsystem System;

(b) Non-countable Subsystem System.

(c) Not applicable.

RESPONSE OF THE U.S. POSTAL SERVICE TO INTERROGATORIES
OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-2. With respect to Postal Service Advertising:

- a. Please confirm that the Postal Service has a national advertising budget.
- b. Please confirm that in addition to this national advertising budget, each region has a regional advertising budget.
- c. In addition to the budgets referenced in a and b above, are there also advertising budgets in local Postal Service organizations?
- d. Please provide for the years FY 1996, FY 1997, and FY 1998 the aggregate amount spent (or budgeted in the case of FY 98) by the Postal Service on advertising in the national budget and each regional budget.
- e. Please indicate whether these advertising expenditures are attributed, and if so, to what classes of mail.
- f. Please indicate whether there are separate advertising budgets for different classes or subclasses of mail.
- g. Please indicate whether for FY 1996 and FY 1997, whether the sums expended in the national and each regional advertising budget were within the appropriate budget set by the responsible postal official.
- h. Please provide citations for the answers provided.

RESPONSE:

- a. *Confirmed.*
- b. *Not confirmed. As a general rule, Areas and other field organizations do not have advertising budgets.*
- c. *See the response to b.*

RESPONSE OF THE U.S. POSTAL SERVICE TO INTERROGATORIES
OF NEWSPAPER ASSOCIATION OF AMERICA

- d. Total actual advertising expenses For FY 1996 and total estimated advertising expenses for FY 1997 and the test year can be found on pages 388 and 450 of Library Reference H-12.
- e. Please see the response to UPS/USPS-5.
- f. Advertising is not reported or budgeted by class of mail. However, some advertising initiatives are unique to one class of mail. These typically have been for Priority, Express, Parcel Post and International mail.
- g. An objection was filed on September 8, 1997.
- h. Citations have been provided where applicable.

RESPONSE OF THE U.S. POSTAL SERVICE TO INTERROGATORIES
OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-3. Please provide for each year from 1994 up to and including FY 1997 the amount spent in advertising direct mail. Please provide the budgeted figure for the test year.

RESPONSE:

Advertising expenses are not reported or budgeted by class or type of mail. See the response to NNA/USPS-2f. For the amount distributed to classes of mail for FY 1994 -1996 please see the Cost Segments and Components reports for those years, available in the Postal Service or the Postal Rate Commission libraries. For FY 1997, please see the response to UPS/USPS-5.

RESPONSE OF THE U.S. POSTAL SERVICE TO INTERROGATORIES
OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-4. Please provide for each year from 1994 up to and including FY 1996 the amount of cost spent in advertising third class bulk business (regular) mail.

RESPONSE: Please see the response to NAA/USPS-3.

RESPONSE OF THE U.S. POSTAL SERVICE TO INTERROGATORIES
OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-5. Please provide for FY 1996 the amount of cost spent in advertising *Standard Enhanced Carrier Route Mail*.

RESPONSE: Please see the response to NAA/USPS-3.

RESPONSE OF THE U.S. POSTAL SERVICE TO INTERROGATORIES
OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-6. Please provide for FY 1996 the amount of cost spent in advertising Standard Regular Mail.

RESPONSE: Please see the response to NAA/USPS-3.

RESPONSE OF THE U.S. POSTAL SERVICE TO INTERROGATORIES
OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-7. Please provide for FY 1997 the actual to date and projected (for the remainder of the FY) amount spent in advertising (a) Standard Enhanced Carrier Route mail and (b) Standard Regular mail, stated separately if possible.

RESPONSE: Please see the response to NAA/USPS-3.

RESPONSE OF THE U.S. POSTAL SERVICE TO INTERROGATORIES
OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-8. Please provide for FY 1998 the projected amount of cost to be spent in advertising Standard Enhanced Carrier Route mail.

RESPONSE: Please see the response to NAA/USPS-3.

RESPONSE OF THE U.S. POSTAL SERVICE TO INTERROGATORIES
OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-9. Please provide for FY 1998 the projected amount of cost to be spent in advertising Standard Regular mail.

RESPONSE: Please see the response to NAA/USPS-3.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-11. Please refer to page 38 of the 1996 *Annual Report of the United States Postal Service*. In this section of the *Annual Report*, the Postal Service states that it adopted "Economic Value Added" in 1996 as a measurement to determine whether a business strategy makes sense.

- (a) Please list the reasons why the Postal Service adopted the EVA in 1996.
- (b) Please provide a numeric example which describes specifically how the Economic Value Added (EVA) is calculated for a particular project.
- (c) Please describe what guidelines are used to determine whether the EVA indicates that a business strategy makes financial sense.
- (d) The *Annual Report* indicates in 1996 the EVA was \$1.07 billion. Please describe what this number indicates and explicitly how the figure is calculated.
- (e) Please illustrate how net operating income is defined for EVA purposes.
- (f) Please define the "charge for capital" that is used in the computation of the EVA.
- (g) Please describe how the incentive payment system is affected by the EVA.

RESPONSE:

a.-g. Please refer to Library Reference H-258.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-13.

- a. Please confirm that the Postal Service has developed data showing the extent of on-time performance in a variety of postal delivery services.
- b. Please confirm that the Postal Service has developed data showing the extent of on-time performance on a city-pair basis.
- c. Please confirm that the Postal Service has developed data showing the extent of on-time performance on a facility basis.
- d. Please confirm that the Postal Service has developed data showing the extent of on-time performance on a market basis.
- e. Please confirm that the Postal Service has developed data showing the extent of on-time performance on a customer specific basis.
- f. For what classes of mail have customer specific data been collected?
- g. Where the Postal Service has developed on time data on a customer specific basis, how was the customer chosen?
- h. Where the Postal Service has developed on time data on a customer specific basis, was the customer provided with the performance data?
- i. Where the Postal Service has developed on time data on a customer specific basis, was this service made available to the customer's competitor[s]?
- j. Where the Postal Service has developed on time data on a customer specific basis, was the customer charged for this service?
- k. Where is [sic] the Domestic Mail Classification Schedule or the Domestic Mail Manual are specifics for the provisions for such a public postal service?

RESPONSE:

- a. Confirmed.
- b. Some time-in-transit data has been developed on a city-pair basis.
- c. Not confirmed.
- d. Not confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NEWSPAPER ASSOCIATION OF AMERICA

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- e. Confirmed.
- f. Periodicals and Standard Mail.
- g. The decision of a mailer to participate in these programs was based on a number of criteria, including whether the mailer was willing to allow the Postal Service to obtain the information it required, and whether the mailer had pieces destinating in the locales where the Postal Service was gathering information.
- h. For Standard Mail, the participants were provided with information specific to their mailings. For Periodicals, participants were provided with aggregated information.
- i. The Postal Service did not consider the possible extent to which participants in these programs could be considered to be in competition with one another.
- j. No.
- k. The Postal Service does not agree with the characterization of these programs as a "public postal service"; these programs were used as a means for the Postal Service to gather information. They are not described in the Domestic Mail Classification Schedule or the Domestic Mail Manual.

REVISED SEPTEMBER 15, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-14.

- a. Please confirm that the United State [sic] Postal Service is providing lockbox service for American Express in a Staten Island facility.
- b. Is this lock-box service a "postal service" requiring a recommendation by the Postal Rate Commission?
- c. Will this lock-box service give rise to attributable costs in the Test Year? If so, please quantify those costs and provide an appropriate citation. If not, please explain why not.
- d. Were that service to be provided on a below-cost basis, would that service not be subsidized by other mail services?
- e. Please provide a copy of the contract, including the financial terms.

RESPONSE:

- a. Not confirmed. The Postal Service does not know what is meant by "lockbox service." However, the Postal Service is providing a retail remittance processing service for American Express.
- b. With respect to the remittance processing service (see the response to part a), no.
- c. With respect to the remittance processing service (see the response to part a), no. Any test year costs for this service are treated as "Other" costs.
- d. The service would not be subsidized by classes or subclasses of mail, or special services, except in the unlikely circumstance that the service were

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-14, Page 2 of 2

offered on a below-cost basis over the duration of the contract, during a period of time in which the Postal Service broke even overall.

- e. Objection filed September 8, 1997. A redacted copy of the remittance processing services agreement between American Express and the Postal Service is being filed in library reference H-257.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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NAA/USPS-15.

- a. Please confirm that the Postal Service is offering "telephone pole" services to wireless telephone companies (such as cellular telephone companies), at least in Illinois.
- b. Is the Postal Service offering like services to other wireless telephone companies in other locales?
- c. What is the total expected income from such services? What is the total expected expense of such services?
- d. Please state whether and how the net revenues from "telephone pole" services are reflected in the Test Year, and the extent to which these revenues have allowed domestic rates to be reduced.

RESPONSE:

a.- b. Not confirmed as stated. The Postal Service is leasing space at some of its facilities in Illinois and elsewhere to wireless communications providers for purposes of erecting antennae.

c. There are no known expenses. Total revenue thus far is still quite low (less than \$100,000) as the project is still in its early stages of implementation. Eventually, the Postal Service hopes to recognize total annual revenues in excess of \$10 million.

d. As revenues are received from this program, they would be reported as Other Revenue. Obviously, given the magnitude of the amount of current revenue cited in subpart c. of this response, there has, as of yet, been little opportunity for these revenues to allow domestic rates to be reduced.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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NAA/USPS-16. Please refer to the answer NAA/USPS-13(c) and (d), which did not confirm that the Postal Service has developed data showing the extent of on-time performance on a facility and market basis, respectively. Please also refer to a press release issued by the United States Postal Service on June 25, 1997, entitled "U.S. Postal Service Makes The 'Honor Roll' In Local Mail Service; Set New Record For On-Time Delivery."

- a. Please confirm that the press release states, in part, that the cities of Omaha and Seattle received the best local mail service in the nation during the period covered by the release.
- b. Please confirm that, according to the press release, nine other cities received on time delivery of 95 percent of overnight First Class Mail during the period covered by the release.
- c. Please confirm that the press release reports on the delivery performance of overnight First Class Mail received by a number of other cities during the period covered by the release.
- d. Please confirm that the data reported by the press release constitute a measure of the extent of on-time performance on a market basis. If you cannot confirm, please explain why not.
- e. Please confirm that the press release reports on the delivery performance of overnight First Class Mail received by "Northern Virginia" during the period covered by the release.
- f. Please confirm that the reference to "Northern Virginia" in the press release is a reference to First Class Mail processed at the U.S. Postal Service facility in Merrifield, Virginia. If you cannot confirm, please indicate what facilities are meant by "Northern Virginia."
- g. Please confirm the data reported by the press release regarding Northern Virginia constitute a measure of the extent of on-time performance on a facility basis. If you cannot confirm, please explain why not.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Not confirmed. The press release referred to in the interrogatory reports scores from the EXFC Measurement System. This system measures service performance for first-class Mail for 96 locations. These locations correspond to cities, with the exception of Northern Virginia, Suburban Maryland, and South Suburban, IL, which are treated as "cities" for the purposes of EXFC.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NEWSPAPER ASSOCIATION OF AMERICA

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- e. Confirmed.
- f. Not confirmed. The EXFC score reported for Northern Virginia is not tied to any specific facilities, but refers to the 3-digit ZIP Codes that constitute the Northern Virginia "EXFC city." These ZIP Codes are 201, 220, 221, 222, and 223.
- g. Not confirmed. Please see response to subpart (f), above.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
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NAA/USPS-17 Please refer to the answer to NAA/USPS-2(b), which indicates that as a "general rule, Areas and other field organizations do not have advertising."

- a. Do any "Area" or "other field organizations" have advertising budgets as an exception to the "general rule"?
- b. How many "Areas" of "other field organizations" have advertising budgets as an exception to the general rule?

RESPONSE:

- a & b. *No advertising funds were allocated to the field in FY 1997; however, two areas re-allocated small amounts to the advertising budget line for local advertising initiatives totaling \$190,510.*

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NEWSPAPER ASSOCIATION OF AMERICA**

NAA/USPS-20. Please refer to the document referenced in a September 8, 1997 Postal Service press release entitled "Finding Common Ground" prepared by a "Blue Ribbon Committee" of "top corporate executives.

a. How were the eight "mail industry leaders" that comprised of (sic) the "Blue Ribbon Committee" selected?

b. Please explain why the Blue Ribbon Committee did not consist of a representative body of large, medium and small mailers.

c. How much did the physical production of the report cost the Postal Service?

d. Did the Postal Service contribute staffing and time in support of the Blue Ribbon Committee's efforts?

e. Approximately what percentage of the total costs of the Blue Ribbon Committee's efforts were funded by the Postal Service?

f. In to what postal cost accounts would the time and costs incurred by the Postal Service related to the Blue Ribbon Committee's efforts be recorded?

g. How are the postal cost accounts identified in subpart (f) attributed?

RESPONSE

a. These industry leaders were selected on the basis of their business and postal knowledge, influence in the mailing industry, their dependence on mail as a key component of their business operations and their willingness to take time to identify critical issues from the mailers/vendors perspective, and their desire to identify and recommend action steps that are necessary to ensure the long term viability of the mail in meeting the future needs of postal customers.

b. The Blue Ribbon Committee represented a cross-section of the mailing industry and many of the business' represented on the Committee depend on all sizes of customers. Further, the Committee did reach out to all customers through surveys and focus groups to ensure the broadest representation of viewpoints were considered.

- c. Physical production costs (i.e., printing) were \$20,250.
- d. Yes
- e. The Postal Service funded nearly all of the costs associated with the work of the Blue Ribbon Committee. The Postal Service did not pay the travel expenses or salaries of the industry committee members nor of their representatives (i.e., working group). Production costs for the Blue Ribbon Committee panel sessions at both the New Orleans and Boston National Postal Forums were paid by National Postal Forum Inc., a Not for Profit Educational Corporation.
- f. The salary and benefit expenses of the headquarters staff associated with the Blue Ribbon Committee accrue to subaccount 183 of the appropriate personnel accounts in cost segment 18. Other expenses accrue to account number 52321 in cost segment 18.
- g. The costs in (f) are considered institutional.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO THE
INTERROGATORIES OF THE NEWSPAPER ASSOCIATION OF AMERICA
REDIRECTED FROM WITNESS MODEN**

NAA/USPS-T4-23. Please refer to arbitration decision by Arbitrator Snow dated June 9, 1997, regarding the use of "fourth bundles."

- a. Please describe the operating practices at issue in the June 9 arbitration decision, and particularly the type of mail carried in each of the four "bundles."
- b. Is the June 9, 1997, arbitration decision final, in the sense that it is not subject to any further legal appeal? If not, please identify the status of that decision.
- c. To what type[s] of routes does the June 9, 1997, arbitration decision apply?
- d. Will the elimination of "fourth bundles" require carriers to perform additional casing than in a "fourth bundle" environment? If so, please indicate what costs would likely increase. If not, please explain why not.
- e. Please confirm that prior to the widespread implementation of automation, the "third bundle" typically consisted of advertising flats. If you cannot confirm, please explain why not.
- f. Please identify the cost segments and cost components most likely to be affected by the arbitration decision, and whether the decision is likely to lead to an increase or a decrease in costs accrued in such segments or components.
9. Will the June 9, 1997, arbitration decision likely lead to an increase or a decrease in costs attributed to subclasses of mail? Please identify the likely direction of such changed cost attributions.

Response:

- a. See response to AAPS/USPS-1.
- b. The award is final as to the issues under consideration. However, please see the answer to AAPS/USPS-3 regarding the limitations on the effect of the award. In addition, it is noted that nothing in the arbitration award would prevent carriers from carrying "fourth bundles" on a voluntary basis.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO THE
INTERROGATORIES OF THE NEWSPAPER ASSOCIATION OF AMERICA
REDIRECTED FROM WITNESS MODEN**

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On remand, the Postal Service and NALC have agreed to undertake a study of this matter. Please see the answer to NAA/USPS-T4-28. The results of this study could lead to further agreement affecting these carrier operations. Some agreements in the interim have already been concluded at the local level, pursuant to negotiations following the arbitration award. More recently, the Postal Service entered into an agreement specifying procedures for further negotiations leading to local agreements. A copy of this document is attached.

- c. See response to AAPS/USPS-1.
- d. The question appears to be based on the assumption that the arbitration award will eliminate all "fourth bundles" in the operating environment. Please see the response to AAP/USPS-3 regarding the limitations on the effect of the award. Additionally, it is noted that the award does not specifically prohibit carriers from voluntarily carrying "fourth bundles." See the answer to (b) above.
- e. The work method you are referring to, which was never described as a "third bundle," applies primarily to the flats in the *Detached Address Label* mailings.
- f. The cost segments and components most likely to be affected would include the City Delivery Carrier components in cost segments 6 and 7. The Postal Service will study the impact on accrued costs, but until it is studied, the impact is not known.
- g. The Postal Service will study the impact on volume variable costs, but until it is studied, the impact is not known.

**USPS-NALC PROCEDURE FOR
DETERMINING INTERIM APPROACH**

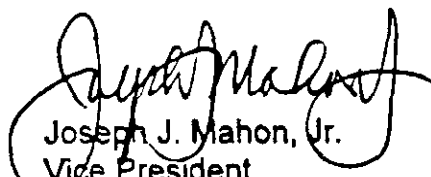
The procedure set forth herein applies only to those routes on which no interim approach for handling unaddressed flats has been jointly selected as of September 26, 1997.


By letter dated September 12, 1997, the national parties directed that local parties without agreements make another attempt to agree upon an interim approach and that the regular carrier would determine the most efficient method while that effort was underway. If there still is no agreement between the local parties on an interim approach on a route as of September 26, the local parties will assess the efficiency of the approach which the regular carrier has selected as follows:

1. For each such route, all time used on the route on the first six (6) days unaddressed flats are delivered using the carrier's selected approach, including auxiliary assistance and overtime, will be averaged to determine the average daily total work hours used on the route on those days.
2. For each such route, the delivery unit manager and the shop steward will also review and average the daily total work hours used on the route on each of the six (6) days unaddressed flats were delivered immediately prior to August 4, 1997. This will serve as baseline data.
3. If the average daily total work hours using the carrier's selected approach do not exceed the average daily total work hours reflected by the baseline data, the carrier will continue to use the selected approach during the interim period, as long as the same level of efficiency is maintained.
4. If the average daily total work hours using the carrier's selected approach exceed the average daily total work hours reflected by the baseline data, the delivery unit manager and the shop steward will conduct a review to determine whether the increase in average daily total work hours is the result

of increased time in the office, or on the street. If the office time increased, the total volume delivered on the targeted unaddressed flat days during the two periods will be reviewed. If it is determined that the office time increase was not caused by a volume increase, or if it is determined that the carrier's street time increased for any reason, or if the carrier's same level of efficiency is not maintained as provided in paragraph 3 above, management will select the approach for handling unaddressed flats for the remainder of the interim period.

5. In the event that an affected route is served by a carrier other than the regular on the route, the career carrier who will be predominantly serving the route during the interim period will be deemed the "regular" carrier for the purpose of selecting the interim approach.
6. The approach used by the regular carrier will be used by the T-6 assigned to the route as well as any replacement coverage due to "opt" or assignment.
7. It is mutually understood that 1) this is an interim step pending the completion of the national level study to determine the relative efficiency of different approaches; 2) management may, during this interim period, continue to monitor any selected approach to insure continued efficiency; 3) the continued use of a carrier's selected approach is dependent on maintaining the level of efficiency demonstrated during the comparison period; and 4) agreements on the selected approach are made for the interim period only, and are made without precedent or prejudice to the national level study to be conducted by the national parties pursuant to the August 12 agreement, and are not citable in any manner in any forum except to enforce this agreement.


Joseph J. Mahon, Jr.
Vice President
Labor Relations
U.S. Postal Service


Vincent R. Sombrotto
President
National Association of
Letter Carriers, AFL-CIO

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO THE
INTERROGATORIES OF THE NEWSPAPER ASSOCIATION OF AMERICA
REDIRECTED FROM WITNESS MODEN**

NAA/USPS-T4-28. Please refer to the August 12, 1997, agreement between the US Postal Service and the National Association of Letter Carriers to study work methods with and without unaddressed flats. Please confirm that the joint study referenced in the August 12, 1997, agreement is expected to be completed by April 30, 1998. If you cannot confirm, please provide a more accurate date.

Response:

Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE INTERROGATORIES OF THE NAA
REDIRECTED FROM WITNESS BRADLEY**

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NAA/USPS-T14-20. Please refer to your response to Interrogatory NAA/USPS-T-14-12. Assume that a hypothetical facility currently uses one BCS machine and plans to install a second machine because of projected increases in bar-coded mail volume.

a. Is it reasonable to expect that the total amount of time spent by facility workers on BCS set-up and any related activities will double after installation of the second machine? If no, please explain why not.

b. Assume that the hypothetical facility later decides to remove the second BCS machine because of projected future decreases in bar-coded mail volume. Is it reasonable to expect that the total amount of time spent by facility workers on BCS set-up and any related activities will be half that required with two BCS machines? If no, please explain why not.

c. Please explain how set-up time and related activities vary as a function of the number of machines at a facility.

Response:

a. No. The time spent placing support equipment around the BCSs will less than double. In addition, the time spent taking mail to and from the machines will less than double.

b. No, see part a.

c. See part a.

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NAA/USPS-T36-47. Please refer to the Postal Service response to NAA/USPS-T36-27(e). Please provide all data and analyses which quantify the likelihood of error in the process of recording the weight when the IOCS tally is recorded.

RESPONSE:

There are no data regarding the likelihood of error in the process of recording the weight of pieces when the IOCS tally is recorded. Although it does not measure the likelihood of error in the recording of weight, there was an attempt made to match FY 1994 IOCS data for second class regular rate mail with the weight recorded on mailing statements for the same publication. There were a number of limitations to this attempt, including: uncertainty regarding the ability to match the publication listed on the tally with the correct *issue* of the publication; uncertainty regarding the ability to match the tally with a particular *edition* of an issue (an issue may have several editions of varying weight); the possibility that a mailpiece contains several copies of the publication, in which case the tally would record the weight of the package, but the mailing statement would record the weight of a single copy; and, the weight on a mailing statement for a publication using Centralized Postage Payment will be the average weight of all the editions of the issue. So, to the extent the tally and the mailing statement do not match, it does not necessarily mean that either weight measurement was *incorrect*, it simply means that the two weight recordings did not match. Despite these and other limitations on the ability to match the tallies with the mailing statements, 67 percent of the dollar weighted tallies did match the weight increment of the mailing statement, 9 percent were in a weight increment between 1-2 ounces different than the weight increment of the mailing statement, 6 percent were between 2-3 ounces different, 4

UNITED STATES POSTAL SERVICE RESPONSE TO INTERROGATORIES OF
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percent were between 3-4 ounces different, 3 percent were between 4-5 ounces different, 2 percent were between 5-6 ounces different, 2 percent were between 6-7 ounces different, 2 percent were between 7-8 ounces different and 5 percent were greater than 8 ounces different. It should be noted that Periodicals mail has a much different distribution of mail volume by weight increment than Standard Mail (A) and is not limited to a 16 ounce maximum weight, so these figures may not be representative of Standard Mail (A).

**Designated Responses of the
United States Postal Service
to NAPM Interrogatories**

NAPM/USPS-INST/FOLLOW-UP-1.

Please refer to the Table II-2 which you set forth in your October 21, 1997 Supplemental Response of USPS to Interrogatory of MMA/USPS-T25-1c of Major Mailers Association Redirected from Hatfield. Please complete that table by providing the corresponding total mail processing unit costs for First-Class Single-Piece Letters and for First-Class Bulk Metered Letters, using the same elements which you utilized to prepare the total mail processing unit costs for the rest of the First-Class Rate Categories in such Table II-2.

Response:

The table provided in the prior response was complete. However, please see the response to MMA/USPS-FU-7 for the additional information requested.

**Designated Responses of the
United States Postal Service
to NDMS Interrogatories**

NDMS/USPS-ST43-2.

Please refer to Exhibit USPS-43C (Nonstandard Surcharge Costs Using New Volume Shares). The source of the new data identifying volume and percent of nonstandard pieces by shape is stated to be "witness Fronk in response to NDMS/USPS-T32-29 (September 9, 1997)." See USPS-ST-43, p. 1, n. 1.

- a. Do you believe that these new data are accurate?
- b. If you have questions about their accuracy, do you plan any update to your testimony with accurate (or more accurate) data?
- c. Please confirm that your adopted response to NDMS/USPS-T32-29 (September 9, 1997) states that there were **24.9 million First-Class nonstandard single piece parcels**, and **27.2 million total First-Class nonstandard parcels** in Base Year 1996, and that these data were based on domestic RPW data.
- d.
 - (i) Please confirm that the Postal Service's response to NDMS/USPS-T32-45 (September 26, 1997) states that there were **41.4 million total First-Class nonstandard parcels** during Base Year 1996, based on domestic RPW data.
 - (ii) Please explain why you did not adopt the Postal Service's response to NDMS/USPS-T32-45 when you adopted other related responses (September 30, 1997).
 - (iii) Will you adopt the Postal Service's response to NDMS/USPS-T32-45 at this time? If not, will any other witness in this case explain the basis of, and vouch for the accuracy of, the response to NDMS/USPS-T32-45?
- e. The Postal Service's response to NDMS/USPS-T32-45 (September 26, 1997) attempts to explain the difference between the volumes of First-Class nonstandard one-ounce parcels which you utilized in your testimony, and those which it then reported to NDMS by saying that "the difference may be due to postal personnel not recognizing a piece as nonstandard during acceptance or data collection. The response said that it may also be due to a shape misclassification on a mailing statement that is not caught during acceptance. Since the First-Class parcel data are relatively 'thin,' the impact of any possible misclassification is magnified in the data."
 - (i) Do you agree with this rationale for the difference?
 - (ii) What Postal Service statistical data collection systems are employed in collecting the data reported in the two volume estimates?
 - (iii) How many First-Class single-piece parcels would you expect to be entered on, or in conjunction with, a mailing statement? What other single-piece First-Class Mail is entered on a mailing statement?
 - (iv) Which estimate is more accurate? Please explain your answer.
 - (v) How does the inability of postal personnel to identify a piece properly as nonstandard during acceptance or data collection affect each of the two volume figures?
 - (vi) If errors by trained postal personnel can create a 45 percent swing in volume data, how much confidence is it appropriate to have in the data? Please explain your answer.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF NASHUA PHOTO INC., DISTRICT PHOTO INC.,
MYSTIC COLOR LAB, AND SEATTLE FILMWORKS, INC. (NDMS)**

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- (vii) Please provide instructions or definitions identifying which mail pieces are to be reported on the Domestic RPW data as single-piece First-Class nonstandard pieces. Have these instructions/definitions changed since the data were first collected?
- (viii) How could minor errors be magnified by thinness of the data?
- f. Your adopted response to NDMS/USPS-2 states that the 1996 volume First-Class single-piece nonstandard parcels was **36.0 million**. Please reconcile this estimate with other estimates of **41.4 million** (provided by the Postal Service) and **27.2 million** (which you adopted).
- g. The Postal Service's response to NDMS/USPS-T32-44 states that the First-Class nonstandard parcel volumes for 1994 and 1995 were **14.3 million** and **17.0 million**, respectively.
 - (i) Do these data refer to single piece volume or both single piece, presort, and carrier route volume?
 - (ii) Please explain the jump in volume of First-Class nonstandard parcels from 1994/1995 to base year 1996.
 - (iii) Does this increase lead you to question the accuracy or reliability of your data?
 - (iv) Please explain why you did not adopt the Postal Service's response to NDMS/USPS-T32-44 when you adopted other related responses (September 30, 1997).
 - (v) Will you adopt the Postal Service's response to NDMS/USPS-T32-44 at this time? If not, will any other witness in this case explain the basis of, or vouch for the accuracy of, the response to NDMS/USPS-T32-44?
- h.
 - (i) Please explain why you did not adopt the Postal Service's response to NDMS/USPS-T32-47 when you adopted other related responses (September 30, 1997).
 - (ii) Will you adopt the Postal Service's response to NDMS/USPS-T32-47 at this time? If not, will any other witness in this case explain the basis of, or vouch for the accuracy of, the response to NDMS/USPS-T32-44?

RESPONSE:

a-e(i) Answered by USPS-ST-43.

- e.
 - (ii) RPW and Mailing Statements
 - (iii) There are no expectations for how many First-Class single-piece parcels would be entered on, or in conjunction with, a mailing statement as it would vary by business conditions. All permit indicia single piece First-Class Mail has to be paid for on mailing statements.

(iv) Both estimates are approximations. 27.2 million pieces represents an estimate of the number of parcels that are identified as nonstandard in Postal Service data. 41.4 million pieces represents an estimate of the number of less than one ounce parcels, whether they are specifically identified as nonstandard or not. The USPS response to USPS/NDMS-T32-45 indicates that since one-ounce parcels are nonstandard by definition, one would expect these two numbers to be about the same. The response further states that this difference may be due to postal personnel not recognizing a piece as nonstandard during acceptance or data collection. It may also be due to a shape misclassification on a mailing statement that is not caught during acceptance. The response also points out that since the First-Class parcel data are relatively "thin," the impact of any possible misclassification is magnified in the data.

The Postal Service used the percent shares of pieces classified as nonstandard as presented in response to NDMS/USPS-T32-29, because the data in the attachment to the USPS response to USPS/NDMS-T32-47 do not allow us to identify nonstandard one-ounce letters. In other words, one-ounce flats and parcels can be presumed to be nonstandard. This is not so for letters, of course.

(v) As indicated in the second page of the response to USPS/NDMS-T32-47, the inability of USPS personnel to identify a piece as nonstandard in acceptance or data collection cause there to be an understatement of nonstandard pieces, suggesting that the estimate of 27.2 million would be low. The estimate of 41.4 million less than one-ounce parcels should be unaffected by whether or not the piece is identified as nonstandard.

(vi) It is relative relationship that matters, not the absolute level, as indicated in the response to USPS/NDMS-T32-47. The volume of one-ounce parcels reported in both the response to NDMS/USPS-T32-29 and NDMS/USPS-T32-47, is about 10-12 percent of the volume of one-ounce flats. This relative stability is significant because it is the shape mix percentages in NDMS/USPS-T32-29, not

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the absolute volumes by shape, that were used to revise the shape mix data in Exhibit USPS-43C.

(vii) There are no explicit instructions, but the definition is the same as in the DMM. See also the response to NDMS/USPS-T32-29.

(viii) Because it is a small estimate, it is more susceptible to fluctuations in sampling or in mailing statement misclassification.

f. The 36.0 million figure is an estimate of less than one-ounce *single-piece* parcels. The 41.4 million figure is an estimate of less than one-ounce *total* parcels. The 27.2 million figure is an estimate of total parcels recorded as nonstandard.

g. (i) All parcels, including single-piece, presort and carrier route.

(ii) The jump of about 10 million parcels may be explained by sampling variation or by one or two new customers. Estimates at this level of detail are approximations.

(iii) No. It is accurate within its level of variation. There is a bigger interval of sampling around these numbers.

g.(iv)-h.(ii) Answered by USPS-ST-43.

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NDMS/USPS-ST43-3.

- a. Exhibit USPS-43C (Nonstandard Surcharge Costs Using New Volume Shares) identifies the 1996 volume of First-Class flats weighing one ounce or less as 282.4 million. The Postal Service's response to NDMS/USPS-T32-47 stated that the 1996 volume of First-Class nonstandard flats was 358.3 million. The explanation for the discrepancy was the same explanation given in response to NDMS/USPS-T32-45.
- (i) Do you agree with this rationale for the difference?
 - (ii) What Postal Service statistical data collection systems are employed in collecting the data reported in the two volume estimates?
 - (iii) How many First-Class single-piece flats would you expect to be entered on, or in conjunction with, a mailing statement?
 - (iv) Which estimate is more accurate? Please explain your answer.
 - (v) How does the inability of postal personnel to identify a piece properly as nonstandard during acceptance or data collection affect each of the two volume figures?
 - (vi) If errors by trained postal personnel can create a 27 percent swing in volume data, how much confidence is it appropriate to have in the data? Please explain your answer.
- b. Why did you change the average mail processing unit costs which you report in your testimony (from the average mail processing unit costs reported in LR-H-112 when the case was filed in July) but not the volume and percent of nonstandard pieces by shape (to reflect your response to NDMS/USPS-2)?

RESPONSE:

- a. (i) Answered by USPS-ST-43.
- (ii) RPW and Mailing Statements
- (iii) There are no expectations for how many First-Class single-piece flats would be entered on, or in conjunction with, a mailing statement as it would vary by business conditions. All permit indicia single piece First-Class Mail has to be paid for on mailing statements.
- (iv) Both estimates are approximations. 282.4 million pieces represents an estimate of the number of flats that are identified as nonstandard in Postal Service data. 358.3 million pieces represents an estimate of the number of less than one ounce flats, whether they are specifically identified as nonstandard or not. The USPS response to USPS/NDMS-T32-47 indicates that since one-ounce

flats are nonstandard by definition, one would expect these two numbers to be about the same. The response further states that this difference may be due to postal personnel not recognizing a piece as nonstandard during acceptance or data collection. It may also be due to a shape misclassification on a mailing statement that is not caught during acceptance. The response also points out that even though these numbers differ for flats and parcels, their relative relationship is approximately the same.

The Postal Service used the percent shares of pieces classified as nonstandard as presented in response to NDMS/USPS-T32-29, because the data in the attachment to the USPS response to USPS/NDMS-T32-47 do not allow us to identify nonstandard one-ounce letters. In other words, one-ounce flats and parcels can be presumed to be nonstandard. This is not so for letters, of course.

(v) As indicated in the second page of the response to USPS/NDMS-T32-47, the inability of USPS personnel to identify a piece as nonstandard in acceptance or data collection cause there to be an understatement of nonstandard pieces, suggesting that the estimate of 282.4 million would be low. The estimate of 358.3 million less than one-ounce parcels should be unaffected by whether or not the piece is identified as nonstandard.

(vi) It is relative relationship that matters, not the absolute level, as indicated in the response to USPS/NDMS-T32-47. The volume of one-ounce parcels reported in both the response to NDMS/USPS-T32-29 and NDMS/USPS-T32-47, is about 10-12 percent of the volume of one-ounce flats. This relative stability is significant because it is the shape mix percentages in NDMS/USPS-T32-29, not the absolute volumes by shape, that were used to revise the shape mix data in Exhibit USPS-43C.

b. Answered by USPS-ST-43.

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NDMS/USPS-ST43-16.

- a. What was the average weight of all First-Class letters for Base Year 1996?
- b. What was the average weight of First-Class nonstandard letters for Base Year 1996?
- c. What was the average weight of First-Class nonstandard flats for Base Year 1996?
- d. What was the average weight of First-Class nonstandard parcels for Base Year 1996?

RESPONSE:

- a. The average weight of First-Class single piece letter is 0.5 ounce and a presort letter is 0.61 ounce.
- b. The average weight of First-Class single piece nonstandard letters is 0.65 ounce.
- c. The average weight of First-Class single piece nonstandard flats is 0.80 ounce.
- d. The average weight of First-Class single piece nonstandard parcels is 0.49 ounce.

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REDIRECTED FROM WITNESS MODEN

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NDMS/USPS-T4-9.

How does the unit cost of processing parcels on an SPBS (when operated in a keying mode) compare with the unit cost of processing machinable pieces (flats or parcels) on an FSM 1000 (when operated in a keying mode)?

Response:

Unit costs can be computed using the test year wage of 25.445 from LR-H-146 and the piggyback factors of 1.7736 for the FSM 1000 (see LR-H-77, page 233 and the piggyback factor of 1.7085 for the SPBS Other MODS category.

NDMS/USPS-T26-1.

a. Please confirm that the FSM used for the field test at the Albany, NY P&DC and described in LR-H-169 was a pre-production model of machines subsequently purchased by the Postal Service and was specifically obtained (rented?) for the purpose of the test. If you do not confirm, please explain the status of the machine described in LR-H-169.

b. Are production models of the FSM 1000 that have subsequently been purchased and installed at Postal Service facilities identical to the model used in the test described in LR-H-169? If not, please describe all differences, including but not limited to those that alter the speed of operation, average productivity (throughput), staffing level, and range of pieces machinable.

RESPONSE:

- a. Confirmed.
- b. No. The production models have been engineered to facilitate efficient and safe manufacturing. The production models have four induction stations, and require a total of six staff to work the machine. The prototype studied in Albany had two induction stations, and required a total of four staff to work the machine. The specifications for the production machine are: 0.007 minimum and 0.875 maximum thickness in inches, 0.32 minimum and 96 maximum weight in ounces, 3.94 minimum and 12 maximum height in inches, and 3.94 minimum and 15.75 maximum width in inches. Please refer to Attachment NDMS/USPS-T26-1(b) for information specific to the production model. Note, however that the productivity of 767.58 that results from the test is hypothetical as a result of the test methodology. Specifically, the test was performed under 'stopwatch' production procedures that do not include the downtime that

- e. Rural carrier relief employees.
- f. Auxiliary rural carriers.
- g. Employees appointed as regular rural carriers during the guarantee period not covered by Section 7(b)(2) of the Fair Labor Standards Act.

In the event the provisions of this section conflict with any Postal Service regulation, manual, or handbook, the provisions of this section shall be deemed controlling.

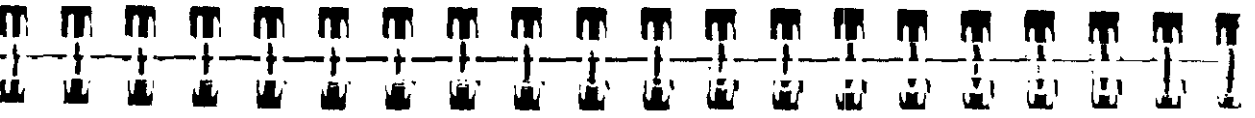
B. Rural Carrier Schedule

- 1. The Rural Carrier Schedule is the basis for non-evaluated rural carrier compensation. Increases negotiated as a result of collective bargaining shall be applied in accordance with past policies and procedures.
- 2. Regular rural carriers assigned to RCS routes in excess of thirty (30) miles shall be compensated on the basis of the Rural Carrier Schedule and in accordance with Article 9, Section 2, Subsection A, pursuant to Section 7(b)(2) of the Fair Labor Standards Act.
- 3. Regular rural carriers assigned to RCS routes of thirty (30) miles or less shall be compensated on the basis of the Rural Carrier Schedule. In addition, compensation for hours of required service in excess of forty (40) actual work hours during a week shall be at the overtime rate in accordance with Section 7(a) of the Fair Labor Standards Act.
- 4. Temporary Route Deviations: A temporary change in salary shall be authorized when route deviations continue for more than thirty (30) calendar days. All salary changes will become effective at the beginning of the first pay period following completion of the first thirty (30) days of the detour and at the beginning of the first pay period after the deviation is terminated.

C. Evaluated Compensation

1. Definition

Evaluated compensation is additional compensation above that provided in the Rural Carrier Schedule. The Evaluated Schedule shall show the annual compensation for evaluated hours of required service per week, up to and including forty-eight (48)



hours, based on the compensation for a 42-mile route established by the Rural Carrier Schedule as a compensated evaluated 40-hour week. Compensation for required evaluated service in excess of forty (40) hours per week shall be valued at 1 1/2 the hourly rate of the 40-hour per week rate to determine annual compensation on routes where the required evaluated service exceeds forty (40) hours, but does not exceed forty-eight (48) hours per week.

2. Evaluated Compensation

Evaluated compensation will be authorized on the basis of evaluated time, as determined by the office and route time standards, after subtracting any relief time and in accordance with the following:

- a. Regular rural carriers assigned to evaluated routes evaluating to thirty-five (35) hours or more shall be compensated on the basis of the Evaluated Schedule and in accordance with Article 9, Section 2, Subsection A, pursuant to Section 7(b)(2) of the Fair Labor Standards Act.
- b. Regular rural carriers assigned to evaluated routes evaluating to less than thirty-five (35) hours shall be compensated on the basis of the Evaluated Schedule. In addition, compensation for hours of required service in excess of forty (40) actual work hours during a service week shall be at the overtime rate in accordance with Section 7(a) of the Fair Labor Standards Act.

3. Mail Counts

a. The official evaluation of a route to determine eligibility for evaluated compensation or adjustment in evaluated compensation shall be determined by a mail count. Mail counts will be conducted as follows:

- (1) In 1996, all vacant and auxiliary routes will be counted. The only other routes to be counted will be those in which either the Employer or the regular carrier opts for a count by the last Friday in June, 1996. These routes will be counted for 12 working days, beginning September 17 and ending September 30.
- (2) In 1997, the only routes to be counted will be those in which either the Employer or the regular carrier

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Units, Apartment Receptacles, Delivery Centers, Postal Centers, Mailrooms, etc.

6. Relief Days

a. Assistance in the form of relief days on evaluated routes, except during the Christmas period, will be provided when the evaluated time exceeds forty-six (46) hours per week or as necessary to keep the total actual work hours under 2,080 during the guarantee period. When such relief is provided, the rural carrier's compensation will be on the basis of the remaining hours of required evaluated service per week.

b. When the leave replacement is unavailable for service on the scheduled relief day, the regular carrier, if mutually agreeable between the carrier and the installation head, may serve the carrier's assigned route provided another day is scheduled within the next eight (8) weeks and such action does not cause the carrier to exceed the hours of the annual guarantee or fifty-six (56) actual work hours within one (1) week. The carrier may select the day to be scheduled off within the eight (8) weeks, subject to the availability of a leave replacement and the approval of the installation head.

c. However, regular carriers shall be prohibited from scheduling any relief day worked ("X day") referenced above from the beginning of the guarantee period through the end of the designated Christmas period. Except, if a regular rural carrier is required to work the relief day ("R day") during the period that starts with the beginning of the guarantee period through the end of the designated Christmas period, the carrier must be given a relief day worked ("X day") within the same pay period in which the relief day ("R day") was worked.

d. When relief days are authorized on J and K routes, regular rural carriers may be offered the opportunity to select a rotating relief day schedule. Once a selection is made, it shall remain in effect until the end of the guarantee period, unless a change is mutually agreeable to the postmaster and the rural carrier serving the route. Employees who elect the rotating relief day schedule are not eligible for additional Saturday leave opportunities, as specified in Article 10, Section 4, above what they would have been eligible for under a fixed relief day schedule.

ops for a count by the last Friday in June, 1997. These routes will be counted for 24 working days, beginning September 2 and ending September 29.

(3) In 1998, all vacant and auxiliary routes will be counted for 12 working days, beginning September 17 and ending September 30. The only other routes to be counted will be those qualifying for a special count under the provisions of Article 9.2.C.12, unless both the Employer and the regular carrier agree not to count.

(4) In 1999, the only routes to be counted will be those in which either the Employer or the regular carrier opts for a count by the last Friday in June, 1999. These routes will be counted for 24 working days, beginning September 7 and ending October 4.

(5) The Employer reserves the right to conduct a national count of mail for all rural routes during the last twelve (12) working days in September of any year. The Employer agrees to notify the Union at the national level at least thirty (30) days in advance of the commencement of the count.

b. Whenever a carrier represents that certain unusual conditions or special services were not reflected in the latest evaluation, the evaluated time may be adjusted by an appropriate allowance as determined by the Employer. Such additional allowance may be authorized only when the carrier's actual work time exceeds the current evaluated time for the route.

4. Route Reviews

Route reviews will be conducted in 1998 during the month of April (utilizing data from March). The route reviews will be conducted in accordance with existing guidelines and will consist of at least an analysis of workload changes (boxes, miles, mail volume, etc.).

5. Centralized Delivery

Centralized delivery, for the purpose of establishing a rural time allowance, is defined as any mail receiving unit where the carrier has access to more than one individual customer's receptacle by opening only one door, such as Cluster Box

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NNA/USPS-T26-1.

Please confirm that DMM section 230.6.4 requires a periodicals mailer, in order to receive the high density rate, to supply at least 125 walk-sequenced addressed pieces for each carrier route or in instances where there are 124 or fewer deliverable addresses to supply 125 pieces anyway or a walk-sequenced address piece for each address.

RESPONSE:

Confirmed that DMM § E230.6.4b states that at least 125 walk-sequenced addressed pieces must be prepared for each carrier route receiving mail claimed at the high density rate, but that mail for carrier routes of 124 or fewer possible deliveries can qualify for the high density rate if there are at least 125 addressed pieces for the route, or if a piece is addressed to every possible delivery on the route. Mail for carrier routes of 124 or fewer possible deliveries may also qualify for the saturation rate under DMM §§ E230.6.4c and E230.6.4d, if a piece is addressed to every possible delivery on the route.

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REDIRECTED FROM WITNESS SECKAR

NNA/USPS-T26-2.

Please consider the following circumstances:

- Weekly newspaper A covering a city zone claims subscribers--or 127 pieces--equaling 30% of Carrier Route A, a city route with 425 deliverable stops: and
- Weekly newspaper B covering a rural route claims subscribers--or 120 pieces--equaling 60% of Carrier Route B, a rural route with 200 deliverable stops.

Please confirm that weekly newspaper A with a lower penetration of readership in its market would receive the lower "high density" postal rate than weekly newspaper B, assuming the mail is properly prepared under DMM requirements.

RESPONSE:

Confirmed.

RESPONSE OF THE U.S. POSTAL SERVICE TO
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NNA/USPS-T26-3.

Please provide the average number of stops on city carrier routes and the average number of stops on rural routes.

Response:

City - 327

Rural - 369

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INTERROGATORIES OF NNA
REDIRECTED FROM WITNESS SECKAR

NNA/USPS-T26-4.

Please provide an estimate of the number of stops on the smallest rural route in the system.

Response:

The fewest number of stops on a rural route is 1.

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INTERROGATORIES OF NNA
REDIRECTED FROM WITNESS SECKAR

NNA/USPS-T26-5.

Is the Postal Service considering any change in its density requirements for mailers serving rural routes?

Response:

Since "mailers" don't "serve" rural routes, this question is difficult to answer.

Assuming this question refers to the distinction between "L" routes and other rural routes, the Postal Service is not considering altering the density requirement for "L" route status at this time. If the question refers to mailing requirements, the Postal Service similarly is not contemplating any changes at this time.

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REDIRECTED FROM WITNESS SECKAR

NNA/USPS-T26-6.

Please provide copies of any studies performed by the Postal Service updating the work by witness Buc in R90-1 on cost savings in high density mailings.

Response:

Since R90-1, the cost savings for high density mail have been addressed in the testimonies of Peter Hume in Docket No. MC95-1 (USPS-T-7), and Docket No. MC96-2 (USPS-T-2). In the current docket, the cost savings for high density mail are addressed in Mr. Hume's testimony (USPS-T-18) and in LR-H-109. In addition, witness Daniel summarizes the costs associated with Standard A high density mail in exhibit USPS-T-29C.

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REDIRECTED FROM WITNESS SECKAR

NNA/USPS-T26-7.

If there have been no studies since witness Buc's work, please confirm that the Postal Service relies upon that study as the basis for the requirements for high density mail. If you cannot confirm, please explain.

Response:

N/A. See the response to question NNA/USPS-T26-6 for a listing of studies.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE NATIONAL NEWSPAPER ASSOCIATION
(REDIRECTED FROM WITNESS O'HARA)**

8909

NNA/USPS T-30-3. Please provide any studies, reports or memoranda on the actual on-time delivery of Periodicals mail in FY 95, FY 96 and FY 97.

RESPONSE:

Please see the response to MH/USPS-T30-2(c), (redirected from witness O'Hara).

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE NATIONAL NEWSPAPER ASSOCIATION
(REDIRECTED FROM WITNESS O'HARA)**

8910

NNA/USPS T-30-4. Please provide reports or minutes from any USPS task forces or working groups involving newspaper mail delivery problems and any reports or memoranda on the USPS response to the problems, including any measurement of success or failure in addressing the problems.

RESPONSE:

No task forces or working groups dealing specifically with newspaper mail delivery problems have been identified. There is currently a joint Industry/Postal Service MTAC Periodicals Service Improvement work group; the available minutes of its meetings are attached.

August 19, 1997

A meeting of the Periodicals Service Work Group presided over by Paul Vogel, Manager of Operations, Great Lakes District, and Thomas W. Tully, General Manager, Postal Affairs and Compliance, was held Friday, August 15th.

The purpose of the meeting was to identify areas that impact the delivery of Periodicals. After a brainstorming session, in which all attendees (list attached) participated. Five (5) major categories were established:

- **Make up**
 - * Communications
 - * Software/Address Hygiene
 - * Education
 - * Third Party Transportation
 - * Printing Plant Compliance
 - * Appointments
 - * Special Makeup
 - * B/C and Non B/C
 - * Mail Equipment, Sacks, Trays, etc.
- **Acceptance**
 - * DMU
 - * Pallet Placards
 - * Work Hours
 - * Combined Loads
 - * Standardization
 - * Third Party Transportation
 - * Mail Dot Dat
- **Processing**
 - * Printing Plant
 - * Postal Plant
 - * Staffing
 - * transportation Systems
 - * Priority Processing First In/First Out
 - * (DMCR) Report - Daily Mail Conditioning Report
 - * Education
 - * Capacity
 - * Quality
 - * Management Commitment
 - * Automation/Technology (Processing)

- **Information Systems**
 - * **Data**
 - **Delivery Performance "Mailer"**
 - **Volume**
 - **Entry**
 - * **Tracking**
 - * **Communication**
 - **How**
 - **Who**
 - **Where**
 - * **Mailer Data**
 - * **Business Service Network**
 - * **Expectations Delivery**
- **Miscellaneous**
 - * **Next Steps**

We have asked the attendees to study each of the items in the major groups and to express their opinion as to whether they should be looked at as long term or short term solutions. We will have a conference call to review each committee member's idea on Monday, August 25, 1997 at 1:30pm eastern standard time. Call 1(800) 894-6497, passcode 2211*#.

It is our intention to provide information as to the direction and actions that will be taken by the committee at the Boston Postal Forum, during the Focus Group Session on Tuesday, September 9, 1997 at 3:30pm.

Obviously, with a project of this size, we will require additional Postal Headquarters' support and mailer, printer software company, and third party transportation vendor support correct the serious delivery problems plaguing Periodicals.

Among the additional follow-up items are:

- **To establish a National Team**
- **To have support teams in each of the ten (10) U.S.P.S. areas, that in general should be addressing the following tasks:**
 - * **Improve national systems issues**
 - * **Recommend policy changes**
 - * **Monitor performance**
 - * **Sharing Best Practices**
 - * **Review Industry Practices**
 - * **Work with software and third party vendors**
- **To reinforce operating standards**
 - * **Treat periodicals as preferential mails**
 - * **No co-mailing with other mail classes**
 - * **Process and deliver all periodicals everyday**

(4)

8913

It must continue to be stressed that, any effort of this magnitude would be futile without gaining the attention of National and Area Management's recognition and support.

Respectively submitted Tom Tully, Paul Vogel.

(6)

8914

September 2, 1997

Minutes of 8/18/97 Periodicals Service Work Group telecon.

The telecon began at 11:30 AM and was presided over by Thomas Tully, General Manager, Postal Affairs and Compliance.

The minutes of the organizational meeting of 8/15/97 were reviewed.

The first course of action was to determine those issues that were short term in nature and could be handed over to the Postal Service for their action. All other items would be considered mid/long term issues that would require our Work Group activities.

Short term issues agreed upon are:

- Mail Equipment, Sacks, Tray, etc.
- Priority Processing First In/First Out
- Management Commitment
- Combined loads (USPS only)
- Identification
- Delivery expectations

All other items listed on the 8/15/97 minute would be addressed by the Work Group.

Volunteers were requested to participate in each of the 5 major categories of issues. It was also discussed that we would ask for additional participants at the Postal Forum Business Session at 3:30 PM on Tuesday. The current participants are:

Make up sub-committee

- Max Heath
- Nevan Rand
- Ted Freedman
- Rich Pezick
- Joyce McGarvy

Acceptance sub-committee

- Rich Pezick
- Joyce McGarvy
- Dale Brewer

Processing sub-committee

- Max Heath
- Rita Cohen
- Ted Freedman
- Joyce McGarvey



Information Systems sub-committee
Mary Deasy
Rich Pezick

Note: Tom Tully and Paul Vogel would be available for all of the groups

We also had discussion around the upcoming Postal Forum. Tom recommended that we get together on Sunday, after the Great Lakes Area Periodicals meeting to finalize our Tuesday presentation.

A rough agenda was developed for Tuesday's session:

- Tom Tully - Introduction/History/Role of Work Group
- Paul Vogel - Summary of action to date and summary of task issues
- Each of the 6 sub-committees - present direction and ask for more members
- Each of the 5 2C Focus groups - present status of current actions
- John Ward
- Open Discussion/ Q+A

Tom Tully also asked Paul Vogel to get in touch with Carol Overkott to acquire a room on 9/23 for our next meeting, in conjunction with the MTAC meeting

The following is a list of the Postal people that are to be part of this Work Group and their numbers:

<u>NAME</u>	<u>PHONE NUMBER</u>	<u>FAX NUMBER</u>
Paul Vogel	(630)539-4801	(630)539-7077
Wayne Gardner	(630)539-4783	(630)539-7111
Tony Dobush	(630)539-4753	(630)539-7077
Dan Leonard	(202)268-4858	
Joe DiPietropolo	(202)268-4448	
Lynn Martin	(202)268-6351	
Jo Ann Miller	(202)268-4336	(202)268-6038

To be determined - Ron Porter, Ed Mahew and field representatives from the Postal Areas.

Respectfully Submitted by Tom Tully and Paul Vogel

**Designated Responses of the
United States Postal Service
to NTC Interrogatories**

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NIAGARA TELEPHONE COMPANY
REDIRECTED FROM WITNESS TOLLEY

8917

NTC/USPS-T6-1 Niagara Telephone Company is interested in the fact that the USPS intends to charge the same postage for mail which it transports significant distances as for mail which essentially is not transported by the USPS from the Post Office to which the mail is deposited by the consumer. Please describe the United States Postal Service's rules and policies regarding the establishment, operation, and maintenance of "Local Only" mail boxes and mail slots found in Post Offices throughout the country. Areas of discussion should include, in addition to anything else you might think relevant:

- a) How many Post Offices are there in the United States and how many of those Post Offices, either as a raw number or as a percentage of the total number of Post Offices, utilize either an on premises "Local Only" mail box or mail slot?
- b) Does the USPS have any written rules or policies concerning the establishment of "Local Only" depositories? If the answer is yes, please provide a copy or a reference citation. If the answer is no, please explain the cost control mechanism which monitors ad hoc implementation by individual Post Offices of "Local Only" mail depositories.
- c) What purposes do the "Local Only" mail depositories serve? That is, are the "Local Only" mail depositories established for efficiency and cost saving reasons?
- d) In developing the instant rate proposal, was any consideration given to establishing a discounted rate for mail deposited into "Local Only" depositories?
- e) Is the USPS currently conducting, or has the USPS conducted since January 1, 1990, any studies or experiments concerning cost savings or efficiencies realized through the implementation of "Local Only" mail depositories? If the answer is yes, please provide a copy of the report(s) generated as a result of such studies or experiments. Also, please explain how such information was incorporated into the instant rate proposal for purposes of determining that "Local Only" and other mail should be charged at the same rates.

Response:

All Post Offices are required to have a lobby drop for local mail. The specific rules concerning the establishment of these drops, as well as their purpose, are located in section 312 of the Postal Operations Manual which was filed in Docket No. MC96-3 as USPS LR-SSR-161. As indicated in the above reference, local drops are provided for

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NIAGARA TELEPHONE COMPANY
REDIRECTED FROM WITNESS TOLLEY

8918

the deposit of mail for which the local postmark is desired. Also, we are aware that some Post Offices designate mail drops for the deposit of local mail that will not leave the local service area. However, the primary reason that local offices implement these kind of "local drops" is service as opposed to cost savings and/or gains in efficiencies. The volume of mail deposited in these boxes represents only a minute portion of the overall mail volume processed by the Postal Service. Accordingly, the Postal Service has not conducted any studies or experiments concerning cost savings or efficiencies realized through the implementation of "Local Only" mail depositories. Therefore, no consideration was given to establishing a discounted rate for mail deposited into "Local Only" depositories.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF NIAGARA TELEPHONE COMPANY

NTC/USPS-T6-2

The response to NTC/USPS-T6-1 was an institutional response. Please identify the person or persons responsible for preparation of the response to NTC/USPS-T6-1. Moreover, please identify the person or persons responsible for preparing the responses to the interrogatories contained in the instant follow-up interrogatory response.

RESPONSE:

The initial interrogatory crossed functional lines, and therefore could not be answered by any one individual. Personnel from Operations prepared the response, but had to consult with the Law Department and Marketing with regard to what may or may not have been considered for inclusion in the rate case. The date requested in number 3 will be provided by Operations. Number 4 calls for a legal conclusion, and the response will therefore come from the Law Department. Number 5 has been assigned to the Marketing Department, as the only clue given in the question as to how the Postal Service could begin to respond leads in that direction.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NIAGARA TELEPHONE COMPANY**

NTC/USPS-T6-3: The USPS's response to NTC/USPS-T6-1 indicates that "All Post Offices are required to have a lobby drop for local mail. The specific rules concerning the establishment of these drops, as well as their purpose, are located in section 312 of the Postal Operations Manual which was filed in Docket No. MC 96-3 as USPS LR-SSR-161." In the USPS's November 6, 1995 Initial Brief of the United States Postal Service in Docket No. 95-1, at 415, the USPS argued that Niagara Telephone Company "did not define how the term "local" should be defined for purposes of administering the discount."

Please indicate when "all Post Offices" were required to implement "a lobby drop for local mail." That is, on what date did the USPS adopt section 312, or a predecessor regulation, which defined, described and required "a lobby drop for local mail."

RESPONSE

As indicated in the Postal Service's response to NTC/USPS-T6-1, the specific reference in section 312 of the Postal Operations Manual concerns provisions for a local postmark. Specifically, section 312.2 states: "At every post office, including classified stations and branches, a lobby drop must be provided for the deposit of mail for which the local postmark is desired. These lobby drops must be specifically identified for that purpose." This provision does not specify that the mail must be addressed for delivery within the delivery area of the office in which the drop is located, but only that a local postmark be provided. Provisions for a local postmark have been in existence since the Postal Service began to consolidate outgoing (and incoming) processing and distribution responsibilities under the Area Mail Processing (AMP) concept which was implemented in the early 1970's. The earliest reference found was in a Postal Service Manual transmittal letter TL-8, dated December 31, 1976, Issue 116 (attached).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NIAGARA TELEPHONE COMPANY**

The earliest reference to local delivery collection boxes was found in a Postal Service Manual transmittal letter TL-2, dated November 18, 1974, Issue 90 (attached).

orders, daily reports, etc., is also a prime factor. In residential areas, if collection boxes are about ½ to 1 mile apart the density of these boxes is generally considered adequate. In business section, install boxes where greatest mail volume will be generated and where it will be convenient to greatest number of business places.

.538 Boxes at Postal Units

Provide a regulation collection box at all first-, second-, and third-class post offices and at all classified stations, branches and self service postal centers. Boxes should also be provided at contract stations and branches. At fourth-class offices where a letter box is not supplied, provide a slot in the outer post office door. See 243.2.

.539 Small Offices and Airports

At small offices not having Saturday afternoon, holiday, or Sunday collection service, the Regional Postmaster General may authorize service from nearby offices. Consider star route contractors or mail messengers for making collections from the box in front of small offices or at airports not provided collection service. When a holiday falls on a Monday, a collection must be made from all collection boxes on either Sunday or the Monday holiday. See 352.525 c(2).

.54 LOCAL POSTMARKS

At every post office, including classified stations and branches, a lobby drop must be provided for the deposit of mail for which the local postmark is desired. These lobby drops must be specifically identified for that purpose. The local postmark must be made available in every community having a post office. There will be no exceptions to this policy.

.55 COLLECTION TESTS

Conduct tests at least once each quarter at all city delivery offices. Use plastic collection test card (Label 161) and Form 3702, *Record of Test Mailing* (collections and special test mailings). Administer collection tests in accordance with procedures outlined in Chapter 1, *Methods Handbook M-39, Management of Delivery Services*.

352.6 CARRIER DUTIES

Employees will perform duties as outlined in *Methods Handbook, Series M-41, City Delivery Carrier's Duties and Responsibilities*.

352.7 SUPERVISION

Procedures covering supervision of city delivery service are outlined in *Methods Handbook, M-39*. Supervisors must arrange for carriers to receive and account daily for registered, COD, certified, postage-due, and custom mail. Make these transactions at the carriers' cases, if practicable, but if not make them at a window conveniently located for the carriers.

352.8 ANNUAL REPORT

Prepare Form 4028, *City Delivery Statistics*, at end of the postal fiscal year and submit to the *Regional Postmaster General*.

352.9 CHANGE OF ADDRESS ORDERS

Encourage customers to file a change of address order prior to a temporary absence or permanent removal. If removal is permanent, furnish them Notice 8A, *Change of Address Kit*, which contains the necessary forms for normal needs. Obtain the completed Form 3575 at that time, whenever practicable.

.52 TYPE OF COLLECTION AND BOXES**.521 Local Delivery**

- a. *Identification.* These boxes must be clearly marked *LOCAL DELIVERY* (Label 162) and must show sufficient information so that customers will know what constitutes local delivery in the particular area where that box is located. This normally means all ZIP Code areas delivered by the origin post office.
- b. *Location.* Separate designated boxes will be provided at city delivery offices where the collections are taken to an area mail processing center for distribution. The minimum requirement for the location of these boxes is at the main office, classified stations and branches and SSPCs.
- c. *Number of Boxes.* Local management must decide where there is a need for this type service in addition to those boxes located at the main office, classified stations, classified branches and SSPCs.
- d. *Collection Schedules.* Since these boxes will be located in clusters with other type collection boxes, the schedule times should be as shown on the adjacent boxes. These collection times should be augmented as necessary to assure that local mail deposited in these boxes will receive next day delivery service.

.522 Airmail (White Top)

- a. *Location.* Where published service commitments require, or volume warrants, these boxes should be located in front of main offices, classified stations, classified branches, SSPCs, business areas and or main thoroughfares, and should be in a cluster with other type boxes.
- b. *Number of Boxes.* Local management must decide where the volume of airmail justifies the placement of this type box. The purpose of these boxes is to divert mail from the general mail stream to assure that national service standards designated by the origin office are met.
- c. *Collection Schedules*
 - (1) *Monday through Saturday.* Schedule at least one collection at 4 p.m. or later (5 p.m. or later at those offices in the 5 p.m. Airmail Improvement Program); however, scheduled collections should be made whenever a box adjacent thereto is collected.
 - (2) *Sunday and National Holidays.* Schedule at least once a day as late as possible to assure that the mail will connect with dispatches of value to meet established standards.

.523 Two Star

- a. *Location.* They will be located at those offices where processing, either incoming or outgoing, is scheduled at the central processing plant during these evening hours or where the office has a late evening dispatch to the area processing plant. These boxes will be located in front of main offices, classified stations, classified branches, SSPCs, and may be located where needed in business areas or main thoroughfares.
- b. *Number of Boxes.* Local management must decide where the volume of mail justifies the placement of this type box in addition to those located at postal units.
- c. *Collection Schedules*
 - (1) *Monday through Friday.* Schedule as many collections as necessary with one collection shortly after 5:00 p.m. and the last collection scheduled between 6:30 p.m. and 8:00 p.m. Schedules should provide a late evening deposit point for interested customers to assure next day delivery within the local area service plan.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF NIAGARA TELEPHONE COMPANY

NTC/USPS-T6-4. The USPS responded that "the primary reason that local offices implement these kind of 'local drops' is service as opposed to cost savings and/or gains in efficiencies."

Please discuss the rationale which supports the USPS' position that the USPS may provide services without consideration of the underlying costs and, more precisely, cost avoidance of the local drop service.

RESPONSE:

It is the position of the Postal Service that it may provide domestic postal services consistent with the rates and classifications recommended by the Commission and approved by the Governors, or, in limited circumstances, as modified by the Governors. The status quo is that neither rates nor classifications have been recommended by the Commission and approved by the Governors relating to "local drop service" for First-Class Mail. Any rationale to justify a departure from the status quo would have to be provided by the proponent of such a change.

UNITED STATES POSTAL SERVICE RESPONSE TO INTERROGATORIES
OF NIAGARA TELEPHONE COMPANY

8925

NTC/USPS-T6-5

The USPS' response to NTC/USPS-T6-1 states that "the Postal Service has not conducted any studies or experiments concerning cost savings or efficiencies realized through the implementation of 'Local Only' mail depositories." After speaking with a person in the USPS' marketing department, it is Niagara Telephone Company's understanding that the USPS is currently implementing an experimental program in the Philadelphia, PA area called "Neighborhood Mail," the "Southeast Pennsylvania Marketing Test," or something similar. It is Niagara Telephone Company's understanding that "Neighborhood Mail" is a local mail service priced at \$0.18 for the first ounce.

- a) Please indicate whether there is a discounted local mail service currently being marketed in the Philadelphia area or whether a discounted local mail service was previously utilized in Philadelphia area.
- b) If the USPS is utilizing, or has utilized a discounted local mail service in the Philadelphia area, please describe whether discounted local mail service provided in Philadelphia is, or was, an evaluation program to test the service. Otherwise, indicate that the discounted local mail service is, or was, a permanent mail service which is, or was, peculiar to the Philadelphia, PA area because Philadelphia is the only city in the United States which qualifies to receive such service. Please describe the circumstances which caused the Philadelphia area to be entitled to this service while other communities are not entitled to such service.
- c) Please explain the mailing procedures involved in the "Neighborhood Mail" program, that is, please describe such things as the prices and classes of mail utilized for the service, where the mailer deposits the mail, any mailing procedures which differ from First-Class mailing procedures, the USPS' processing routine for the mail, and where the mail is delivered. Please identify whether this experiment has resulted in any reports and provide us with copies of any such reports.
- d) Please explain the methodology, and identify the associated cost factors, underlying the determination of the prices associated with the "Neighborhood Mail."
- e) Please explain why this experimental program was not disclosed in the USPS's response to NTC/USPS-T6-1.

UNITED STATES POSTAL SERVICE RESPONSE TO INTERROGATORIES
OF NIAGARA TELEPHONE COMPANY

8926

RESPONSE:

(a), (b), and (e): After querying both headquarters and field marketing managers in southeastern Pennsylvania, the Postal Service has not been able to identify any program that corresponds to that described in this interrogatory, neither a discounted local rate, nor an experimental program in the Philadelphia area, nor anything called the "Southeast Pennsylvania Marketing Test." The only \$0.18 rate identified is that for presorted First-Class post cards; this is a national rate.

(c)-(d) Neighborhood Mail, which was announced in the fall of 1995 but never actually tested, would have used existing rates for third-class destination delivery-unit-entered, saturation walk-sequenced mail.

would normally occur during a shift. Hence, the productivity of 650 pieces per hour as detailed in LR-H-169 is still viewed as the most reasonable figure for the FSM-1000.

FSM 1000 FIRST ARTICLE EVALUATION TOUR 2 ONLY, NO TEST DATA (MER, FAN, ETC.)

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x
Date	Run no.	Recdr.	Mchs optl	Oper	swp/ load	Scheme	EOR Counter	hr	min	sec	Decimal Hrs.	hr	min	sec	Decimal Hrs.	Swp Time	Decimal Hrs.	Adjust	Break Adjust	Total ToTlhrs.	Total ManHrs.	Per/Oper Hr	1 Jam per X Pcs
7/22/96	2	RS	444	4	2	N44	25193	6	44	0	6.73	1	15	52	1.28	14	37	0.24	0.38	6.09	36.56	689.09	661
7/23/96	2	JM	444	4	2	N44	31091	7	2	0	7.03	1	18	30	1.28	14	37	0.24	0.40	6.40	38.41	809.40	723
7/24/96	2	RS	444	4	2	N44	27232	8	36	0	8.60	1	15	44	1.26	14	37	0.24	0.37	5.95	35.72	762.36	808
7/25/96	2	RS	444	4	2	N44	28213	7	0	0	7.00	1	18	38	1.26	14	37	0.24	0.40	6.36	38.18	736.86	723
7/26/96	3	RS	444	4	2	N44	21077	5	39	0	5.55	1	14	30	1.24	14	48	0.25	0.31	4.97	29.78	707.68	956
7/29/96	2	RS	444	4	2	N44	28158	8	43	0	6.72	1	15	11	1.25	16	25	0.27	0.38	6.12	36.72	786.87	1,462
7/30/96	2	RS	444	4	2	N44	30671	8	40	0	6.67	1	17	49	1.30	9	57	0.17	0.37	5.90	35.43	865.74	2,191
7/31/96	2	RS	444	4	2	N44	28633	8	46	0	6.77	1	17	31	1.29	14	37	0.24	0.38	6.10	36.80	782.38	1,809
8/1/96	3	RS	444	4	2	N44	18116	5	33	0	5.55	1	15	9	1.25	14	12	0.24	0.30	4.84	29.02	624.29	1,647
8/2/96	2	RS	444	4	2	N44	35441	8	51	0	6.85	1	15	52	1.26	12	39	0.21	0.39	6.18	37.10	855.37	2,953
8/5/96	2	RS	444	4	2	N44	22397	8	46	0	6.77	1	19	18	1.27	10	47	0.18	0.34	5.82	33.12	676.21	833
8/6/96	2	RS	444	4	2	N44	29880	8	45	0	6.75	1	19	19	1.32	15	12	0.25	0.36	6.06	36.39	822.04	1,868
8/7/96	2	RS	444	4	2	N44	30617	6	44	0	6.73	1	17	0	1.28	13	45	0.23	0.38	6.06	36.35	842.37	2,041
8/8/96	3	RS	444	4	2	N44	16150	5	30	0	5.50	1	15	51	1.28	11	27	0.19	0.30	4.72	28.33	570.06	1,468
8/9/96	2	RS	444	4	2	N44	24778	5	45	0	5.75	1	9	44	1.16	10	21	0.17	0.32	5.08	30.47	813.31	1,239
TOTALS				4	2		397657				97.07				18.48	14	37	3.56		86.34	518.07	787.58	1,212

- b: Calendar date of the test run
- b: The number of the run on that tour
- c: The initials of the individual recording the data
- d: The Mchs operation number for the run
- e: The number of keyers inputting mail
- f: The number of persons performing sweeping & loading
- g: The sort scheme used
- h: End of Run (EOR) report counter total for pieces fed
- i: Total clock time recorded for the operation
- i: Decimal hours of "T" above
- n: Total of recorded "U" - USPS Stop elements; typically 2 breaks and 1 lunch
- p: Decimal hours of "n" above
- q: Total clock time recorded for full machine sweep down
- q: Decimal hours of "q" above
- r: Standard break time allotment @ the rate of 30min / 7.5 hrs.; (1-p+s) 0.06666
- s: Decimal hours of "r" above
- t: Standard break time allotment @ the rate of 30min / 7.5 hrs.; (1-p+s) 0.06666
- u: Total adusted run hours: 1-p+s+1
- v: Total adjusted run hours x total persons: (e+f)u
- w: Counter total divided by the total man hours: h / v
- x: 1 Jam in "X" number of pieces (goal = 1 Jam in 650 pcs)

NDMS/USPS-T26-2.

a. Has the Postal Service run any tests on production models of the FSM 1000 that are similar to the tests reported in LR-H-169? That is, are any more recent data available for the FSM 1000s currently installed at Postal Service facilities?

b. Are the data reported in LR-H-169 still considered the best data available for the FSM 1000? Unless your answer is an unqualified affirmative, please provide a copy of more recent data which update and/or supercede those in LR-H-169.

RESPONSE:

a. Yes.

b. Please see Attachment NDMS/USPS-T26-1(b).

NDMS/USPS-T26-3. According to the machinable flat mail standards shown in LR-H-169, the FSM-1000 can handle pieces with a minimum and maximum thickness of 0.008 and 1.25, respectively. Please confirm that the minimum and maximum thickness stated there are in inches. If you do not confirm, please provide the appropriate reference (e.g., centimeters).

RESPONSE:

The minimum and maximum thickness as stated in the LR-H-169 are 0.008 and 1.25 *inches* respectively.

NDMS/USPS-T26-4.

a. According to the machinable flat mail standards shown in LR-H-169, the FSM-1000 can handle pieces with a minimum and maximum weight of 0.07 and 105.0 ounces, respectively. Do the standards of the FSM enable routine processing of flats that weigh less than one-tenth of one ounce? Is this a correct interpretation of the minimum weight of 0.07? Please explain any answer that is not an unqualified affirmative.

b. Do the standards of the FSM enable routine processing of flats that weigh less than one ounce (*i.e.*, flimsies)? Please explain any answer that is not an unqualified affirmative.

c. Were flimsies included in any of the test runs described in LR-H-169? If so, did they present any problems, such as induction jams, transport jams, damaged pieces, flyouts, missorts, etc.?

d. Has the Postal Service run any test designed to ascertain the machinability of flimsies on the FSM-1000? If so, please provide the results of such tests.

e. Aside from tests specifically designed for sorting flimsies, has the Postal Service collected and recorded any data which reflect experience with sorting flimsies on the FSM-1000? If so, please provide.

RESPONSE:

- a. The pre-production FSM-1000 that was tested in Albany processed nonmachinable flats that had a minimum weight of 0.07 ounces.
- b. The standards of the pre-production FSM-1000 that was tested processed nonmachinable flats that had a minimum weight of 0.07 ounces. Please refer to NDMS/USPS-T26-1(b) for the production FSM-1000 specifications.
- c. Yes. Induction jams, transport jams, damaged pieces, flyouts, missorts, etc., occurred as indicated in LR-H-169.
- d. No.
- e. No.

NDMS/USPS-T26-5.

- a. Please refer to LR-H-169 and confirm that for Category 1 mail the jam rate per 1000 pieces fed to the FSM 1000 was 0.52, 0.17, and 0.43 for, respectively, operations 141, 143, and 146.
- b. Are these still the best data available on the jam rate of Category 1 mail on the FSM 1000? If not, please provide the best data available.
- c. What are the comparable jam rates on FSM 881s?

RESPONSE:

- a. Confirmed.
- b. Yes. Although the results of a more recent test for a production FSM-1000 have been made available, the test was not structured in the same manner as the Albany test with respect to segmenting the mailstream into Categories 1, 2, and 3 mail. Therefore, the Albany test provides the best data available on the jam rate of Category 1 mail on the FSM-1000.
- c. The jam rate per 1,000 pieces fed into the FSM 881 is 1.8.

NDMS

ABP/USPS-T26-6.

- a. Please refer to LR-H-169 and confirm that the missort rate for Category 1 mail fed on the FSM 1000 was 0.9 percent, 0.8 percent, and 2.8 percent for, respectively, operations 141, 143, and 146.
- b. Are these still the best data available on the missort rate of Category 1 mail on the FSM 1000? If not, please provide the best data available.
- c. What are the comparable missort rates on FSM 881s?

RESPONSE:

- a. Confirmed.
- b. Yes. Although the results of a more recent test for a production FSM-1000 have been made available, the test was not structured in the same manner as the Albany test with respect to segmenting the mailstream into Categories 1, 2, and 3 mail. Therefore, the Albany test provides the best data available on the jam rate of Category 1 mail on the FSM-1000.
- c. The missort rate for the FSM 881 is 0.001.

NDMS/USPS-T26-7.

- a. Please refer to LR-H-169 and confirm that the misface rate for Category 1 mail fed on the FSM 1000 was 0.8 percent, 0.7 percent, and 1.2 percent for, respectively, operations 141, 143, and 146.
- b. Are these still the best data available on the misface rate of Category 1 mail on the FSM 1000? If not, please provide the best data available.
- c. What are the comparable misface rates on the FSM 881s?

RESPONSE:

- a. Confirmed.
- b. Yes. Although the results of a more recent test for a production FSM-1000 have been made available, the test was not structured in the same manner as the Albany test with respect to segmenting the mailstream into Categories 1, 2, and 3 mail. Therefore, the Albany test provides the best data available on the jam rate of Category 1 mail on the FSM-1000.
- c. The Postal Service has no information responsive to this request.

NDMS/USPS-T26-8.

- a. Please refer to LR-H-169 and confirm that the reject rate for Category 1 mail fed on the FSM 1000 was 0.2 percent, 0.2 percent, and 0.3 percent for, respectively, operations 141, 143, and 146.
- b. Are these the best data available on the reject rate of Category 1 mail on the FSM 1000? If not, please provide the best data available.
- c. What are the comparable reject rates on FSM 881s?

RESPONSE:

- a. Confirmed.
- b. Yes. Although the results of a more recent test for a production FSM-1000 have been made available, the test was not structured in the same manner as the Albany test with respect to segmenting the mailstream into Categories 1, 2, and 3 mail. Therefore, the Albany test provides the best data available on the jam rate of Category 1 mail on the FSM-1000.
- c. The acceptance rates for the FSM 881 are provided in LR-H-134, Section 1, page 11 of 27. The reject rates equal 1 minus the acceptance rates.

NDMS/USPS-T26-9.

- a. Please refer to LR-H-169 and confirm that the damage rate for Category 1 mail fed on the FSM 1000 was 0.07, 0.00, and 0.06 pieces fed, for, respectively, operations 141, 143, and 146.
- b. Are these the best data available on the damage rate of Category 1 mail on the FSM 1000? If not, please provide the best data available.
- c. What are the comparable damage rates on FSM 881s?

RESPONSE:

- a. Confirmed.
- b. Yes. Although the results of a more recent test for a production FSM-1000 have been made available, the test was not structured in the same manner as the Albany test with respect to segmenting the mailstream into Categories 1, 2, and 3 mail. Therefore, the Albany test provides the best data available on the jam rate of Category 1 mail on the FSM-1000.
- c. The Postal Service has no information responsive to this request.

NDMS/USPS-T26-10.

- a. Please refer to LR-H-169, and after taking account of jam rates, missort rates, misface rates, reject rates, and damage rates, what is the net percent of **Category 1** mail that can be processed successfully on the FSM 1000 without any problem?
- b. What is the comparable net percent of **Category 1** mail that can be processed successfully on the FSM 881s without any problem?
- c. What is the net percentage of **Category 2** mail that can be processed successfully on FSM 1000s?
- d. What is the net percentage of **Category 2** mail that can be processed successfully on FSM 881s?
- e. What is the net percent of mail that is less or greater than the Model 881 machinable standard (manual case mail) that can be processed successfully on FSM 1000s?

RESPONSE:

- a. The net percentage of Category 1 mail that can be processed successfully on the FSM 1000 cannot be determined precisely, as some pieces can be (but are not necessarily) processed successfully in spite of a problem such as a jam, missort, misface, reject, or damage. For example, a piece can be rejected because it is in the wrong sort plan, but still processed successfully. Qualitatively, virtually all mail that is within the specifications of the FSM 1000 is processed successfully.
- b. Please refer to NDMS/USPS-T26-8(c).
- c. The net percentage of Category 2 mail that can be processed successfully on the FSM 1000 cannot be determined precisely, as some pieces can be (but are not necessarily) processed successfully in spite of a problem such as a jam, missort, misface, reject, or damage. For example, a piece can be rejected because it is in the wrong sort plan, but still processed

successfully. Qualitatively, virtually all mail that is within the specifications of the FSM 1000 is processed successfully.

- d. The Postal Service has no information responsive to this request. The only existing data for the FSM 881 is for category 1 mail.
- e. The net percentage of manual case mail that can be processed successfully on the FSM 1000 cannot be determined precisely, as some pieces can be (but are not necessarily) processed successfully in spite of a problem such as a jam, missort, misface, reject, or damage. For example, a piece can be rejected because it is in the wrong sort plan, but still processed successfully. Qualitatively, virtually all mail that is within the specifications of the FSM 1000 is processed successfully.

NDMS/USPS-T27-2.

- b. In Base Year 1996, how many facilities used automated BRMAS equipment to process BRM paying the BRMAS rate?
- c. In Test Year After Rates, how many facilities were expected to process BRM on automated BRMAS equipment?

RESPONSE:

b. and c. Although no comprehensive empirical survey has been conducted, it is believed that the overwhelming majority of facilities expected to use BRMAS software when the program was implemented did not do so in the base year. This would appear to be confirmed by the BRMAS coverage factor developed by witness Schenk in USPS-T27. The Postal Service has not developed any plans which could be expected to improve the coverage factor in the test year above what it may currently be.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO NDMS
INTERROGATORY REDIRECTED FROM WITNESS SCHENK

8940

NDMS/USPS-T27-3.

For a P&DC that has the capability to run BRMAS on its automated equipment, what is the estimated minimum daily volume of automatable BRM below which it is more practical to send all BRM to the postage due unit rather than use BRMAS? To the extent that the minimum daily volume may vary by location, please explain all important factors that would enter into the decision to prefer use of the postage due unit rather than BRMAS.

RESPONSE:

It is not possible to provide an estimate that would be applicable for all Postal facilities of a minimum daily volume of automatable BRM below which it is more practical to send all BRM to the postage due unit rather than use BRMAS. The determination of whether to sort and rate automatable BRM in a BRMAS operation or in a manual sortation operation is going to depend on many factors, including the makeup of the BRM recipients at a site (e.g., the number of different BRM recipients and the number of separations each recipient has), the availability of equipment during the time frame when BRM has to be processed to ensure timely delivery to the mail recipient, the availability of Information Systems support, as well as other institutional and site-specific factors.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO NDMS
INTERROGATORY REDIRECTED FROM WITNESS SCHENK

8941

NDMS/USPS-T27-4.

- b. What are the major reasons why the BRMAS coverage factor has never reached the levels anticipated by the Postal Service in Docket No. R90-1?
- c. What sense does it make to have a "BRMAS Program" when the coverage factor is less than 6 percent, and declining?

RESPONSE:

- b. In Docket No. R94-1, the Postal Service offered, but was not permitted, to enter into evidence its analysis of major reasons why the BRMAS coverage factor fell short of expectations. Many of the reasons why BRMAS did not perform up to expectations by 1994 still apply today. A copy of the pertinent portion of the aforementioned analysis is attached.
- c. The current state of the BRMAS program presents a challenge for management. It is hoped that the outcome of the Postal Service's QBRM proposal will help set the course for the future.

2 A. Integration of BRMAS With Bar Code Sorters.

3 The BRMAS software has been placed on the MPBCS and Delivery Bar Code
4 Sorter (DBCS) operating system computers. This enables Processing to use any
5 bar code sorter to count and rate BRMAS mail pieces.

6 Integrating the BRMAS software into the bar code sorter operating systems may
7 also result in combining BRMAS sortation, counting and rating with other automated
8 operations, such as Incoming Primary or Incoming Secondary distribution.

9 Consequently, the unique MODS operations number allocated solely to BRMAS was
10 eliminated. The result has been shared volume recording for automated distribution
11 and BRMAS. The lack of the ability to easily monitor the volume of Business Reply
12 Mail (BRM) processed using the BRMAS programs and provide feedback to
13 processing plants, may have contributed to the slower than expected expansion of
14 the program.

15 While the availability of BRMAS software on all bar code sorters was expected to
16 encourage the use of the BRMAS software program, it now appears that the
17 opposite outcome has resulted. Most sites that utilize BRMAS continue to process
18 BRMAS mailpieces on a separate, unique sort program. This is because they have
19 already assigned a variety of BRMAS customers to the same 5-Digit BRMAS ZIP

1 Code, and additional support workhours are required to maintain the BRMAS
software when it is placed on more than one bar code sorter.

3 **B. Database/Software Maintenance**

4 Inaccurate BRM billing occurs when BRMAS customer information is not maintained
5 and kept current. Modifications to customer account characteristics, such as
6 assigning new BRMAS bar codes to reflect the use of postcards as well as letters,
7 removing customers that drop out of the program, and modifying bar code sorter
8 sort programs to reflect seasonal changes in volume are examples of data that may
9 affect the counting and rating process.

1 In-Plant Support personnel are required to develop new sort plans, mail flows and
processing procedures, as well as continually update the office and processing
12 versions of the BRMAS software. With the recent changes in organization and the
13 operational environment, including re-prioritization of potential cost reduction
14 opportunities, there are fewer resources available for database and software
15 maintenance.^{3f}

16 ^{3f} As indicated above, updating BRMAS software is not simply loading a new software version.
17 Rather, it requires obtaining BRM customer information on a regular basis from sources
separate from the In-Plant Support function, such as Finance and Marketing.

C. Manual Counting

8944

1 Many BRMAS customers are in fact agents for clients selling a product. This
3 indirect communication (through the BRMAS agent) between the Postal Service and
4 the client may at times cause the client to believe their new BRMAS bar code is also
5 a new ZIP Code for all of their correspondence. This situation causes non-BRMAS
6 mailpieces to be sorted and counted with BRMAS mailpieces if BRMAS software is
7 used to count and rate mailpieces. Consequently, many sites have chosen to
8 manually re-count these "problem" BRMAS separations to assure that the
9 appropriate postage is charged.

10 Initially, as is frequently the situation when any new software is developed, BRMAS
11 had several software "bugs" which sometimes affected the accuracy of mailpiece
12 counts. As a result, some sites and customers lost confidence in automated counts
13 provided by BRMAS, and chose to manually verify the accuracy of the mailpiece
14 count. While these software bugs were fixed in a relatively short time, manual re-
15 counts are still performed by BRMAS sites to assure the accuracy of the customers'
16 bills. In addition, BRMAS customers frequently request that BRMAS pieces to which
17 a stamp or meter imprint have been affixed be counted so that they can be
18 reimbursed for the postage applied to those pieces. While there is a procedure
19 through which the customer presents postage paid mailpieces for reimbursement,
20 the Postal Service sometimes performs these manual counts as a customer service.

D. Incompatibility of Equipment with BRMAS

The Postal Service contracted for two different types of Delivery Bar Code Sorters (DBCSs). Electrocom Automation Ltd. (ECA) and Martin Marietta Corporation (MMC) were each awarded contracts for 614 DBCSs.^{4f} However, the MMC machine did not live up to performance standards, especially in the area of sortation accuracy. Postal resources were diverted from other projects in order to assist MMC in modifying their software to accommodate Delivery Point Sequencing (DPS). These basic operating software problems combined with constant changes in sort plan formats made it difficult to integrate the Postal Service's BRMAS software with the MMC DBCS software. While BRMAS software is now resident on all Postal Service bar code sorters, it does not currently interface effectively with the MMC DBCS software and therefore cannot be used to count and rate BRMAS mailpieces.

E. Insufficient Volumes

FY 1993 billing determinants indicate that the average number of BRMAS pieces per customer per day is relatively low.^{5f} Seasonal fluctuations in BRM volumes produce a further reduction in volume for some days.^{6f} Sites may not choose to

^{4f} This 1,228 DBCS procurement was designated Phase I. ECA was awarded the entire Phase II DBCS contract based on their superior performance in Phase I.

^{5f} 665,010,200 divided by 64,244 BRMAS accounts (assuming half of the BRM advance deposit accounts are for BRMAS) divided by 312 days per year (6 days a week) = 33.18 pieces per account/day. See W/P I of witness Foster, section D, page L-2.

^{6f} Many BRMAS customers' volumes change significantly based upon seasonal renewals for publication subscriptions or special promotions. Therefore, average daily volumes are not
(continued...)

1 repeatedly change their distribution, counting and rating procedures as individual
BRMAS customer volume fluctuates. Instead these sites would use manual
3 counting of BRMAS mailpieces.

4 As plants developed BRMAS sort programs they discovered that many bar code
5 sorter stackers received minimal volumes. Consequently, the BRMAS report
6 generation process²⁷, combined with the time used to process BRMAS mail pieces,
7 actually took longer and used more resources than did the manual sorting, counting,
8 and billing system used prior to BRMAS implementation.

9 In some cases, BRMAS volumes are so low that separate bar code sorter "hold
10 outs" cannot be justified²⁸. In addition, manually sorted BRMAS²⁹ pieces must still
be counted, rated and billed, so that both manual and automated bills must be
12 combined.

13 ²⁷ (...continued)
14 representative of the seasonal low volume periods. These low volume periods may not warrant
15 a bar code sorter separation. This situation would result in manual counting and rating part
16 of the year and BRMAS counting and rating another part of the year.

17 ²⁸ BRMAS produces a one page "bill" for each customer. This process takes considerable time
18 (30 seconds to one minute). Therefore, a sort program with fifty customers receiving 20 pieces
19 per customer may take over one-half an hour for report generation.

20 ²⁹ Volume analysis is performed by local In-Plant Support operations to determine the most
21 efficient manner in which to develop sort plans. This analysis is performed due to the limited
22 number of stackers on bar code sorters and efforts to reduce unnecessary rehandlings.

23 ³⁰ Even though BRMAS pieces are barcoded, rejected, jammed, and damaged mailpieces must
24 be sorted, counted and rated manually.

Attachment to response
to NDMS/USPS-T274
page 5

F. Administrative Issues

8947

1 As is the case with any nationwide postal project, BRMAS used a Headquarters-
2 based oversight approach combined with field (Regional) implementation to support
3 the program. Initially, considerable resources were expended. However, as the
4 program matured these resources decreased, as expected. Typically in similar
5 programs, national program management is eventually transferred to local
6 management.
7

8 However, the management transition process for BRMAS may have been affected
9 by recent organizational changes and the evolution of priorities along with the
10 changing operational environment. The process used to allocate limited resources
11 centered around the potential "pay back" and efficiencies to be gained in processing
12 and delivering the mail. One result was less focus on BRMAS at the national level.
13 Moreover, as with other programs, management of BRMAS was moved to the plant
14 level. In theory, this approach gave field managers (who have better knowledge of
15 their operations than those managers far removed from the mail) greater flexibility to
16 modify certain aspects of the BRMAS program to accommodate specific local
17 operating conditions. It also gave field managers more discretion in whether and
18 how to use BRMAS. The results appears to have been reduced implementation of
19 BRMAS.

G. Relation to Other Automation Programs

8948

1 At the inception of the BRMAS program BRMAS BRM processing generally took
3 place after incoming secondary operations for other mail had been completed on a
4 dedicated bar code sorter.^{10/} Now, depending upon local conditions, BRMAS BRM
5 separations may occur on incoming primary, incoming secondary, Box, or special
6 firm/BRM sort programs. BRMAS BRM sorted to a large Box section may require
7 sector/segment sequencing using a "two pass" sort program in order to be sorted
8 first to a part of the Box section, and then to a particular Box. Some BRMAS BRM
9 is "street" delivered, and would need to be Delivery Point Sequenced with the rest of
10 the carrier's mail. BRMAS BRM may be separated at the incoming secondary level;
11 if the secondary zone is receiving "two pass" processing, BRMAS BRM may be
12 pulled out on the second pass.

13 The implementation of Delivery Point Sequencing (DPS) has had a major impact on
14 the volume that requires automated incoming processing as well as the time of day
15 that this processing is performed. Instead of one bar code sorter "pass" to distribute
16 mail to the carrier route level, two "passes" are needed to sort mailpieces in delivery
17 sequence for the carrier. This additional pass expanded the incoming secondary
18 processing window and encroached into the same operational window in which
19 BRMAS was being processed.

20 ^{10/} Most automated incoming secondary operations were completed between 6:30 a.m. and 7:00
21 a.m. Most BRMAS processing immediately followed this secondary processing and was
22 completed in order to meet BOX or caller service clearance times (8:00 a.m. to 9:00 a.m.).

Later mail arrival times at the delivery unit were made possible by the reduction or elimination of carrier casing time resulting from the sequencing of this mail. The
3 reduction of carrier casing time will enable delivery offices to significantly reduce
4 carrier in-office workhours and assert greater control over labor-related costs.

5 Accordingly, many sites have chosen to eliminate automated BRMAS processing in
6 favor of Delivery Point Sequencing and its potential for cost reductions.

Attachment to response
to NDMS/USPS-T27-1
page 8

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO NDMS
INTERROGATORY REDIRECTED FROM WITNESS SCHENK

8950

NDMS/USPS-T27-5.

Your testimony at p. 13 states that "a new BRMAS program is expected to be in place during the test year."

- a. What is the new BRMAS program? Please provide a brief explanation and submit a copy of the program as a library reference.
- b. When is implementation of the new BRMAS program expected to begin, and when is full implementation expected to be accomplished?
- c. How does the new BRMAS program differ from the old BRMAS program?
- d. What is the expected effect of the new BRMAS program on the BRMAS coverage factor?

RESPONSE:

- (a-d) There is no new BRMAS program. No timetable is available for the development of a new program.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF NASHUA PHOTO INC., DISTRICT PHOTO INC.,
MYSTIC COLOR LAB, AND SEATTLE FILMWORKS, INC. (NDMS)**

Revised 9/30/97

NDMS/USPS-T32-8. Please refer to LR-H-112, Exhibit A, and the unit cost data shown therein.

- a. What is the average weight of single-piece:
 - i. letters with an average cost of \$0.1172?
 - ii. flats with an average cost of \$0.3266?
 - iii. parcels with an average cost of \$0.7457?
- b. What is the average weight of presort:
 - i. letters with an average cost of \$0.0460?
 - ii. flats with an average cost of \$0.2084?
 - iii. parcels with an average cost of \$0.2192?
- c. For the total volume of single-piece letters that were used to estimate an average cost of \$0.1172, what percent weighed one ounce or less?
- d. For the total volume of single-piece flats that were used to estimate an average cost of \$0.3266, what percent weighed one ounce or less?
- e. For the total volume of single-piece parcels that were used to estimate an average cost of \$0.7457, what percent weighed one ounce or less?
- f. Please provide, for presort letters, flats and parcels and their unit costs as shown in Exhibit A, information similar to that provided in preceding parts c, d, e.

RESPONSE

- a.
 - i. .5 oz.
 - ii. 3.3 oz.
 - iii. 4.3 oz.
- b.
 - i. .61 oz.
 - ii. 2.50 oz.
 - iii. 1.51 oz.
- c. 95.3%
- d. 7.1%
- e. 8.0%
- f. letters = 98%, flats = 13%, parcels = 58%

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF NASHUA PHOTO INC., DISTRICT PHOTO INC.,
MYSTIC COLOR LAB, AND SEATTLE FILMWORKS, INC. (NDMS)**

8952

Revised 9/30/97

NDMS/USPS-T32-24. Please refer to LR-H-112, Exhibit A, "Nonstandard Surcharge Costs," at "Percent of Nonstandard Pieces by Shape," which shows that the share of First-Class nonstandard letters, flats, and parcels is, respectively, 58, 39, and 3 percent.

- a. Please provide the raw data from which these percentages are computed.
- b. Please identify the time period from which the raw data underlying these percentages were compiled or derived.
- c. The reference provided with the above percentages is to Docket No. R90-1, LR-F-160. Please confirm that where these percentages appear in LR-F-160, Docket No. R90-1, no raw data were provided for the Base Year in that case, but instead there is only a reference to Docket No. R78-1, USPS-T-2. If you do not confirm, please provide the raw data underlying the percentages in LR-F-160, Docket No. R90-1, and indicate the year to which they apply.
- d. On how many occasions since Docket No. R78-1 has the Postal Service updated the data which underlie the percentages applicable to nonstandard First-Class letters, flats, and parcels?

RESPONSE

- a. The raw data is presented in the Testimony of Charles R. Gingrich, USPS T-1, Exhibit USPS-2, from Docket No. R78-1 and is attached.
- b. The source of these data is a report dated July 13, 1972 entitled JITCO, "A Special Analysis of Nonstandard Physical Attributes, by Weight Increment, for First-Class and Airmail Letters and Cards."
- c. Confirmed.
- d. The Postal Service has not updated the report, "A Special Analysis of Nonstandard Physical Attributes, by Weight Increment, for First-Class and Airmail Letters and Cards," for the percentages applicable to nonstandard First-Class letters, flats, and parcels since Docket No. R78-1. Domestic RPW started collecting the shape of single-piece nonstandard pieces in 1994.

PROFILE OF NONSTANDARD SIZE MAIL AND SUMMARY OF NONSTANDARD VOLUME SUBJECT TO SURCHARGE
(TEST YEAR-PROPOSED RATES)

	Total Annual 1/ Vol. (M11) A	Percent Over 2/ Specs. B	Total Volume Over Specs. (M11) C (A X B)	Volume Over Specs. (Before Surcharge)				Nonstandard Volume To			
				Under Two Ounces		Under One Ounce		Be Surcharged 5/		Convert 5/	
				\$ 3/ D	Vol. (M11) E (D X C)	\$ 4/ F	Vol. (M11) G (F X C)	H	I Pcs. (H X E/G)	J	K Pcs. (J X E/G)
First Class Mail (FCM)											
Letters											
Thickness: 1/4"	50,881.1	.48	244.2	-	-	26.43	64.5	84.0	54.2	16.0	10.3
Aspect: Less than 1.3 or Greater than 2.5	50,881.1	1.63	829.4	-	-	97.29	806.9	15.0	121.0	85.0	685.9
Total Letters 7/	50,881.1	2.11	1,073.6	-	-	81.16	871.4	20.1	175.2	79.9	696.2
Flats	2,731.5	100.00	2,731.5	-	-	21.10	576.3	62.5	360.2	37.5	216.1
SPRs	264.0	100.00	264.0	-	-	16.44	43.4	84.0	36.5	16.0	6.9
Total FCM 7/	53,876.6	7.55	4,069.1	-	-	36.64	1,491.1	38.4	571.9	61.6	919.2
Government 6/											
Letters	2,365.5	-	-	-	-	-	-	-	-	-	-
Flats	331.6	100.00	331.6	-	-	21.10	70.0	62.5	43.8	37.5	26.2
SPRs	14.1	100.00	14.1	-	-	16.44	2.3	84.0	1.9	16.0	.4
Total Government 7/	2,711.2	12.75	345.7	-	-	20.91	72.3	63.1	45.7	36.9	26.6
Third Class-Single Piece											
Letters											
Thickness greater than 1/4"	126.7	.48	.6	77.70	.5	-	-	84.0	.4	16.0	.1
Aspect:	126.7	1.63	2.1	77.70	1.6	-	-	15.0	.2	85.0	1.4
Total Letters 7/	126.7	2.14	2.7	77.70	2.1	-	-	30.4	.6	69.6	1.5
Flats	292.1	100.00	292.1	32.2	94.1	-	-	62.5	58.8	37.5	35.3
SPRs	155.9	100.00	155.9	10.09	15.7	-	-	84.0	13.2	16.0	2.5
Total Third-Class (S.P.) 7/	574.7	78.43	450.7	24.81	111.9	-	-	64.9	72.6	35.1	39.3
Total Oversized 7/	57,162.5	8.51	4,865.5	2.30	111.9	31.79	1,563.4	41.2	690.2	58.8	985.1

1/ See USPS-22, Docket No. R77-1 for annual volumes. See USPS-2, page 2, for annual FCM volumes, page 3, for annual Single-Piece Third-Class volumes by shape, and page 4, for Annual Government volumes.

3/ See Library Reference A-10, Docket No. R76-1, "A Special USPS Weight Study Report" (9/15/75).

5/ See USPS-T-1, Section IV D.

7/ Totals for columns C, E, G, I, K are equal to column J.

2/ See USPS-2, Page 12, Section II (Total line), under the appropriate physical attribute and size (letter mail only).

4/ See USPS-2, Page 12, Section III (letter mail), Page 14, Section I (flats and SPRs) under the appropriate physical attribute and weight increment.

6/ See USPS-2, page 4.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

NDMS/USPS-T32-26. Consider the situation where a mailer deposits a single-piece nonstandard First-Class letter (e.g., a small note or greeting card) in a collection box with only a 32-cent stamp on it. What does the Postal Service normally do?

- a. Return it to the sender, marked insufficient postage.
- b. Deliver it to the addressee only on condition that the addressee pay the applicable postage as postage due?
- c. Deliver it to the addressee without any attempt to collect postage due?

RESPONSE:

(a)-(c) Normally, the Postal Service takes the action in (b). This is not to say, however, that the actions described in (a) and (c) may never occur. Also, please see response of witness Moden to OCA/USPS-T32-39 (redirected from witness Fronk).

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

NDMS/USPS-T32-27. Consider the situation where a mailer deposits a single piece nonstandard First-Class flat (i.e., a "flimsie" one ounce or less) in a collection box with only a 32-cent stamp on it. What does the Postal Service normally do?

- a. Return it to the sender, marked insufficient postage?
- b. Deliver it to the addressee only on condition that the addressee pay the applicable surcharge as postage due?
- c. Deliver it to the addressee without any attempt to collect postage due?

RESPONSE: See the response to NDMS/USPS-T32-26.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

NDMS/USPS-T32-28.

- a. Can the FSM 1000 routinely sort light-weight flats or "flimsies," which witness Crum testified they were designed to handle in Docket No. MC97-2 (see his response to DMA/USPS-T7-20)?
- b. Since Docket No. R78-1, has the Postal Service conducted any studies or analyses of the effect of its ongoing mechanization program on the definition of First-Class nonstandard flats? If so, please provide citations and a copy of each study as a library reference if they are not already available through the Commission's docket room.

RESPONSE:

- (a) See the response of witness Moden to NDMS/USPS-T32-18, redirected from witness Fronk.
- (b) No studies or analyses have been conducted by the Postal Service on the effect of the ongoing mechanization program on the definition of First-Class nonstandard flats.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

NDMS/USPS-T32-29.

a. Your response to NDMS/USPS-T32-13 provides the data shown below for nonstandard First-Class letters. Please provide corresponding data for flats and parcels.

1996 Nonstandard Volume (millions)

	<u>Letters</u>	<u>Flats</u>	<u>Parcels</u>
Single Piece	325.6		
Presort	49.6		
Carrier Route	<u>8.0</u>		
Total	383.2		

- b. Please provide the source of the data for the volume of nonstandard letters, flats and parcels (e.g., ODIS).
- c. Please indicate how letters and flats are determined to be nonstandard when the raw data are collected. (i) Do data collectors only count as nonstandard those pieces that have postage for the nonstandard surcharge affixed? If not, (ii) are letters measured and the aspect ratio computed? (iii) Are flats weighed?
- d. Of the total volume of single-piece nonstandard First-Class mail which the Postal Service delivered in Base Year 1996, what percentage is estimated to have actually paid the nonstandard surcharge?

RESPONSE:

(a)-(b) The counts provided by witness Fronk in response to NDMS/USPS-T32 were total pieces (that is letters, flats, and parcels combined). These pieces were from the 1996 Billing Determinants (USPS LR H-145). The distribution of pieces by shape below is approximate and is based on 1996 mailing statement data, except for single-piece which is based on domestic RPW data.

1996 Nonstandard Volume (millions)

	<u>All</u>	<u>Letters</u>	<u>Flats</u>	<u>Parcels</u>
Single Piece	325.6	62.7	238.0	24.9
Presort	49.6	9.1	38.4	2.1
Carrier Route	<u>8.0</u>	<u>1.8</u>	<u>6.0</u>	<u>0.2</u>
Total	383.2	73.6	282.4	27.2

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

RESPONSE to NDMS/USPS-T32-29 (continued)

(c) Redirected to witness Pafford.

(d) Approximately 90.4 percent of Base Year 1996 single-piece nonstandard First-Class mail is estimated to have paid the nonstandard surcharge.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF NASHUA PHOTO INC., DISTRICT PHOTO INC.,
MYSTIC COLOR LAB, AND SEATTLE FILMWORKS, INC. (NDMS)**

NDMS/USPS-T32-31.

- a. What was the total volume of First-Class flats in Base Year 1996?
- b. Of the total volume of First-Class flats in Base Year 1996, how many or what percent are estimated to have been processed manually?
- c. If any of the following volume data are available for First-Class flats, please supply:

	<u>Processed on Mechanized Equipment</u>	<u>Processed Manually</u>
Under 1 oz.	_____	_____
Over 1 oz.	_____	_____

RESPONSE

- a. 5,471,119,000.
- b. This information is not available.
- c. N/A

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

8960

NDMS/USPS-T32-33. From 1995 to 1996 the Postal Service and Brooklyn Union Gas ("BUG") conducted a "test" with Prepaid Courtesy Reply Mail ("PCRM"); see Docket No. MC96-3, response to NM/USPS-T37.

- a. Please explain how the proposal for PRM in this docket is related to the PCRM test.
- b. Did the Postal Service prepare any analysis, summary or other report on the results of that test with BUG?
- c. If so, please supply as a library reference a copy of each such analysis, summary or other report.
- d. If no analysis, summary or other report concerning the test with BUG was prepared, please explain why not.

RESPONSE:

(a) Answered by witness Fronk.

(b) - (d) No summary report was prepared about the test. Headquarters personnel communicated orally with personnel at the test site on a regular basis and were familiar with the progress of the test. No written summary was prepared because Postal resources that would have prepared such summary analysis were diverted to Docket No. MC97-1.

NDMS/USPS-T32-34.

- a. Please explain whether Brooklyn Union Gas ("BUG") performed the postage accounting function in the PCRM test.
- b. If so, please describe all steps taken by BUG to perform the postage accounting function, and answer the following: (i) Did BUG count every envelope? (ii) Did BUG use a weight averaging system? (iii) If a weight averaging system was used, how many samples did the Postal Service take during the term of the test?
- c. If so, describe the auditing activities performed by the Postal Service throughout the test.
- d. If not, how was the postage accounting function performed?

RESPONSE:

(a) For the first three months of the test, the Postal Service and BUG performed a weight verification daily to determine the amount of postage to be collected from BUG. Each day, the Postal Service and BUG figures were compared to see if the postage calculated by BUG was within 1.5 percent of the Postal Service figure. BUG figures were well within the tolerance level. After the first three months, BUG performed the calculation daily with the Postal Service randomly performing its own weight verification to check the calculation; see parts (b) and (c) below.

(b)-(c) BUG did not physically count each envelope. BUG used 50 pieces of mail each day to determine the average weight of a single piece of mail. Trays were then weighed and the number of pieces per tray was determined using this average per piece. During the first three months of the test, the Postal Service would also select 50 pieces of mail each day to determine the average weight of a single piece, and perform the postage calculation in the same manner as BUG. After three months, the Postal Service calculated the postage four times a month without BUG's knowledge and compared the results with the BUG-supplied figures. Again, BUG was within tolerance. Later the Postal Service verification calculation was performed approximately once monthly, again without BUG's knowledge.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

8962

RESPONSE to NDMS/USPS-T32-34 (Continued)

Each month, the Postal Service conducted an audit on a randomly picked day. Documentation reviewed included daily outgoing and incoming mail counts, a review of the postage calculation, and a comparison with the processing records of the third parties employed by BUG as remittance processors.

The combination of random weight verification and audits assured the Postal Service that BUG was paying the correct amount of postage.

(d) Not applicable.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

8963

NDMS/USPS-T32-37.

- a. What was the total number of BRMAS accounts in Base Year 1996?
- b. What was the total volume of BRMAS mail which paid BRMAS rates in Base Year 1996?
- c. What was the average volume of BRMAS mail paid by BRMAS accounts in Base Year 1996?
- d. When BRMAS mail is handled manually through the postage due unit, is such BRMAS mail processed seven days a week, including Fridays, Saturdays, Sundays, and holidays?

RESPONSE:

(a)-(c) Redirected to witness Needham.

(d) The number of days per week that BRMAS mail is handled manually through the postage due unit will vary across postal facilities, depending on a number of factors, including the level of volume received and staffing constraints.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

8964

NDMS/USPS-T32-38. Please provide all available data showing the distribution of BRMAS mail volume received (either daily, weekly, monthly, or annual) by BRMAS users in Base Year 1996, using whatever breakdowns are available (e.g., fewer than 1,000 pieces/year; 1,000-10,000 pieces/year; 10,000 to 100,000 pieces/year; more than 100,000 pieces/year).

RESPONSE: Please see Table H180-A, in USPS LR-H-180. It gives the distribution of annual BRMAS-rated volume for letters and cards.

NDMS/USPS-T32-43.

- a. In what ways, and to what extent, has the Postal Service publicized the existence and the amount of the First-Class nonstandard surcharge to the general public since Docket No. R78-1? Please explain in full, including such dates as available, any changes in the various methods used, and copies of print advertisements used (if any).
- b. Since Docket No. R78-1, has the Postal Service ever commissioned any surveys of the general public's awareness of the existence of the First-Class nonstandard surcharge? (i) If so, please indicate when each survey was conducted and provide a summary of the results. (ii) If not, why not?

RESPONSE:

- (a) Please see response to OCA/USPS-T32-8, which includes a description of all such efforts over the last three years. Copies of the materials cited in OCA/USPS-T32-8 are contained in USPS-LR-H-243. These materials are representative of the kind of educational materials the Postal Service has historically prepared following a rate change, including pamphlets and posters. Such historical material is typically discarded as it becomes obsolete.
- (b) No. The Postal Service has not had need for such data.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

8966

NDMS/USPS-T32-44.

- a. Please provide the volumes of First-Class nonstandard (i) letters, (ii) flats, and (iii) parcels for each year since FY 1980.
- b. Please provide the volume of First-Class nonstandard nonpresort letters, as a percentage of total First-Class single-piece letters, for each year since FY 1980.
- c. Please provide the volume of First-Class nonstandard presort flats, as a percentage of total First-Class single piece flats, for each year since FY 1980.
- d. What efforts has the Postal Service undertaken to determine the effectiveness of the nonstandard surcharge since FY 1980 at encouraging mailers to reduce the volume of nonstandard letters and flats. Please explain in full, including a description of surveys and other data collected, as well as any determinations made by the Postal Service.

RESPONSE:

(a) Data by shape for nonstandard pieces are available only for 1994-1996. Please recognize that these data are only an approximation. The approximate 1996 data were provided in response to NDMS-T32-29(a)-(b). Total pieces for FY 1994 and FY 1995 were taken from the 1994 and 1995 billing determinants, respectively. The distribution of pieces by shape below is approximate and is based on mailing statement data and domestic RPW data.

	Nonstandard Volume (millions)			
	<u>All</u>	<u>Letters</u>	<u>Flats</u>	<u>Parcels</u>
1995	355.4	51.5	286.9	17.0
1994	306.7	48.6	243.8	14.3

(b) The data are available for 1994-1996:

FY 94 0.16%
FY 95 0.09%
FY 96 0.13%

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

8967

RESPONSE to NDMS/USPS-T32-44 (continued)

(c) The data are available for 1994-1996.

FY 94	10.54%
FY 95	6.36%
FY 96	6.18%

(d) No such efforts have been undertaken. Also, see response to NDMS/USPS-T32-25.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

8968

NDMS/USPS-T32-45. Please provide the volume of First-Class parcels by ounce increment for Base Year 1996.

RESPONSE: The approximate number of parcels by ounce increment appears below. The ounce distribution of pieces below is only approximate and is based on 1996 mailing statement data and domestic RPW data for single-piece mail. First-Class Mail is overwhelmingly letters and there are relatively few parcels, especially in the presort mail category where the underlying mailing statement data show relatively small volumes. Note that the 1996 volume of parcels weighing one ounce or less (41.4 million) is different than the figure of 27.2 million parcels nonstandard parcels provided in response to NDMS/USPS-T32-29. Since one-ounce parcels are nonstandard by definition, one would expect these two numbers to be about the same. This difference may be due to postal personnel not recognizing a piece as nonstandard during acceptance or data collection. It may also be due to a shape misclassification on a mailing statement that is not caught during acceptance. Since the First-Class parcel data are relatively "thin," the impact of any possible misclassification is magnified in the data.

<u>Ounce Increment</u>	<u>Parcel Volume (millions)</u>
0-1	41.4
1-2	77.7
2-3	78.6
3-4	56.7
4-5	45.4
5-6	37.4
6-7	31.1
7-8	27.7
8-9	24.8
9-10	21.0
10-11	17.3

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS
REDIRECTED FROM WITNESS FRONK

8969

NDMS/USPS-T32-46. Library Reference H-112 (the nonstandard surcharge cost update) utilizes manual letter cost data (see LR-H-112, Exhibits A and B). Where else does the Postal Service utilize manual letter cost data?

RESPONSE: Manual letter cost data are used only in this Library Reference.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF
NDMS REDIRECTED FROM WITNESS FRONK

8970

NDMS/USPS-T32-47. Please refer to the attachment to your response to MMA/USPS-T32-1.

- a. According to that response, in Base Year 1996 the number of prebarcoded single piece Non-Presort First-Class flats that weighed no more than 1 ounce amounted to 2,842,000. Were all of these flats nonstandard and subject to the surcharge? Please explain any answer that is not an unconditional affirmative.
- b. Were all of the 412,482,000 Non-Presort ZIP + 4 pieces letter-shaped? If not, please indicate the number of parcels and flats by weight increment.
- c. Under Non-Presort, the first row is identified as "Letters/Non-letters." For each ounce increment of that row shown in the attachment, please provide a breakdown showing separately the number of letters, flats, and parcels.
- d. Under 3/5 Presort, the second row is identified as "Non-Auto Presort-Non-letters." For each ounce increment of that row shown in the attachment, please provide a breakdown showing separately the number of flats and parcels.
- e. Under 3/5 Presort, the fourth row is identified as "3/5 Digit Residual." For each ounce increment of that row shown in the attachment, please provide a breakdown showing separately the number of letters, flats, and parcels.
- f. Under Carrier Route, the second row is identified as "non-letters." Please provide a breakdown similar to that specified in (d), above.
- g. Under Carrier Route, the third row is identified as "Residual." Please provide a breakdown similar to that specified under (e), above.

RESPONSE:

- (a) Yes, all of these pieces were nonstandard and subject to the surcharge.
- (b) Yes.
- (c)-(g) The requested data are shown in the attachment. These data are approximate and based both on 1996 mailing statement data and domestic RPW data. Please recognize that the First-Class Mail stream is overwhelmingly letters, with relatively few flats and parcels. As a result, the data in some of the cells in the attachment are relatively "thin" when the data are disaggregated both by shape and by weight increment. For example, there are very few carrier route parcels in the residual category.

As discussed in the response to NDMS/USPS-T32-45, the 1996 volume of one-ounce parcels derivable from this table (41.4 million pieces) is different than the figure of 27.2 million nonstandard parcels provided in response to NDMS/USPS-T32-29. Similarly, the 1996 volume of one-ounce flats derivable

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF
NDMS REDIRECTED FROM WITNESS FRONK

8971

RESPONSE to NDMS/USPS-T32-47 (continued)

from this table (358.3 million pieces) is different than the 282.4 million flats provided in response to NDMS/USPS-T32-29. As was the case with parcels, this difference may be due to postal personnel not recognizing a piece as nonstandard during acceptance or data collection. It may also be due to a shape misclassification on a mailing statement that is not caught during acceptance.

Note that even though these numbers differ for flats and parcels, their relative relationship is approximately the same, that is, in both the attached table and the response to NDMS/USPS-T32-29, the volume of one-ounce parcels is about 10-12 percent of the volume of one-ounce flats. This relative stability is significant because it is the shape mix percentages in NDMS/USPS-T32-29, not the absolute volumes by shape, that were used to revise the shape mix data in Exhibit USPS-43C.

Base Year 96 First Class Pieces (thousands)

	1	2	3	4	5	6	7	8	9	10	11	Total
8972	Distribution of Pieces by Weight Increment (ounces)											

Non-Presort Letters	46,853,930	1,860,524	305,455	81,977	25,383	9,023	4,458	1,684	880	357	695	49,144,367
Flats	292,120	1,290,925	843,810	522,874	358,457	249,391	179,655	137,469	105,648	75,028	55,987	4,111,364
Parcels	36,028	77,273	75,625	56,515	45,204	37,245	31,007	27,622	24,768	20,927	17,290	449,505
ZIP+4	394,188	17,388	904	1	0	0	0	0	0	0	0	412,482
Prebarcoded Flats	2,842	10,638	7,680	2,983	4,262	1,068	954	640	799	839	337	33,041
Subtotal	47,579,108	3,256,749	1,233,474	664,350	433,305	296,728	216,075	167,416	132,095	97,151	74,310	54,150,759

3/5-Presort	7,681,125	219,910	70,377	9,266	1,826	625	357	149	92	47	76	7,983,849
Non-Auto Presort Letters	27,509	74,082	90,135	31,498	6,387	4,730	2,851	2,230	1,731	1,659	845	243,657
Parcels	4,870	350	2,657	146	73	136	78	20	23	10	18	8,382
Basic Automation	827,401	18,623	2,682	100	0	0	0	0	0	0	0	848,806
3/5-Digit Residual	1,744,536	62,627	7,481	1,325	195	98	114	56	23	31	59	1,816,545
Letters	14,305	25,551	19,855	6,089	2,399	2,655	2,044	2,082	1,807	1,527	869	79,183
Flats	266	46	194	48	55	28	63	11	2	15	33	761
Parcels	617,947	38,954	1,004	0	0	0	0	0	0	0	0	657,904
ZIP+4 Letters	15,064,606	161,410	14,940	197	0	0	0	0	0	0	0	15,241,153
Prebarcode 3-Digit	9,037,688	195,297	18,189	241	0	0	0	0	0	0	0	9,251,414
Prebarcode 5-Digit	15,064	34,131	15,959	6,736	3,600	1,854	1,295	1,322	861	462	609	81,894
Subtotal	35,035,317	830,981	243,472	55,645	14,536	10,126	6,802	5,870	4,538	3,751	2,508	36,213,548

Carrier Route Letters	2,685,450	128,634	11,246	821	575	0	8	0	0	0	0	2,826,733
Non-Letters	6,484	5,361	1,259	579	441	506	47	56	24	2	13	14,772
Flats	193	1	139	3	0	0	1	1	0	0	0	339
Parcels	1,734	63	0	0	0	0	0	0	0	0	0	1,796
Letters	2	2	0	0	0	0	0	0	0	0	0	4
Flats	1	0	0	0	0	0	0	0	0	0	0	1
Subtotal	2,693,863	134,060	12,644	1,403	1,015	506	56	57	24	2	13	2,843,645

Note: Total pieces from the 1996 Billing Determinants (USPS LR H-145). The above distribution of the pieces among weight increments is approximate and is based on 15

PW data

ing statements, except for non-presort letters/non-letters which is based on dor

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF
NDMS REDIRECTED FROM WITNESS FRONK

8973

NDMS/USPS-T32-48. Assume that the Postal Service wanted to study the cost of handling nonstandard pieces of First-Class Mail that weigh less than one ounce.

(a) What is the average number of IOCS tallies per 100,000,000 pieces of First-Class Mail?

b. How many IOCS tallies would the Postal Service be likely to have for 325.6 million single pieces of nonstandard First-Class Mail described in response to NDMS/USPS-T32-29?

c. When an IOCS tally is taken and an individual piece of First-Class Mail is being handled, does the information that is recorded about the piece of mail distinguish between standard and nonstandard pieces of First-Class Mail?

d. In order for the IOCS to contain a sufficient number of pieces of nonstandard First-Class Mail to enable the development of an minimally reliable estimate of unit cost, how many tallies of such no [sic] standard pieces would the IOCS have to include? Please interpret "minimally reliable" as the minimum number of sample points that the Postal Service would consider acceptable for the purposes of such estimation.

RESPONSE:

(a) There are 48,634 direct mail processing tallies for First-Class Mail in FY 1996. These tallies are unweighted, and therefore do not reflect the different sampling rates used for IOCS sampling. Given the total First-Class volume of 98,216,000,000, this results in 49.5 tallies per 100,000,000 pieces of First-Class Mail.

(b) This information is not available. IOCS does not collect the information on standard and nonstandard pieces that you request.

(c) No.

(d) Since IOCS does not record whether a piece is standard or nonstandard, IOCS does not have any estimates of nonstandard piece costs. As a result, the Postal Service does not know the sufficient number of pieces to ensure a "minimally reliable" estimate of unit cost.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF
NDMS REDIRECTED FROM WITNESS FRONK

NDMS/USPS-T32-50. Please explain your view on how weight affects the cost of handling First-Class Mail. That is, explain qualitatively the different ways that, in your view, weight can directly or indirectly affect the cost of handling First-Class Mail.

RESPONSE:

Weight has a variety of implications on mail processing costs. These implications are discussed by witness Hatfield (see his response to MMA/USPS-T-25-2) and witness Smith from Docket No. MC95-1 (see his response to MMA/USPS-T-10-2B).

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF
NDMS REDIRECTED FROM WITNESS FRONK

NDMS/USPS-T32-52. Your response to NDMS/USPS-T32-29(d) states that "approximately 90.4 percent of Base Year 1996 nonstandard First-Class Mail is estimated to have paid the nonstandard surcharge."

- a. What is the source of the data underlying this estimate?
- b. In what year(s) were these data collected?
- c. Please provide the raw data (i.e., the numerator and the denominator) used to derive the 90.4 percent.
- d. What are the statistical confidence limits on the 90.4 percent estimate?

RESPONSE:

- (a) The Domestic RPW Sampling System.
- (b) FY 1996.
- (c) Numerator = 294,352,000; denominator = 325,611,000.
- (d) Assuming that the ratio of known book revenue to estimated book revenue is approximately the same from postal quarter to postal quarter for the base year, the upper limit on the estimated coefficient of variation of the percentage of nonstandard First-Class single-piece mail that is not shortpaid is .0813 or 8.13 percent.

NDMS/USPS-T33-28.

- a. What is the current per-pound terminal handling charge for Priority Mail specified in the Postal Service's contracts with the major airlines?
- b. What is the current per pound/mile distance-related charge that is specified for Priority Mail in the Postal Service's contract with the major airlines?
- c. Do any existing contracts with major airlines expire before the end of the Test Year? If so, please stipulate the contract and date.

Response to NDMS/USPS-T33-28:

- a) The ASYS-97-01 contract, which includes major commercial carriers America West Airlines, American Airlines, Continental Airlines, Delta Airlines, Northwest Airlines, Southwest Airlines, Trans-World Airlines, U.S. Airways, and United Airlines, specifies a terminal handling rate of \$0.20270 per pound, effective March 8, 1997, regardless of class of mail.
- b) The ASYS-97-01 contract currently specifies a linehaul rate of exactly \$0.00008050 per pound per mile, effective August 16, 1997, regardless of class of mail. The effective date of the linehaul rate does not coincide with the effective date of the contract (March 8, 1997) because 25.69% of the linehaul rate is subject to a periodic jet fuel price adjustment based on changes in BLS PPI commodity index #05-7203.
- c) No. The Postal Service has recently shifted the period of the ASYS contract to coincide with the fiscal year. The ASYS-97-01 contract with commercial airlines terminates at the conclusion of operations on September 11, 1998, the last day of the Test Year, FY 98.

NDMS/USPS-T33-29.

- a. What is the per-pound terminal handling charge for Priority Mail in current contracts with air taxis, Alaska air operators, and any other air operators used by the Postal Service to transport Priority Mail?
- b. What is the per-pound/mile charge for Priority Mail in current contracts with air taxis, Alaskan air operators and any other air operators, used by the Postal Service to transport Priority Mail?
- c. Do any existing contracts with any of the above expire prior to the end of the Test Year? If so, please stipulate the contract and date.

Response to NDMS/USPS-T33-29.

a) The Postal Service contracts air taxis, the Eagle Air Network, the Western Air Network, temporary Christmas networks, and designated/dedicated PMPC air transportation, on a capacity basis; i.e., block capacity is contracted in advance, rather than being incrementally purchased as needed at predetermined rates. Thus, there are no explicitly specified per pound terminal handling rates for these types of purchased air transportation.

For intra-Alaska air transportation, the per pound terminal handling rates are regulated by the Department of Transportation (DOT), and are periodically updated. There are four rates, representing the four types of intra-Alaska air transportation. The current rates are:

Mainline (Jet) Equipment, Priority:	\$0.2256 / lb
Mainline Equipment, Non-Priority:	\$0.1938 / lb
Bush (Prop) Equipment, Priority:	\$0.4065 / lb
Bush Equipment, Non-Priority:	\$0.4065 / lb

Note that the designations "Priority" and "Non-Priority" do not refer Priority Mail versus other classes of mail, but rather to the service level of the flight. Priority Mail, however, does not usually fly on "Non-Priority" flights. The estimated

average per pound terminal handling rate for all Intra-Alaska mail flying at the priority rate, over both equipment types, is \$0.2746.

For Hawaii/Pacific System air transportation, the estimated average per pound terminal handling rate is \$0.3768. For Hawaii/Pacific Segment air transportation, the estimated average per pound terminal handling rate is \$0.2449.

b) The Postal Service contracts air taxis, the Eagle Air Network, the Western Air Network, temporary Christmas networks, and designated/dedicated PMPC air transportation, on a capacity basis; i.e., block capacity is contracted in advance, rather than being incrementally purchased as needed at predetermined rates. Thus, there are no explicitly specified per pound per mile linehaul rates for these types of purchased air transportation.

For intra-Alaska air transportation, the per pound per mile linehaul rates are regulated by the DOT, and are periodically updated. There are four rates, representing the four types of intra-Alaska air transportation. The current rates are:

Mainline (Jet) Equipment, Priority:	\$0.00075 / lb / mile
Mainline Equipment, Non-Priority:	\$0.00045 / lb / mile
Bush (Prop) Equipment, Priority:	\$0.00391 / lb / mile
Bush Equipment, Non-Priority:	\$0.00391 / lb / mile

Note that the designations "Priority" and "Non-Priority" do not refer Priority Mail versus other classes of mail, but rather to the service level of the flight. Priority Mail, however, does not usually fly on "Non-Priority" flights. The estimated

average per pound per mile linehaul rate for all Intra-Alaska mail flying at the priority rate, over both equipment types, is \$0.0009915.

For Hawaii/Pacific System air transportation, the estimated average per pound per mile linehaul rate is \$0.0004242. For Hawaii/Pacific Segment air transportation, the explicit linehaul rate component is generally specified on a per-pound basis according to origin/destination pair. For example, a hypothetical segment contract between OGG and HNL, a 101 mile flight, might specify a linehaul charge of \$0.01 per pound. In this particular example, this converts to \$0.00009901 per pound per mile. An estimated average per pound per mile linehaul charge for Hawaii/Pacific Segment contracts is \$0.0002011.

c) The major air networks are scheduled to operate under existing contracts throughout the Test Year. The FY98 Christmas network contracts have not yet been awarded. The expiration/renewal dates of the numerous intra-Alaska and Hawaii/Pacific contracts vary such that individual contracts expire at different times. For intra-Alaska air transportation, though, rates are controlled by DOT, regardless of contract periods.

**Designated Responses of the
United States Postal Service
to NNA Interrogatories**

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NATIONAL NEWSPAPER ASSOCIATION
(REDIRECTED FROM WITNESS PAFFORD)

8981

NNA/USPS-T1-3. Please cite and explain in detail any actions taken by the Vice President/Operations Support since the issuance of this report to convert measurement of mail volumes to calculations by piece count rather than by weight and conversion factors. If implementation has not yet occurred, please provide estimates of targeted implementation schedules.

RESPONSE:

As the Postal Service installs new equipment, it has been emphasizing the need to conduct piece counts of mail, wherever feasible. In addition, the Postal Service has been testing the workability of developing end of run piece count volumes of letter size Delivery Point Sequence mail, and as well as studying options for changing the manner in which we account for mail inventory prior to induction into the first mail processing operations.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NATIONAL NEWSPAPER ASSOCIATION
(REDIRECTED FROM WITNESS PAFFORD)

8982

NNA/USPS-T1-4. Please confirm that audits of DUVRS included in this report covered only delivery units within urban and suburban areas and specifically did not include audits of rural post offices. If you cannot confirm, please explain.

RESPONSE:

Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NATIONAL NEWSPAPER ASSOCIATION
(REDIRECTED FROM WITNESS PAFFORD)

8983

NNA/USPS-T1-5. Please refer to page 11 of H220. Describe any actions taken by the Postal Service to raise a red flag that would indicate falsification of volume data to show enhanced productivity.

RESPONSE:

The Postal Service relies upon the Inspection Service's audit process to indicate instances where such activity may be taking place.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NATIONAL NEWSPAPER ASSOCIATION
(REDIRECTED FROM WITNESS PAFFORD)

8984

NNA/USPS-T1-6. Please refer to Postal Bulletin 21952 dated August 14, 1997.

- (a) Please provide the estimated date of completion of the National Mail Count on Rural Routes.
- (b) Has the Postal Service ever conducted a similar rural mail count study before? If so, please provide a report of the study.
- (c) If the Postal Service has conducted such a study in the past, how were the results used to alter or verify data used for RPW reports or other volume measurement systems.
- (d) How will the Postal Service use the data from the September 1997 study to alter or verify data used for RPW reports or other volume measurement systems?
- (e) What percentage of rural carriers were invited to participate in the September 1997 study? What percentage are expected to participate?
- (f) Will this study produce data on the total mail volumes handled by individual rural post offices?
- (g) Will this study provide mail volume data by class and/or by subclass?
- (h) Please provide copies of questionnaires and training materials to be used by rural carriers during this test.

RESPONSE:

- (a) September 29, 1997. Please see Attachment A to this response.
- (b) The National Count of Mail on Rural Routes is not a study, and no "report" is generated. The mail count is used "to determine eligibility for evaluated compensation or adjustment in evaluated compensation." *Agreement between United States Postal Service and National Rural Letter Carriers' Association*, Article 9.2.C.3.a. Please see Attachment B to this response.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NATIONAL NEWSPAPER ASSOCIATION
(REDIRECTED FROM WITNESS PAFFORD)

8985

(c) Please see the response to subpart (b), above. The information is not used to adjust the Postal Service's revenue or volume systems.

(d) Please see the response to subpart (c), above.

(e) As provided in the *Agreement between United States Postal Service and National Rural Letter Carriers' Association*, Article 9.2.C.3.a(2), all regular carriers have the option to participate in the count. Please see Attachment B to this response. The Postal Service will not know the number of routes participating until after the completion of the count.

(f) No.

(g) Please see data collection forms in Attachment A to this response.

(h) Please see Attachment A to this response.

ALL OFFICES WITH RURAL DELIVERY

National Count of Mail on Rural Routes

In accordance with Article 9.2.C.3.a(2) of the 1995 National Agreement between the Postal Service and the National Rural Letter Carriers' Association (NRLCA), a 24-day National Count of Mail will be conducted September 2-29, 1997. The count will be conducted on encumbered regular rural routes where either the employer or the regular rural carrier opted for a count by June 27, 1997, and on any auxiliary or vacant regular rural route where management elects to count. Additionally, where mutually agreed to by management and the regular rural carrier, the carrier may conduct the count, as provided by the March 14, 1997, USPS/NRLCA Memorandum of Understanding on National Mail Count on Rural Routes and Route Inspection Procedures.

Mail Count Procedures

Mail count procedures for all 24 days of the count must be in accordance with Chapter 5 of Handbook PO-603, *Rural Delivery Carrier Duties and Responsibilities* (June 1991 edition), except part 535.12, which is revised as follows:

Handbook PO-603, Rural Delivery Carrier Duties and Responsibilities

5	Inspection, Count, and Adjustment of Rural Routes	* * * *
530	Rural Route Mail Counts	* * * *
535	Mail Count Forms	* * * *

535.12 Completion. During the entire mail count period, complete PS Form 4239 daily for each route. Transfer the totals daily from PS Form 4239 to PS Form 4241. Use the following guidelines to complete PS Form 4239:

a. Column A — Letter-Size Mail

- (1) Enter in this column all letter-size mail, including ordinary letters, cards, newsletter type mail, and circulars five inches or less in width that can be cased in the separations of the carrier cases. Small magazines and small catalogs five inches or less in width and 3/8 inch or less in thickness are included in this column. Include detached address labels (specifically addressed) for sample merchandise, magazines, and catalogs in the letter count.

Note: The maximum thickness of 3/8 inch applies only to small magazines and small catalogs. Letter-size mail is mail that fits in the width of the case separation in use, regardless of thickness. All detached address cards (with a specific address) for sample merchandise, shared mail, magazines, and catalogs are included in the letter count.

- (2) Do not include newspapers, boxholders, flats, and rolls even though they may be cased with letter mail. Count each direct or segmented bundle (see part 225.4) distributed and tied out at mail distribution cases as one parcel and enter that number in column D. Do not count direct or segmented bundles tied out at the carrier case (see part 225.5) as parcels. Do not include registered, certified, COD, numbered insured, Express Mail, and other accountable mail in this column. For special delivery articles see column F.

b. Column B — Sector/Segment Letters

Enter in this column all mail up to 6 1/8 inches in width that is processed on automated equipment in sector/segment order.

c. Column C — Papers, Magazines, Catalogs, Flats, Other Non-Letter-Size Mail

Enter in this column newspapers, flats, magazines, catalogs, rolls, and other non-letter-size mail that can be cased for delivery using carrier casing equipment. This includes catalogs cased with other mail or cased separately. This does not include those items specifically referenced in column D, Parcels.

Exceptions: Count simplified address articles, including mail with detached labels, as boxholder mail and enter the number in column E. Count each direct or segmented bundle distributed and tied out at mail distribution cases (see part 225.4) as one parcel and enter the number in column D. Do not count direct or segmented bundles tied out at the carrier case (see part 225.5) as parcels. Do not count registered, certified, COD, numbered insured mail, Express Mail, and other accountable mail in this column. For special delivery articles see column F.

d. Column D — Parcels

- (1) A parcel is any rigid article that exceeds any one of the following dimensions:

- (a) 5 inches in height.
- (b) 18 inches in length.
- (c) 1 9/16 inches in width.

Examples: A rigid article that measures 4" x 15" x 1 3/4" is recorded as a parcel because the 1 3/4" thickness exceeds the 1 9/16" criteria. However, a rigid article that mea-

ures 5" x 18" x 1 9/16" is recorded as a flat because *none of the dimensions exceed the stated criteria.* (This includes articles properly prepared and endorsed "Do Not Fold or Bend" in accordance with *Domestic Mail Manual (DMM) C010.8.2c.*)

(2) In addition, any nonrigid article that does not fit in the letter or flat separations (where flat separations are used) with other mail is considered a parcel. (This includes articles that have not been prepared in accordance with DMM C010.8.2c, even though the mailer has endorsed them "Do Not Fold or Bend." These nonrigid articles should be carried and credited as parcels, provided that they do not fit in the letter or flat separation (where flat separations are used) with other mail without damage to the article).

(3) The carrier has the option of handling odd-size articles either with flat mail or separately, regardless of how it is credited.

(4) Parcels with detached labels do not belong in this column. They are counted as boxholders in column E. Only specifically addressed samples too large to be cased are included in the parcel count.

(5) Each direct or segmented bundle distributed and tied out at the mail distribution cases (see part 225.4) is counted as a parcel. Direct or segmented bundles tied out at the carrier case (see part 225.5) are not counted as a parcel.

(6) Registered, certified, COD, numbered insured, Express Mail, and other accountable mail are not counted in this column. (For special delivery articles see column F.)

e. Column E — Boxholders

Enter the daily number of boxholders (families, boxes, or deliveries, as appropriate) taken out for delivery on the route. This includes all simplified address mail, including samples with simplified address (see DMM A040). When samples are received with detached address labels (specifically addressed), enter the total number of samples. (See part 535.12.a, column A, for recording the label count.) Include simplified address, detached labels (no specific name or address) in this column. The number of pieces of boxholder mail must not exceed the number of families or boxes (as appropriate) on the route for each mailing. Include in this column all boxholders, whether cased or not.

f. Column F — Registered Mail, Certified Mail, Numbered Insured Articles, Express Mail, and Other Accountable Mail.

(1) Enter the number of articles received daily for delivery in this column. Entries in this column preclude entries for the same items in columns A, B, C, D, or H.

Note: Where the carrier dismounts or leaves the line of travel to effect delivery or attempt delivery of special delivery mail, enter the number of special delivery articles in this column. Otherwise, enter them in columns A, B, C, or D as

appropriate. Do not record any articles entered in columns A, B, C, D, or L in column F.

(2) On high-density (L) routes where multiple accountable items are received for one address, enter the items on PS Form 3883. The route receives credit for one accountable article per page or partial page completed.

Example: If a route received 10 accountable articles of which five were for delivery to one address, the route would receive credit for six accountable items: one item each for the five articles for delivery to individual addresses, and one item for the five articles entered on PS Form 3883, *Firm Delivery Book for Accountable Mail*, for delivery to the one address. Under no circumstances use a PS Form 3883 for delivery of only one accountable item.

(3) When a PS Form 3883 is authorized for use on high-density (L) routes, additional credit is allowed for handling return receipts on items listed in the book (see column T).

g. Column G — CODs and Customs Due Received for Delivery

Enter daily the number of articles received for delivery.

h. Column H — Postage Due

Enter the number of postage due articles taken out for delivery. Do not include postage due items in columns A, B, C, or L.

Note: A carrier can receive a double credit for a postage due parcel.

Example: An ordinary parcel with postage due would be credited as a parcel in column D, Parcels, and in column H, Postage Due.

i. Column I — Change of Address (COA)

Enter in this column the number of change of address orders (PS Form 3575, *Change of Address Order*, or PS Form 3546, *Forwarding Order Change Notice*) received and entered during the count period. PS Form 3546, initiated by the carrier, is creditable as a forwarding order, provided that it is not a duplication of a previous action. There must be no accumulation of change of address orders at the start of the count period.

Note: Do not record the entry of a new or additional customer's name on PS Form 1564, *Address Change Sheet*, or PS Form 4232, *Rural Delivery Customer Instructions*, as a change of address order.

j. Column J — Marked Up Mailpieces

(1) In this column, record the number of pieces of all classes of mail marked up. Markups are mailpieces undeliverable as addressed that require the carrier to endorse the mail with the reason for nondelivery specified in DMM F010.4. Do not record mail missorted to a route as a markup. Do include missorted and missent mail in the original count

of mail. This applies where routes have been adjusted, territory has changed, or the mail is routed to the wrong carrier.

(2) In instances where mailing addresses have been changed from rural routes and box numbers to street names and numbers, mail is not credited as a markup on the route where the territory transferred to or from. This is considered a hand-off and credit is given in the original count of mail.

(3) Markup credit is provided for the following categories of undeliverable mail:

(a) *Mail Sorted to the Undeliverable-as-Addressed Separations or Designated Location at the Carrier Case.* Credit one markup for each bundle of the following categories of mail:

- (i) A-Z separations/machinable or non-machinable.
- (ii) Insufficient address.
- (iii) Undeliverable-as-addressed, unable to forward.
- (iv) Undeliverable bulk business mail.
- (v) Other undeliverable bulk business mail.

(b) *Excess Boxholders.* Carriers will do all of the following:

(i) Bundle separately each set of excess boxholder mail. (A sack, hamper, tray, etc., may be used for this purpose.)

(ii) Endorse a facing slip *In Excess of Requirements*, initial, and attach to each bundle, and

(iii) Receive one markup credit for each set.

(c) *Mail Individually Endorsed by the Carrier.* Credit a markup for each piece of mail in the following categories:

- (i) Attempted--Not Known.
- (ii) No Such Number.
- (iii) Deceased.
- (iv) No Mail Receptacle.
- (v) Refused.

(vi) *Vacant.* Only First-Class Mail, Periodicals, endorsed Standard Mail (A) or Standard Mail (B) addressed to *Occupant*. Do not endorse undeliverable bulk business mail.

(vii) *Undeliverable-as-Addressed (Parcels).* Do not credit as a markup parcel post endorsed only to indicate that an attempted delivery notice was left.

(viii) *No Record Mail.* Credit as a markup each piece of mail given to the carrier under the provisions of 242.4, whether or not the piece is marked up by the carrier.

(ix) Other required individual carrier endorsements in DMM F010.4.2, as appropriate, and undeliverable mail the postmaster or supervisor requires the carrier to individually endorse.

k. Column K — PS Form 3821 Completed

Enter only the number of completed PS Forms 3821, *Clearance Receipt*.

l. Column L — Delivery Point Sequence (DPS) Letters

Enter in this column all mail up to 6 1/8 inches in width that is processed on automated equipment as Delivery Point Sequence mail.

Exception: If fewer than 2,400 pieces of DPS mail are averaged per week during the entire mail count period and/or the route was not validated before the count as meeting the 98 percent quality threshold, mail processed as DPS will be cased and recorded as sector/segment mail in column B on PS Form 4241, *Rural Delivery Statistics Report*, or, if it does not qualify as sector/segment mail, recorded in column A, Letter Size, or column C, Newspapers, Magazines, Flats, Catalogs, and Rolls, as appropriate.

Note: Casing of DPS mail will not change mail count procedures or time standards applied to DPS or other mail.

m. Column M — Money Order Applications

Record in this column the number of money order applications received on the route. If rural carriers reside on the route they serve and regularly purchase money orders throughout the year, they will receive credit. Postmasters or supervisors review each money order application daily.

n. Column N — Letters and Flats Collected

Enter in this column the number of letters and flats collected on the route. If mail is received in bundles, count each bundle as one piece. Do not count each piece in the bundle. Do not include mail picked up from a collection box or cluster box unit (CBU) collection compartment. Centralized delivery equipment collection compartments receive a standard allowance.

Enter in column R the actual time required to open the collection boxes, remove the mail, and close the boxes.

o. Column O — Ordinary and Insured Parcels Accepted

(1) Enter in this column the number of ordinary and insured parcels accepted on the route. That is:

(a) Parcels that require the carrier to weigh, rate, and affix postage to the article, or

(b) Parcels weighing more than 2 pounds for which postage has been prepaid.

(2) Do not enter obvious letter- and flat-size mail, including filmpacks, etc., whether the carrier affixes postage or not. Count presacked parcels for which postage has been computed as one parcel for each sack. Do not credit parcels that a customer refuses or are not deliverable as a parcel accepted.

p. Column P — Registers and Certified Accepted

Record in this column the number of registered and certified articles accepted on the route. Do not include in the count those articles returned when PS Form 3849 has been left for the customer. Time credit for No Response — Left Notice items is included in the time factor for delivery.

q. Column Q — Loading Vehicle

Enter the time spent transferring mail from the carrier's work area to the vehicle. This time should include taking mail from the work area to the vehicle, placing mail in the vehicle, and returning the equipment to a designated location. Postmasters or supervisors must observe the loading operation daily to ensure that carriers operate efficiently. Include only the time required to place mail in gurneys or hampers in loading time if mail cannot be placed in the conveyance during strap out. In offices where the carrier does not normally withdraw all mail for the route, the required final withdrawal from the designated distribution case, or other equipment, will be accomplished in conjunction with the loading operation, and the actual time required included in the loading allowance. Do not include the time used for this function if the carrier receives the withdrawal allowance. Loading time in excess of 15 minutes must be fully explained in the Comments section of PS Form 4239. However, do not interpret the loading allowance to be a minimum 15 minutes daily. The actual time shown for loading the vehicle must not include time for arranging parcels in delivery sequence; this is included in the time allowance for those items in column D.

r. Column R — Other Suitable Allowance

(1) A reasonable time allowance may be claimed for unusual conditions, or for other services rendered on a daily or weekly basis that are not accounted for under the normal work functions. This does not include time for vehicle breakdowns. Management must authorize items for which time is claimed under this heading. These items must recur daily or weekly. Weekly safety talks must be conducted, and the actual time required (usually 5 minutes per week) recorded in column R.

(2) The actual time required to place Central Markup System/Computerized Forwarding System (CMU/CFS) mail in the designated location is credited in column R.

(3) Where no office personnel are on duty when the carrier returns from serving the route on Saturday, the carrier receives actual time allowance only for those duties performed over and above the normal functions of this day and the fol-

lowing work day. (This does not include time spent counting mail or completing count forms.)

(4) Those carriers who serve a nonpersonnel rural unit receive a minimum allowance of 15 minutes daily for each unit served. Boxes located in these units are not included in the route totals on PS Form 4241. Additional time above 15 minutes claimed for servicing a nonpersonnel unit must be explained in the Comments section.

(5) Personal time, or time used for purchasing and checking stamp stock, should not be entered. These times are credited when the evaluation is processed at the Information Service Center (ISC).

(6) No entries are made in this column for those routes using USPS-owned or -leased vehicles. The ISC will automatically credit appropriate time allowances as indicated in 535.23. Time spent waiting for vehicle repair or tow while on the route is not a recurring function, and is not granted.

(7) All entries in column R require explanation in the Comments section.

Note: No entries are made in this column for those routes with collection compartments, or parcel post lockers located in centralized delivery equipment.

s. Column S — Purchasing Stamp Stock

All rural routes will be automatically credited with 20 minutes per week for purchasing and checking stamp stock.

Note: The Minneapolis ISC will credit the 20 minutes per week and record the proper allowance on PS Form 4241-A, *Rural Route Evaluation*.

t. Column T — Return Receipts

On high-density (L) routes, an additional credit is received only for those return receipts for accountable items handled via PS Form 3883 (see column F). Enter in this column the number of return receipts attached to those accountable items entered on PS Form 3883. Do not credit return receipts on accountable items delivered other than those listed on PS Form 3883.

Example: If a route received 10 accountable items and each had a return receipt attached, but only four of the items were listed in a firm delivery book, the route receives credit for four return receipts in column T.

u. Column U — Authorized Dismounts

The number of authorized dismounts is shown daily. (See part 313 for those instances where dismount deliveries may be authorized.)

Example: A carrier is authorized to dismount at a school. The school office is closed on Saturdays. The route would be credited with a dismount Monday through Friday, but would not receive dismount credit on Saturday. Authorized dismounts must be explained in the *Comments* section. When a

carrier dismounts primarily to provide other services, such as delivery or pickup of accountable mail, COD, Express Mail, etc., do not authorize dismount credit; existing time allowances include time for dismounting.

v. Column V — Authorized Dismount Distance (In feet)

(1) Enter the authorized dismount distance (in feet) traveled daily by the carrier. The distance entered could vary daily depending upon the number of dismounts authorized each day (see column U). Before determining the authorized dismount distance, the postmaster or supervisor must:

(a) For single delivery point dismounts such as CBUs, a school, mailroom, etc., establish the authorized parking location at the closest practicable point.

(b) For multiple deliveries requiring a dismount (such as multiple apartment buildings served from one park point, shopping centers, etc.), a parking location is established at the most advantageous point or points, and the authorized dismount line of travel between delivery points is laid out in the most efficient travel pattern. To avoid unnecessary trips to the vehicle and to ensure employee safety, the postmaster or supervisor may authorize the use of a carrier satchel or satchel cart.

(2) When determining the authorized dismount distance, the postmaster or supervisor must measure the most direct and/or efficient distance from the point of dismount from the vehicle to the delivery point, or points, and return to the vehicle. Record measurements to the closest foot. Make all entries on the basis of the number of trips required by the carrier each day.

Example: A school is authorized as a dismount delivery point. The total dismount distance from the vehicle to the delivery point and return is 140 feet. If, on the first day of the mail count, the volume for this delivery requires only one trip by the carrier, the carrier would receive credit for one dismount in column U and 140 feet dismount distance in column V. If, however, on the second day, the volume for this delivery required two trips, the carrier would receive credit for one dismount in column U and 280 feet in dismount distance.

(3) There must be a reasonable expectation that the line of travel established for the dismount is available to the carrier at least 90 percent of the time. This consideration is especially important in areas that experience consistently heavy snowfalls where direct dismount routes (not coinciding with existing sidewalks) will be blocked most of the winter.

w. Column W — Counting Time

Enter the number of minutes actually used to count the mail. Only the carrier's time is recorded and not the postmaster's or supervisor's counting time.

x. Column X — Waiting Time

Enter the number of minutes the carrier spent waiting for mail after the official starting time.

y. Column Y — Intermediate Offices Serviced Daily, Services Performed at Intermediate Offices

(1) Enter the number of intermediate post offices served daily. Carriers who perform functions or services at intermediate offices for which time allowances are provided will receive appropriate time credit for these services.

(2) Record daily on PS Form 4239 all functions performed or services provided at intermediate offices, and forward, in a sealed envelope, to the postmaster at the carrier's originating office.

(3) When a non-L route carrier purchases stamp stock at an intermediate office, show the actual time required to perform this function, not to exceed 5 minutes daily, in the *Other Suitable Allowance* column and explain in the *Comments* section. During the mail count period, maintain the normal frequency of stamp purchases at the intermediate office.

Note: For high-density (L) route carriers to receive this additional allowance, their purchases must meet the minimum requirements of 150 times the First-Class Mail postage rate.

(4) When completing PS Form 4241 for the week, the postmaster or supervisor at the office from which the route begins will include in the proper *Total* columns the items applicable to the intermediate office, and writes in above the signature line the words, "includes services performed at intermediate office." Indicate on the form, in the *Comments* section, the functions or services performed.

z. Column Z — Weight of Locked Pouches Carried Daily

Enter the weight carried in pounds (rounded to the nearest whole pound) of all mail, including outside pieces, to or from designated offices. Carriers serving nonpersonnel rural units do not receive credit for a locked pouch.

Note: To determine the daily weight, total the pouch weight of all days and divide by 24. Then divide the daily weight by the number of locked pouch stops from line C, Additional Information, to determine the average daily weight. Enter this number in column Z on PS Form 4241-X.

Future editions of Handbook PO-603 will include the changes in part 535.12 as published. Postmasters must hold joint conferences to discuss mail count procedures and instructions with supervisors and rural carriers involved in the count *no later than close of business on Saturday, August 16, 1997.*

Completion of PS Form 4239

PS Form 4239, *Rural Route Count of Mail* (March 1994) (NSN 7530-02-000-9205, Quick Pick Number 316), is in stock and may be ordered from the material distribution centers (MDCs) using PS Form 7380, *MDC Supply Requisition*, or by Touch-Tone Order Entry. At least 24 forms are required for each rural route being counted. Instructions for completing this form are included with this article.

Completion of PS Form 4241

PS Form 4241, *Rural Delivery Statistics Report* (May 1994), is included on page 19 of this *Postal Bulletin* and must be reproduced locally as needed. Because this is a four-week national mail count, two PS Forms 4241 will be required for each route being counted. Transfer data daily from PS Form 4239 and total PS Form 4241 at the end of each 2-week period. Completion instructions for this form are found in Part 535.2 of Handbook PO-603, *Rural Delivery Carrier Duties and Responsibilities* (June 1991 edition).

Completion of PS Form 4241-X

One PS Form 4241-X, *Rural Delivery Statistics Summary Report* (May 1995), will be required for each route being counted. Transfer data from PS Forms 4241 at the end of each 2-week period. Completion instructions for this form are the same as PS Form 4241. PS Form 4241-X is not in stock at the MDCs. A copy of PS Form 4241-X is included on page 21 of this *Postal Bulletin* and must be reproduced locally as needed.

Completion Requirements and Dates

In addition to completing PS Form 4239 and transferring the information daily to PS Form 4241, individual postmasters and supervisors are responsible for completing and reviewing PS Forms 4241 and PS Form 4241-X for accuracy by October 1, 1997.

In accordance with Handbook PO-603, individual rural carriers are given 2 days to review PS Form 4241-X before signing it. Rural carrier reviews must be completed by October 3, 1997, so that all forms are submitted and received by the district no later than October 4, 1997.

APO/FPO Changes

Make the following ink change to the most recent APO/FPO tables published in *Postal Bulletin* 21951 (7-31-97).

APO/FPO	Action	Effective Date	See Restrictions
09866	Not Active	Immediately	

—*International and Military Mail Operations, International Business Unit, 8-14-97*

Individuals responsible for input of mail count data through the Distributed Data Entry/Data Reporting (DDE/DR) application must be familiar with the entry screen to ensure data is properly entered and recorded in the correct column. Data entry may begin on October 1, 1997. All DDE/DR data entry must be completed by close of business on October 31, 1997. Do not submit PS Forms 4241-X to the Minneapolis Information Service Center (ISC).

PS Form 4241-A, Rural Route Evaluation

PS Form 4241-A, *Rural Route Evaluation* (July 1994), is a laser-printed form generated by the DDE/DR systems. This form is not available from the MDC. Minneapolis will process all counts November 1, 1997, and complete and mail this form to each district and associate office for receipt by November 7, 1997.

National Mail Count Training

Districts conducting national mail count training should notify the NRLCA state stewards of the date, time, and location of all training sessions. Administrative leave to attend one of these sessions should be approved for each state steward. State stewards may use annual leave or request leave without pay to attend other district-authorized mail count training sessions.

Option Election for Rural Routes Not Being Counted

Regular rural carriers who qualify for a high or low option and who do not count in September are eligible to elect a high option (see Article 9.2.C.8 of the USPS-NRLCA Agreement) for the new guarantee year by completing PS Form 4015-A, *Rural Carrier Agreement to Use Annual Leave Pursuant to Election of Higher Route Classification*. Option changes are entered by processing PS Form 4003, *Official Rural Route Description*, and are effective with the beginning of the new guarantee period, November 8, 1997 (PP 24-97).

—*Delivery Policies and Programs, Operations Support, 8-14-97*



Rural Delivery Statistics Report

(Follow Instructions in Chapter 5 of Handbook PO-603)

Post Office, State, and ZIP + 4

District		District ZIP Code				Carrier's Name					
Date of Count From - Through	Finance No.	Route No.	Route Miles (Hundreds)	Regular Boxes	Centralized Boxes	NOCBU Coll. Comps.	Parcel Lockers	Vehicle Stops			
Date	Letter Size (A)	Sector/Segment Letters (B)	Papers, Magazines, and Catalogs (C)	Parcels (D)	Box Holders (E)	Reg. Cert. Ins. Spec. Exp. (F)	COD Customs Due Del. (G)	Postage Due (H)	Change of Add. (I)	Mark-Ups (J)	Form 3821 (K)
Total											

Date	DPS Letters (L)	M.O. Applications (M)	Letter Size and Flat Coll. (N)	Ord. Ins. PP Accepted (O)	Reg. & Cert. Accepted (P)	Loading in Actual Minutes (Q)	Other Suitable Allow (R)	Pur. Stamp Stock (S)	Return Receipts (T)	Auth. Daily Dismounts (Total) (U)	Total Distance of Auth. Daily Dismount Del. (Feet) (V)	Locked Pouch Weight (Z)
Total												

(A) <input type="checkbox"/> National <input type="checkbox"/> Special <input type="checkbox"/> Amended	(F) Current Delour <input type="checkbox"/> Yes <input type="checkbox"/> No	In the event that I am eligible to elect a higher route classification, I agree to use sufficient annual leave during the guarantee period to assure that my total actual work hours will not exceed 2,080 during the guarantee period.
(B) Families Served	(F) Detour Miles (Hundreds)	
(C) Number of Locked Pouch Stops	Seasonal Route? <input type="checkbox"/> Yes <input type="checkbox"/> No	Carrier's Signature
(D) Mail Withdrawal <input type="checkbox"/> Yes <input type="checkbox"/> No	In Season? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Time Used During Count (Hrs. & Hund.) (Subtract Lunch Time from Office and/or Route Time as Reported on Form 4240)	(G) Seasonal Miles (Hundreds)	Date of Local Conference
Office Time	Regular Boxes	
Route Time	Central Boxes	Certified To Be Correct
(E) Net Total Time	(H) <input type="checkbox"/> EMA <input type="checkbox"/> OEMA <input type="checkbox"/> Govt. Veh.	
Auxiliary Assistance Used	(I) If 39:00 Plus Convert to Regular <input type="checkbox"/> Yes <input type="checkbox"/> No	Carrier's Signature
Office	(J) High Option <input type="checkbox"/> Yes <input type="checkbox"/> No	Postmaster's Signature and Date
Route	(K) Leave Commitment <input type="checkbox"/> Yes <input type="checkbox"/> No	
Waiting and Counting Time	(L) Rotating Relief Day <input type="checkbox"/> Yes <input type="checkbox"/> No	

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Rural Delivery Statistics Summary Report

(Follow Instructions in Chapter 5 of Handbook PO-603)

Post Office, State, and ZIP + 4

District _____ District ZIP Code _____ Carrier's Name _____

Date of Count From - Through	Finance Number	Route Number	Route Miles (Hundreds)	Regular Boxes	Centralized Boxes	NDCBU Coll. Comps.	Parcel Lockers	Vehicle Stops

Date	Letter Size (A)	Sector/Segment Letters (B)	Papers, Magazines, and Catalogs (C)	Parcels (D)	Box Holders (E)	Reg. Cert. Ins. Spec. Exp. (F)	COD Customs Due Del. (G)	Postage Due (H)	Change of Address (I)	Mark-Ups (J)	Form 3821 (K)
Weeks 1 & 2											
Weeks 3 & 4											
Total											

Date	DPS Letters (L)	M.O. Applications (M)	Letter Size and Flats Coll. (N)	Ord. Ins. PP Accepted (O)	Reg. & Cert. Accepted (P)	Loading in Actual Minutes (Q)	Other Suitable Allowance (R) *	Pur. Stamp Stock (S)	Return Receipts (T)	Auth. Daily Dismounts (Total) (U)	Total Distance of Auth. Daily Dismount Del. (Feet) (V)	Locked Pouch Weight (Z)
Weeks 1 & 2												
Weeks 3 & 4												
Total												

(A) National Amended

(B) Families Served _____

(C) Number of Locked Pouch Stops _____

(D) Mail Withdrawal Yes No

*** All Entries in Column "R" Must Be Explained on Reverse.**

(E) Time Used During Count (Hrs. & Hund.) (Subtract Lunch Time from Office and/or Route Time as Reported on Form 4240)

Office Time				
Route Time				
Net Total Time				
Auxiliary Assistance Used	Office			
	Route			
Waiting and Counting Time				

In the event that I am eligible to elect a higher route classification, I agree to use sufficient annual leave during the guarantee period to assure that my total actual work hours will not exceed 2,080 during the guarantee period.

(F) Current Detour Yes No

Detour Miles (Hundreds) _____

Seasonal Route? Yes No

In Season? Yes No

Carrier's Signature _____

Date of Local Conference _____

(G) Seasonal Miles (Hundreds) _____

Regular Boxes _____

Central Boxes _____

Certified to be Correct

Carrier's Signature _____

(H) EMA OEMA Government Vehicle

(I) If 39:00 Plus, Convert to Regular Yes No

(J) High Option Yes No

(K) Leave Commitment Yes No

(L) Rotating Relief Day Yes No

Postmaster's Signature _____

Date Signed _____



AGREEMENT

between

United States Postal Service

and

National Rural Letter Carriers Association

1995-1996

Standard E1-102

