

file

# Official Transcript of Proceedings

Dec 24 8 53 AM '97

*Before the*

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

## UNITED STATES POSTAL RATE COMMISSION

In the Matter of:

POSTAL RATE AND FEE CHANGES

Docket No.

R97-1

VOLUME 19-F

DESIGNATED MATERIAL FROM PREVIOUS DOCKETS

DATE: Friday, December 19, 1997

PLACE: Washington, D.C.

PAGES: 10048 - 10103

**ANN RILEY & ASSOCIATES, LTD.**  
1250 I St., N.W., Suite 300  
Washington, D.C. 20005  
(202) 842-0034

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

BEFORE THE

POSTAL RATE COMMISSION

- - - - - X

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-F

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

ANN RILEY & ASSOCIATES, LTD.  
Court Reporters  
1250 I Street, N.W., Suite 300  
Washington, D.C. 20005  
(202) 842-0034

## C O N T E N T S

1		
2	DOCUMENTS TRANSCRIBED INTO THE RECORD:	PAGE
3	Designated Material from Previous Dockets	10049
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

ANN RILEY & ASSOCIATES, LTD.  
Court Reporters  
1250 I Street, N.W., Suite 300  
Washington, D.C. 20005  
(202) 842-0034

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes, 1997

Docket No. R97-1

DESIGNATION OF MATERIAL  
FROM PREVIOUS DOCKETS

Party

Interrogatories

**R94-1**

National Newspaper Association

Supplemental Direct Testimony of Carl G. Degen

**MC96-3**

Douglas F. Carlson

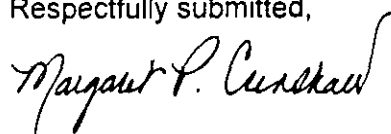
OCA/USPS-T5-11 (Patelunas)  
OCA/USPS-T7-18 (Needham)  
OCA/USPS-T7-19 (Needham)

**MC97-2**

McGraw-Hill Companies, Inc., The

OCA/USPS-T4-9 (Bradley)

Respectfully submitted,



Margaret P. Crenshaw  
Secretary

2356

10050

USPS-ST-12

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

POSTAL RATE AND FEE CHANGES, 1994

: Docket No. R94-1

SUPPLEMENTAL DIRECT TESTIMONY  
OF CARL G. DEGEN  
ON BEHALF OF  
UNITED STATES POSTAL SERVICE

Case No. R94-1 Official Exb. No. USPS-ST-12  
(GC, Board Party)

Disposition: Identified ☒  
Rejected ☐ Received ☒  
In the Matter of Postal Rate & Fee Changes 1994  
Date: 6-16-94 Witness: Degen Stephens  
Number of Pages: \_\_\_\_\_

CONTENTS

	<u>Page</u>
CONTENTS . . . . .	i
QUALIFICATIONS . . . . .	1
PURPOSE AND SCOPE OF TESTIMONY . . . . .	1
SOURCES OF CLASSIFICATION INFORMATION . . . . .	3
INVESTIGATION OF TALLIES . . . . .	5
SUMMARY OF THE CLASSIFICATION PROCESS . . . . .	5
DETAILS OF THE CLASSIFICATION PROCESS . . . . .	6

Figures

1. Figure 1 . . . . .	15
2. Figure 2 . . . . .	16
3. Figure 3 . . . . .	17

Tables

1. Reclassification of Tallies Organized by Original Classification	18
2. Comparison of Subclass Distribution of Second-Class Tallies for Clerks, Mailhandlers, and Carriers In-Office . . . . .	19

Appendices

A. Investigation Results: Tallies for Which No PERMIT/BRAVIS Data are Available . . . . .	20
B. Investigation Results: Tallies Originally Coded as Out-of-County But Have In-County Volumes in the Destination County in PERMIT/BRAVIS . . . . .	24
C. Investigation Results: Tallies Which Destinate in the Original Entry County but Have In-County Volumes in PERMIT/BRAVIS Only Outside of the Office of Original Entry . . . . .	27

D.	Investigation Results: Tallies Which Destinate in the Original Entry County for Which No PERMIT/BRAVIS Data Are Available for the Office of Original Entry But Have In-County Volumes Elsewhere . . . . .	10052 29
E.	Investigation Results: Tallies Which Do Not Destinate in the Original Entry County But Have In-County Volumes in PERMIT/BRAVIS in the Office of Original Entry . . . . .	31
F.	Investigation Results: Tallies Destinating Outside of the Original Entry County for Which No PERMIT/BRAVIS Data Are Available for the Office of Original Entry But Which Have In-County Volumes Elsewhere . . . . .	34
G.	Investigation Results: Tallies Whose ISSN Numbers Do Not Appear in the Current Second-Class Master But Do Appear in the January 1993 Second-Class Master as Requester Publications . . . . .	36

Supplementary Direct Testimony of  
Carl G. Degen  
On Behalf of the  
United States Postal Service  
USPS-ST-12

1 Qualifications

2 My name is Carl G. Degen. I am a vice-president of Christensen Associates,  
3 which is an economic research and consulting firm located in Madison, Wisconsin.  
4 My education includes a B.S. in mathematics and economics from the University of  
5 Wisconsin-Parkside and an M.S. in economics from the University of Wisconsin-  
6 Madison. I earned an M.S. by completing the coursework and qualifying exams for  
7 a Ph.D., but did not complete a dissertation. While a graduate student I worked as  
8 a teaching assistant for one year and a research assistant for two years. In 1980 I  
9 joined Christensen Associates as an economist. In 1992 I was promoted to Vice  
10 President.

11 During my tenure at Christensen Associates I have worked on research  
12 assignments including productivity measurement in transportation industries and  
13 the U.S. Postal Service. I have also provided litigation support and expert  
14 testimony for a number of clients.

15  
6 Purpose and Scope of Testimony

7 The purpose of my testimony is to present the results of the second-class  
8 tally classification work performed by Christensen Associates at the request of the



United States Postal Service. We were asked to verify the classification of second-class tallies to subclass. 10054

The In-Office Cost System (IOCS) measures costs for various categories of postal operations. The basic unit of observation in the IOCS is called the tally. A tally is a recording of what a postal employee is doing at a particular point in time, such as handling a piece of mail. The IOCS tallies are used to allocate certain costs to individual rate categories.

For second-class mail, the tally taker can not tell to which subclass within second-class the tally should be allocated. There is no information on the piece of mail which indicates subclass. The tally taker notes the International Standard Serial Number (ISSN) of the publication if it can be found. If the ISSN is not found, the USPS assigned publication number is recorded, and if the publication number is not found, only the title of the publication is recorded. To classify tallies by subclass, the ISSN or publication number, if recorded, is used to look up authorized subclass and original entry office information in the second-class master file. If the ISSN and publication number are missing or not found in the second-class master file, the title is used to manually assign the U.S. Postal Service publication number. This publication number is then used to look up the subclass and office of original entry.

The In-Office Cost System identifies in-county tallies by checking that the destination ZIP code falls within the county of original entry. If this is true and the publication is nonrequester, then the tally is classified as in-county.

1 The logic underlying the IOCS classification of in-county tallies was  
2 developed prior to 1986 when the rules governing in-county rates generally  
3 allowed all nonrequester publications to be mailed at in-county rates when entered  
4 in the county of original entry for delivery in that county. In 1986 Congress made  
5 significant changes to the in-county requirements so that additionally a publication  
6 must have a paid circulation of less than 10,000 copies or must distribute more  
7 than 50% of its paid circulation in the county of original entry.

#### 8 9 Sources of Classification Information

10 It is our understanding that no single datafile exists that records whether or  
11 not a nonrequester publication meets the criteria for in-county rates. This  
12 determination is made for each publication at their original entry post office and the  
13 data are not compiled nationally. The Postal Service maintains a national dynamic  
14 file referred to as the "second-class master file." This file defines those  
15 publications that are authorized for second-class entry, listing for each its ISSN,  
16 USPS publication number, and title, among other data. For each publication the  
17 "DMM Authorizing Section" field indicates whether or not it is a requester  
18 publication, and the "DMM Rates Section" field indicates the authorized subclass.  
19 The second-class master file also identifies the post office where the publication is  
20 authorized original entry.

21 For this task Christensen Associates was given a copy of the second-class  
22 master file dated April 1994. Since this is a dynamic file, the timing of when the

1 copy is made affects whether or not new or discontinued publications will be  
2 listed. We also relied on an older version of the second-class master file obtained  
3 in January 1993. This older version does not distinguish authorized original entry  
4 sites from additional entry sites.

5 The Postal Service records all bulk mail transactions in larger post offices in  
6 one of two data systems: PERMIT and BRAVIS. Christensen Associates has  
7 collected the available transaction files from all PERMIT and BRAVIS sites for FY  
8 1993. These transactions data, which are compiled from mailing statements,  
9 show the USPS publication number for each second-class mailing in a PERMIT or  
10 BRAVIS office. In addition, each transaction records other mailing statement  
11 information, including the rate categories in which pieces are mailed. This file can  
12 be used to verify the rates at which a publication was mailed for all offices for  
13 which data were obtained.

14 Several compilations of publicly available publication data were obtained.  
15 These generally include ISSN, title, and circulation. Compilations referenced in this  
16 task include: Gale's Directory of Publications and Broadcast Media, Working Press  
17 of the Nation: Magazines and Internal Publications Directory, and Oxbridge  
18 Directory of Newsletters. When our analysis required investigation of specific  
19 publications, we relied on these compilations to save the time needed to call  
20 individual post offices at which the publications were mailed. When these

nationally compiled sources did not yield a definitive answer, we made direct phone calls to post offices.<sup>1</sup>

10057

#### Investigation of Tallies

As part of our classification process investigate publications for which the second-class master file and the PERMIT/BRAVIS data can not provide a definitive classification. Our investigation involves trying to identify the circulation and scope of the publication from published directories. Publications that have circulations over 10,000 and clearly have a national readership are assumed to not mail at in-county rates. Publications with circulation under 10,000 and local appeal, such as small town or county newspapers, are assumed to be in-county publications. In both cases we make calls to validate our method. In particular, we call the original entry office in any case where there was any ambiguity, but the reliance on nationally compiled directories significantly reduces the number of direct calls without compromising the accuracy of our results.

#### Summary of the Classification Process

The problem with the current IOCS classification methodology is that it follows the pre-1986 regulations. The new regulations are stricter and fewer publications now qualify for in-county rates. We replicate the IOCS classification

---

<sup>1</sup>In one case the post office of origin could not identify the publication so we had to contact the publisher directly.

method and supplement it with an additional step before a tally is classified as in- 10058  
county. We check for the presence of in-county mail volumes in PERMIT/BRAVIS.  
If in-county volumes appear for the county of original entry we are satisfied that  
the tally should be classified as in-county. If we have complete PERMIT/BRAVIS  
data and no in-county mail volumes appear, then we classify the tally as not in-  
county. If the PERMIT/BRAVIS data are not conclusive, we draw on national  
compilations of publication data to identify tallies that are clearly not eligible for in-  
county rates. The remaining tallies, which could not be classified using  
PERMIT/BRAVIS data or circulation criteria, are investigated by calling the post  
office of original entry to confirm the rates at which the publication is mailed.

#### Details of the Classification Process

All 7,358 second-class tallies for clerks and mailhandlers and carriers  
in-office are examined for subclass identification.<sup>2</sup> The logic of our subclass  
identification is the same logic originally followed by IOCS with the addition of  
checks to ensure that in-county tallies are correctly identified.

The logic of the identification process is described in detail in flow charts  
contained in Figures 1-3. The boxes on the flow chart are numbered so the reader  
may follow along with the text. Tallies ultimately classified as in-county appear in  
diamond-shaped figures.

---

<sup>2</sup>There are 7,362 second-class tallies. Our analysis does not include the four  
special delivery tallies.

1 We begin by separating the 799 tallies that result from apportioning counted 10059  
2 mixed item tallies to subclasses; there is no ISSN or publication number available  
3 for the apportioned tallies and further analysis is not possible. This leaves 6,559  
4 tallies to be checked. At this point we separate the tallies into two groups: those  
5 originally classified as in-county [Box #33] and those not originally classified as in-  
6 county [Box #5]. For each of these groups we match each tally's ISSN to the  
7 second-class master file.<sup>3</sup>

8 We could not match 13 tallies that were originally classified as in-county to  
9 the second-class master file [Box #34]. We assume that this occurs because of  
10 the timing of our second-class master file copy. We look them up in the older  
11 version of the second-class master file and find all 13 ISSNs. When we find a  
12 tally's ISSN in the older second-class master file we then have to check its  
13 publication number to see if it appears in the current second-class master file and  
14 verify that we have the correct publication. This is a very labor intensive process.  
15 Of the 13 tallies, two are clearly requesters whose ISSNs have changed. These  
16 are reclassified as regular [Box #34b]. See Appendix G for details. The other 11  
17 ISSNs are found in the older second-class master file, but are not reclassified  
18 because there is not sufficient information to verify that we have the correct  
19 publication.

---

20 <sup>3</sup>We cannot search for PERMIT/BRAVIS data using the ISSN. We need the  
21 publication number which is shown in the second-class master file. When the tally  
22 has no publication number and an unmatched ISSN we can go no further.

We could also not match 113 tallies that had previously been classified as not in-county [Box #4]. Since the logic in IOCS does not appear to have any significant problem identifying the subclass of non in-county tallies, we assume that the original IOCS classification is valid.

As in IOCS, once the tallies are matched to the second-class master file, the next step is to identify the requester publications. Of the 462 tallies originally classified as in-county by IOCS, we find 29 requesters.<sup>4</sup> These are verified as regular rate by a regular rate authorization in the second-class master file and by the presence of PERMIT/BRAVIS regular rate data when available. These are reclassified as regular rate [Box #35]. The 1,121 requester tallies that were originally coded as non in-county are not automatically assumed to be regular rate. We combine the requester and nonrequester tallies for the subclass identification process, which includes verification by the presence of PERMIT/BRAVIS data if they exist.<sup>5</sup>

The next step is to identify tallies destinating in the county of origin. In this step we find 145 invalid ZIP Codes that can not be matched to the ZIP-to-county file [Box #8]. The invalid ZIPs are primarily 000 as coded by the tally taker. The subclass assigned to each of these 145 tallies matches the authorization in the

---

<sup>4</sup>Although the IOCS screened for requesters, these 29 were missed because the IOCS programs were not updated to reflect the change in numbering of the DMM authorizing paragraph for requesters.

<sup>5</sup>All but three of the 1,121 requesters are finally coded as regular rate. The three exceptions are coded nonprofit, because they have nonprofit PERMIT/BRAVIS mail volumes and nonprofit authorizations in the second-class master file.

second-class master file. For these 145 tallies we also try to match the ISSN's to the PERMIT/BRAVIS data and find 128 matches. Of these, 105 were mailed at regular rates and 23 were mailed at nonprofit rates [Box #8b]. We assume that the remaining 17 tallies with invalid ZIPs and no PERMIT/BRAVIS data are not in-county and we classify them based on the second-class master file [Box #8a].

The tallies that can be matched to the ZIP-to-county file are also checked for consistency with the PERMIT/BRAVIS data. The combination of checking for destination in original entry county and in-county mail volumes in PERMIT/BRAVIS results in the following combinations:

1. Destinations in original entry county and in-county mail volumes for the publication found in PERMIT/BRAVIS for the original entry county [Box #30].
2. Destinations outside original entry county, no in-county mail volumes for the publication in PERMIT/BRAVIS for the county of destination, and tally originally not coded as in-county [Box #9].
3. Destinations outside original entry county but in-county data found in PERMIT/BRAVIS for the county of destination [Box #28].
4. Destinations in original entry county and no in-county mail volumes found in PERMIT/BRAVIS for the original entry county [Box #38].
5. Destinations outside original entry county, no in-county mail volumes for original entry county in PERMIT/BRAVIS, and tally originally coded as in-county [Box #39].



1 For case number 1, destination in the original entry county and the presence of  
2 PERMIT/BRAVIS in-county volumes for the publication in the county of original  
3 entry are taken as verification that these are accurately identified as in-county  
4 tallies. No more work is done on these tallies. For case 2, the tallies show  
5 destinations outside the county of original entry and we find no in-county mail  
6 volumes for these publications in PERMIT/BRAVIS. This confirms that these are  
7 not in-county tallies. Identification of subclass for these tallies will be discussed  
8 below. For case 3 we have conflicting information. The tallies show destinations  
9 outside the original entry county, but we find in-county PERMIT/BRAVIS volumes  
10 in the county of destination. For one of the three tallies we find that the original  
11 entry county in the second-class master file is wrong and it was mailed at in-  
12 county rates [Box #32]. For the other two tallies the in-county volumes in  
13 PERMIT/BRAVIS are very small and we believe the PERMIT/BRAVIS data to be in  
14 error because the publications are clearly not eligible to be mailed at in-county  
15 rates [Box #31]. See Appendix B for the details of our investigation.

16 For cases 4 and 5 [Boxes #38 and #39] we can not conclude these are  
17 in-county tallies because we do not have in-county PERMIT/BRAVIS mail volumes  
18 in the county of original entry. In case 5 there are 21 tallies that were originally  
19 coded as in-county tallies, but we find them to be destinating outside the original  
20 entry county [Box #39]. Of these 21 tallies we find PERMIT/BRAVIS mail volumes  
21 in the county of authorized original entry for ten [Box #55]. Two of the ten have  
22 no in-county mail volumes and are reclassified as one regular, one nonprofit per the

PERMIT/BRAVIS data and the rate authorization in the second-class master file [Box #57]. Of the eight with in-county mail volumes in PERMIT/BRAVIS, six were mailed from independent cities, in which case the mailer claims the "principally contiguous" or surrounding county for the purpose of in-county rates. These six are classified as in-county [Box #59]. See Appendix E for details. For two tallies the PERMIT/BRAVIS data show in-county mailings outside the county authorized for original entry, however, the tallies do not destinate in those counties. These two tallies are classified as regular per the PERMIT/BRAVIS data and the rate authorization in the second-class master file [Box #58]. See Appendix E for details.

The other 11 of the 21 tallies in case 5, that were originally coded as in-county but destined outside the county of original entry, have no in-county mailings in the county of original entry [Box #62]. Four of these 11 have in-county PERMIT/BRAVIS data outside the county of original entry. One of these four was from an independent city and was determined to be mailed from an adjacent county. It is classified as in-county [Box #66]. The remaining three tallies are not in-county and are classified as nonprofit per the PERMIT/BRAVIS data and the rate authorizations in the second-class master file [Box #65]. See Appendix F for details. Of the seven remaining tallies with no in-county PERMIT/BRAVIS data, two are classified as in-county [Box #70], four are regular, and one is nonprofit [Box #69] based on our investigation. See Appendix A for details.

Returning now to case 4 and the 192 tallies that have no in-county PERMIT/BRAVIS volumes in the original entry county [Box #38], 40 of these tallies have PERMIT/BRAVIS mail volumes for the office of original entry [Box #40] and 152 do not [Box #41]. Of the 40 tallies with PERMIT/BRAVIS volumes at the office of original entry, 36 have no in-county mail volumes elsewhere and are reclassified as 14 nonprofit, 21 regular, and one that had originally been classified as nonprofit, is left nonprofit, per the PERMIT/BRAVIS data and the rate authorizations in the second-class master file [Box #43]. The four tallies that have in-county PERMIT/BRAVIS volumes outside the county of original entry are investigated and three are classified as regular based on circulations that would not qualify for in-county rates [Box #44]. The remaining tally is classified as in-county [Box #45]. See Appendix C for the details of our investigation.

Of the 152 case 4 tallies with no PERMIT/BRAVIS mail volumes in the county of original entry [Box #41], eight tallies have in-county volumes elsewhere [Box #47]. These were investigated and six are classified as in-county [Box #50] and two are classified as regular [Box #51]. See Appendix D. The 144 tallies with no in-county data in any PERMIT/BRAVIS site were investigated and 63 are classified as in-county, one of which had originally been classified as regular; 62 are classified as regular; and 19 are classified as nonprofit. See Appendix A.

The process is completed by returning to the 5,830 tallies that did not destinate in the county of original entry and do not have any in-county PERMIT/BRAVIS mail volumes in the county of original entry [Box #9]. We

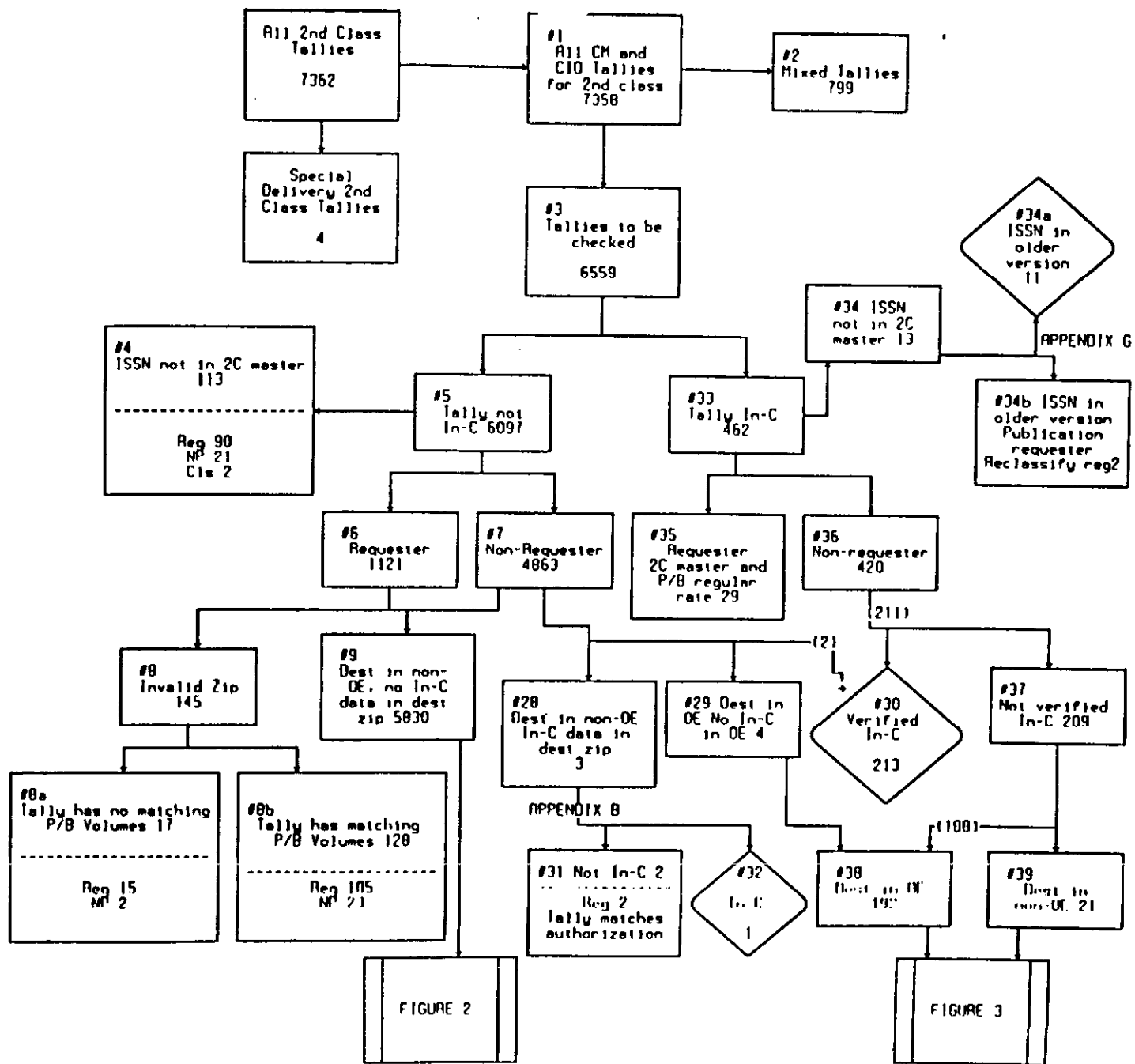
1 compare the subclass assigned by IOCS to the second-class master file and  
confirm the classification in all but 14 cases [Box #11]. In seven of these 14  
3 cases the tally is consistent with PERMIT/BRAVIS data so it is not changed [Box  
4 #19]. In one case the second-class master file and the PERMIT/BRAVIS data are  
5 consistent but the tally is not—so the tally is recoded [Box #22]. In six cases  
6 there are no PERMIT/BRAVIS data so the tally is reclassified to match the second-  
7 class master file [Boxes #25 and #27].

8 Of the 5,816 tallies where the tally matched the second-class master file we  
9 are able to confirm the classification in 4,964 cases [Box #12]. In 840 cases there  
10 are no PERMIT/BRAVIS mail volumes so the tallies are left unchanged [Box #13].  
11 In the remaining 12 cases PERMIT/BRAVIS contradicts the authorization in the  
12 second-class master file and we reclassify the tallies to match PERMIT/BRAVIS  
13 [Boxes #17 and #18]. This reclassification moves six tallies from nonprofit to  
14 regular and six from regular to nonprofit.

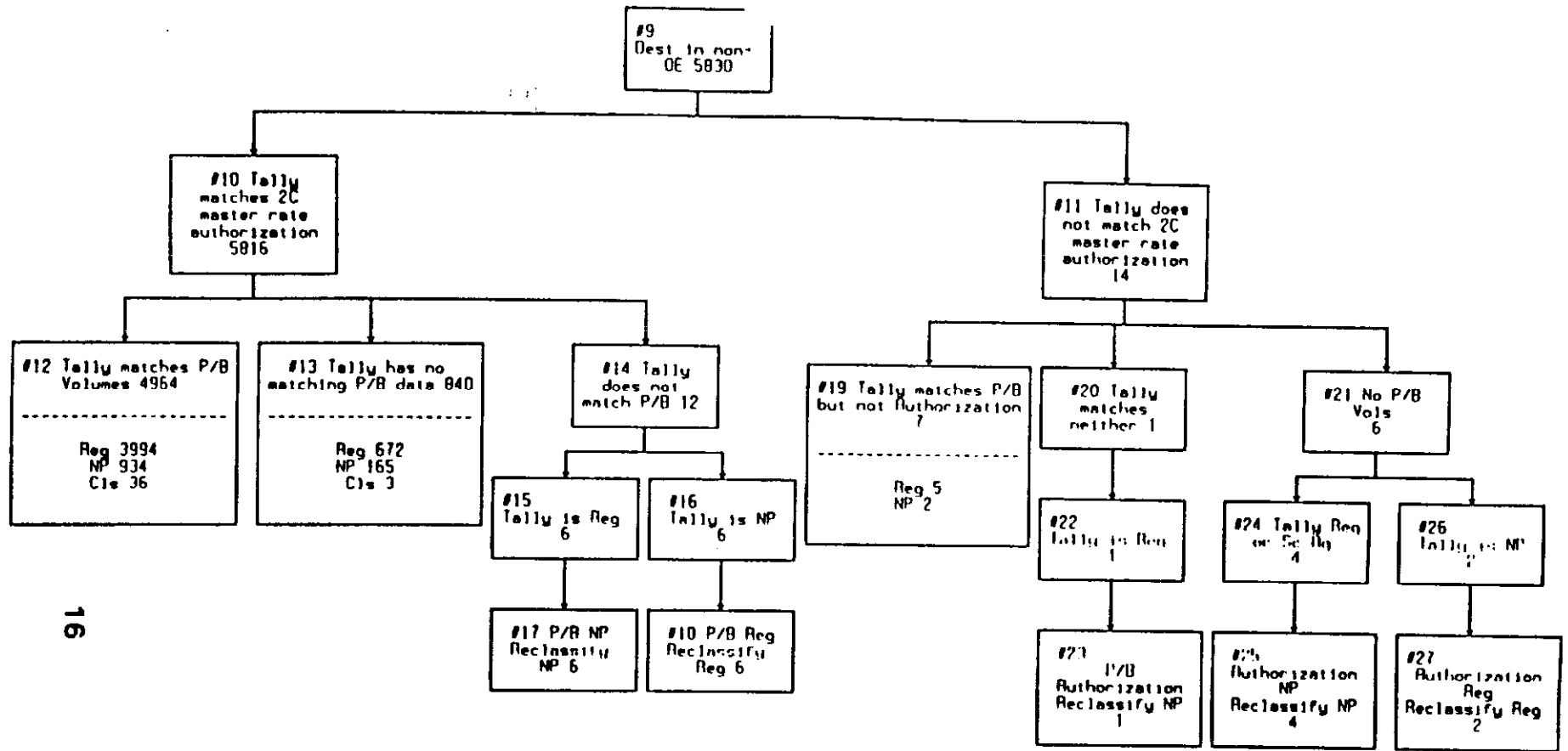
15 The reclassification of tallies is summarized in Table 1. Originally 462 tallies  
16 were coded as in-county. As a result of our analysis, 124 of these are reclassified  
17 as regular and 38 are reclassified as nonprofit. Of the 4,900 tallies originally  
18 regular rate, 4,885 remain regular, four become in-county, and 11 become  
19 nonprofit. Of the 1,156 nonprofit tallies, 1,148 remain nonprofit, and eight  
20 become regular. There is no change to the classroom tallies as a result of this  
21 analysis. Table 2 compares the results of reclassification to the original distribution

of tallies. The number of in-county tallies declines by 158, nearly one third. Both 10066  
regular and nonprofit are increased--2.4% and 3.5% respectively.

3           In my opinion the methodology currently employed by IOCS to classify  
4 second-class tallies is valid except for the identification of in-county tallies. Of the  
5 4,900 tallies originally classified as regular rate, only 15 tallies, approximately .3%,  
6 were reclassified by our analysis. These differences are most likely due to changes  
7 to the second-class master file between the time it was accessed by IOCS and the  
8 time it was copied for us. Similarly, the tallies originally identified by IOCS as  
9 nonprofit were accurate in all but eight cases, approximately .7%. This is very  
10 accurate and the discrepancies may be due to timing.



15



16

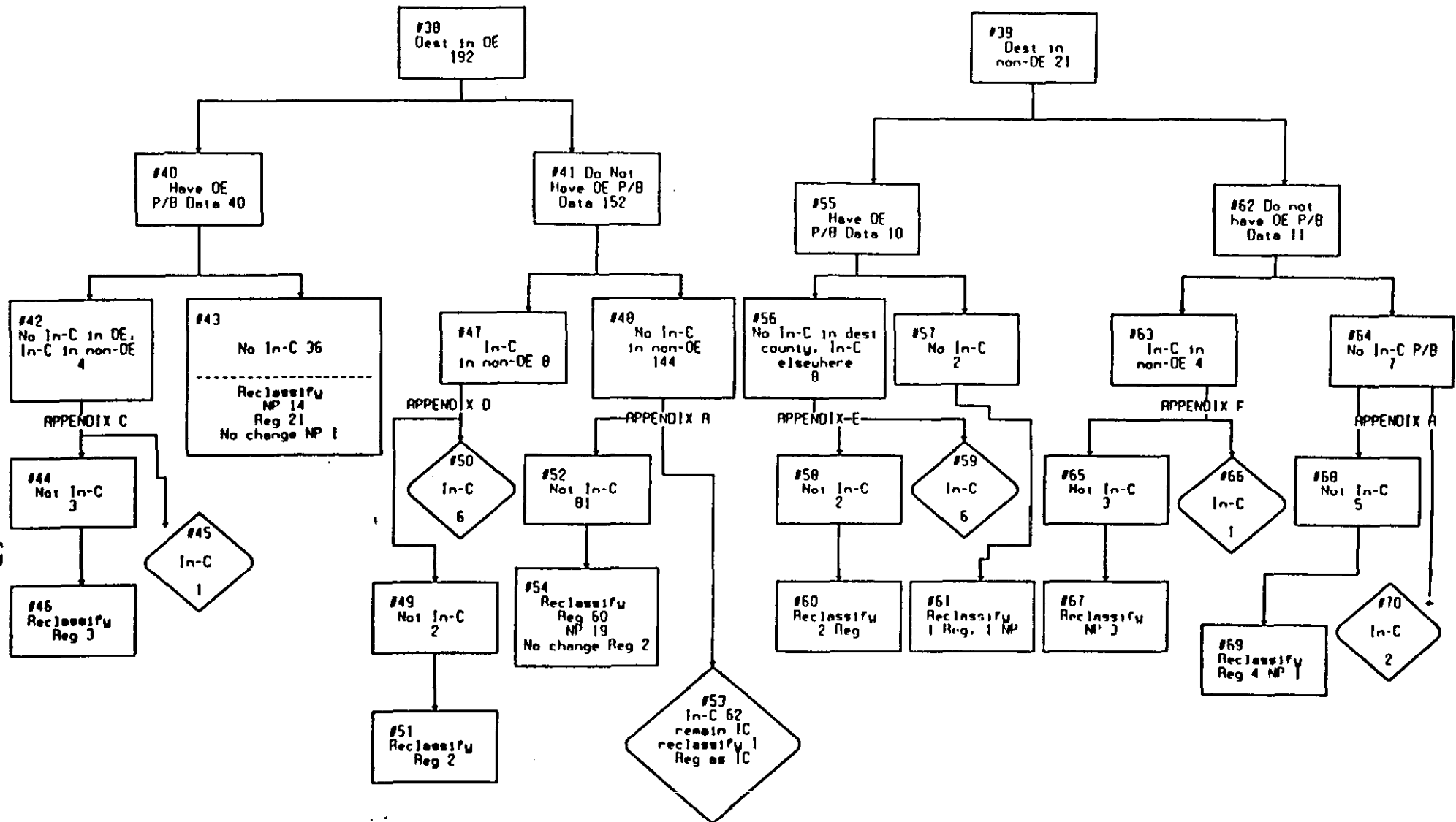




Table 1

## Reclassification of Tallies Organized by Original Classification

Tallies Originally In-County

## Original Distribution

Mixed 198  
Non-Mixed 462

## Final Distribution

Mixed 198  
In-County 300  
Regular 124  
Nonprofit 38

Tallies Originally Regular

## Original Distribution

Mixed 218  
Non-Mixed 4900

## Final Distribution

Mixed 218  
In-County 4  
Regular 4885  
Nonprofit 11

Tallies Originally Nonprofit

## Original Distribution

Mixed 210  
Non-Mixed 1156

## Final Distribution

Mixed 210  
Nonprofit 1148  
Regular 8

Tallies Originally Classroom

## Original Distribution

Mixed 173  
Non-Mixed 41

## Final Distribution

Mixed 173  
Classroom 41

Table 2

Comparison of Subclass Distribution of Second-Class Tallies  
for Clerks, Mailhandlers, and Carriers In-Office

	<u>Original</u>	<u>Reclassified</u>
Mixed	799	799
In-County	462	304
Regular	4,900	5,017
Nonprofit	1,156	1,197
Classroom	41	41
Total	<hr/> 7,358	<hr/> 7,358

REVISED  
6/16/94 10072

## **Appendix A**

### **Investigation Results**

#### **Tallies for Which Available PERMIT/BRAVIS Data Are Inconclusive**

## Final Designations for Tallies

USPS Number	Finance Number County	Post Office: Zip Code City	State	Publication	Tallies	Circulation**	Comments	Telephone	Final Designation
008438	106000 DISTRICT OF COLUMBIA	20088 WASHINGTON	DC	ANIMAL GUARDIAN	1		Not in-county - not mailing at OE	202-838-2376	N
886800	355826 NEW YORK	10001 NEW YORK	NY	NEW YORK	3	428,755	Not in-county - not mailing at OE	212-330-3800	R
408420	355826 NEW YORK	10001 NEW YORK	NY	OPERA NEWS	1	122,000	Not in-county - not mailing at OE	212-330-3800	N
000382	355826 NEW YORK	10001 NEW YORK	NY	LOCAL 1188 NEWS	1		No in-county mail volumes	212-330-3800	N
144540	355826 NEW YORK	10001 NEW YORK	NY	DNR	2		No in-county mail volumes	212-330-3800	R
889760	355826 NEW YORK	10001 NEW YORK	NY	INDIVIDUAL INVESTOR	1		No in-county mail	212-330-3800	R
517740	355826 NEW YORK	10001 NEW YORK	NY	STANDARD AND POOR'S DIVIDEND RECORD	1		No in-county mail volumes	212-330-3800	R
476160	355826 NEW YORK	10001 NEW YORK	NY	POPULAR CROSSWORDS	1		Not in-county - not mailing at OE	212-330-3800	R
418100	064830 LOS ANGELES	90062 LOS ANGELES	CA	OVERTURE	1	11,000	In-county	213-688-1200	I
468400	414318 BERKS	18630 KUTZTOWN	PA	READING-BERKS AUTO CLUB MAGAZINE	1	78,000	In-county : mailed at this location	215-683-8331	I
113900	281870 CARLTON	55720 CLOQUET	MN	PINE KNOT (THE)	2		In-county	218-878-8442	I
713060	174828 CASS	48847 LOGANSPOUT	IN	CHAMBER JOURNAL (THE)	1		In-county	219-763-3636	I
037820	070496 ADAMS	80010 AURORA	CO	AURORA SENTINEL	1	8,000	In-county	303-755-1400	I
000401	355826 NEW YORK	10001 NEW YORK	NY	SPIN	1	360,000	Not eligible : national readership	212-482-8088	R
889120	181542 COOK	60607 CHICAGO	IL	ZODIA	1	72,000	No in-county mail volumes	312-785-4321	N
008244	181542 COOK	60607 CHICAGO	IL	ILLINOIS MEDICINE	1		No in-county mail volumes	312-785-4321	R
740810	252480 WAYNE	48233 DETROIT	MI	SOLIDARITY	1	1,417,000	Not in-county - not mailing at OE	313-228-8811	N
238280	253280 GENESSEE	48602 FLINT	MI	HEADLIGHT UAW LOCAL 599	1		In-county	313-267-1608	I
144820	282700 JEFFERSON	63028 FESTUS	MO	WEEKLY NEWS DEMOCRAT	1		In-county	314-937-2107	I
008880	188118 SEDGWICK	67147 VALLEY CENTER	KS	CATHOLIC ADVANCE (THE)	1		In-county	316-765-1341	I
848600	178887 MIAMI	48870 PERU	IN	REMC PROGRESS	1		In-county	317-473-7322	I
002887	437140 PROVIDENCE	02804 PROVIDENCE	RI	RHODE ISLAND MONTHLY	1	28,000	Not in-county - not mailing at OE	401-278-8822	R
813840	438080 WASHINGTON	02862 NORTH KINGSTOWN	RI	STANDARD-TIMES (THE)	1	8,000	In-county	401-884-3780	I
378420	303610 FILLMORE	68381 GENEVA	NE	NEBRASKA SIGNAL	1	4,028	In-county	402-768-3317	I
003488	382717 OKLAHOMA	73034 EDMOND	OK	OVERTURE	1		In-county	406-341-1602	I
885880	114800 PALM BEACH	33468 JUPITER	FL	COURIER-JOURNAL (THE)	1		Not in-county - not mailing at OE	407-748-3820	R
113960	064838 SAN MATEO	94030 MILLBRAE	CA	WORLD JOURNAL	1		No 2nd-class transactions at this site	415-887-2606	R
888140	248884 BARNSTABLE	02863 ORLEANS	MA	CAPE CODDER (THE)	1	13,800	In-county	808-266-0468	I
086280	243781 ESSEX	01838 IPSWICH	MA	SWAMPSCOTT REPORTER	1	4,000	In-county	808-368-7832	I
311430	243781 ESSEX	01838 IPSWICH	MA	TW-TOWN TRANSCRIPT	1	3,840	In-county	808-368-7832	I
228120	488860 WILLIAMSON	78674 TAYLOR	TX	GRANGER NEWS	1	800	In-county : under 10000 subscribers	612-362-3182	I
048000	380802 LOGAN	43311 BELLEFONTAINE	OH	BELLEFONTAINE EXAMINER	1	11,110	In-county	613-682-5771	I
014800	260210 ALPENA	48707 ALPENA	MI	ALPENA NEWS	1		In-county	617-364-2620	I
812680	260100 CALHOUN	48224 ALBION	MI	ALBION RECORDER	1		In-county	617-828-8128	I
838620	360080 ALBANY	12288 ALBANY	NY	STATE BAR NEWS	1		No in-county mail	618-452-2201	R
031080	038384 MARICOPA	85028 PHOENIX	AZ	ARIZONA BUSINESS GAZETTE	1		In-county	602-226-3108	I
788740	684880 DANE	63707 MADISON	WI	EDUCATION/FORWARD	1		No in-county mail	608-248-1206	N
337000	334886 BURLINGTON	08066 MEDFORD	NJ	MEDFORD LAKES COLONY CLUB NEWS	1		In-county	808-664-1382	I
630800	410128 LEHIGH	18101 ALLENTOWN	PA	SWEET CHARITY	1		In-county : mailed at Kutztown	610-882-3222	I
888240	280310 ANOKA	55303 ANOKA	MN	ZION LUTHERAN WEEKLY HERALD	1		In-county	612-421-1114	I
404780	383304 FRANKLIN	43123 GROVE CITY	OH	OHIO MASON (THE)	1		In-county	614-876-8424	I
222880	478144 DAVISON	37226 NASHVILLE	TN	GOSPEL ADVOCATE	1		No 2nd class transactions at this site	615-886-8236	R
277700	260910 BERNBEN	48103 BERNBEN SPRINGS	MI	JOURNAL ERA	1		In-county	618-473-3031	I
888380	062382 SAN DIEGO	92020 EL CAJON	CA	SAN DIEGO JEWISH TIMES	2		No in-county - regular rate only	618-442-0727	R
288820	372400 STARK	58801 DICKINSON	ND	KNIGHT REPORTER	1		In-county	701-226-8701	I
0008367	610308 ARLINGTON	22210 ARLINGTON	VA	EMERGE BLACK AMERICA'S NEWSMAGAZINE	1		No in-county mail volumes	703-626-4838	R
372800	610114 ALEXANDRIA CITY	22313 ALEXANDRIA	VA	PRINCIPAL	1	28,000	Not in-county - not mailing at OE	703-548-4201	N
420180	610114 ALEXANDRIA CITY	22313 ALEXANDRIA	VA	PARACHUTIST	1	20,600	Not in-county - not mailing at OE	703-548-4201	R
0004284	181274 DU PAGE	60188 CAROL STREAM	IL	SPOTLIGHT	1		In-county	708-280-5810	I
006887	186730 COOK	80082 NORTHBROOK	IL	LASERJET JOURNAL	1		In-county	708-272-0018	I
872620	186780 COOK	80301 OAK PARK	IL	HERALD-JOURNAL	1		In-county	708-848-7800	I
767770	484146 HARRIS	77201 HOUSTON	TX	TEXAS FISH & GAME	1		Not in-county - not mailing at OE	713-228-3611	R
767480	486088 CACHE	84321 LOGAN	UT	OUTLOOK	1		No in-county mail	801-762-7248	N
738070	065882 LOS ANGELES	91108 PASADENA	CA	PLAIN TRUTH (THE)	1	3,000,000	Not in-county - not mailing at OE	818-304-7212	N
831000	065882 LOS ANGELES	91108 PASADENA	CA	SWIMMING WORLD AND JUNIOR SWIMMER	1	28,860	Not in-county - not mailing at OE	818-304-7212	R
048380	471844 SHELBY	38018 CORDOVA	TN	BELLEVUE MESSENGER	1		In-county	801-764-2620	I
012100	020312 ANCHORAGE	98602 ANCHORAGE	AK	ALASKA LEGIONAIRE	1		In-county	907-268-3788	I
747030	068854 SAN BERNARDINO	92382 RUNNING SPRINGS	CA	ALPENHORN (THE)	1		In-county	908-887-4808	I

## Appendix A

## Final Designations for Tallies

USPS Number	Post Office: Name Number County	Zip Code City	State	Publication	Tallies Circulation**	Comments	Telephone	Final Designation
534220	188818 FRANKLIN	66087 OTTAWA	KS	TAUTY TALK	1	10,000 In-county	813-242-2000	I
478730	353860 WESTCHESTER	10630 HAARTSDALE	NY	WESTCHESTER JEWISH WEEK AND THE AMERIC	1	In-county : mailed at Mount Vernon	814-348-1210	I
*357800	054155 LOS ANGELES	90714 LAKEWOOD	CA	MODERN MATURITY	1	22,450,000 Not eligible : national readership		N
*002800	054155 LOS ANGELES	90714 LAKEWOOD	CA	AARP BULLETIN	2	22,000,000 Not eligible : national readership		N
*885820	355826 WESTCHESTER	10670 PLEASANTVILLE	NY	READER'S DIGEST	1	18,250,000 Not eligible : national readership		R
885800	355826 NEW YORK	10001 NEW YORK	NY	TIME	3	4,000,000 Not eligible : national readership		R
*502830	181542 COOK	60607 CHICAGO	IL	PLAYBOY	1	3,800,000 Not eligible : national readership		R
390020	355826 NEW YORK	10001 NEW YORK	NY	NEWSWEEK	3	3,200,000 Not eligible : national readership		R
*188700	181542 COOK	60607 CHICAGO	IL	EBONY	3	1,800,000 Not eligible : national readership		R
003072	010780 JEFFERSON	35203 BIRMINGHAM	AL	AAA TODAY	1	1,700,000 Not eligible : national readership		R
882310	382384 COLUMBIANA	43820 EAST LIVERPOOL	OH	AAA TODAY	1	1,700,000 Not eligible : national readership		R
577230	355826 NEW YORK	10001 NEW YORK	NY	OUTDOOR LIFE	1	1,500,000 Not eligible : national readership		R
713450	182412 POLK	50318 DES MOINES	IA	COUNTRY HOME	1	1,100,000 Not eligible : national readership		R
005148	355826 NEW YORK	10001 NEW YORK	NY	ENTERTAINMENT WEEKLY	1	1,000,000 Not eligible : national readership		R
374580	518318 FAIRFAX	22124 VIENNA	VA	NATIONAL WILDLIFE	1	1,000,000 Not eligible : national readership		N
383520	355826 NEW YORK	10001 NEW YORK	NY	NEW YORK TIMES (THE)	1	1,000,000 Not eligible : national readership		R
504780	355826 NEW YORK	10001 NEW YORK	NY	CAR AND DRIVER	1	1,000,000 Not eligible : national readership		R
988480	355826 NEW YORK	10001 NEW YORK	NY	TRAVEL & LEISURE	1	1,000,000 Not eligible : national readership		R
008505	181542 COOK	60607 CHICAGO	IL	ARCHIVES OF FAMILY MEDICINE	1	880,000 Not eligible : national readership		R
008087	174037 MARION	48208 INDIANAPOLIS	IN	AMERICAN LEGION AUXILIARY NATIONAL NEWS	1	828,855 Not eligible : national readership		N
519970	355826 NEW YORK	10001 NEW YORK	NY	OMNI	1	702,000 Not eligible : national readership		R
*555180	355826 NEW YORK	10001 NEW YORK	NY	DISCOVER	1	692,284 Not eligible : national readership		R
873140	355826 NEW YORK	10001 NEW YORK	NY	NEW YORKER (THE)	4	658,000 Not eligible : national readership		R
*930820	188932 SHAWNEE	68803 TOPEKA	KS	GMT	1	590,715 Not eligible : national readership		R
374800	355826 NEW YORK	10001 NEW YORK	NY	NATURAL HISTORY	1	500,000 Not eligible : national readership		N
825720	105000 DISTRICT OF COLUMB	20088 WASHINGTON	DC	KIPLINGER WASHINGTON LETTER	1	500,000 Not eligible : national readership		R
885110	355826 NEW YORK	10001 NEW YORK	NY	PC MAGAZINE	1	448,000 Not eligible : national readership		R
473180	204788 JEFFERSON	40231 LOUISVILLE	KY	KENTUCKY LIVING	1	388,000 Not eligible : national readership		N
348280	287140 SAINT LOUIS CITY	63155 SAINT LOUIS	MO	MIDWEST MOTORIST (THE)	1	365,000 Not eligible : national readership		R
002808	355826 NEW YORK	10001 NEW YORK	NY	PREMIERE	1	375,000 Not eligible : national readership		R
*464870	051158 VENTURA	93010 CAMARILLO	CA	TRAILER LIFE	1	308,000 Not eligible : national readership		R
724780	381803 HAMILTON	45234 CINCINNATI	OH	ARTIST'S MAGAZINE (THE)	1	285,000 Not eligible : national readership		R
848840	284580 HENNEPIN	55343 HOPKINS	MN	BOWHUNTING WORLD	1	200,000 Not eligible : national readership		R
000458	054530 LOS ANGELES	90062 LOS ANGELES	CA	OUTDOOR PHOTOGRAPHER	1	175,000 Not eligible : national readership		R
724310	050108 LOS ANGELES	91802 ALHAMBRA	CA	INVESTOR'S BUSINESS DAILY		148,000 Not eligible : national readership		R
724310	053884 LOS ANGELES	90311 INGLEWOOD	CA	INVESTOR'S BUSINESS DAILY		148,000 Not eligible : national readership		R
*724310	054530 LOS ANGELES	90062 LOS ANGELES	CA	INVESTOR'S BUSINESS DAILY	1	148,000 Not eligible : national readership		R
724310	055862 LOS ANGELES	91108 PASADENA	CA	INVESTOR'S BUSINESS DAILY		148,000 Not eligible : national readership		R
724310	058100 LOS ANGELES	91408 VAN NUYS	CA	INVESTOR'S BUSINESS DAILY		148,000 Not eligible : national readership		R
468870	355826 NEW YORK	10001 NEW YORK	NY	ADWEEK	1	100,000 Not eligible : national readership		R
*537080	198355 JOHNSON	68202 SHAWNEE MISSION	KS	TELEPHONY	1	48,000 Not eligible : national readership		R
000209	355826 NEW YORK	10001 NEW YORK	NY	CRAIN'S NEW YORK BUSINESS	4	40,000 Not eligible - over 10% non-subscribers		R
202320	118260 PINELLAS	33730 SAINT PETERSBURG	FL	FLORIDA TREND	1	40,000 Not eligible : over 10% non-subscribers		R
*488300	513088 FAIRFAX CITY	22030 FAIRFAX	VA	SIGNAL	1	40,000 Not eligible : national readership		N
010781	181542 COOK	60607 CHICAGO	IL	PROBATE & PROPERTY	1	35,117 Not eligible : national readership		N
*888380	105000 DISTRICT OF COLUMB	20088 WASHINGTON	DC	COMMERCE BUSINESS DAILY (COMMERCE)	1	28,000 Not eligible : national readership		R
403810	174477 TIPPECANOE	47801 LAFAYETTE	IN	SUNDAY VISITOR (THE)	1	28,577 Not eligible : national readership		N
*275640	332280 ESSEX	07018 EAST ORANGE	NJ	METROWEST JEWISH NEWS	1	28,500 In-county : community newspaper		I
275640	335870 ESSEX	07102 NEWARK	NJ	METROWEST JEWISH NEWS		28,500		
370880	185484 DU PAGE	60568 NAPERVILLE	IL	NAPERVILLE SUN (THE)	1	23,000 In-county : community newspaper		I
204120	355826 NEW YORK	10001 NEW YORK	NY	FN	1	20,778 Not eligible : national readership		R
058880	105000 DISTRICT OF COLUMB	20088 WASHINGTON	DC	BIOSCIENCE	1	11,800 Not eligible : national readership		N
*587240	581570 OZAUKEE	53012 CEDARBURG	WI	OZAUKEE COUNTY NEWS GRAPHIC	1	10,000 In-county : charges different in-county rate		I
587240	583320 OZAUKEE	53024 GRAFTON	WI	OZAUKEE COUNTY NEWS GRAPHIC		10,000 In-county : charges different in-county rate		I
587240	588700 OZAUKEE	53074 PORT WASHINGTON	WI	OZAUKEE COUNTY NEWS GRAPHIC		10,000 In-county : charges different in-county rate		I
587240	587390 OZAUKEE	53080 SAUKVILLE	WI	OZAUKEE COUNTY NEWS GRAPHIC		10,000 In-county : charges different in-county rate		I
587240	588140 OZAUKEE	53082 THINSVILLE	WI	OZAUKEE COUNTY NEWS GRAPHIC		10,000 In-county : charges different in-county rate		I
584780	483475 WILLIAMSON	78826 GEORGETOWN	TX	WILLIAMSON COUNTY SUN	1	7,310 In-county : under 10000 subscribers		I

## Final Designations for Tables

USPS Number	Finance Number County	Post Office: Zip Code City	State	Publication	Tables	Circulation**	Comments	Telephone	Final Designation
283740	064112 KERN	93240 LAKE ISABELLA	CA	KERN VALLEY SUN	2	7,000	In-county : under 10000 subscribers		
887120	118846 ORANGE	34787 WINTER GARDEN	FL	WEST ORANGE TIMES (THE)	1	7,000	In-county : under 10000 subscribers		
+ 588300	288300 PLATTE	64078 PLATTE CITY	MO	PLATTE COUNTY CITIZEN (THE)	1	8,800	In-county : under 10000 subscribers		
418440	208912 JOHNSON	41240 PAINTSVILLE	KY	PAINTSVILLE HERALD	3	8,000	In-county : under 10000 subscribers		
316020	184608 MONTGOMERY	62068 LITCHFIELD	IL	LITCHFIELD NEWS-HERALD	1	5,800	In-county : under 10000 subscribers		
+ 048780	240788 SUFFOLK	02208 BOSTON	MA	BELMONT CITIZEN-HERALD	1	5,700	In-county : under 10000 subscribers		
313780	224486 PENOBSCOT	04467 LINCOLN	ME	LINCOLN NEWS	1	5,800	In-county : under 10000 subscribers		
814820	186790 COOK	60301 OAK PARK	IL	ELM LEAVES	1	5,636	In-county : under 10000 subscribers		
733730	184410 COOK	60438 LEMONT	IL	LEMONT METROPOLITAN	1	4,800	In-county : under 10000 subscribers		
618840	683620 MILWAUKEE	53130 HALES CORNERS	WI	FRANKLIN-HALES CORNERS HUB	1	4,400	In-county : under 10000 subscribers		
838280	022421 ANCHORAGE	99577 EAGLE RIVER	AK	CHUGIAK-EAGLE RIVER ALASKA STAR	1	4,324	In-county : under 10000 subscribers		
* 013200	580080 KEWAUNEE	54201 ALGOMA	WI	ALGOMA RECORD-HERALD	1	4,200	In-county : under 10,000 subscribers		
013200	584310 KEWAUNEE	54218 KEWAUNEE	WI	ALGOMA RECORD-HERALD		4,200			
286420	394884 KINGFISHER	73760 KINGFISHER	OK	KINGFISHER TIMES & FREE PRESS (THE)	1	4,200	In-county : under 10000 subscribers		
880180	487410 WOOD	78783 OUTMAN	TX	WOOD COUNTY DEMOCRAT	1	4,200	In-county : under 10000 subscribers		
874180	358040 ALLEGANY	14898 WELLSVILLE	NY	WELLSVILLE DAILY REPORTER	1	4,000	In-county : under 10000 subscribers		
884840	888790 CRAWFORD	63821 PRAIRIE DU CHIEN	WI	COURIER PRESS	1	3,800	In-county : under 10000 subscribers		
037780	280348 LAWRENCE	65806 AURORA	MO	AURORA ADVERTISER (THE)	1	3,400	In-county : under 10000 subscribers		
811180	281448 SCOTT	63740 CHAFFEE	MO	SCOTT COUNTY SIGNAL	1	3,300	In-county : under 10000 subscribers		
321100	346228 LEA	88280 LOVINGTON	NM	LOVINGTON DAILY LEADER	1	2,400	In-county : under 10000 subscribers		
240220	358800 MONROE	14634 PITTSFORD	NY	HENRIETTA POST	1	2,289	In-county : under 10000 subscribers		
088640	581380 DANE	53523 CAMBRIDGE	WI	CAMBRIDGE NEWS	1	2,000	In-county : under 10000 subscribers		
408130	388423 LINCOLN	74868 MEEKER	OK	MEEKER NEWS	1	1,400	In-county : under 10000 subscribers		
242700	183688 MCLEAN	61748 HEYWORTH	IL	HEYWORTH STAR	1	1,096	In-county : under 10000 subscribers		

+ Tables originally coded as regular.

+ + Tables from Box 84.

\* Denotes publication's original entry office (OE), additional listings are additional entry offices (AE) in the same county as the OE. The OE is the post office designated for in-county mailings. AE's in same county can also be used for in-county mailings.

\*\* Circulation figures were compiled from the following publications :

Gale's Directory of Publications and Broadcast Media  
3 Volumes, 1994

Gale's Directory of Publications and Broadcast Media  
Accessed directly on-line through Dialog.

Working Press of the Nation Magazines and Internal Publications Directory  
44th Edition, Volume 1 and 2, 1994

Oxbridge Directory of Newsletters  
1 Volume, 1993

**Appendix B****Investigation Results**

**Tallies Originally Coded as Out-of-County But Have In-County  
Volumes in the Destination County in PERMIT/BRAVIS**

Appendix B

10077

Justification for Tallies in Box 28

I/C = In-County  
 P/B = Permit/Bravis volumes  
 O/C = Out-of-County  
 OE = Original Entry  
 AE = Additional Entry

File: Inconsistent 3 Tallies Destination in non-OE, I/C data in destination ZIP code

1. Publication - "Korea Times"  
 Pub #348370 ISSN #10417281  
 Tally: Regular  
 Assigned: In-county  
 Destination County: Fairfax, VA  
 OE County: Washington, DC  
 P/B I/C Vol: Fairfax

Justification: Washington, DC as OE is incorrect. Verified I/C mailing. 301-499-7605

2. Publication - "USA Today"  
 Pub #684090 ISSN #07347456  
 Tally: Regular  
 Assigned: O/C - Regular  
 P/B I/C Pieces: 11,360  
 P/B Regular Pieces: 44,820,581

Justification: Over 10,000 subscribers and less than 50% paid subscribers in the county of original entry  
 Circulation = 1,801,384  
 In-county PERMIT/BRAVIS data erroneous



**Appendix B**  
(continued)

3. Publication - "Michigan Living"  
Pub #364560 ISSN #07451798  
Tally: Regular  
Assigned: O/C - Regular  
Destination County: Kalamazoo  
OE County: Wayne  
AE Sites: Lansing, Grand Rapids, Kalamazoo  
P/B I/C Pieces: 2325  
P/B Regular Pieces: 8,740,875

Justification: Statewide readership spread across counties  
Circulation = 994, 369  
Not eligible for I/C Rates  
In-county PERMIT/BRAVIS data erroneous

**Appendix C****Investigation Results**

**Tallies Which Destinate in the Original Entry County but Have In-County  
Volumes in PERMIT/BRAVIS only outside of the Office of Original Entry**

Appendix C

Justification for Tallies in Box 42

File: In-county.box11.verified      4 Tallies      No In-county in OE,  
In-county in non-OE,  
Have OE P/B data,  
Destination in OE

1.      Publication - "Michigan Living" 2 Tallies

Pub #364560      ISSN #07451798

Tally: In-county

Assigned: O/C - Regular

Destination and OE County: Wayne, MI

P/B I/C Pieces:      2,325

P/B Regular Pieces:      8,740,875

Justification: No P/B I/C Volumes at this site  
Not eligible for I/C Rates  
Circulation = 994,369  
In-county PERMIT/BRAVIS data erroneous

2.      Publication - "USA Today" - see Appendix B for justification

Tally: In-county

Assigned: O/C - Regular

3.      Publication - "Littleton Independent"

Pub #315780      ISSN #10587837

Tally: In-county

Assigned: I/C

OE and Destination County: Arapahoe

P/B I/C Vol - Douglas

Justification: Arapahoe (Littleton Post Office) transmits its P/B data  
to Douglas (Englewood Post Office)  
Verified I/C data - (303) 470-0752

**Appendix D****Investigation Results**

**Tallies Which Destinate in the Original Entry County  
for Which No PERMIT/BRAVIS Data Are Available for the  
Office of Original Entry But Have In-County Volumes Elsewhere**

Appendix D

10082

Justification for Tallies in Box 47File: In-county.box11. handchk. not cpp - 8 Tallies -Destination in OE,  
Do not have OE  
P/B data

1. 5 Tallies - "Montgomery Journal"  
Pub #997860 ISSN #01622080  
Tally: In-county  
Assigned: I/C  
OE & Destination County: Montgomery  
P/B I/C Vol: Fairfax County

Justification: Mailing statement entered into P/B in Fairfax  
county. Mail deposited in Montgomery. I/C rates  
confirmed - (301) 670-6008

2. 2 Tallies - Jet  
Pub #274760 ISSN #00215996  
Tally: In-county  
Assigned: O/C - Regular

Justification: National readership; over 10,000 subscribers  
Circulation = 909,014

3. Publication - "News Weekly"  
Pub #754130  
Tally: In-county  
Assigned: I/C  
OE & Destination County - Burlington  
P/B Volume - Camden

Justification: Moorestown (Burlington) is a satellite post office of  
Camden and sends its information to them.  
Verified I/C rates - (609) 933-4117

**Appendix E****Investigation Results**

**Tallies Which Do Not Destinate in the Original Entry County  
But Have In-County Volumes in PERMIT/BRAVIS  
in the Office of Original Entry**

## Appendix E

### Justification for Tallies in Box 56

File: Octy. box11. verified      8 Tallies      Destination in non-OE  
P/B Volume in OE

1. Publication - "Milton Record-Transcript"  
Pub #350160  
Tally: In-county  
Assigned: O/C - Regular  
Destination: Norfolk County  
OE Zip: Suffolk County  
P/B I/C Vol: Suffolk County

**Justification: Destination in non-OE country**

2. Publication - "Baltimore"  
Pub #040780 ISSN #00054453  
Tally: In-county  
Assigned: I/C  
P/B I/C Vol: Baltimore City  
Destination: Baltimore  
OE: Baltimore City

**Justification:** Baltimore City is an independent city within Baltimore county.

3. Publication - "VA Museum of Fine Arts Bulletin"  
 Pub #660800 ISSN #03633519  
 Tally: In-county  
 Assigned: I/C  
 Destination: Henrico  
 P/B I/C Vol: Richmond City  
 OE: Richmond City

**Justification:** Independent city within Henrico county.

**Appendix E**  
**(continued)**

4. Publication - "St. Louis Review"  
Pub #476600 ISSN #00363022  
Tally: In-county  
Assigned: I/C  
Destination: St. Louis  
OE: St. Louis City  
P/B I/C Vol: St. Louis City  
  
Justification: Independent city with county being St. Louis
5. Publication - "Baltimore Jewish Times" - 2 Tallies  
Pub #275720 ISSN #0005450X  
Tally: In-county  
Assigned: I/C  
Destination: Baltimore  
OE: Baltimore City  
P/B I/C Vol: Baltimore City  
  
Justification: Independent city with county being Baltimore
6. Publication - "St. Louis Business Journal"  
Pub #584270 ISSN #02716453  
Tally: In-county  
Assigned: I/C  
Destination: St. Louis  
OE: St. Louis City  
P/B I/C Vol: St. Louis City  
  
Justification: Independent city with county being St. Louis
7. Publication - "Daily Journal of Commerce"  
Pub #143560 ISSN #08960862  
Tally: In-county  
Assigned: O/C - Regular  
Destination: Washington - 97229  
OE: Multnomah - 97208  
P/B I/C Vol: Multnomah  
  
Justification: Destination in non-OE county



**Appendix F****Investigation Results**

**Tallies Destinating Outside of the Original Entry County  
for Which No PERMIT/BRAVIS Data Are Available  
for the Office of Original Entry But Which Have  
In-County Volumes Elsewhere**

### Justification for Tallies in Box 63

**Justification: Destination in non-OE country**

**Appendix G****Investigation Results**

**Tallies Whose ISSN Numbers Do Not Appear in the Current  
Second-Class Master But Do Appear in the  
January 1993 Second-Class Master as Requester Publications**

Appendix G

10089

Justification for Box 34B

File: Bad ISSN.dat    2 Tallies    ISSN does not appear in new second-class master file.  
 Appears in 1993 master as requester.

1.    Publication - "Jacksonville Today"  
       Tally: In-county  
       Assigned: Regular  
       Tally Issn #: 08854769  
       1993 Master Pub. #: 749870                      1993 Designation: Requester  
       1994 Master Pub. #: 749870  
       1994 Master ISSN #: 10705163  
       1994 Title: "Jacksonville"                      1994 Designation: Requester
  
2.    Publication - "Triad Business"  
       Tally: In-county  
       Assigned: Regular  
       Tally ISSN #: 08970408  
       1993 Master Pub. #: 001737                      1993 Designation: Requester  
       1994 Master Pub. #: 001737  
       1994 Master ISSN #: 10690204  
       1994 Title: "Triad Business News"              1994 Designation: Requester

Answer of Richard Patelunas to the Interrogatories of  
Office of the Consumer Advocate  
to United States Postal Service

OCA/USPS-T5-11

Exhibit USPS-T-5C at 10 shows a per-piece cost for postal cards of 7.5 cents. The per-piece cost for private cards is 16.2 cents. Please explain in detail why the unit costs for private cards are more than twice as high as the unit costs for postal cards.

OCA/USPS-T5-11 Response:

There are no certain reasons for the difference in unit costs, although there are some speculative reasons. Part of the explanation may be that postal cards are less costly to process because they are more compatible with mechanization and automation. For example, postal cards are designed to a uniform size and shape for equipment compatibility, and private cards are various sizes, shapes and flexibility. Also, address hygiene may be better considering the uses of postal cards and private cards. Postal cards might be used by businesses and organizations to notify addressees of sales or upcoming events, and to the extent the addressing is done by mailing lists and computer generated labels, the addresses would be clean. Private cards though, might be used to send greetings from a vacation spot and as such, would probably be handwritten and less clean. Another result of the different uses may be that the organizational use is of a more local nature; whereas, the vacation greeting may be from a remote vacation site.

RESPONSE OF POSTAL SERVICE WITNESS NEEDHAM TO  
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T7-18. Refer to pages 11-14 of your testimony concerning CMRAs.

- a) Please confirm that CMRAs take delivery of mail destined for CMRA boxes from postal carriers. If you do not confirm, please explain.
- b) To the extent CMRAs take delivery from postal carriers, please indicate the time of day CMRA would take delivery from postal carriers.

RESPONSE:

- a) I can confirm that CMRAs take delivery from either letter carriers or, if the CMRA uses caller service or firm holdout, from other postal employees.
- b) CMRAs would take delivery from letter carriers during the planned course of the letter carriers' routes, unless special arrangements are made whereby the volume of mail to CMRA would make it more convenient for the letter carrier to drop off the mail for the CMRAs at the beginning of his/her route.

RESPONSE OF U.S. POSTAL SERVICE WITNESS NEEDHAM TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T7-19. Refer to pages 11-14 of your testimony concerning CMRAs. To your knowledge, are CMRAs post office box or caller service customers of the Postal Service? Please explain your answer.

RESPONSE:

Although I personally am not aware of CMRAs using box or caller service, I would not be surprised if CMRAs use both box and caller service. I think CMRAs would benefit from taking advantage of the earlier delivery of box and caller service mail.

Response of United States Postal Service Witness Bradley  
to  
Interrogatories of OCA

OCA/USPS-T4-9. Please confirm that the Postal Service used a standardized (or "boilerplate") transportation contract for all the underlying transactions. If you can confirm, please provide a copy of such a contract. (A blank contract is acceptable.)<sup>1</sup> If you cannot confirm, please describe all the types of provisions that such contracts contain.

OCA/USPS-T4-9 Response:

Not confirmed. It is my understanding that the HCSS is used to generate the contract in each of the 15,000 cases. Because HCSS is used to draw up the actual contract, a "blank contract" does not exist. In other words, HCSS is a modular system that allows one to pick the specifications for an individual contract. There are standard Postal Service forms that are included in the contracts and copies of those forms are attached to this interrogatory response.

It is my understanding that there are more than 130,000 different possible language combinations that could be included in a specific contract. Nevertheless, Postal Service experts have informed me that there is a high degree of commonality for most aspects of a contract.

---

<sup>1</sup> This interrogatory does not waive OCA's outstanding request for copies of actual contracts. See OCA Motion to Compel Response to Interrogatory OCA/USPS-T4-2.





## BASIC SURFACE TRANSPORTATION SERVICES CONTRACT- GENERAL PROVISIONS

### 1. DEFINITIONS. For the purpose of this contract:

(a) "Advertised contract" means a contract awarded through sealed bidding procedures as outlined in the Mail Transportation Procurement Handbook (MTPH) Sec. 1.4.1 and includes any subsequent renewal term of that contract.

(b) "Contracting Officer" means the individual duly designated as Contracting Officer, and the duly authorized representative of the Contracting Officer to the extent of his delegated authority.

(c) "Contractor" means the person or persons, partnership, or corporation named as contractor in the contract.

(d) "Mail" means United States or foreign transit mail and the containers in which such mail is tendered for transportation, and includes supplies and empty mail transportation equipment of the U.S. Postal Service.

(e) "Negotiated contract" means a contract awarded using the procedures in 4.1 or 4.3 of the Procurement Manual as they are supplemented and modified by the MTPH Sec. 1.4.2.

(f) "Postal Service" means United States Postal Service.

(g) "Route" means the route or routes as described in this contract, as the same may be extended, curtailed, or otherwise altered in accordance with the terms of this contract.

(h) "Subcontractor" means a person, partnership or corporation to whom the Contractor has lawfully subcontracted the right to perform the service required by the contract.

### 2. CLAIMS AND DISPUTES- (a) This contract is subject to the Contract Disputes Act of 1978 (P.L. 95-563, 41 USC 601-613).

(b) All disputes arising under or relating to this contract shall be resolved under this clause. References to a Dispute clause in other clauses of this contract shall be understood to be references to this Claims and Disputes clause.

(c)

(i) "Claim" as used in this clause, means a written demand or assertion by one of the parties seeking, as a legal right, the payment of money, adjustment or interpretation of contract terms, or other relief arising under or relating to this contract.

(ii) A voucher, invoice, or request for payment that is not in dispute when submitted is not a claim under the Act. However, where such a submission is subsequently

not acted upon in a reasonable time, or disputed either as to liability or amount, it may be converted to a claim under the Act.

(iii) A claim by the Contractor shall be made in writing and submitted to the Contracting Officer for decision. A claim by the Postal Service against the Contractor shall be in the form of a decision by the Contracting Officer.

(d) For Contractor claims of more than \$50,000, the Contractor shall submit with the claim a certification that: (i) The claim is made in good faith; (ii) Supporting data are accurate and complete to the best of the Contractor's knowledge and belief; and (iii) The amount requested accurately reflects the contract adjustment for which the Contractor believes the Postal Service is liable. If the Contractor is an individual, the certification is not an individual, the certification shall be executed by a senior company official in charge at the Contractor's plant or location involved, or by an officer or general partner of the Contractor having overall responsibility for the conduct of the Contractor's affairs. Claims less than \$50,000 need not be certified.

(e) Any claim which is not disposed of by agreement shall be decided by the Contracting Officer, who shall issue a decision in writing and shall mail or otherwise furnish a copy of the decision to the contractor. For Contractor claims over \$50,000, the Contracting Officer must decide the claim within 60 days or notify the Contractor of the date when the decision will be made. For Contractor claims of \$50,000 or less, the Contracting Officer must render a decision within 60 days. The Contracting Officer's decision shall be final and conclusive and not subject to review by any forum, tribunal, or Government agency unless:

(i) The Contractor appeals such decision to the Postal Service Board of Contract Appeals within 90 days after the date the Contractor receives the Contracting Officer's final decision; or

(ii) The Contractor brings an action directly on the claim in the United States Court of Claims within 12 months after the date the Contractor receives the Contracting Officer's final decision.

(f) The authority of the Contracting Officer under the Act does not extend to claims or disputes which other agencies are expressly authorized by statute or regulation to decide.

(g) The Postal Service will pay interest on the amount found due on a Contractor's claim from the date the payment would otherwise be due, if that date is later, until the date of payment. Simple interest will be paid at the rate established by the Secretary of Treasury, which is applicable when the Contracting Officer receives the claim and then at the rate fixed by the Secretary for each successive 6-month period in which the claim is pending.

(h) Except as the parties may otherwise agree, pending final resolution of a claim by the Contractor arising under the contract, the Contractor shall proceed diligently with the performance of the contract in accordance with the Contracting Officer's decision.

**3. LAW AND REGULATIONS APPLICABLE.** This contract and the services performed thereunder are subject to applicable laws and regulations made pursuant thereto. The Contractor shall faithfully discharge all duties and trusts imposed upon him by such laws and regulations.

**4. SERVICE REQUIREMENTS AND PROHIBITIONS.**-(a) The Contractor shall carry all mail tendered for transportation under this contract, whatever may be its size and weight, with certainty, celerity, and security, in accordance with the operating schedule and between the points fixed in the solicitation, as modified from time to time pursuant to Clause 12, General Provisions, of this contract. The Contractor shall load and unload mail, and make the exchange of mail as directed by the Contracting Officer. Passengers, freight or other traffic may be accommodated but shall not delay the mail nor reduce the contracted cubic capacity. In the event that this is a contract for carriage of mail by domestic water vessel, the Contractor shall serve terminal post offices without regard to distance from the nearest landing, unless the Postal Service has previously assumed such a terminal service, and shall serve all intermediate post offices located not more than one-fourth of a mile from the vessel landing along the route.

(b) To the extent required by the contract and pursuant to the direction of the Contracting Officer:

(1) The Contractor may be required to provide the following services under this contract:

I. Deposit all mail matter received for that purpose from a post office into the appropriate mail boxes of customers placed along the line of the route. In the event such mail cannot be contained in such boxes, or in the case of a domestic water route contract, suitable and unobstructed landings and appropriate boxes or sacks are not furnished by the customers, deliver such mail as provided in the Postal Service regulations.

II. Hang any private mail satchel received from a post office on the appropriate mail crane placed along the line of the route.

III. Receive all mail properly tendered by customers. Collect all mail from or about mail boxes placed along the line of the route when a signal is displayed to indicate that a box contains mail to be taken.

IV. Collect private mail satchels either with or without mail in them from cranes when satchels are used.

The Contractor shall deliver all mail satchels received or collected along the route to the next post office at which he arrives or to such other point or person on the route as the Contracting Officer may direct.

(2) The Contractor may also be required to prepare and maintain a list of names of the customers served, arranged in alphabetical order with the box number opposite each name; accept mail addressed to customers on the route and arrange it in order of delivery, or place it in the proper

individual sacks for delivery, and mark up and forward mail for customers of the route who have filed a change of address order and make appropriate entry in the list of names of customers served.

(3) In addition to delivery and collection of ordinary mail, the Contractor may be required to perform the following duties:

I. Sell stamps supplies.

II. Accept money with applications for money orders and give receipts.

III. Accept and give receipts for matter presented for registration, certification, insurance or COD service.

IV. Deliver registered, certified, insured, COD, Special Delivery, outside parcels (fourth-class and priority) and Express Mail. Contractors will dismount when necessary to transact business involving the above classes of mail.

Contractor will be required to deviate up to 1/2 mile and retrace (total of one mile) to transact business involving the above classes of mail. For anything over 1/2 mile, the postmaster or clerk should call customer and advise them to meet the contract driver at the mail box.

(4) When the contract required service as provided in this Clause 4(b), and the bidder is an individual, he must reside in a county traversed by the route or an adjoining county on the date and time set for the bid closing and must continue to so reside during the contract term and any renewal periods. A partnership is qualified if any partner meets the foregoing residency requirement. If the bidder is a corporation, it must have been engaged in business, other than as a mail contractor, in a county traversed by the route, or an adjoining county on the date and time set for bid closing.

(c) The Contractor shall protect the mail from loss, depredation, or damage. The mail shall be transported in an enclosed, water-proof compartment, equipped with secure locking devices, which shall be kept locked at all times except when access thereto is required for performance of service under this contract. The Contractor, except when the vehicle of the Contractor is carrying passengers on a fixed schedule, shall await completion of all delayed mail connections, unless otherwise directed by the Contracting Officer. If the Contractor is authorized to carry passengers, the mail must be carried in a compartment separate from the passengers so that they cannot have access to the mail. The Contractor shall not transport hitchhikers in vehicles while the vehicles are being used to transport mail.

(d) The Contractor's transportation equipment used in conducting operations under this contract shall at all times be maintained in creditable appearance to the satisfaction of the Contracting Officer and in accordance with applicable Postal Service regulations. The use of a sign or lettering, "United States Mail" is optional but may be used only on vehicles which are actually carrying mail. Vehicles which are painted red, white, and blue must have inscribed on both tractor or truck doors in black letters at least 1 inch high the words "United States Mail Contractor". Trailers, so painted, must also

bear the same inscription in black letters 2 inches high on the front of the trailers, sufficiently high to be visible above the tractor unit.

(e) Contractor personnel shall not perform operations under the influence of alcohol, narcotics, or any other substance which tends to impair judgment, nor shall they consume any of the foregoing while so engaged.

(f) The Contractor shall not carry letters outside of the mails.

(g) The Contractor shall deny access to the mail to any employee when required by the Contracting Officer.

(h) In conducting operations under this contract, the Contractor shall not employ any individual who is: Lacking sufficient intelligence to perform properly the required duties; not a reliable and trustworthy person of good moral character; or is barred by law or Postal Service regulations from performing such duties.

**5. SAFETY REQUIREMENTS.** The Contractor shall conduct operations under this contract in compliance with Department of Transportation Motor Carriers' Safety Regulations, 49 CFR Parts 390-397, and all other applicable State laws and regulations and shall comply with all safety measures for protection of the general public and operating personnel. The Contractor shall maintain his vehicles in mechanically sound condition, and upon receipt of written notice from the Department of Transportation or the Contracting Officer, the Contractor shall take action to insure that his equipment meets such requirements as are deemed necessary to safety and suitability of the Department of Transportation or the Contracting Officer and shall submit such equipment for inspection upon written notice thereof from the Contracting Officer.

(a) **DRIVERS.** Drivers of motor vehicles shall be at least 21 years of age, except that if the vehicle is used exclusively under contract with the U.S. Postal Service and has a manufacturer's vehicle weight rating of 10,000 pounds or less, the driver shall be at least 18 years of age.

Drivers must undergo a screening process as detailed in the contract solicitation or as changed by any subsequent procedural revision. Drivers will be subject to re-screening every 4 years or as otherwise necessary to ensure continued compliance. Drivers must be properly licensed for the vehicle(s) used in the performance of service under this contract.

(b) **LIGHTWEIGHT MAIL TRUCKS** (10,000 pounds or less manufacturer's gross vehicle weight rating). Contractors and drivers of motor vehicles which are used to transport mail under a contract with the U.S. Postal Service who are exempt from compliance with the Department of Transportation Motor Carriers' Safety Regulations are required to comply with the following minimum requirements:

(1) **QUALIFICATIONS OF DRIVERS.** Drivers must meet the minimum physical requirements imposed by State or local authorities to obtain permits to operate the vehicles involved. They shall not be addicted to the use of narcotics or habit-forming drugs, or excessive use of alcoholic beverages.

## (2) DRIVING OF MOTOR VEHICLES

### (a) DRIVING RULES

Drivers shall obey all laws, ordinances, and regulations of the jurisdiction in which the motor vehicles are being operated. They shall not be permitted to drive when fatigue, illness, or other causes impair their ability or alertness, or when under the influence of drugs or intoxicating beverages. Any driver convicted of driving when under the influence of drugs or intoxicating beverages may be denied access to the mail as a driver for a period up to five years from the date of offense.

### (b) INSPECTION OF EQUIPMENT

Drivers shall satisfy themselves that the emergency equipment is in place and ready for use and that the following parts and accessories are in good working order:

- I. Servicing and parking brakes.
- II. Steering mechanism.
- III. Lighting devices and reflectors.
- IV. Tires.
- V. Horn.
- VI. Windshield wipers.
- VII. Rear vision mirrors.

### (c) SAFE LOADING AND SECURITY OF EQUIPMENT

Drivers shall see that loads are properly distributed and secured and that doors, tailgates, and other equipment are fastened to insure safe operations.

### (d) HAZARDOUS CONDITIONS

Extreme caution, even to the extent of stopping operation if necessary, shall be exercised by drivers when hazardous road or weather conditions prevail.

### (e) STOPPED VEHICLES

Whenever a motor vehicle becomes disabled and cannot be removed from the traveled portion of the highway or the shoulder thereof, and is not clearly discernible to persons on the highway at a distance of 500 feet, the driver will immediately set out emergency signals as follows:

#### I. DURING DAYLIGHT HOURS.

Red flags in the center of the traffic lane 100 feet to the rear of the vehicle.

#### II. WHEN LIGHTED LAMPS ARE REQUIRED.

Fuses, flares, lanterns, or reflective triangles 100 feet in front, 100 feet to the rear, and along the side of the vehicle. Signals should be placed more than

100 feet but no farther than 500 feet from the vehicle when necessary to allow ample warning to other drivers because of a curve, crest of a hill, or other obstruction to view.

### (3) EMERGENCY EQUIPMENT

Vehicles shall be equipped with no less than the following ready for use:

#### (a) FIRE EXTINGUISHER

One 4-pound CO2 or one 4-pound dry chemical. Vehicles operated only in metropolitan areas, where fire protection is normally provided and readily available, may be exempted.

#### (b) SPARE FUSES

One of each different kind of fuse used on the vehicle.

#### (c) TIRE CHAINS

One set for at least one drive wheel on each side. Vehicles that are not operated where conditions do not require chains may be exempted.

#### (d) WARNING DEVICES

One of the following combinations:

- I. Three flares (pot torches), three fuses and two red flags.
- II. Three red electric lanterns and two red flags.
- III. Three red reflectors and two red flags.

### (4) HOURS OF SERVICE DRIVERS

Drivers will not be permitted or required to exceed the hours of "on duty" and "driving time" specified in the following parts (b) and (c) of this subparagraph (4):

#### (a) DEFINITIONS

- I. "On duty time" is that time from which the driver begins to work or is required to be in readiness to work until he is relieved from work and all responsibility for performing work.
- II. "Driving time" is that time spent on a moving vehicle and any interval not in excess of 10 minutes when a driver is on duty but not on a moving vehicle.
- III. "Week" means any period of 168 consecutive hours beginning at the time a driver reports for duty.
- IV. "24 consecutive hours" means any such period starting at the time a driver reports for duty.

#### (b) MAXIMUM ON-DUTY TIME

Sixty hours in any week, provided that Contractors operating vehicles on every day of the week may permit drivers to remain on duty for a total of not more than 70 hours in any period of 192 consecutive hours.

#### (c) MAXIMUM DRIVING TIME

Weekly maximum driving time will not exceed the maximum on-duty time shown in clause 5b(4)(b) above. Driving time is further restricted to the following maximums in any period of 24 consecutive hours:

- I. 10 hours in the aggregate if the driver operates every day. This may be expanded to 12 hours in aggregate in order to complete a run during adverse road or weather conditions.
- II. 12 hours in the aggregate if the driver has at least 8 hours rest between runs and at least every third day off.

In case of emergencies, the driver may complete the run without being in violation of these regulations.

6. INSURANCE REQUIREMENTS. If the contract requires the operation of a motor vehicle, the Contractor shall establish and maintain continuously in effect a policy or policies of liability insurance for all motor vehicles to be used under the contract, providing, as a minimum, the following coverage:

- (1) Limit for bodily injury or death of all persons injured or killed in any one accident: \$300,000.
- (2) Limit for bodily injury or death of one person: \$100,000.
- (3) Limit for loss or damage to property of others: \$50,000.
- (4) In the alternative to (1), (2), and (3) above, \$500,000 combined limit for bodily injury to or death of persons and loss of or damage to property per single accident.

If greater minimums are required by State or Federal law or regulations, those minimums shall apply in place of the foregoing.

The Contractor shall furnish to the Contracting Officer, prior to commencement of service under this contract and thereafter, as required by the Contracting Officer, proof of the insurance coverage required by this clause. In addition to providing proof of insurance, the contractor must provide a current copy of the applicable insurance policy or policies.

### 7. EQUAL OPPORTUNITY (October 1987)

(a) If the total amount of this contract exceeds \$10,000, the Contractor agrees that during the performance of this contract he will comply with the applicable equal employment opportunity regulations and guidelines promulgated from time to time by the Office of Federal Contract Compliance, Department of Labor, and the U.S. Postal Service, and that:

- (1) The Contractor may not discriminate against employees or applicants because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex, or national origin. This must include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or

recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants, notices provided by the Contracting Officer setting forth the provisions of this clause.

(2) The Contractor must, in all solicitations or advertisements for employees placed by it or on its behalf, state that all qualified applicants will be considered for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor must send to each union or workers' representative with which the Contractor has a collective bargaining agreement or other understanding a notice, provided by the Contracting Officer, advising the union or workers' representative of the Contractor's commitments under this clause, and must post copies of the notice in conspicuous places available to employees and applicants.

(4) The Contractor must comply with all provisions of Executive Order (EO) 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

(5) The Contractor must furnish all information and reports required by the Executive Order, and by the rules, regulations, and orders of the Secretary, and must permit access to the Contractor's books, records, and accounts by the Postal Service and the Secretary for purposes of investigation to ascertain compliance with these rules, regulations, and orders.

(6) If the Contractor fails to comply with this clause or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part; the Contractor may be declared ineligible for further contracts in accordance with the Executive Order; and other sanctions may be imposed and remedies invoked under the Executive Order, or by rule, regulations, or order of the Secretary, or as otherwise provided by law.

(7) The Contractor must insert this clause, including this paragraph 7, in all subcontracts or purchase orders under this contract unless exempted by Secretary of Labor rules, regulations, or orders issued under the Executive Order. The Contractor must take such action with respect to any such subcontract or purchase order as the Postal Service may direct as a means of enforcing the terms and conditions of this clause (including sanctions for noncompliance), provided, however, that if the Contractor becomes involved in or is threatened with, litigation as a result, the Contractor may request the Postal Service to enter into the litigation to protect the interests of the Postal Service.

(8) Disputes under this clause will be governed by the procedures in 41 CFR 60-1.1.

#### (8) ACCOUNTABILITY OF THE CONTRACTOR

(a) The Contractor will give either personal or representative supervision over the operation of the route and must

be easily contacted in the event of emergencies, to give personal or representative attention to the problem at hand.

(b) The Contractor shall remain accountable and answerable in damages (including damages pursuant to Clause 13, General Provisions of this contract), for the faithful performance of the obligations assumed by him under this contract, whether or not he has entrusted the care and transportation of the mail to another.

(c) The Contractor shall remain accountable and answerable in damages (including damages pursuant to Clause 13, General Provisions of this contract), for all acts and omissions of the Contractor or the Contractor's employees, of those of subcontractors, and of any other person who has assumed the care and transportation of mail under this contract, which acts or omissions include loss, rifling, damage, wrong delivery, depredation upon, and other mistreatment of mail or due to fault or negligence of any of the foregoing, their agents, or employees.

(d) The Contractor shall faithfully account for, deliver, and pay over to the individual designated by the Contracting Officer all moneys, mail, and other property of every kind belonging to the U.S. Postal Service or entrusted to his care which shall come into his possession by virtue of this contract.

(e) The Contracting Officer may deduct from the compensation otherwise due the Contractor under this contract, and under any or all other contracts held by the Contractor for the transportation of mail, for failure to perform according to this contract, those amounts for which the Contractor is accountable under this Clause 8 and those damages assessed pursuant to Clause 13 of the General Provisions of this contract.

(f) The Contractor shall refund any overpayment for service performed or payment for service not rendered.

#### (g) TRAILER DAMAGE

(i) The Contractor shall be responsible for any damage to a trailer owned or leased by the Postal Service or a third party which is caused by a negligent act or omission of the Contractor.

(ii) The Postal Service may deduct and set off under Clauses 8 and 13 from payment otherwise owed to the Contractor any costs which the Postal Service incurs, or for which it becomes liable, as a result of damage to a trailer owned or leased by the Postal Service or a third party, for which the Contractor is liable under paragraph (g)(i).

(iii) The Postal Service shall be liable for any damage to a trailer owned or leased by the Contractor which is caused by a negligent act or omission of the Postal Service.

#### (h) ENROUTE REPAIRS

(i) The Contractor shall be responsible for the performance of minor repairs to trailers (including repair or replacement of trailer tires) which it has not furnished, but which are entrusted to it under this contract, when such repairs are necessary for the safe completion of a trip of service. Tire carcasses shall be returned to the Postal Service.

(II) The Postal Service shall reimburse the Contractor for the cost of performing any repairs required under paragraph (h)(I), that are reasonable and customary for such repairs.

#### (I) MAJOR REPAIRS

If a trailer not furnished by the Contractor, with which the Contractor is performing service under this contract, incurs major damage en route, requiring towing for repair, the Contractor shall promptly inform the Administrative Official of such occurrence. The Contractor shall be responsible for providing any towing of the trailer, which the Administrative Officer may direct, either to the nearest Postal Service Bulk Mail Center or to a repair facility. The Postal Service shall reimburse the Contractor for the costs of providing such towing that are reasonable and customary for such service.

#### 9. ASSIGNMENT OR TRANSFER OF CONTRACT

(a) If this agreement provides for payment aggregating \$1,000 or more, claims for moneys due or to become due the Contractor from the Postal Service under this contract may be assigned to a bank, trust company or other finance institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party except that any such assignment or reassignment may be made to more than one party as agent or trustee for two or more parties participating in such financing. No assignment or reassignment will be recognized as valid and binding upon the Postal Service unless a written notice of the assignment or reassignment, together with a true copy of the instrument of assignment is filed with (I), the Contracting Officer and (II) the disbursing officer, if any, designated in this contract to make payment, and the Contracting Officer has acknowledged the assignment in writing.

(b) Assignment of this contract or any interest in this contract other than in accordance with the provisions of this Clause shall be grounds for termination of this contract at the option of the Postal Service.

(c) Nothing in this Clause shall be construed to prohibit any subcontract which is permitted by and entered into in accordance with applicable provisions of the Procurement Manual and other sections of this contract. All other subcontracts of this contract or any portion thereof must be approved by the Contracting Officer. Failure to obtain prior approval may result in termination for default.

#### 10. PAYMENT

(a) Compensation at the specified contract rate shall be paid to the Contractor in installments at the close of each four-week accounting period of the Postal Service, subject to any adjustment made pursuant to the contract. Detours: When regular line of travel of a contract route is impassable and full service is performed over another and longer line of travel, the compensation of the Contractor will be increased equitably for such service but not in excess of a pro rata increase of compensation for the additional miles traveled PROVIDED the increase amounts to as much as \$1 in any 4-week accounting period and the Contractor reports the increased travel within 90 days after the service is performed.

(b) No claim by the Contractor for any adjustment of compensation under this clause, Clause 11, or Clause 12 shall be allowed if asserted after final payment under this contract.

#### 11. ADJUSTMENT OF COMPENSATION

(a) The following provisions are applicable only to an advertised contract.

##### (1) BASIS FOR ADJUSTMENT

Contract compensation may be adjusted by mutual agreement of the Contracting Officer and the Contractor in accordance with the provisions of this clause and the Management Instruction Governing Adjustments, as amended, revised, or reissued as of the date of adjustment, which is hereby incorporated by reference.

##### (2) EXAMINATION OF ACCOUNTS AND RECORDS

The Contracting Officer, in considering such request, shall be entitled to examine such records and books of account maintained by the Contractor as may be deemed by the Contracting Officer necessary to his decisional process (see Clause 20).

(b) A change in compensation for any other contract not provided for in (a) above shall be accomplished by a formal amendment to the contract.

#### 12. CHANGES

##### (a) SERVICE CHANGES

(1) INSIGNIFICANT MINOR SERVICE CHANGES. The Contracting Officer may, at any time, without consulting the contractor, issue orders directing an extension, curtailment, change in line of travel, revisions of route, or increase or decrease in frequency of service or number of trips and fixing an adjustment in the Contractor's compensation which increases or decreases the contractor's rate of pay by no more than \$1,000. If the Contractor believes the increased or decreased cost of providing the service required by the order exceeds the increase made in compensation, he may request an adjustment of compensation for the service change.

(2) OTHER SERVICE CHANGES. Service changes other than insignificant minor service changes may be made if the terms of the change, including increases or decreases in compensation, are agreed to by the Contracting Officer and the Contractor. Such changes shall be executed on Form 7406, Amendment to Transportation Services Contract.

(b) An extra trip is one additional trip of service operated on an infrequent time basis over the same route or part as normally provided under the terms of the contract. Extra trips shall be negotiated in advance of the performance when the Contracting Officer deems it appropriate. However, the Contracting Officer may order the Contractor to perform such extra service at pro rata pay. If no rate of pay for extra trips has been negotiated in advance, the Contractor shall nonetheless perform such extra

trips as are ordered by the Contracting Officer and may, on an after-the-fact basis, obtain a lump sum reimbursement for the difference between costs incurred as a direct result of performing such extra trips and pro rata payment for such trips, provided that such claims costs are adequately supported by documentary evidence furnished to the Contracting Officer. Claims for compensation above pro rata pay for extra trips must be filed in writing with the Contracting Officer, accompanied by full supporting documentation of costs, no later than 90 days after the performance of such extra trips. When the Contracting Officer has ordered several extra trips under a single order, the 90-day period begins on the date of performance of the last trip performed under such order. Failure to agree to such compensation above pro rata pay shall be resolved in accordance with Clause 2, "Claims and Disputes."

(c) The Contractor shall proceed diligently in accordance with service changes and extra trips ordered unilaterally by the Contracting Officer under Clause 12(a) or 12(b). Disputes concerning such orders shall be resolved pursuant to Clause 2, "Claims and Disputes."

(d) If a Highway Transportation Contract or a Domestic Water Transportation Contract is terminated or curtailed without fault on the part of the Contractor, the Contractor agrees to accept, as liquidated damages for termination, a sum equal to:

- (1) One-third of the annual rate (if during the first two years), or
- (2) One-sixth of the annual rate (if during the third year), or
- (3) One-twelfth of the annual rate (if during the fourth year).

In the event of curtailment, the sum shall be established in the same proportion as the dollar amount of the contract rate reduction bears to (1), (2), or (3) above as applicable.

### 13. DAMAGES

(a) The Contractor is accountable and answerable in damages for the faithful performance of the obligations he has assumed under the contract, whether or not he has entrusted his duties or the mail to another:

(1) When there has been a violation of any provision of this contract or where the Contractor is to be held answerable or accountable for damages under the provisions of Clause 8, there shall be forfeited by the Contractor from compensation due him, and the Contracting Officer may deduct from compensation so due, as damages, a sum fixed by the Contracting Officer.

1. For loss and damage to the mail or any part thereof due to loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of the mail by the Contractor, or any of the Contractor's officers, agents, or employees or any other person with whom he has entrusted the mail, or failure of the Contractor or any of the Contractor's officers, agents, or employees or any other person to whom he has entrusted the mail to exercise due care in the custody, handling, or transportation of the mail.

11. For violations of Clause 3, for failure properly to account, deliver, and pay over moneys, mail and other property pursuant to Clause 8 of the General Provisions of this contract, or for violation of any other provision of this contract.

(b) Subject to subparagraph (c) of this Clause, where the Contractor fails to perform a trip, there shall be forfeited from the compensation due him, and the Contracting Officer may deduct from compensation so due, as damages, the compensation due for the trip, but where the failure is occasioned by the fault of the Contractor, there may be so deducted a sum not to exceed four times the compensation due for the trip.

(c) The amount of damages may be increased at the discretion of the Contracting Officer, according to the nature or frequency of the failure and the importance of the mail.

14. (Reserved for future use.)

15. **RELEASE OF THE CONTRACTOR.** The Contracting Officer is authorized to release the Contractor from the contract for reasons of physical disability which will prohibit the Contractor from adequately operating the route, or will endanger the Contractor's life if he continues to operate the route.

Where a Contractor is to be released, solicitations must be issued and a replacement contract awarded as early as practicable, and in any event before the present Contractor is released. If service being provided by a Contractor is resolicited, the Contractor must waive any indemnity.

A contractor may be released from the contract provided the reasons stated in Section 15, and all the following conditions are met:

- (a) The Contractor has applied to the Contracting Officer for a release;
- (b) the Contracting Officer has determined that a release will be in the interest of the Postal Service; and,
- (c) the Postal Service has secured a new contract.

A release under this Clause shall not be considered as a termination or curtailment of service within the meaning of Clause 12 (c) of these General Provisions, and the Contractor expressly waives any claim for indemnity for such release.

### 16. TERMINATION BY THE POSTAL SERVICE FOR DEFAULT.

(a) The Contracting Officer may terminate this contract for default;

- (1) For Contractor's failure to perform service according to the terms of the contract;
- (2) If the Contractor is the subject of administratively determined violations of the Postal laws and regulations and other laws related to the performance of the service;



## HIGHWAY OR DOMESTIC WATER TRANSPORTATION CONTRACT INFORMATION AND INSTRUCTIONS

### I. INSTRUCTIONS

PRIOR TO SUBMITTING BID/PROPOSAL, THE BIDDER/OFFEROR SHOULD THOROUGHLY REVIEW THE INSTRUCTIONS CONTAINED HEREIN, THE CONTENTS OF THE BID/PROPOSAL AND WORKSHEET (RESPECTIVELY FORM 7405 AND 7468-A), THE SOLICITATION (FORM 7435), THE CONTRACT GENERAL PROVISIONS (FORM 7407), AND THE ADDITIONAL GENERAL PROVISIONS FOR SERVICE CONTRACTS (FORM 7382). ALL OF THESE DOCUMENTS INCLUDING THIS FORM 7469, EXCEPT FORM 7468-A, WILL CONSTITUTE PART OF THE AWARDED CONTRACT.

BE SURE TO INSERT THE DATE THE BID OR PROPOSAL IS SIGNED BEFORE FORWARDING TO BID CUSTODIAN.

#### A. Bids or Proposals

##### 1. Completion of Form 7405

a. All bids or proposals must be submitted on Form 7405, Transportation Services Bid or Proposal and Contract. The following instructions should be closely adhered to in completing Form 7405:

Item 1. Fill in the solicitation number, date of the solicitation, and the terminal points of the route exactly as they appear on the solicitation.

Item 2. In the first space, write out the exact amount of your bid or proposal. In the second space, place the numerical amount. You should make certain that the amounts set forth in both spaces are exactly the same.

Item 3. In blocks (a), (b), and (c), fill in the complete name, address, and phone number of the bidder/offeree. Enter the bidder's/offeree's identification number (Social Security Number if the bidder/offeree is an individual) in block (d). Complete blocks (e) and (f) only if bids or proposals are being submitted for box delivery and collection service routes. In this case, a bidder/offeree must meet the special requirements of II.A.3 of this form.

b. Complete the remainder of the form, including the appropriate certificate and other items on the reverse, and sign the form as bidder/offeree (see instructions covering dating and signing the form).

c. If the rate of the bid/proposal is \$2,500 or more per year, the Equal Employment Opportunity

Representations must be completed. If the rate of the bid/proposal exceeds \$10,000 per year, the second entitled Parent Company and Employer Identification Number must also be completed.

##### 2. Completion of Form 7468-A

a. If the solicitation is for an advertised contract, bidders are required to complete Form 7468-A, Highway Transportation Contract - Bid or Renewal Worksheet. Bidders for domestic water transportation contracts must complete Form 7468-A making such minor corrections to the forms as necessary.

b. If the solicitation is for a negotiated contract, Form 7468-A must be completed by the successful offeror following close of negotiations and prior to award of contract.

c. Bidders are cautioned that the sum of all items entered on the worksheet must agree with the amount of the bid, (Item 2 on Form 7405).

d. The information contained on Form 7468-A establishes the base from which the rate of compensation may be adjusted during the term of the contract. (See Clause 11 of Form 7407 included in this bid package.)

e. Preparation of Form 7468-A will assist the bidder in determining his bid for the service being advertised. The bidder should keep a record of the information furnished on these forms for future reference.

f. The Form 7468-A will not be included with the contract filed with DOT and will not be distributed to postal facilities.

##### 3. Submission of Bids or Proposals

a. Completed Form 7405 must be addressed to the bid custodian as shown in the solicitation.

b. If Form 7405 is a bid submitted in response to a solicitation for an advertised contract, it must be accompanied by a completed Form 7468-A.

c. If Form 7405 is for a negotiated contract, no Form 7468-A will be submitted with the final proposal, but the successful offeror must submit one before contact is awarded.



## B. Modification or Withdrawal of Bids

1. Bids may be modified or withdrawn by written or telegraphic notice received in the office designated in the invitation for bids not later than the date and time set for bid closing. A telegraphic modification or withdrawal of a bid received in such office by telephone from the receiving telegraph office not later than the date and time set for bid closing shall be considered if such message is confirmed by the telegraph company sending a copy of the telegram which formed the basis for the telephone call.

2. Notwithstanding the time limits set out above, a modification of an otherwise successful bid which makes its terms more favorable to the Postal Service will be considered at any time it is received and may be accepted.

3. A bid may be withdrawn in person by a bidder or his authorized representative, provided his identity is made known and he signs a receipt for the bid, but only if the withdrawal is prior to the date and time set for bid closing.

4. Bids which are received in the office designated in the invitation for bids after the date and time set for bid closing are late bids, even if received only one minute late. Late bids shall not be considered except as authorized in Section C below.

## C. Late Offers, Modifications, and Withdrawals

1. Offers and modifications of offers or withdrawals thereof received at the office designated in the solicitation after the exact hour and date specified for receipt will not be considered unless they are received before award is made and, except for withdrawals under negotiated solicitations, either

a. they were sent by registered or certified mail not later than the fifth calendar day prior to the date specified for receipt,

b. they were sent by Express Mail service (post office to address) not later than the second calendar day (excluding Saturdays, Sundays and federal holidays) prior to the date specified for receipt, or

c. they were sent by mail (or telegram if authorized), or delivered by other means to the precise depository prescribed in the solicitation and it is determined by the Contracting Officer that the late receipt was due solely to mishandling after receipt by the office designated to receive offers.

## 2. The only acceptable evidence to establish

a. the date of mailing under 1.a above is a legible original postmark supplied and affixed on the date of mailing by Postal Service employees on the offer wrapper or on the original receipt given therefor,

b. the date of mailing under 1.b above is the date entered on the Express Mail label by the post office receiving clerk, or

c. the time of receipt under 1.c above is the time/date stamp of such facility on the offer wrapper or other contemporary, documentary evidence of receipt maintained by the facility.

3. Notwithstanding the above, a modification of an otherwise successful offer which makes its terms more favorable to the Postal Service will be considered at any time it is received and may be accepted.

4. If this solicitation is negotiated, consideration also will be given to

a. the only offer received,

b. normal offer revisions by offerors selected for discussion, received before the date and time established by the Contracting Officer, for the receipt of best and final offers (BAFO), and

c. offers and modifications of offers received before award when determined by the next higher level of contracting authority to contain an overriding cost or technical benefit to the Postal Service.

## II. INFORMATION

### A. Eligibility of Bidders and Offerors

#### 1. Persons ineligible to become Contractors:

a. Employees of the U. S. Postal Service or members of their immediate families. "Immediate family" means spouse, minor child or children, and other individuals related to the employee by blood who are residents of the employee's household.

b. Business organizations substantially owned or controlled by Postal Service employees or their immediate families.

c. Any individual or firm not meeting the minimum standards for responsible prospective contractors in accordance with the Procurement Manual.

#### 2. Persons eligible to become Contractors. Subject to the foregoing exceptions, the following are eligible to hold mail transportation contracts:

a. An individual, if he is at least 21 years of age. A partnership, if any partner meets the foregoing age qualifications of an individual.

b. A corporation.

### 3. Special Requirements for Box Delivery Contracts

In addition to meeting the other requirements set out herein, bidders or offerors on contracts requiring box delivery service must meet the eligibility requirements of this paragraph.

a. An individual bidder or offeror must reside in a county traversed by the route or an adjoining county on the date and time set for bid closing, and must continue to so reside during the term of the contract and any renewal thereof.

b. At least one member of a partnership must meet the residency requirement of 3.a.

c. A corporation must be engaged in business other than as a mail transportation contractor in a county traversed by the route or an adjoining county as of the date and time set for bid closing.

### 4. General Requirements

a. No bid/or proposal for a contract shall be considered unless the bidder/offeror submitting it can assure either personal or representative supervision over the operation of the route and can be easily contacted in event of emergencies, to give personal or representative attention to the problem at hand.

b. No contract shall be made with any bidder/offeror who has entered into or proposed any combination to prevent the making of any bid or proposal for carrying mail or who has agreed, or given or promised any consideration, to induce another potential bidder/offeror not to submit a bid or offer for such a contract. The U. S. Postal Service may terminate the contract of any Contractor so offending and may disqualify such Contractor from contracting for transporting mail under future contract.

### B. Determination of Responsibility

Prior to contract award, the Contracting Officer may require any bidder/offeror to submit financial data or other information sufficient to establish the responsibility of the bidder/offeror. Failure to provide such information upon request may be cause for rejection of the bid or offer. Any financial data submitted hereunder or any representation concerning facilities or financing will not form a part of any resulting contract.

### C. Award of Contract

1. All contracts shall be in the name of the U. S. Postal Service and must be awarded to the bidder submitting the lowest responsible, responsive bid or to the offeror whose proposal is most advantageous to the Postal Service.

2. The award on an advertised contract will be announced as early as practicable, but every bid shall remain available for acceptance for a period of 60 days from the date and time set for bid closing, and any bidder may extend this period at the request of the Contracting Officer.

3. The lowest responsible, responsive bid or the proposal selected as the most advantageous shall become the contract form. When it is accepted and signed by the Contracting Officer, it shall be recognized as the contract for the specified service at the rate stated therein.

### 4. The U. S. Postal Service reserves the right to:

a. Reject all bids and proposals whenever the interest of the service requires.

b. Reject all bids and proposals from persons or carriers who willfully or negligently failed to perform a former contract.

### D. Special Notices:

1. The distance stated in this solicitation is believed to be substantially correct. The pay will neither be increased nor decreased if the actual distance is greater or less than advertised, if the points to be supplied are correctly stated. No claim for additional pay can be allowed which is based on alleged mistakes or misapprehensions as to the length of route.

2. The schedule on a route will not be changed to meet the convenience of a contractor, subcontractor or driver unless an investigation shall show that such change will in no way be detrimental to the service.

3. If a contract is originally entered into following advertising, the Postal Service and the contractor by mutual agreement may renew the contract for successive terms not exceeding the greater of the original contract term or four years at the rate of compensation in existence at the end of the immediately preceding contract term. No right to renewal is conferred by the terms of the contract.

4. The Fair Labor Standards Act (commonly known as the Federal Wage and Hour Law) applies to employees of a mail transportation contractor engaged or assisting in the performance of its contracts. The minimum wage, overtime pay, and record keeping provisions of such Law are its principal requirements. Further information on the requirements and application of the Act may be obtained from any of the Regional Offices of the Wage and Hour and Public Contracts Division, U.S. Department of Labor or their headquarters office at Washington, D.C.