

ORIGINAL

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

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Docket No. MC98-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS SECKAR TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T2-4-9)

The United States Postal Service hereby provides responses of witness Seckar to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T2-4-9, filed on July 28, 1998.

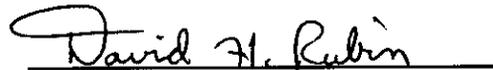
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


David H. Rubin

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2986; Fax -5402
August 7, 1998



**RESPONSE OF POSTAL SERVICE WITNESS SECKAR TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-T2-4. Please refer to USPS-T-2, Exhibit A, Table 12. At lines (11), (15), (27) and (29), please explain the term "click."

RESPONSE:

The term "click" is synonymous with the word "impression."

**RESPONSE OF POSTAL SERVICE WITNESS SECKAR TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-T2-5. Please refer to USPS-LR-3, Tab C, page 10.

- a. Please explain the phrase "High Vol FSMA;2x6 coverage" for the DocuTech 6180.
- b. Please show the derivation of the amount \$4,595 for the DocuTech 6180.
- c. Please confirm that the amount, \$4,595, is the total annual maintenance cost for each DocuTech 6180. If you do not confirm, please explain.
- d. Please confirm that maintenance costs are \$0.0039 per impression where the number of impressions is 1,200,000 or fewer for each DocuTech 6180. If you do not confirm, please explain.
- e. Please confirm that maintenance costs are \$0.0019 per impression for all impressions greater than 1,200,000 for each DocuTech 6180. If you do not confirm, please explain.
- f. Please confirm that maintenance costs for exactly 1,200,000 impressions would be \$4,680. If you do not confirm, please explain.

RESPONSE:

- a. The phrase "High Vol FSMA; 2x6 coverage" refers to the high volume full service maintenance plan which covers 2 shifts, 6 days per week.
- b. \$4,595 is the base monthly full service maintenance charge that includes 1,200,000 impressions.
- c. Not confirmed. \$4,595 is the DocuTech 6180 high volume base monthly maintenance charge that includes 1,200,000 impressions per month.
- d. Not confirmed. \$0.0039 is the charge per impression billed for all impressions over the 1,200,000 impressions included in the monthly high volume maintenance plan.
- e. Not confirmed. \$0.0019 is the per impression charge for the first 250,000 impressions on the Signature Booklet Maker. See my response to part (d).

**RESPONSE OF POSTAL SERVICE WITNESS SECKAR TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE**

OCA-T2-5, Page 2 of 2

- f. Not confirmed. The maintenance costs for 1,200,000 impressions on this maintenance plan would be \$4,595 for the DocuTech 6180.

**RESPONSE OF POSTAL SERVICE WITNESS SECKAR TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-T2-6. Please refer to USPS-LR-3, Tab C, page 11.

- a. Please show the derivation of the amount \$5,170 for the DocuTech 4890.
- b. Please confirm that the amount, \$5,170, is the total annual maintenance cost for each DocuTech 4890. If you do not confirm, please explain.
- c. Please confirm that maintenance costs are \$0.0035 per impression where the number of impressions is 1,100,001 or more for each DocuTech 4890. If you do not confirm, please explain.
- d. Please explain the phrase "(1,100,000 cpm included)."

RESPONSE:

- a. The \$5,170 figure is the base monthly charge for the DocuTech 4890 high volume full service maintenance plan. This charge includes 1,100,000 impressions per month.
- b. Not confirmed. \$5,170 is the base monthly maintenance charge for each DocuTech 4890 and includes 1,100,000 impressions per month.
- c. Confirmed for each impression after the first 1,100,000.
- d. "Cpm" refers to copies (synonymous with impressions) per month. The phrase "(1,000,000 cpm included)" means that 1,100,000 impressions are included in the base monthly maintenance charge for the DocuTech 4890.

**RESPONSE OF POSTAL SERVICE WITNESS SECKAR TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-T2-7. Please refer to USPS-T-2, Exhibit A, Table 12.

a. For 1999, please confirm that the average number of impressions for each DocuTech 6180, 8.5x11 and 8.5x14, is 30,461,782 $((822,051,312+91,802,156)/30)$. If you do not confirm, please explain.

b. For 1999, please confirm that the average number of impressions for each DocuTech 6180, 8.5x17, is 12,827,293 $(256,545,865/20)$. If you do not confirm, please explain.

c. For 1999, please confirm that the average number of impressions for each DocuTech 4890, 8.5x11 and 8.5x14, is 13,915,040 $((658,588,659+176,313,759)/60)$. If you do not confirm, please explain.

d. Please confirm that maintenance costs for a DocuTech 6180 printing 12,827,293 impressions would be \$29,051.86 $(\$0.0039(1,200,000)+\$0.0019(12,827,293-1,200,000))$. If you do not confirm, please explain.

e. Please confirm that maintenance costs for a DocuTech 4980 printing 13,915,040 impressions would be \$50,022.64 $(\$5,170+\$0.0035(13,915,040-1,100,000))$. If you do not confirm, please explain.

RESPONSE:

a. This annual figure is confirmed.

b. This annual figure is confirmed, under the assumption that you mean 11x17 instead of 8.5x17.

c. This annual figure is confirmed.

d. Not confirmed. The maintenance cost for a DocuTech 6180 printing 12,827,203 impressions per year would be \$55,140 per year, or \$4,595 per month, assuming there are fewer than 1,200,000 impressions each month.

e. Not confirmed. The maintenance cost for a DocuTech 4890 printing 13,915,040 impressions per year would be \$64,548 per year, or \$5,379 per month, assuming these impressions are divided evenly each month.

**RESPONSE OF POSTAL SERVICE WITNESS SECKAR TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-T2-8. Please refer to USPS-LR-3, Tab D, pages 15 and 16, and USPS-T-2, Exhibit A, Table 11.

a. Tab D contains two tables showing, among other things, the job titles for 18 different employees in the printing industry. Please identify the job title(s) associated with the \$13.26 "Hourly Wage Rate" on lines (4) and (17) of Table 11, Exhibit A.

b. Please show the derivation of the \$13.26 "Hourly Wage Rate" on lines (4) and (17) of Table 11, Exhibit A.

RESPONSE:

- a. The job title "Digital Copier Operator" is associated with the \$13.26 hourly wage rate.
- b. The wage rate was taken from the National Association of Quick Printers 1997/98 Wage and Salary Study, using the small market's highest wage in the "majority range", to avoid understating costs. Please see LR-3, Tab D. Since the wage rate is from 1997, it has been appropriately inflated in each year. See Exhibit A, Table 11, lines 11 and 24.

**RESPONSE OF POSTAL SERVICE WITNESS SECKAR TO
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OCA/USPS-T2-9. Please refer to USPS-LR-3, Tab D, pages 15 and 16, and USPS-T-2, Exhibit A, Table 11.

a. Tab D contains two tables showing, among other things, the job titles for 18 different employees in the printing industry. Please identify the job title(s) associated with the \$14.59 "Hourly Wage Rate" on lines (63) and (76) of Table 11, Exhibit A.

b. Please show the derivation of the \$14.59 "Hourly Wage Rate" on lines (63) and (76) of Table 11, Exhibit A.

RESPONSE:

a. The job title "Copier Department Supervisor" is associated with the \$14.59 hourly wage rate.

b. Please see USPS-LR-3, Tab D. The wage rate was taken from the National Association of Quick Printers 1997/98 Wage and Salary Study, using the major market's highest wage in the "majority range", to avoid understating costs. Please see LR-3, Tab D. Since the wage rate is from 1997, it has been appropriately inflated in each year. See Exhibit A, Table 11, lines 70 and 83.

DECLARATION

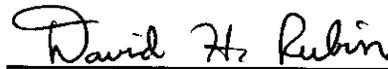
I, Paul G. Seckar, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Paul G. Seckar

Dated: 8/7/98

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



David H. Rubin

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
August 7, 1998