

ORIGINAL

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

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OFFICE OF THE SECRETARY

Mailing Online Service, 1998)

Docket No. MC98-1

ANSWERS OF THE OFFICE OF THE CONSUMER ADVOCATE
TO INTERROGATORIES OF PITNEY BOWES
WITNESS: JAMES F. CALLOW (PB/OCA-T100-1-10)
(March 1, 1999)

The Office of the Consumer Advocate hereby submits the answers of James F. Callow to interrogatories PB/OCA-T100-1-10, dated February 18, 1999. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

Emmett Rand Costich

EMMETT RAND COSTICH
Attorney
Office of the Consumer Advocate



ANSWERS OF OCA WITNESS JAMES F. CALLOW
TO INTERROGATORIES PB/OCA-T100-1-10

PB/OCA-T100-1. Have you analyzed whether any increase in computing capacity (i.e., program size, memory requirements and/or increased processing time) will be required of the MOL design in order to apply your pricing formula?

(a) If you have and an increase in capacity appears to be required, what will the cost consequences of adoption of your proposed pricing formula be?

(b) If you have not, why not?

A. (a) - (b) See my response MASA/OCA-T100-1(b), and MASA/OCA-T100-

2(b).

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PB/OCA-T100-2. Please confirm that your references to the "competitive advantage on the part of the Postal Service" and the extent to which your pricing proposal eliminates that advantage (e.g., OCA-T100 at 21, lines 14-15) refers only to a Postal Service advantage related to postage rates and not other advantages that the Postal Service might have because of, for example, vertical integration of the Mailing Online service with postal services over which the USPS has a statutory monopoly.

A. Confirmed. My comments are confined to the elimination of competitive advantage with respect to postage pricing. I did not consider the extent to which other sources of advantage could affect competitors.

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PB/OCA-T100-3. With reference to your Table 1, please confirm that each of the subsidiary tables presented at page 27 of your testimony lists rates for the first ounce of First-Class mail with the exception of the 3/5B lines which have rates for Standard A flats.

A. Confirmed. An appropriate errata will be filed. See my response to PB/OCA-T100-8 for a discussion of rates in Table 1.

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PB/OCA-T100-4. How many total job-type/page-count and presort level tables would be required to reflect all of the rates that might result from your postal pricing proposal?

(a) Please show how you calculated your answer to this interrogatory and provide any work papers associated with that calculation.

A. (a) The number of “look-up” tables and experience-based weighted average rates can be considered synonymous. As a result, there would be 2,976 (48 x 62) “look-up” tables for each job-type/page-count category in First-Class, and 2,976 (48 x 62) “look-up” tables for each job-type/page-count category in Standard A—a total of 5,952 (2,976 x 2) tables. In practice, however, the total number of “look-up” tables could be reduced by collapsing tables with the same rate columns. See my response to PB/OCA-T100-8. Even with collapsed tables, the total number of experience-based weighted average rates referenced by the pricing formula would be 5,952.

The total number of experience-based weighted average rates calculated here—5,952—assumes no change in the number of job-type/page-count categories proposed by the Postal Service. If the Postal Service is successful designing software to batch most job-types, the absolute number of experience-based weighted average rates could ultimately be reduced to four: First-Class Mail letters and flats, and Standard A Mail letters and flats. See OCA-T-100, footnote 58.

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PB/OCA-T100-5. Would each of these job-type/page-count tables have to be updated quarterly to calculate the quarterly rate revisions that you recommend?

A. No. At the end of each quarter, the Postal Service's processing center computer would automatically calculate (in a matter of seconds) a new experience-based weighted average rate only for those job-type/page count tables for which new presort-level volume data had been collected during the quarter.

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PB/OCA-T100-6. Have you made an estimate of the costs associated with whatever updating would be required to implement your recommended quarterly changes in job-type, page-count rates?

- (a) If so, what is that estimate?
- (b) If not, why not?

A. (a) - (b) No. See my response to MASA/OCA-T100-2(d).

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PB/OCA-T100-7. Do you recommend that destination entry discounts as well as presort level discounts should be included in the calculation of "experience-based weighted average rates" OCA-T100 at 28, lines 13-14?

(a) If so, would this require more job-type/page-count categories than contained in your answer to interrogatory PB/OCA-T100-5?

(b) If not, why not?

A. (a) - (b) No. It is my understanding that, for purposes of the experiment, the Postal Service has effectively abandoned its request for Automation Basic DBMC rates for Standard A mail. See Tr. 5/1164. For that reason, I did not consider whether or how destination entry discounts should be used in the derivation of experience-based weighted average rates.

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PB/OCA-T100-8. For First-Class mail, would each incremental ounce of weight require a separate lookup table for each of the categories of that mail?

A. No. There will be a "look-up" table for each job-type/page-count category.

Moreover, there will usually be several job-type/page-count tables within each incremental ounce of weight. The number of job-type/page-count tables within each ounce is determined by the paper size and number of pages in a mailpiece.

Each mailpiece in a mailing will belong to a particular (and the same) job-type/page-count category (i.e., "look-up" tables). The job-type/page-count determines how each mailpiece will appear and its weight and shape. Job type specifies the printing and finishing options, as well as paper size. Page count specifies the number of pages.

With respect to paper size, there are 30 possible letter-size (8.5x11) job types, and 30 possible legal-size (8.5x14) job types. Tr. 6/1353 (Garvey, OCA/USPS-T1-45(f)). There are also two possible newsletter-size (11x17) job types. Tr. 6/1354 (Garvey, OCA/USPS-T1-45(f)).

With respect to page count, each 8.5x11 sheet of paper weighs 0.2 ounces; each 8.5x14 sheet of paper weighs 0.254; and, each 11x17 sheet of paper weighs 0.4 ounces. Similarly, a No. 10 (letter-size) envelope weighs 0.2 ounces, and a flat-size (9x12) envelope weighs 0.4 ounces. Tr. 5/1098-1100 (Plunkett, OCA/USPS-T5-29-31).

Accordingly, Table 1 might be organized as follows: Job types A-AD would consist of letter-size job types, 1 through 48 pages. Job types AE-BH would consist of

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legal-size job types, 1 through 48 pages. Job types BI and BJ would consist of newsletter-size job types, 1 through 48 pages.

The per piece First-Class Mail rates for letter-size, legal-size and newsletter-size job types by page count are shown in Attachment 1. Within the letter-size job types A-AD, the First-Class first-ounce single-piece, Automation Basic Presort, 3-Digit Presort, and 5-Digit Presort rates would apply to mailpieces with 1 to 4 pages weighing 1.0 ounce or less (0.2 oz. per page times 4 pages plus a 0.2 oz. No. 10 envelope). The First-Class first-ounce single-piece, Automation Basic Presort, 3-Digit Presort, 5-Digit Presort and the additional ounce rates would apply to mailpieces with 5 pages weighing 1.2 ounces. Tr. 5/1101 (Plunkett, OCA/USPS-T5-32(a)). For mailpieces with 6 to 8 pages weighing between 1.2 and 2.0 ounces (0.2 oz. per page times 8 pages plus a 0.4 oz. flat-size envelope), the First-Class flats single-piece, Automation Basic Presort, 3/5-Digit Presort and additional ounce rates would be applicable. Similarly, for mailpieces with 9-13, 14-18, 19-23, 24-28, 29-33, 34-38, 39-43, and 44-48 pages (each group of 5 pages plus a flat-size envelope representing ounce increments 3 through 10), the First-Class flats single-piece, Automation Basic Presort, 3/5-Digit Presort and additional ounce rates would be applicable.

Within the legal-size job types, AE-BH, the First-Class first-ounce, Automation Basic Presort, 3-Digit Presort, and 5-Digit Presort rates would apply to mailpieces with 1 to 3 pages weighing 1.0 ounce or less (0.254 oz. per page times 3 pages plus a 0.2 oz. No. 10 envelope). The First-Class first-ounce, Automation Basic Presort, 3-Digit

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Presort, 5-Digit Presort and the additional ounce rates would apply to mailpieces with 4 pages weighing 1.216 ounces. Tr. 5/1101 (Plunkett, OCA/USPS-T5-32(b)). For mailpieces with 5-6 pages weighing between 1.216 and 1.924 ounces (0.252 oz. per page times 6 pages plus a 0.4 oz. flat-size envelope), the First-Class flats Automation Basic Presort, 3/5-Digit Presort and additional ounce rates would be applicable. Similarly, for mailpieces with 7-10, 11-14, 15-18, 19-22, 23-25, 26-29, 30-33, 34-37, 38-41, 42-45, and 46-48 pages (each group of pages plus a flat-size envelope falling within ounce increments 3 through 13), the First-Class flats Automation Basic Presort, 3/5-Digit Presort and additional ounce rates would be applicable.

Within newsletter-size job types BI and BJ, the First-Class first-ounce, Automation Basic Presort, 3-Digit Presort, 5-Digit Presort rates would apply to mailpieces with 1 to 2 pages weighing 1.0 ounces or less (0.4 oz. per page times 2 pages plus a 0.2 No. 10 envelope). The First-Class first-ounce, Automation Basic Presort, 3-Digit Presort, 5-Digit Presort and the additional ounce rates would apply to mailpieces with 3 to 4 pages weighing 1.6 to 2.0 ounces. Tr. 5/1101 (Plunkett, OCA/USPS-T5-32(c)). For mailpieces with 5-6, 7-9, 10-11, 12-14, 15-16, 17-19, 20-21, 22-24, 25-26, 27-29, and 30-31 pages (each group of pages plus a flat-size envelope falling within ounce increments 3 through 13), the First-Class flats Automation Basic Presort, 3/5-Digit Presort and additional ounce rates would be applicable. For mailpieces with 32-34, 35-36, 37-39, 40-41, 42-44, 45-56, and 47-48 pages (each group of pages plus a flat-size envelope falling within ounce increments 14 through 20),

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the under two-pound Priority Mail rate would apply.

Attachment 1 simply calculates the per piece First-Class Mail rates for letter-size, legal-size and newsletter-size job types by page count. The rates in Attachment 1 appear in the "look-up" tables. Under my proposal, these rates, when combined with presort-level volume data collected quarterly by job-type/page-count, are used to derive experience-based weighted average rates at the end of each quarter. The experience-based weighted average rates, located in the "look-up" tables, become an input to the postage pricing formula (i.e., Equation 1).

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Attachment 1 to PB/OCA-T100-8

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**FIRST-CLASS MAIL RATES FOR MAILING ONLINE JOB-TYPE/PAGE-COUNT "LOOK-UP" TABLES/
Rates per Piece (including Additional Ounce Rate)**

Job-Type/Page Count			Ounces	Additional Ounce Rate:	22.0
A-AD/1-48	AE-BH/1-48	BI-BJ/1-48		Presort Level	Rates (cents)
Letter-Size (8.5x11)	Legal-Size (8.5x14)	Newsletter-Size (11x17)	<=	Letters	
Letters (Pages)	Letters (Pages)	Letters (Pages)			
1-4	1-3	1-2	1	5B 3B BB SP	24.3 26.1 27.0 33.0
5	4		2	5B 3B BB SP	46.3 48.1 49.0 55.0
Flats (Pages)	Flats (Pages)	Flats (Pages)		Flats	
6-8	5-6	3-4	2	3/5B BB SP	49.0 52.0 55.0
9-13	7-10	5-6	3	3/5B BB SP	71.0 74.0 77.0
14-18	11-14	7-9	4	3/5B BB SP	93.0 96.0 99.0
19-23	15-18	10-11	5	3/5B BB SP	115.0 118.0 121.0
24-28	19-22	12-14	6	3/5B BB SP	137.0 140.0 143.0
29-33	23-25	15-16	7	3/5B BB SP	159.0 162.0 165.0

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Attachment 1 to PB/OCA-T100-8 (continued)

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Job-Type/Page Count				Additional Ounce Rate:	22.0
A-AD/1-48	AE-BH/1-48	BI-BJ/1-48	Ounces	Presort Level	Rates (cents)
Letter-Size (8.5x11)	Legal-Size (8.5x14)	Newsletter-Size (11x17)	<=	Flats	
Flats (Pages)	Flats (Pages)	Flats (Pages)			
34-38	26-29	17-19	8	3/5B BB SP	181.0 184.0 187.0
39-43	30-33	20-21	9	3/5B BB SP	203.0 206.0 209.0
44-48	34-37	22-24	10	3/5B BB SP	225.0 228.0 231.0
	38-41	25-26	11	3/5B BB SP	247.0 250.0 253.0
	42-45	27-29	12	3/5B BB SP	269.0 272.0 275.0
	46-48	30-31	13	3/5B BB SP	291.0 294.0 297.0
		32-48	<2lb	Priority Mail	320.0

Notes:

1/ This attachment is not a "look-up" table. It only contains the rates appearing in the "look-up" tables. These rates, when combined with presort-level volume data collected quarterly by job-type/page count, are used to derive the experience-based weighted average rates in each "look-up" table.

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PB/OCA-T100-9. How would you create lookup tables for Standard A flat size mail to which the pound rate applies?

A. The job-type/page-count "look-up" tables for Standard A letter and flat size mail would appear similar to those in Table I of my testimony. See OCA-T-100 at 27. The number of subsidiary tables and the presort levels in each table would be the same. However, the column of rates would be different.

The "look-up" tables for Standard A letters and flats could be organized in the same manner as the tables for First Class Mail. Job types A-AD, AE-BH and BI-BJ would consist of letter-size, legal-size and newsletter-size job types, respectively. There would be 1 through 48 pages for each job type.

The Standard A Mail rates for letter-size, legal-size and newsletter-size job types by page count, above and below the breakpoint, are shown in Attachments 1 and 2. For letter-size mailpieces with 1 to 5 pages, legal-size mailpieces with 1 to 4 pages, and newsletter-size mailpieces with 1 to 2 pages, the Standard A minimum per piece rate for Automation Basic, 3-Digit and 5-Digit letters would apply. For letter-size mailpieces with 6 to 14 pages, legal-size mailpieces with 5 to 11 pages, and newsletter-size mailpieces with 3 to 7 pages, the Standard A minimum per piece rate for Automation Basic, and 3/5-Digit flats would apply. A 14 page letter-size mailpiece, 11 page legal-size mailpiece and a 7 page newsletter-size mailpiece all weigh 3.2 ounces or less. The single piece First-Class rate, and additional ounce rate (where applicable), could be paid by some mailpieces.

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For letter-size job types A-AD with page counts 15-48, legal-size job types AE-BH with page counts 12-48, and newsletter-size job types BI-BJ with page counts 8-48, the Standard A Automation Basic flat and 3/5-Digit flat rates would be set based upon the weight (number of pages and envelope) of the mailpiece and the per piece rate. However, there are exceptions. In the case of newsletter-size mailpieces, the under one-pound Priority Mail rate would apply to a single piece mailing weighing more than 13 ounces but less than 16 ounces. In addition, Standard B rates would apply to newsletter-size mailpieces weighing 16 ounces or more; that is, newsletter-size mailpieces consisting of 39 to 48 pages.

Attachments 1 and 2 simply calculate all the Standard A rates that appear in the job-type/page-count "look-up" tables. Attachment 1 shows the minimum piece rates for job types A-AD, letter-size letters and flats, with page counts 1-14; job types AE-BH, legal-size letters and flats, with page counts 1-11; and, job types BI and BJ, newsletter-size letters and flats, with page counts 1-7. Attachment 2 shows the rates for pound rated pieces for letter-size, legal-size and newsletter-size job types by page count and weight. All pound rated pieces are flats.

The Standard A mail rates in Attachments 1 and 2 would be used in the same manner as the First Class mail rates found in Attachment 1. See my response to PB/OCA-T100-8. Under my proposal, these rates, when combined with presort-level volume data collected quarterly by job-type/page-count, are used to derive experience-based weighted average rates at the end of each quarter. The experience-based

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weighted average rates, located in the "look-up" tables, become an input to the postage pricing formula (i.e., Equation 1).

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Attachment 1 to PB/OCA-T100-9

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**STANDARD (A) MAIL RATES FOR MAILING ONLINE JOB-TYPE/PAGE-COUNT
"LOOK-UP" TABLES^{1/}**

Minimum Piece Rate (for pieces weighing 3.2985 ounces or less)

Job-Type/Page Count				
A-AD/1-14	AE-BH/1-11	BI-BJ/1-7	Automation	
Letter-Size (8.5x11)	Legal-Size (8.5x14)	Newsletter-Size (11x17)	Presort Level	Rates (cents)
Letters (Pages)	Letters (Pages)	Letters (Pages)	Letters	
1-5	1-4	1-2	5B	16.0
			3B	17.6
			BB	18.3
			SP	33.0
Flats (Pages)	Flats (Pages)	Flats (Pages)	Flats	
6-14	5-11	3-7	3/5B	20.3
			BB	24.5
			SP	33.0

Notes:

^{1/} This attachment is not a "look-up" table. It only contains the rates appearing in the "look-up" tables. These rates, when combined with presort-level volume data collected quarterly by job-type/page count, are used to derive the experience-based weighted average rates in each "look-up" table.

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Attachment 2 to PB/OCA-T00-9

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**STANDARD (A) MAIL RATES FOR MAILING ONLINE JOB-TYPE/PAGE-COUNT "LOOK-UP" TABLES1/
Rates for Pound Rated Pieces (for pieces weighing more than 3.2985 ounces)**

Job-Type/Page Count			Weight per Page (oz.)			Automation Flats			
A-AD/15-48	AE-BH/12-48	BI-BJ/8-48	Letter-Size	Legal-Size	Newsletter-Size	Basic Flat:	24.5	3/5-Digit Flat:	20.3
Letter-Size (8.5x11)	Legal-Size (8.5x14)	Newsletter-Size (11x17)	0.2	0.254	0.4	Presort Level	Rates (cents)	Rates (cents)	Rates (cents)
Flats (Pages)	Flats (Pages)	Flats (Pages)	Flat Envelope (9x12)		0.4		Ltr size 2/	Lgl. Size 3/	Nsltr. Size 4/
15	12	8	3.4	3.448	3.6	3/5B	34.7	34.9	35.5
						BB	38.9	39.1	39.7
						SP	99.0	99.0	99.0
16	13	9	3.6	3.702	4	3/5B	35.5	36.0	37.2
						BB	39.7	40.2	41.4
						SP	99.0	99.0	99.0
17	14	10	3.8	3.956	4.4	3/5B	36.4	37.0	38.9
						BB	40.6	41.2	43.1
						SP	99.0	99.0	121.0
18	15	11	4	4.21	4.8	3/5B	37.2	38.1	40.6
						BB	41.4	42.3	44.8
						SP	99.0	121.0	121.0
19	16	12	4.2	4.464	5.2	3/5B	38.1	39.2	42.3
						BB	42.3	43.4	46.5
						SP	121.0	121.0	143.0

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Job-Type/Page Count			Weight per Page (oz.)			Automation Flats			
A-AD/15-48	AE-BH/12-48	BI-BJ/8-48	Letter-Size	Legal-Size	Newsletter-Size	Basic Flat:	24.5	3/5-Digit Flat:	20.3
Letter-Size (8.5x11)	Legal-Size (8.5x14)	Newsletter-Size (11x17)	0.2	0.254	0.4	Presort Level	Rates (cents)	Rates (cents)	Rates (cents)
Flats (Pages)	Flats (Pages)	Flats (Pages)	Flat Envelope (9x12)		0.4		Ltr size 2/	Lgl. Size 3/	Nsltr. Size 4/
20	17	13	4.4	4.718	5.6	3/5B	38.9	40.3	44.0
						BB	43.1	44.5	48.2
						SP	121.0	121.0	143.0
21	18	14	4.6	4.972	6	3/5B	39.8	41.3	45.7
						BB	44.0	45.5	49.9
						SP	121.0	121.0	143.0
22	19	15	4.8	5.226	6.4	3/5B	40.6	42.4	47.4
						BB	44.8	46.6	51.6
						SP	121.0	143.0	165.0
23	20	16	5	5.48	6.8	3/5B	41.5	43.5	49.1
						BB	45.7	47.7	53.3
						SP	121.0	143.0	165.0
24	21	17	5.2	5.734	7.2	3/5B	42.3	44.6	50.8
						BB	46.5	48.8	55.0
						SP	143.0	143.0	187.0
25	22	18	5.4	5.988	7.6	3/5B	43.1	45.6	52.5
						BB	47.3	49.8	56.7
						SP	143.0	143.0	187.0

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Job-Type/Page Count			Weight per Page (oz.)			Automation Flats			
A-AD/15-48	AE-BH/12-48	BI-BJ/8-48	Letter-Size	Legal-Size	Newsletter-Size	Basic Flat:	24.5	3/5-Digit Flat:	20.3
Letter-Size (8.5x11)	Legal-Size (8.5x14)	Newsletter-Size (11x17)	0.2	0.254	0.4	Presort Level	Rates (cents)	Rates (cents)	Rates (cents)
Flats (Pages)	Flats (Pages)	Flats (Pages)	Flat Envelope (9x12)		0.4		Ltr size <u>2/</u>	Lgl. Size <u>3/</u>	Nsltr. Size <u>4/</u>
26	23	19	5.6	6.242	8	3/5B	44.0	46.7	54.2
						BB	48.2	50.9	58.4
						SP	143.0	165.0	187.0
27	24	20	5.8	6.496	8.4	3/5B	44.8	47.8	55.8
						BB	49.0	52.0	60.0
						SP	143.0	165.0	209.0
28	25	21	6	6.75	8.8	3/5B	45.7	48.9	57.5
						BB	49.9	53.1	61.7
						SP	143.0	165.0	209.0
29	26	22	6.2	7.004	9.2	3/5B	46.5	49.9	59.2
						BB	50.7	54.1	63.4
						SP	165.0	187.0	231.0
30	27	23	6.4	7.258	9.6	3/5B	47.4	51.0	60.9
						BB	51.6	55.2	65.1
						SP	165.0	187.0	231.0
31	28	24	6.6	7.512	10	3/5B	48.2	52.1	62.6
						BB	52.4	56.3	66.8
						SP	165.0	187.0	231.0

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Job-Type/Page Count			Weight per Page (oz.)			Automation Flats			
A-AD/15-48	AE-BH/12-48	BI-BJ/8-48	Letter-Size	Legal-Size	Newsletter-Size	Basic Flat:	24.5	3/5-Digit Flat:	20.3
Letter-Size (8.5x11)	Legal-Size (8.5x14)	Newsletter-Size (11x17)	0.2	0.254	0.4	Presort Level	Rates (cents)	Rates (cents)	Rates (cents)
Flats (Pages)	Flats (Pages)	Flats (Pages)	Flat Envelope (9x12)		0.4		Ltr size 2/	Lgl. Size 3/	Nsltr. Size 4/
32	29	25	6.8	7.766	10.4	3/5B BB SP	49.1 53.3 165.0	53.2 57.4 187.0	64.3 68.5 253.0
33	30	26	7	8.02	10.8	3/5B BB SP	49.9 54.1 165.0	54.2 58.4 209.0	66.0 70.2 253.0
34	31	27	7.2	8.274	11.2	3/5B BB SP	50.8 55.0 187.0	55.3 59.5 209.0	67.7 71.9 275.0
35	32	28	7.4	8.528	11.6	3/5B BB SP	51.6 55.8 187.0	56.4 60.6 209.0	69.4 73.6 275.0
36	33	29	7.6	8.782	12	3/5B BB SP	52.5 56.7 187.0	57.5 61.7 209.0	71.1 75.3 275.0
37	34	30	7.8	9.036	12.4	3/5B BB SP	53.3 57.5 187.0	58.5 62.7 231.0	72.8 77.0 297.0

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TO INTERROGATORIES PB/OCA-T100-1-10

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Job-Type/Page Count			Weight per Page (oz.)			Automation Flats			
A-AD/15-48	AE-BH/12-48	BI-BJ/8-48	Letter-Size	Legal-Size	Newsletter-Size	Basic Flat:	24.5	3/5-Digit Flat:	20.3
Letter-Size (8.5x11)	Legal-Size (8.5x14)	Newsletter-Size (11x17)	0.2	0.254	0.4	Presort Level	Rates (cents)	Rates (cents)	Rates (cents)
Flats (Pages)	Flats (Pages)	Flats (Pages)	Flat Envelope (9x12)		0.4		Ltr size <u>2/</u>	Lgl. Size <u>3/</u>	Nsltr. Size <u>4/</u>
38	35	31	8	9.29	12.8	3/5B	54.2	59.6	74.5
						BB	58.4	63.8	78.7
						SP	187.0	231.0	297.0
39	36	32	8.2	9.544	13.2	3/5B	55.0	60.7	76.2
						BB	59.2	64.9	80.4
						SP*	209.0	231.0	320.0
40	37	33	8.4	9.798	13.6	3/5B	55.8	61.8	77.8
						BB	60.0	66.0	82.0
						SP*	209.0	231.0	320.0
41	38	34	8.6	10.052	14	3/5B	56.7	62.8	79.5
						BB	60.9	67.0	83.7
						SP*	209.0	253.0	320.0
42	39	35	8.8	10.306	14.4	3/5B	57.5	63.9	81.2
						BB	61.7	68.1	85.4
						SP*	209.0	253.0	320.0
43	40	36	9	10.56	14.8	3/5B	58.4	65.0	82.9
						BB	62.6	69.2	87.1
						SP*	209.0	253.0	320.0

ANSWERS OF OCA WITNESS JAMES F. CALLOW
TO INTERROGATORIES PB/OCA-T100-1-10

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Job-Type/Page Count			Weight per Page (oz.)			Automation Flats			
A-AD/15-48	AE-BH/12-48	BI-BJ/8-48	Letter-Size	Legal-Size	Newsletter-Size	Basic Flat:	24.5	3/5-Digit Flat:	20.3
Letter-Size (8.5x11)	Legal-Size (8.5x14)	Newsletter-Size (11x17)	0.2	0.254	0.4	Presort Level	Rates (cents)	Rates (cents)	Rates (cents)
Flats (Pages)	Flats (Pages)	Flats (Pages)	Flat Envelope (9x12)		0.4		Ltr size 2/	Lgl. Size 3/	Nsltr. Size 4/
44	41	37	9.2	10.814	15.2	3/5B	59.2	66.1	84.6
						BB	63.4	70.3	88.8
						SP*	209.0	253.0	320.0
45	42	38	9.4	11.068	15.6	3/5B	60.1	67.1	86.3
						BB	64.3	71.3	90.5
						SP*	209.0	275.0	320.0
46	43	39	9.6	11.322	16	3/5B	60.9	68.2	Standard
						BB	65.1	72.4	(B)
						SP	209.0	275.0	Rates
47	44	40	9.8	11.576	16.4	3/5B	61.8	69.3	Standard
						BB	66.0	73.5	(B)
						SP	209.0	275.0	Rates
48	45	41	10	11.83	16.8	3/5B	62.6	70.4	Standard
						BB	66.8	74.6	(B)
						SP	231.0	275.0	Rates
	46	42	--	12.084	17.2	3/5B	--	71.4	Standard
BB						--	75.6	(B)	
SP						--	297.0	Rates	

ANSWERS OF OCA WITNESS JAMES F. CALLOW
TO INTERROGATORIES PB/OCA-T100-1-10

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Job-Type/Page Count			Weight per Page (oz.)			Automation Flats			
A-AD/15-48	AE-BH/12-48	BI-BJ/8-48	Letter-Size	Legal-Size	Newsletter-Size	Basic Flat:	24.5	3/5-Digit Flat:	20.3
Letter-Size (8.5x11)	Legal-Size (8.5x14)	Newsletter-Size (11x17)	0.2	0.254	0.4	Presort Level	Rates (cents)	Rates (cents)	Rates (cents)
Flats (Pages)	Flats (Pages)	Flats (Pages)	Flat Envelope (9x12)		0.4		Ltr size 2/	Lgl. Size 3/	Nsltr. Size 4/
	47	43	--	12.338	17.6	3/5B BB SP	-- -- --	72.5 76.7 297.0	Standard (B) Rates
	48	44	--	12.592	18	3/5B BB SP	-- -- --	73.6 77.8 297.0	Standard (B) Rates
		45	--	--	18.4	Standard (B) Mail	-- -- --	-- -- --	Standard (B) Rates
		46	--	--	18.8	Standard (B) Mail	-- -- --	-- -- --	Standard (B) Rates
		47	--	--	19.2	Standard (B) Mail	-- -- --	-- -- --	Standard (B) Rates
		48	--	--	19.6	Standard (B) Mail	-- -- --	-- -- --	Standard (B) Rates

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TO INTERROGATORIES PB/OCA-T100-1-10

Attachment 2 to PB/OCA-T00-9

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* Under 1 lb. Priority Mail rates for mailpieces weighing more than 13 ounces but less than 16 ounces.

- Notes:
- 1/ This attachment is not a "look-up" table. It only contains the rates appearing in the "look-up" tables. These rates, when combined with presort-level volume data collected quarterly by job-type/page count, are used to derive the experience-based weighted average rates in each "look-up" table.
 - 2/ Calculation: piece rate + ((Letter-size ounces/16 ounces) * 67.7 cents)
 - 3/ Calculation: piece rate + ((Legal-size ounces/16 ounces) * 67.7 cents)
 - 4/ Calculation: piece rate + ((newsletter-size ounces/16 ounces) * 67.7 cents)

ANSWERS OF OCA WITNESS JAMES F. CALLOW
TO INTERROGATORIES PB/OCA-T100-1-10

PB/OCA-T100-10. Would each printing site charge the same postage rate without regard to the characteristics of mail at that site?

(a) If so, would further de-averaging to calculate individual postage rates for each site be more equitable to the mailers whose mail entered the postage stream from a particular site?

A. Yes. Presently, in the case of First-Class mail, postage rates paid are not based on the location of entry. The same would be true for Standard A mail—assuming no destination entry discounts. I do not propose to change these features of the current rate schedule. Nor do I propose DBMC rates for Mailing Online. Under my proposal, Mailing Online mailpieces of the same job-type/page-count entered at the same time would pay the same postage rates regardless of the location of the print site.

(a) No. This is not my proposal. My proposal is designed to remove the penalty for customers submitting mailings through Mailing Online; that is, the inability of customers to obtain deeper discount rates where their mailpieces would qualify if entered in hardcopy directly with the Postal Service.

DECLARATION

I, James F. Callow, declare under penalty of perjury that the answers to interrogatories PB/OCA-T100-1-10 of Pitney Bowes, Inc., are true and correct, to the best of my knowledge, information and belief.

Executed March 1 1991

James F. Callow

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.

Emmett Rand Costich

EMMETT RAND COSTICH
Attorney

Washington, DC 20268-0001
March 1, 1999