

PB/USPS-T22-9. Please refer to USPS-LR-L-48 and USPS-LR-L-110 for CRA mail processing costs by cost pool and to USPS-LR-L-1 for high-level descriptions of the cost pools.

- a. Please confirm that cost pool MODS 13 1TRAYSRT contains costs for tray sorting activities that include mechanical tray sorter and robotics operations. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle pallets, rolling stock, and trays of First-Class Mail letters.
- b. Please confirm that cost pool MODS 17 1DISPATCH contains costs for dispatch activities that include separating, staging, and moving processed mail for subsequent distribution or outbound transportation. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle rolling stock, and trays of First-Class Mail letters.
- c. Please confirm that cost pools MODS 17 1OPBULK and MODS 17 1OPREF contain costs for opening units that include breaking down containers of mail and preparing letters for processing in piece sorting operations. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle pallets, rolling stock, and trays of First-Class Mail letters.
- d. Please confirm that cost pool MODS 17 1OPTRANS contains costs for transporting containers of mail between work areas and weighing mail to and from distribution operations. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle pallets, rolling stock, and trays of First-Class Mail letters.

- e. Please confirm that cost pool MODS 17 1PLATFRM contains costs for platform operations that include loading and unloading trucks, crossdocking pallets and other containers of mail, sorting mail during the vehicle unloading process, and activities performed by transfer clerks, ramp clerks, and expeditors. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle pallets, rolling stock, and trays of First-Class Mail letters.
- f. Please confirm that cost pool MODS 17 1SCAN contains costs for scanning mail operations that include loading, scanning, labeling, and unloading of trays utilizing Air Contracting Data Collection System, Automatic Airline Assignment, Automatic Tray Sleeving, or Scan-Where-You-Band equipment. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle pallets, rolling stock, and trays of First-Class Mail letters.
- g. Please confirm that cost pools MODS 18 1MISC, MODS 18 1SUPPORT, and MODS 99 1SUPP_F1 contain costs for general mail processing support operations. If you do not confirm, please explain fully. Please describe the mail processing support activities that constitute these cost pools.
- h. Please confirm that cost pool NONMODS ALLIED contains costs for allied labor activities that include platform and collection activities, moving mail to/from other operations, and separating/breaking down mail. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle pallets, rolling stock, and trays of First-Class Mail letters.

- i. Please confirm that cost pool NONMODS MISC contains costs for all mail processing activities not otherwise classified in the other non-MODS cost pools. If you do not confirm, please explain fully. Please describe the mail processing activities that constitute this cost pool.
- j. Please confirm that cost pools MODS 48 LD48 OTH and MODS 48 LD_ADM contain mail processing distribution, allied, support, miscellaneous, and admin costs in customer service facilities. If you do not confirm, please explain fully. Please describe the mail processing activities that constitute this cost pool.

PBI/USPS-T22-10. Please refer to your response to PB/USPS-T-22-4, where you state “I do not model all costs of mail processing operations. Each cost pools is classified as either “proportional” or “fixed”. The cost pool classifications are based on operations/tasks mapped to given cost pool, as described in USPS-LR-L-55. The “proportional” cost pools contain the costs for tasks that I actually have modeled. The “fixed” cost pools represent tasks that I have not modeled.”

- a. Please confirm that with your approach to calculating unit mail processing costs of rate categories of First-Class Presort mail, costs in pools that you do not model do not affect the modeled unit cost differences between these rate categories.
- b. Please explain how cost pools are classified as either “proportional” or “fixed” based on operations/tasks mapped to given cost pools.
- c. Who is responsible for the classification of cost pools as either “fixed” or “proportional?”

- d. If you were responsible for the classification of cost pools as “fixed” or “proportional,” please provide the criteria you used for selecting which cost pools to model.
- e. If you were not responsible for the classification of cost pools as “fixed” or “proportional” did you review the classification determinations?
- f. Please provide all cites in USPS-LR-L-55 to the words “proportional” and “fixed” as they are used in your testimony.
- g. Please confirm that the statement “[t]he cost pool classifications are based on operations/tasks mapped to given cost pool, as described in USPS-LR-L-55,” simply means that USPS Witness Van-Ty-Smith formed the MODS cost pools, some of which you have modeled and some of which you have not. If the statement means something more than that, please explain fully.