

ORIGINAL

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

FILED

MAR 31 12 02 PM '99

Renewal of Experimental Classification and)
Fees for Weight-Averaged Nonletter-Size)
Business Reply Mail)

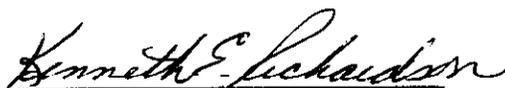
Docket No. MC99-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS JAMES M. KIEFER
(OCA/USPS-T1-8-18)
March 31, 1999

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-T1-1-7 to witness James M. Kiefer, dated March 26, 1999, are hereby incorporated by reference.

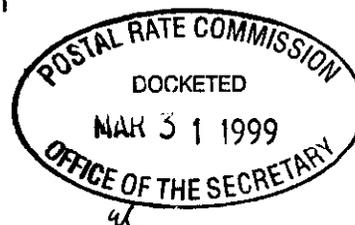
Respectfully submitted,

OFFICE OF THE CONSUMER ADVOCATE



Ted P. Gerarden
Director

Kenneth E. Richardson
Attorney



OCA/USPS-T1-8. Explain the reference on page 4 of your testimony to “development of the technical resources” and “management oversight structure.”

a. How do these requirements differ from those contemplated at the time of the initiation of the experiment?

b. When did the Postal Service first determine these tasks were required to finalize the experiment?

OCA/USPS-T1-9. Are the technical resources needed to resolve the weight-averaging method available at this time to resolve the problem?

OCA/USPS-T1-10. What are the technical resources required, e.g., quantity of personnel, their skills, the anticipated costs, or special equipment not currently available in the Postal Service?

OCA/USPS-T1-11. Why were the technical resources needed to address these problems not deployed earlier in order to resolve the problems in time for the June 7 end of the experiment?

OCA/USPS-T1-12. Please explain why the approximately 90 days between the time of filing this request for an extension of the experiment and the June 7, termination date is insufficient to organize the appropriate management structure for proper implementation of a permanent classification and fees?

OCA/USPS-T1-13. When did any employee or consultant of the Postal Service first determine that additional work would be required to develop these technical resources?

OCA/USPS-T1-14. At page 6 of your testimony you state that “One solution that the Postal Service is currently considering would relocate the databases from the

individual local PCs to a network, possibly a national postal network." (Emphasis supplied.)

- a. Does the "national postal network" to which you refer exist at the present time? If so, please describe it.
- b. Please explain what the current software consists of and exactly what you mean by "significant rewriting of the software."

OCA/USPS-T1-15. At page 7 of your testimony you state that "Presently, the Postal Service is determining how best to manage a national roll-out of nonletter-size BRM weight averaging." (Emphasis supplied.) Please explain why there is a need for a "national roll-out" when there are currently only four sites using nonletter-size BRM weight averaging and witness Ellard's market survey identified, at most, 10 respondents with 11 sites which expected to take advantage of the proposed classification and fees.

OCA/USPS-T1-16. Does the Postal Service anticipate adding any/all of these additional sites/customers during the extended experiment? If so, how many?

OCA/USPS-T1-17. At page 7 of your testimony you state that "A number of objectives must be completed in order to insure that the 'handoff' to the appropriate management function occurs as professionally and competently as possible." Then you list a number of these objectives. In light of the few sites expected to be able to take advantage of nonletter-size BRM weight averaging, please explain why such extensive procedures, training, and personnel are needed. Please compare and contrast this anticipated roll-out with the effort needed to implement some other postal service, e.g., delivery confirmation.

OCA/USPS-T1-18. In Docket No. MC97-1, Experimental Fees For Non-Letter Business Reply Mail, witness DeMay, USPS-T-1, testified extensively about weight averaging. At page 5 he stated:

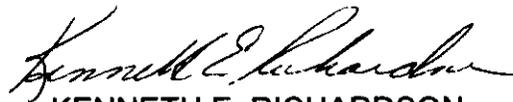
Weight averaging is somewhat common in the Postal Service. Generally weight averaging is used for regular returned parcels, but it is also utilized for Business Reply Mail as well. There are no standard operating procedures for establishing and maintaining weight averaging. The sampling procedures for the initial sampling, as well as the procedures for updating the postage per pound factor, vary by site. This has resulted in inconsistencies. Also, in general, weight averaging has been designed and implemented by local postal employees who have little, or no, background or training in statistical methods. The primary objective of weight averaging is to move the mail faster. There is a need to see that statistically valid methods are developed and implemented at office utilizing weight averaging. The administration of these weight averaging methods needs to be improved to ensure the required updating of the cost per pound is completed. The collection of the proper postage and fees can be compromised when the frequency for updating the cost per pound is not maintained. The lack of these standardized procedures and the improper administration of the procedures currently in place have led to the utilization of weight averaging which is functional, but flawed.

- a. Does witness DeMay's testimony still reflect the views of the Postal Service? If not, please supply the current views of the Postal Service on weight averaging.
- b. If so, please describe and explain the relationship between his testimony and yours, particularly at page 6 where you state: "These and other needed software and/or hardware fixes will require time to resolve, but they must be complete and operationally secure before the Postal Service can begin the national implementation of weight averaging."

OCA/USPS-T1-19. Is the monthly fee collected "per site" as suggested by your Exhibit USPS-4A, column 3 in Docket No. MC99-2, or is the monthly fee collected "per customer" as suggested by the existing and proposed DMCS language in Fee Schedule 931, "Monthly Fees for customers using weight averaging for nonletter-size business reply?" (Emphasis supplied.)

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.


KENNETH E. RICHARDSON
Attorney

Washington, D.C. 20268-0001
March 31, 1999