

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

**POSTAL RATE AND FEE CHANGES**

**Docket No. R2006-1**

**Major Mailers Association's  
Second Set Of Interrogatories and Document Production Requests To  
United States Postal Service Witness Martin Czigler (MMA/USPS-T1-2)  
(June 22, 2006)**

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, Major Mailers Association submits the following interrogatories and document production requests to United States Postal Service Witness Martin Czigler (MMA/USPS-T1-2).

Respectfully submitted,

**Major Mailers Association**

By: \_\_\_\_\_

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**Dated: Middleburg, Virginia  
June 22, 2006**

MMA/USPS-T1-2

Please refer to your testimony on page 5 where you discuss the redesign of the IOCS “survey instrument.”

A. Is there any change in the IOCS that would tend to redistribute attributable costs from Standard presorted letters to First-Class presorted letters?

Please explain your answer.

B. Please confirm the adjusted test year unit costs as shown in the following table. The unit costs are taken directly from USPS library references in this case and in R2005-1. Automation and Nonautomation costs from R2005-1 have been combined using the appropriate volumes as shown so that presorted unit costs from R2006-1 can be compared to similar unit costs from R2006-1. In addition, the R2005-1 costs have been adjusted for the increase in the wage rate and for the premium pay adjustment factor. R2006-1 costs have been adjusted for the premium pay adjustment factor only. If you cannot confirm, please provide the corrected figures as well as your derivations.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	R2005-1					R2006-1				
Rate Category	TY 2006 Total Unit Cost (Cents)	Volume (000)	Hourly Wage Rate	Prem Pay Adj Factor	Adj. Total Unit Cost (Cents)	TY 2008 Total Unit Cost (Cents)	Hourly Wage Rate	Prem Pay Adj Factor	Adj. Total Unit Cost (Cents)	% Change R2006-1 Vs. R2005-1
FC Auto (no CR)	3.5008	43,841,671	35.772	1.0140	3.667		37.992			
FC Carrier Route	1.8591	718,203	35.772	1.0140	1.947		37.992			
FC Auto	3.4743	44,559,875	35.772	1.0140	3.639		37.992			
FC NonAuto	18.9655	1,949,367	35.772	1.0140	19.864		37.992			
FC Presorted	4.1236	46,509,242	35.772	1.0140	4.319	4.587	37.992	1.013	4.5275	4.83%
Std Auto	3.3988	44,600,687	35.772	0.9711	3.717		37.992			
Std NonAuto	16.2625	3,517,027	35.772	0.9711	17.785		37.992			
Std Presorted	4.3391	48,117,714	35.772	0.9711	4.745	4.059	37.992	0.974	4.1679	-12.17%
Source: USPS-LR	K-53	K-53	K-48	K-48	(1)*(7)/(5)/(4)	L-53	L-48	L-48	(6)/(8)	(9)/(5) -1

C. Please explain why the adjusted unit cost for First-Class Presorted letters would increase 4.8% while the adjusted unit cost for Standard Presorted

letters would decrease by 12.2% for data based on two consecutive years (BY2004 and BY 2005)?