

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

RECEIVED
Dec 10 5 00 PM '01
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS L. PAUL
LOETSCHER TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA,
INC., REDIRECTED FROM WITNESS ALTOF H. TAUFIQUE
(MPA/USPS-T34-23(a)-(d), 24-26)
(December 10, 2001)

The United States Postal Service hereby files the response of witness L. Paul Loetscher to the following interrogatories of the Magazine Publishers of America, Inc., redirected from witness Alt of H. Taufique: MPA/USPS-T34-23(a)-(d), 24-26, filed on November 26, 2001.

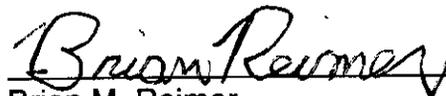
The interrogatories are stated verbatim and are followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Brian M. Reimer
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3037 Fax -5402
December 10, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE
 WITNESS L. PAUL LOETSCHER TO INTEROGATORIES OF
 MAGAZINE PUBLISHERS OF AMERICA, INC.

MPA/USPS-T34-23.

Please refer to witness Loetscher's response to MPA/USPS-T41-2, and worksheet "MPA 2" in resp-mpa-usps-t41-2-6.xls, which was provided in response to MPA/USPS-T41-2. Please refer further to Table 1 below, which was produced based upon the data in worksheet "MPA 2".

Table 1. Percent of Nonprofit Publications (For Which Entry Point Data Are Available) That Entered Fifty Percent or More of Copies at the Destination Delivery Unit (DDU), Destination Sectional Center Facility (DSCF), or in Zones 1 and 2

Issue Size	Percent DDU, DSCF, or Zones 1 and 2
0-1,000	35.5 percent
1,000-2,000	36.7
2,000-5,000	35.0
5,000-10,000	29.4
10,000-25,000	34.0
25,000-50,000	30.4
50,000-75,000	31.0
75,000-100,000	29.3
100,000-200,000	33.3
200,000-500,000	46.7
500,000-1,000,000	14.3
1 Million+	23.1

- (a) Please confirm that Table 1 accurately summarizes the nonprofit data in resp-mpa-usps-T41-2-6.xls, worksheet "MPA 2." If not confirmed, please provide the correct figures.
- (b) Please confirm that "local" publications – those that are produced and distributed within the same geographic area – either currently qualify for destination entry rates or that a large portion of such publications could qualify for destination entry rates without having to be hauled long distances. If not confirmed, please explain your response fully.
- (c) Please confirm that a portion of small-circulation publications (defined as less than 50,000 pieces per issue) are "local" publications.
- (d) Please confirm that the data shown in Table 1 above suggests that a larger portion of small-circulation publications than of large-circulation nonprofit publications are "local" publications. Please explain your response fully.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS L. PAUL LOETSCHER TO INTEROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA, INC.

Response:

- (a) Confirmed.
- (b) It is likely that "local" publications exist that currently qualify for destination entry rates or a large portion of such publications could qualify for destination entry rates without having to be hauled long distances. There also can exist "local" publications that may have to be hauled long distances to qualify for destination entry rates, depending on the definition of "geographic area" and what is considered a "long distance."
- (c) It is likely that a portion of small-circulation publications (defined as less than 50,000 pieces per issue) are "local" publications under most definitions of the term "local." However no Postal Service data source exists that would enable me to determine what this portion is under any definition of the term "local."
- (d) If the degree of "local-ness" is correlated with the percent of copies entered at DDU, DSCF, and Zone 1&2 rates, then I would imagine the data in Table 1 is consistent with a larger proportion of small-circulation nonprofit publications being "local." However to my knowledge the term "local" is not defined. Further it is not possible to measure the correlation of "local-ness" and DDU, SCF and Zone 1 & 2 entry.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS L. PAUL LOETSCHER TO INTEROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA, INC.

MPA/USPS-T34-24.

Please refer to witness Loetscher's response to MPA/USPS-T41-1, which presents a distribution of sacks by sack size for the Periodicals Outside-County subclass. Please confirm the following table accurately summarizes Table 1 – MPA/USPS-T41-1. If you do not confirm, please explain and provide an accurate summary.

Table 2. Summary of Table 1 – MPA/USPS-T41-1 Distribution of Sacks by Sack Size

Sack Size	Number of Sacks	Percentage of Total Number of Sacks
1 to 5 Pieces per Sack	2,734,086 sacks	2.7 percent
1 to 11 Pieces per Sack	21,252,530	21.0
1 to 17 Pieces per Sack	41,939,031	41.5
1 to 23 Pieces per Sack	52,221,973	51.7
Total Number of Sacks	100,972,544	100.0

Response: Not confirmed. See attached Table 1.

Table 1 MPA/USPS-T34-24

**Summary of Table 1 - MPA/USPS-T41-1
Distribution of Sacks by Sack Size**

Sack Size	Number of Sacks	Percentage of Total Number of Sacks
1 to 5 Pieces per Sack	2,736,228	2.7%
1 to 11 Pieces per Sack	21,240,198	21.0%
1 to 17 Pieces per Sack	41,918,786	41.5%
1 to 23 Pieces per Sack	52,338,319	51.8%
Total Number of Sacks	101,002,554	100.0%

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS L. PAUL LOETSCHER TO INTEROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA, INC.

MPA/USPS-T34-25.

Please refer to USPS-LR-J-114, which presents Periodicals Outside-County entry profile data.

(a) Please confirm that Table 3 accurately summarizes USPS-LR-J-114, Table 2. If you do not confirm, please explain and provide an accurate summary.

Table 3. Summary of USPS-LR-J-114, Table 2 Periodicals Entry Profile Data

Entry Facility	Number of Sacks	Percentage of Total Number of Sacks
Destination Delivery Unit	1,008,250 sacks	1.0 percent
Origin Associate Office in Service Territory of Destination Sectional Center Facility	1,606,092	1.6
Destination Sectional Center Facility	17,609,556	17.4
Origin Associate Office in Service Territory of Destination Area Distribution Center	2,000,183	2.0
Origin Sectional Center Facility in Service Territory of Destination Area Distribution Center	5,566,191	5.5
Destination Area Distribution Center	4,854,467	4.8
Origin Associate Office in Service Territory of Destination Bulk Mail Center	626,280	0.6
Origin Sectional Center Facility in Service Territory of Destination Bulk Mail Center	3,524,012	3.5
Origin Area Distribution Center in Service Territory of Destination Bulk Mail Center	6,434,251	6.4
Destination Bulk Mail Center	550,283	0.5
Origin Bulk Mail Center	6,125,469	6.1
Origin Area Distribution Center	22,234,455	22.0
Origin Sectional Center Facility	26,294,182	26.0
Origin Associate Office	2,568,881	2.5
Total	101,002,554	100.0

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS L. PAUL LOETSCHER TO INTEROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA, INC.

(b) Please confirm that, according to USPS-LR-J-114, 26 percent of all Periodicals Outside-County sacks are entered at the origin sectional center facility (OSCF) and 22 percent of all Periodicals Outside-County sacks are entered at the origin area distribution center (OADC). If you do not confirm please provide the correct figures.

Response:

(a) Confirmed.

(b) Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE
 WITNESS L. PAUL LOETSCHER TO INTEROGATORIES OF
 MAGAZINE PUBLISHERS OF AMERICA, INC.

MPA/USPS-T34-26.

Please refer to USPS-LR-J-114, which presents Periodicals Outside-County entry profile data.

- (a) Please confirm that Table 4 accurately summarizes USPS-LR-J-114, Table 2. If you do not confirm, please explain and provide an accurate summary.

Table 4. Summary of USPS-LR-J-114, Table 2 Periodicals Entry Profile Data

Entry Facility	Number of Pallets	Percentage of Total Number of Pallets
Destination Delivery Unit	83,774 pallets	2.1 percent
Origin Associate Office in Service Territory of Destination Sectional Center Facility	1,951	0.0
Destination Sectional Center Facility	1,482,460	37.2
Origin Associate Office in Service Territory of Destination Area Distribution Center	1,079	0.0
Origin Sectional Center Facility in Service Territory of Destination Area Distribution Center	72,612	1.8
Destination Area Distribution Center	364,832	9.2
Origin Associate Office in Service Territory of Destination Bulk Mail Center	1,808	0.0
Origin Sectional Center Facility in Service Territory of Destination Bulk Mail Center	62,031	1.6
Origin Area Distribution Center in Service Territory of Destination Bulk Mail Center	169,245	4.2
Destination Bulk Mail Center	89,034	2.2
Origin Bulk Mail Center	273,729	6.9
Origin Area Distribution Center	741,175	18.6
Origin Sectional Center Facility	583,846	14.6
Origin Associate Office	58,103	1.5
Total	3,985,681	100.0

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS L. PAUL LOETSCHER TO INTEROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA, INC.

(b) Please confirm that, according to USPS-LR-J-114, 37.2 percent of all pallets are entered at the destination sectional center facility (DSCF) and 18.8 percent of all pallets are entered at the origin area distribution center (OADC). If you do not confirm please explain and provide the correct data.

Response:

(a) Confirmed.

(b) Confirmed.

DECLARATION

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



L. PAUL LOETSCHER

Dated: December 10, 2001

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.



Brian M. Reimer

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3037 Fax -5402
December 10, 2001