

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
L. PAUL LOETSCHER TO INTERROGATORY OF MAGAZINE
PUBLISHERS OF AMERICA, INC. (MPA/USPS-T28-1)
(June 21, 2006)

The United States Postal Service hereby provides the response of Postal Service witness Loetscher (USPS-T-28) to the following interrogatory of the Magazine Publishers of America, Inc., which was filed on June 7, 2006:

MPA/USPS-T28-1

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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MPA/USPS-T28-1. Please refer to your response to MPA/USPS-T27-1(g)-(i), where you state, "Please reference Table 13 in the Excel workbook accompanying my response to TW/USPS-T28-7-8, which shows container counts by container type, presort level, and entry facility type. While this is the most detailed information available to estimate the requested container counts, it is not completely sufficient for doing so."

(a) Please provide your best lower-bound and upper-bound estimates of the percentage of Periodicals Outside County sacks that are entered at the "destination" facility. Please produce data and analyses sufficient to replicate your response, or provide citations to the data and analyses if they are publicly available.

(b) Please provide your best lower-bound and upper-bound estimates of the percentage of Periodicals Outside County pallets that are entered at the "destination" facility. Please produce data and analyses sufficient to replicate your response, or provide citations to the data and analyses if they are publicly available.

(c) Please provide your best lower-bound and upper-bound estimates of the percentage of Periodicals Outside County containers that are entered at the "destination" facility. Please produce data and analyses sufficient to replicate your response, or provide citations to the data and analyses if they are publicly available.

RESPONSE:

(a)-(c) As mentioned in my response to MPA/USPS-T27-1(g)-(i), redirected from witness Talmo (USPS-T-27), to develop an estimate of the number of sacks entered at destination facilities -- and in this context "destination" refers to the facility where the sack is opened and the contents distributed -- requires knowledge of the proportion of 5-Digit sacks belonging to 5-Digit zones where the incoming secondary sort is performed at the DSCF and the treatment of these sacks at these facilities. I do not feel that I have sufficient information to develop a reasonable estimate of these proportions. However, in the Excel workbook accompanying this response I have provided a worksheet that estimates the

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number of containers entered at destination facilities under a range of assumptions regarding the treatment of 5-Digit sacks. In this workbook I assume that MADC sacks are opened at the OADC, ADC containers are opened at the DADC, 3-Digit and SCF containers are opened at the DSCF, and CR and 5DCRTS sacks and 5-Digit pallets are opened at the DDU. To provide an upper-bound estimate of the number of sacks entered at destination facilities, I have assumed that 100 percent of 5-Digit sacks entered at the DSCF are opened at the DSCF. To provide a lower-bound of the number of sacks entered at destination facilities, I have assumed that no 5-Digit sacks entered at the DSCF will be opened at the DSCF but rather transferred to the appropriate delivery unit to be opened and the contents distributed.

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Distribution of Containers by ContainerType, Container Presort Level and Entry Facility Type

Source Table 13 TW/USPS-T-28-7-8

Sum of Containers		Entry Type							
Type	Con Level	DDU	DSCF	DADC	DBMC	OBMC	OADC		
Pallet	CR-5D Scheme	637	195,937	13,800	512	90	6,312		
	5DCRTS	151	179,570	11,890	168	14	3,192		
	5 Digit (Auto/Presort)		898	1,088		18	131		
	5 Digit (Barcode)		68				55		
	5 Digit (Merged)	188	138,067	8,909	142		3,922		
	5 Digit (Presort)		1						
	5 Digit Scheme		83						
	5 Digit Scheme (Auto/Presort)	153	476						
	5 Digit Scheme (Merged)	1,247	104,910	12,396	139	21	2,920		
	Metro Scheme		8,348	2,372		539	418		
	3- Digit (Auto, Presort)		17,648	138			707		
	3- Digit (CR,Auto, Presort)		269,027	71,832	1,227	1,104	46,787		
	SCF		1,256,982	217,754	12,170	7,025	185,711		
	Protected SCF		10,955	1,963	19	253	1,854		
	ADC			382,870	5,208	4,806	196,614		
Sack	CR-Direct	125,288	1,725,548	458,335	11,981	199,300	398,524		
	CR-5D Scheme	30,171	211,377	14,132	4,843	365,637	97,136		
	5DCRTS	30,048	2,435,007	214,278	17,549	1,249,924	1,305,207		
	5 Digit (Auto/Presort)	489,358	4,996,547	1,479,267	28,898	252,645	4,332,429		
	5 Digit (Barcode)	30	2,244	645	1,234	5,603	55,158		
	5 Digit (Merged)	8,608	26,470	39,104	7,403	29,256	89,777		
	5 Digit (Presort)	17,427	4,920	1,943	121	199	16,547		
	5 Digit Scheme (Auto/Presort)	2,360	104,281	34,836	12,638	55,988	277,094		
	5 Digit Scheme (Barcode)	57	3,914	397	296	1,824	6,107		
	5 Digit Scheme (Merged)	1,538	466	1,321	259	2,526	10,182		
	3- Digit (Auto, Presort)		2,045,195	1,133,805	61,363	1,403,365	8,228,536		
	3 Digit (Barcoded)		9,134	2,417	158	7,030	126,795		
	3 Digit (Presort)		26,152	55,850	334	13,811	136,482		
	3-Digit Scheme						9		
	Unique 3 Digit		10,331	654	254	16,204	87,280		
	SCF		190,222	39,373	6,276	662,033	1,691,919		
	ADC			858,361	9,442	970,018	3,806,806		
MADC				13,161	141,769	2,712,387			
Grand Total		707,260	13,974,779	5,059,731	195,795	5,391,004	23,826,998		

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Calculation of Upper Bound Estimates of Containers Entered at Destination Facilities

Assumption of percentage of 5-Digit sacks opened and distributed at the DSCF 100%

Destination Entry Assumptions

OAO/OSCF	Grand Total	DDU	DSCF	DADC	DBMC	OBMC	OADC	OAO/OSCF	Containers Entered at Destination
3,359	220,647	1.00							637
7,270	202,255	1.00							151
372	2,508	1.00							0
	123	1.00							0
1,441	152,668	1.00							188
	1	1.00							0
	83	1.00							0
42	671	1.00							153
1,878	123,512	1.00							1,247
850	12,528			1.00					8,348
	18,493			1.00					17,648
33,448	423,425			1.00					269,027
184,275	1,863,917			1.00					1,256,982
1,176	16,220			1.00					10,955
192,634	782,132				1.00				382,870
236,689	3,155,666	1.00							125,288
207,384	930,680	1.00							30,171
1,851,533	7,103,546	1.00							30,048
1,838,883	13,418,028	1.00	1.00						5,485,905
49,757	114,672	1.00	1.00						2,274
62,364	262,983	1.00	1.00						35,079
25,011	66,168	1.00	1.00						22,347
202,769	689,965	1.00	1.00						106,641
72,813	85,408	1.00	1.00						3,970
8,520	24,812	1.00	1.00						2,004
8,143,930	21,016,195		1.00						2,045,195
97,235	242,769		1.00						9,134
84,101	316,729		1.00						26,152
	9		1.00						0
31,154	145,877		1.00						10,331
1,887,047	4,476,870		1.00						190,222
4,668,012	10,312,640			1.00					858,361
2,140,728	5,008,044						1.00		2,712,387
22,034,677	71,190,243								

Pallets 1,948,206
Sacks 11,695,508

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Calculation of Lower Bound Estimates of Containers Entered at Destination Facilities

Assumption of percentage of 5-Digit sacks opened and distributed at the DSCF 0%

Destination Entry Assumptions

Containers Entered at non-Destination	DDU	DSCF	DADC	DBMC	OBMC	OADC	OAO/OSCF	Containers Entered at Destination	Containers Entered at non-Destination
220,009	1.00							637	220,009
202,104	1.00							151	202,104
2,508	1.00							0	2,508
123	1.00							0	123
152,481	1.00							188	152,481
1	1.00							0	1
83	1.00							0	83
518	1.00							153	518
122,265	1.00							1,247	122,265
4,180		1.00						8,348	4,180
845		1.00						17,648	845
154,398		1.00						269,027	154,398
606,935		1.00						1,256,982	606,935
5,265		1.00						10,955	5,265
399,262			1.00					382,870	399,262
3,030,378	1.00							125,288	3,030,378
900,509	1.00							30,171	900,509
7,073,498	1.00							30,048	7,073,498
7,932,123	1.00	0.00						489,358	12,928,669
112,398	1.00	0.00						30	114,642
227,904	1.00	0.00						8,608	254,375
43,821	1.00	0.00						17,427	48,741
583,325	1.00	0.00						2,360	687,605
81,437	1.00	0.00						57	85,351
22,808	1.00	0.00						1,538	23,274
18,971,000		1.00						2,045,195	18,971,000
233,635		1.00						9,134	233,635
290,578		1.00						26,152	290,578
9		1.00						0	9
135,546		1.00						10,331	135,546
4,286,648		1.00						190,222	4,286,648
9,454,279			1.00					858,361	9,454,279
2,295,657						1.00		2,712,387	2,295,657
1,870,976							Pallets	1,948,206	1,870,976
55,675,552							Sacks	6,556,667	60,814,394

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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