

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes,
2006

)

Docket No. R2006-1

SECOND SET OF INTERROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA, INC.,
AND ALLIANCE OF NONPROFIT MAILERS
TO USPS WITNESS MILLER
(MPA/USPS-T20-3-8)
(July 12, 2006)

Pursuant to sections 25, 26 and 27 of the rules of practice, Magazine Publishers of America, Inc., and Alliance of Nonprofit Mailers direct the following interrogatories to United States Postal Service witness Michael Miller (USPS-T-20). If the witness cannot answer a question or subpart, we request that the Postal Service answer through another witness or submit an institutional response.

Respectfully submitted,

David M. Levy
Paul A. Kemnitzer
SIDLEY AUSTIN LLP
1501 K Street, N.W.
Washington, DC 20005-1401
(202) 736-8000

*Counsel for Magazine Publishers of America,
Inc., and Alliance of Nonprofit Mailers*

MPA/USPS-T20-3. Please refer to your response to MPA/USPS-T20-1(f), where you state, “[t]he manner in which incoming secondary operations are performed is not a determinant for Periodicals Outside County rates.”

(a) Do you agree that the unit cost of incoming secondary operations affects the modeled cost difference between Periodicals Outside County Carrier Route and 5-Digit flats? If not, please explain your response fully.

(b) Please explain what you meant by “[t]he manner in which incoming secondary operations are performed is not a determinant for Periodicals Outside County rates.” In particular, did you mean that “[t]he manner in which incoming secondary operations are performed” has no effect on Periodicals Outside County presorting cost differences by rate category or did you mean something else? If the latter, please explain.

MPA/USPS-T20-4. Please refer to USPS-LR-L-43, PER OC FLATS.xls and Table 1 below.

**Table 1. Incoming Secondary Sortation Statistics
(USPS-LR-L-43, PER OC FLATS.xls)**

Rate Category	% of Volume	# of Incoming Secondary Sorts/Piece			% Manual
		AFSM 100	UFSM 1000	Manual	
Basic Nonauto	2.05%	0.51	0.20	0.30	29.5%
3-Digit Nonauto	2.10%	0.43	0.27	0.31	31.1%
5-Digit Nonauto	2.72%	0.51	0.33	0.18	17.9%
CR Nonauto	48.03%	0.07	0.02	0.02	15.8%
Basic Auto	1.84%	0.51	0.18	0.32	31.5%
3-Digit Auto	12.65%	0.53	0.20	0.29	28.5%
5-Digit Auto	30.61%	0.68	0.18	0.16	15.5%
Wtd Average	100.00%	0.35	0.11	0.12	20.2%

(a) Please confirm that Table 1 accurately summarizes the number of incoming secondary sorts per piece (and the percent of incoming secondary sorts that are manual) by presort level and prebarcoding from USPS-LR-L-43, PER OC FLATS.xls. If not confirmed, please provide the correct figures.

(b) Please confirm that Table 1 accurately summarizes the average (weighted by volume) number of incoming secondary sorts received by Periodicals Outside County flats (and the percent of incoming secondary sorts that are manual) from USPS-LR-L-43, PER OC FLATS.xls. If not confirmed, please provide the correct figures.

MPA/USPS-T20-5. This question refers to (1) your response to MPA/USPS-T20-1(e), where you state regarding the Incoming Secondary Machinable Flats coverage factors, “we did not have sufficient data to support their usage,” and (2) USPS-LR-L-43, page 63. Please explain the data that you believe would be necessary to “support their usage.”

MPA/USPS-T20-6. This question refers to:

- (1) your response to MPA/USPS-T20-1(e), where you state regarding the Incoming Secondary Machinable Flats coverage factors, “such factors were affected by issues unrelated to mailer prebarcoding and presorting efforts (e.g., whether or not a given ZIP Code was processed on automation/mechanization)”;
- (2) USPS-LR-L-43, page 62;
- (3) lines 21-23 on page 8 of your testimony (USPS-T-20), where you state, “The coverage factors were calculated by dividing the originating/destinating volumes for ‘covered’ facilities by the total originating/destinating volumes for all facilities”; and
- (4) footnote 5 on page 8 of USPS-T-20, which states “The ‘covered’ facilities were those facilities that will have the specific equipment or technology by the midpoint of the test year (March 31, 2008).”

(a) Please confirm that the coverage factors shown on USPS-LR-L-43, page 62, were developed based upon whether or not a facility has a specific equipment or technology. If not confirmed, please explain fully.

(b) Please confirm that whether or not a facility has a specific equipment of technology is unrelated to mailer prebarcoding and presorting efforts. If not confirmed, please explain fully.

MPA/USPS-T20-7. Please refer to your response to MPA/USPS-T20-1(e) where you state regarding the Incoming Secondary Machinable Flats coverage factors, “they could not accurately be applied.”

(a) Were they “accurately applied” in Docket No. R2001-1? If not, please explain your response fully.

(b) Please explain why “they could not accurately be applied” in this case.

MPA/USPS-T20-8. Please refer to your response to MPA/USPS-T20-2(a), where you state: “To the extent that mailhandlers’ attempts to capture and repair bundles affect the productivity in a given operation, they should be imbedded within the average productivity values.”

(a) Please confirm that your model does not assign the costs of “mailhandlers’ attempts to capture and repair bundles” exclusively to broken bundles. If not confirmed, please explain fully.

(b) Please confirm that your model does not assign allied costs (such as gathering broken bundles and moving them to piece sorting operations) exclusively to broken bundles. If not confirmed, please explain fully.