

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

**Major Mailers Association's
First Set Of Institutional Interrogatories and Document Production Requests
To The United States Postal Service (MMA/USPS-1-13)
(July 6, 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 the United States Postal Service for institutional responses (MMA/USPS-1-13).

Respectfully submitted,

Major Mailers Association

By: _____

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**Dated: Middleburg, Virginia
July 6, 2006**

MMA/USPS-1

Please refer to your responses to R2005-1 Interrogatory MMA/USPS-T21-33 C – G (redirected from USPS witness Abdirahman) where you indicated that, as of May 12, 2005, there were 38 First Class workshare mailers utilizing PostalOne!

- A. Please provide the number of First Class workshare mailers who are using PostalOne! as of the date you file your response to this interrogatory.
- B. Please provide the number of First Class workshare mailers who were using PostalOne! at the end of R2006-1 BY 2005.
- C. Please provide the number of First Class workshare mailers you expect will be using PostalOne! by the end of R2006-1 TY 2008.
- D. Please describe the Postal Service's efforts to encourage greater use of PostalOne! and provide the amounts budgeted for such efforts in each fiscal year since PostalOne! became operational.

MMA/USPS-2

Please refer to your response to R2005-1 Interrogatory MMA/USPS-11 where you reported that, in FY 2004, 38 PostalOne! mailers entered 9,431,482,023 workshare letters and 115,771,785 workshare cards using permits held in their own names and that some undeterminable subsets of these pieces were entered using PostalOne!. Please provide, separately, the total number of workshare letters and the total number of workshare cards that PostalOne! mailers entered in their own names in R2006-1 BY 2005 and the same information estimated for R2006-1 TY 2008. In addition, please indicate what data system(s) you used to gather this information.

MMA/USPS-3

Please refer to your response to R2005-1 Interrogatory MMA/USPS-2, Parts B-E. There you stated that “[a]s of June 7, 2005, of a total of 114 deployed PostalOne! systems, 21 systems were purchased by customers and 93 were purchased by

the Postal Service. Of the 93 deployed PostalOne! systems purchased by the Postal Service, 36 are automated systems and 57 are desktop systems.”

- A. Please update the referenced information as of the date you respond to this interrogatory.
- B. As of June 7, 2005, how many of the 21 PostalOne! systems purchased by PostalOne! customers were automated systems and how many were desktop systems.
- C. As of the date you respond to this interrogatory, please provide the total number of PostalOne! systems purchased by PostalOne! customers, the number that are automated systems and the number that are desktop systems.
- D. Please describe in detail and explain all differences between automated and desktop PostalOne! systems.
- E. Please provide the total purchase price of the most recently purchased automated and desktop PostalOne! systems purchased by the Postal Service.
- F. For PostalOne! automated systems that the Postal Service purchases, please describe what installation, mailer training, and run-in costs are paid for by the Postal Service and provide the total of such costs that the Postal Service incurred or paid for during R2005-1 BY 2004 and R2006-1BY 2005, as well as any amount budgeted for such purposes during R2006-1 TY 2008.
- G. For PostalOne! desktop systems that the Postal Service purchases, please describe what installation and run-in costs are paid for or incurred by the Postal Service and provide the total of such costs that the Postal Service incurred or paid for during R2005-1 BY 2004 and R2006-1BY 2005, as well as any amount budgeted for such purposes during R2006-1 TY 2008.

MMA/USPS-4

How many First Class workshare mailers were there in R2006-1 BY 2005?

MMA/USPS-5

Please provide the total number of First Class workshare letters mailed by the 100 largest volume mailers during R2006-1 BY 2005 and specify the data system source(s) for the information.

MMA/USPS-6

Please provide the total number of First Class workshare letters mailed by the 200 largest volume mailers during R2006-1 BY 2005 and specify the data system source(s) for the information.

MMA/USPS-7

For R2006-1 BY 2005, how many First Class workshare mailers had arrangements with the Postal Service whereby the Postal Service regularly picks up workshare mail at the mailer's facility? What was the total volume of First Class workshare letters sent by such mailers during R2006-1 BY 2005?

MMA/USPS-8

What specific criteria does the Postal Service use to determine whether it will enter into an agreement with a First Class workshare mailer to pick up the mail at the mailer's facility?

MMA/USPS-9

Please refer to your response to R2005-1 Interrogatory MMA/USPS-6 E., where you indicated that the Postal Service realizes labor and transportation cost savings from installing a PostalOne! system and that transportation cost savings for the Postal Service come from redirecting mail from air to lower cost surface transportation.

- A. For R2006-1 BY 2005, please provide the average cost of transporting a tray of letters by air and the average cost of transporting a tray of letters by surface transportation.

- B. For R2005-1 BY 2004 and R2006-1 BY 2005, please provide the total volumes of First Class single piece mail that were transported by air.
- C. For R2005-1 BY 2004 and R2006-1 BY 2005, please provide the total volumes of First Class workshare mail that were transported by air.
- D. For R2005-1 BY 2004 and R2006-1 BY 2005, please provide the total volumes of First Class workshare mail that, according to the PostalOne! data system, were transported entirely by surface transportation after receipt from PostalOne! customers.
- E. For R2005-1 BY 2004 and R2006-1 BY 2005, please provide the total volumes of First Class workshare mail that, according to the PostalOne! data system, were transported by air after receipt from PostalOne! customers.
- F. Does the Postal Service also realize transportation cost savings when large volumes of First Class workshare mail can bypass one or more HASPs or other intermediate postal facilities and be moved directly from the PostalOne! mailer's facility to an airport or destinating mail processing facility? If so, please provide the transportation cost savings that the Postal Service realized from such activities during R2006-1 BY 2005.

MMA/USPS-10

What was the lowest annual volume of workshare mail sent by a mailer who used PostalOne! customer throughout FY2005?

MMA/USPS-11

Please refer to your response to R2005-1 Interrogatories MMA/USPS-T21-33K (redirected from USPS witness Abdirahman), where you indicated that the Postal Service expected total costs savings of \$6,194,735 from PostalOne! in FY 2006, and MMA/USPS-7, where you indicated that the total estimated savings for FY 2006 included transportation cost savings of \$877,179.

- A. Please provide the total cost savings and transportation cost savings that the Postal Service realized in R2006-1 BY2005.
- B. Please provide the total cost savings and transportation cost savings that the Postal Service expects in R2006-1 TY2008.

MMA/USPS-12

Please confirm that mail volume is the primary cost driver for determining whether Postal One! will benefit both the Postal Service and a mailer? If you cannot confirm with an unqualified yes, please explain why and how volume is not the primary factor.

MMA/USPS-13

Please refer to your answer to TW/USPS-T32-2 (b) (redirected from USPS witness Taufique) where you indicate that the QBRM unit cost savings using the Commission's most recently approved methodology from R2000-1 is 3.980 cents.

- A. In order to derive the 3.980 cents unit cost savings figure, please provide separately the derived unit costs for QBRM letters and hand addressed (HAND) letters before applying the CRA Proportional Adjustment factor and after applying the CRA Proportional Adjustment factor.
- B. Please confirm that you applied the CRA Proportional Adjustment factor for BMM (derived in R2005-1) for both QBRM letters and HAND letters. If you cannot confirm, please explain exactly what was done.
- C. Please confirm that you used the cost pools that result from application of the Commission's attributable cost methodology. If you cannot confirm please explain.
- D. Please confirm that the major difference between the mail flows of QBRM and HAND letters is that HAND letters require processing

within the Remote Bar Code System (RBCS) and QBRM letters completely bypass the RBCS.

- E. Please confirm that, just as with the case of HAND letters, BMM letters also require processing within the RBCS? If you cannot confirm, please explain.
- F. Please provide the actual, complete cost savings analysis that resulted in the QBRM cost savings of 3.980 cents.