

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA, INC.
(MPA/USPS-2)

The United States Postal Service hereby files its response to the above listed interrogatory, filed on June 29, 2006.

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-2. Please refer to the institutional response to MPA/USPS-T25-2(b), which states:

However, a rough estimate of the number of facilities through which nondropshipped Outside County Periodicals containers are crossdocked is 2.86, the development of which is shown in the attached excel spreadsheet MPA-T25-2b.xls.

Please also refer to MPA-T25-2b.xls.

(a) Why are the “Average Number of Facilities [Container] Passes Through” so much smaller for OBMC-entered pallets than for OBMC-entered sacks? Please explain your response fully.

(b) Why are the “Average Number of Facilities Pallet Passes Through” so much smaller for OBMC-entered pallets than for OSCF-entered and OADC-entered pallets?

(c) Please confirm that a 3-Digit or SCF container that is entered at the OSCF and is transported from the OSCF to the OBMC to the DBMC to the DADC to the DSCF would be recorded as passing through four facilities according to the method used to develop MPA-T25-2b.xls. If not confirmed, please explain fully.

(d) Please confirm that an ADC container that is entered at the OSCF and is transported from the OSCF to the OBMC to the DBMC to the DADC would be recorded as passing through three facilities according to the method used to develop MPA-T25- 2b.xls. If not confirmed, please explain fully.

(e) Would a 5-Digit or Carrier Route container that is entered at the OSCF and is transported from the OSCF to the OBMC to the DBMC to the DSCF to the DDU be recorded as passing through three facilities or four facilities, according to the method used to develop MPA-T25-2b.xls? Please explain your response fully.

(f) Please provide (in Excel format) a revision to MPA-T25-2b.xls that includes all Periodicals Outside County containers (including DBMC-entered containers) that are not entered at the DDU, DSCF, or DADC. Please also disaggregate the “Average Number of Facilities Though Which [Container] Passes Through” between BMCs and SCFs.

(g) Please provide (in Excel format) a revision to MPA-T25-2b.xls that includes only Periodicals Outside County containers that are entered at the DADC. Confirm that all of the facilities through which DADC-entered containers will pass through are SCFs. If not confirmed, please explain fully.

(h) Please provide (in Excel format) a revision to MPA-T25-2b.xls that includes only Periodicals Outside County containers that are entered at the DSCF. Confirm that all of the facilities through which DSCF-entered containers will pass through are SCFs. If not confirmed, please explain fully.

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Response to MMA/USPS-2:

- (a)-(b) See response to TW/USPS-3-d.
- (c) Confirmed.
- (d) Confirmed.
- (e) According to the method used to develop MPA-T-25-2b a 5-Digit or Carrier Route container entered at the OSCF and is transported from the OSCF to the OBMC to the DBMC to the DSCF to the DDU would be recorded as passing through 4 facilities. In this instance, if this container was a sack (and for all 5-Digit sacks), the methodology used to develop MPA-T-25-2b overstates the number of average facilities 5-Digit containers pass through. These estimates were developed under the assumption that all 5-Digit sacks would be opened and the contents distributed at the DDU. If 5-Digit sacks contain mail for zones where the Incoming Secondary sort is performed at the DSCF they may be opened and the contents distributed at the DSCF rather than at the DDU as is assumed.
- f) See attached workbook. However, the methodology used to develop MPA-T-25-2b overstates the number of average facilities 5-Digit containers pass through. These estimates were developed under the assumption that all 5-Digit sacks would be opened and the contents distributed at the DDU. If 5-Digit sacks contain mail for zones where the Incoming Secondary sort is performed at the DSCF they may be opened and the contents distributed at the DSCF rather than at the DDU as is assumed implying one less facility passed through.
- g) See attached workbook. However, the methodology used to develop MPA-T-25-2b overstates the number of average facilities 5-Digit containers pass through. These estimates were developed under the assumption that all 5-Digit sacks would be

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opened and the contents distributed at the DDU. If 5-Digit sacks contain mail for zones where the Incoming Secondary sort is performed at the DSCF they may be opened and the contents distributed at the DSCF rather than at the DDU as is assumed implying one less facility passed through.

The statement that the pass-through facilities will be SCF's is partially confirmed. In general the facility that a DADC entered container passes through will be the DADC, but ADC's also act as SCF's. As long as no distinction is being made between SCF's and ADC's the statement is confirmed.

- h) See attached workbook. However, the methodology used to develop MPA-T-25-2b overstates the number of average facilities 5-Digit containers pass through. These estimates were developed under the assumption that all 5-Digit sacks would be opened and the contents distributed at the DDU. If 5-Digit sacks contain mail for zones where the Incoming Secondary sort is performed at the DSCF they may be opened and the contents distributed at the DSCF rather than at the DDU as is assumed.

The facilities that DSCF containers pass through will be SCF's.

Development of estimate of the average number of facilities a nondropshipped pallet or sack of Outside County Periodicals goes through

Average Number of Facilities Pallet Passes Through

Entry	Pallet Type			5-Digit
	ADC	SCF	3-Digit	
OSCF	2,233	2,961	2,961	4,102
OADC	1,854	2,657	2,657	3,434
OBMC	1,520	1,155	1,155	2,070
DBMC	1,000	1,304	1,304	2,199
DADC		1,018	1,018	2,032
DSCF				1,000

Number of Pallets by Presort Level and Entry Point

Container Level	OAQ/OSCF	OADC	OBMC	DBMC	DADC	DSCF
5DCRTS	7,270	3,192	14	168	11,890	179,570
CR-5D Scheme	3,359	6,312	90	512	13,800	195,937
5 Digit Scheme (Merged)	1,878	2,920	21	139	12,396	104,910
5 Digit (Auto/Presort)	372	131	18		1,088	898
5 Digit (Barcode)		55				68
5 Digit (Merged)	1,441	3,922		142	8,909	138,067
5 Digit (Presort)						1
5 Digit Scheme						83
5 Digit Scheme (Auto/Presort)	42					476
3-Digit (Auto, Presort)		707			138	17,648
3-Digit (CR,Auto, Presort)	33,448	46,787	1,104	1,227	71,832	269,027
Metro Scheme	850	418			2,372	8,348
Protected SCF	1,176	1,854		19	1,963	10,955
SCF	184,275	185,711		12,170	217,754	1,256,982
ADC	192,634	196,614		5,208	382,870	-
5-Digit	14,363	16,532		960	48,084	620,010
3-digit	34,298	47,913		1,227	74,343	295,023
SCF	185,451	187,566		12,189	219,716	1,267,937
ADC	192,634	196,614		5,208	382,870	-

Number of pallets by number of facilities

Entry	Pallet Type		3-Digit	5-Digit
	ADC	SCF		
OSCF	430,244	549,187	101,569	58,914
OADC	364,610	498,333	127,296	56,774
OBMC	7,308	8,409	1,898	296
DBMC	5,208	15,896	1,600	2,111
DADC	-	223,637	75,669	97,718
DSCF				620,010

Average number of facilities a nondropshipped pallet of Outside County Periodicals goes through

Nondropshipped pallets by number of facilities	2,229,652
Nondropshipped pallets	908,824
Facilities per nondropshipped pallet	2.45

Average number of facilities a DADC dropshipped pallet of Outside County Periodicals goes through

DADC dropshipped pallets by number of facilities	397,023
DADC dropshipped pallets	725,013
Facilities per DADC dropshipped pallet	0.55

Average number of facilities a DSCF dropshipped pallet of Outside County Periodicals goes through

DSCF dropshipped pallets by number of facilities	620,010
DSCF dropshipped pallets	2,182,970
Facilities per DSCF dropshipped pallet	0.28

Average number of facilities a nondropshipped pallet or sack of Outside County Periodicals goes through

Nondropshipped pallets and sacks by number of facilities	146,869,042
Nondropshipped pallets and sacks	51,448,474
Facilities per nondropshipped pallet or sack	2.85

Average number of facilities a DADC dropshipped pallet or sack of Outside County Periodicals goes through

DADC dropshipped pallets and sacks by number of facilities	6,348,033
DADC dropshipped pallets and sacks	5,059,731
Facilities per DADC dropshipped pallet or sack	1.25

Average number of facilities a DSCF dropshipped pallet or sack of Outside County Periodicals goes through

DADC dropshipped pallets and sacks by number of facilities	10,130,785
DADC dropshipped pallets and sacks	13,974,779
Facilities per DADC dropshipped pallet or sack	0.72

Source of data: Distribution of containers by presort level and entry point from Table 13 of the response to TW/USPS-T28-7, R2006-1. Number of facilities through which containers of various presort levels and entry points pass developed by conducting a web-based survey of SCFs requesting lists of the facilities to which each SCF would send mail for every 3-Digit ZIP. Not all SCFs provided responses. The results were then mapped against origin and destination 3-Digit ZIP Codes of containers in mail.dat files to develop a weighted average estimate of the number of facilities through which containers of different presort levels and entry points would go. Simplifying assumptions were necessary when more than one transportation routing (perhaps depending on the time of day) was possible.

Average Number of Facilities Sack Passes Through

Entry	MADC	ADC	SCF	Sack Type			CR
				3-Digit	5-Digit	5-D CR	
OSCF	1,000	2,646	2,978	2,978	4,156	4,265	4,065
OADC	0,000	2,510	2,711	2,711	3,864	3,680	3,971
OBMC	1,000	3,000	2,895	2,895	3,767	3,928	3,958
DBMC	1,000	1,000	1,180	1,180	2,212	2,171	2,079
DADC		0,000	1,077	1,077	2,071	2,047	2,030
DSCF					1,000	1,000	1,000

Number of Sacks by Presort Level and Entry Point

Container Level	OAQ/OSCF	OADC	OBMC	DBMC	DADC	DSCF
CR-Direct	236,689	398,524	199,300	11,981	458,335	1,725,548
5DCRTS	1,851,533	1,305,207	1,249,924	17,549	214,278	2,435,007
CR-5D Scheme	207,384	97,136	365,637	4,843	14,132	211,377
5 Digit Scheme (Merged)	8,520	10,182	2,526	259	1,321	466
5 Digit (Auto/Presort)	1,838,883	4,332,429	252,645	28,898	1,479,267	4,996,547
5 Digit (Barcode)	49,757	55,158	5,603	1,234	645	2,244
5 Digit (Merged)	62,364	69,777	29,256	7,403	39,104	26,470
5 Digit (Presort)	25,011	16,547	199	121	1,943	4,920
5 Digit Scheme (Auto/Presort)	202,769	277,094	55,988	12,638	34,836	104,281
5 Digit Scheme (Barcode)	72,813	6,107	1,824	296	397	3,914
3-Digit (Auto, Presort)	8,143,930	8,228,536	1,403,365	61,363	1,133,805	2,045,195
3 Digit (Barcoded)	97,235	126,795	7,030	158	2,417	9,134
3 Digit (Presort)	84,101	136,482	13,811	334	55,850	26,152
3-Digit Scheme		9				
Unique 3 Digit	31,154	87,280	16,204	254	654	10,331
SCF	1,887,047	1,691,919	662,033	6,276	39,373	190,222
ADC	4,668,012	3,806,806	970,018	9,442	858,361	-
MADC	2,140,728	2,712,387	141,769	13,161	-	-
ADC	4,668,012	3,806,806	970,018	9,442	858,361	-
SCF	1,887,047	1,691,919	662,033	6,276	39,373	190,222
3-Digit	8,356,420	8,579,101	1,440,410	62,110	1,192,726	2,090,812
5-Digit	2,260,119	4,787,293	348,041	50,849	1,557,513	5,138,842
5-D CR	2,058,917	1,402,343	1,615,562	22,392	228,410	2,646,384
CR	236,689	398,524	199,300	11,981	458,335	1,725,548
CR	21,607,932	23,378,374	5,377,134	176,211	4,334,718	11,791,808

Number of sacks by number of facilities

Entry	MADC	ADC	SCF	Sack Type			CR
				3-Digit	5-Digit	5-D CR	
OSCF	2,140,869	12,353,411	5,618,928	24,882,331	9,392,797	8,780,577	962,240
OADC	-	9,554,424	4,586,006	23,253,955	18,498,130	5,160,491	1,582,344
OBMC	141,769	2,910,055	1,916,297	4,169,359	1,310,974	6,345,378	788,745
DBMC	13,161	9,442	7,406	73,299	112,487	48,606	24,912
DADC	-	-	42,420	1,285,032	3,225,815	467,527	930,216
DSCF					5,138,842	2,646,385	1,725,548

Average number of facilities a nondropshipped sack of Outside County Periodicals goes through

Nondropshipped sacks by number of facilities	144,639,390
Nondropshipped sacks	50,539,650
Facilities per nondropshipped sack	2.86

Average number of facilities a DADC dropshipped sack of Outside County Periodicals goes through

DADC dropshipped sacks by number of facilities	5,951,009
DADC dropshipped sacks	4,334,718
Facilities per DADC dropshipped sack	1.37

Average number of facilities a DSCF dropshipped sack of Outside County Periodicals goes through

DSCF dropshipped sacks by number of facilities	9,510,775
DSCF dropshipped sacks	11,791,808
Facilities per DSCF dropshipped sack	0.81

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.

Nan K. McKenzie

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July 13, 2006