

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 TO INTERROGATORY OF THE
MAGAZINE PUBLISHERS OF AMERICA, INC.,
REDIRECTED FROM WITNESS MAYES
(MPA/USPS-T25- 2(b))

The United States Postal Service hereby files its response to the above-listed interrogatory, filed on May 19, 2006, due on June 2, 2006 and redirected from witness Mayes.

The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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June 19, 2006

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MPA/USPS-T25-2. Please refer to page 7 of your testimony, where you discuss “Assumptions Used in Periodicals Destination Entry Models” and USPS-LR-L-88, Appendix F, Table 6.

...

(b) On average, through how many facilities is a Periodicals container that fails to qualify for destination entry rates crossdocked? Please explain your response fully, and provide citations to the underlying data in sufficient detail to replicate your response.

Response:

b. As the model used in Appendix F is designed to estimate the costs of handlings avoided and is not designed to develop total “bottom-up” costs for mail qualifying, or not qualifying, for dropship discounts, the model does not require the use of such an estimate, nor was such an estimate readily available. 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.

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.

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June 19, 2006

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

Response to
MPA/USPS-T25-2b
R2006-1

Average Number of Facilities Pallet Passes Through

Entry	ADC	Pallet Type		
		SCF	3-Digit	5-Digit
OSCF	2.233	2.961	2.961	4.102
OADC	1.854	2.657	3.434	
OBMC	1.520	1.155	1.155	2.070

Average Number of Facilities Sack Passes Through

Entry	MADC	ADC	Sack Type				
			SCF	3-Digit	5-Digit	5-D CR	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
OTH	1.000	3.000	2.895	2.895	3.767	3.928	3.958

Number of Pallets by Presort Level and Entry Point

Container Level	OAO/OSCF	OADC	OBMC
5DCRTS	7,270	3,192	14
CR-5D Scheme	3,359	6,312	90
5 Digit Scheme (Merged)	1,878	2,920	21
5 Digit (Auto/Presort)	372	131	18
5 Digit (Barcode)		55	
5 Digit (Merged)	1,441	3,922	
5 Digit (Presort)			
5 Digit Scheme			
5 Digit Scheme (Auto/Presort)	42		
3- Digit (Auto, Presort)		707	
3- Digit (CR, Auto, Presort)	33,448	46,787	1,104
Metro Scheme	850	418	539
Protected SCF	1,176	1,854	253
SCF	184,275	185,711	7,025
ADC	192,634	196,614	4,806
5-Digit	14,363	16,532	143
3-digit	34,298	47,913	1,643
SCF	185,451	187,566	7,278
ADC	192,634	196,614	4,806

Number of Sacks by Presort Level and Entry Point

Container Level	OAO/OSCF	OADC	OBMC
CR-Direct	236,689	398,524	199,300
5DCRTS	1,851,533	1,305,207	1,249,924
CR-5D Scheme	207,384	97,136	365,637
5 Digit Scheme (Merged)	8,520	10,182	2,526
5 Digit (Auto/Presort)	1,838,883	4,332,429	252,645
5 Digit (Barcode)	49,757	55,158	5,603
5 Digit (Merged)	62,364	89,777	29,256
5 Digit (Presort)	25,011	16,547	199
5 Digit Scheme (Auto/Presort)	202,769	277,094	55,988
5 Digit Scheme (Barcode)	72,813	6,107	1,824
3- Digit (Auto, Presort)	8,143,930	8,228,536	1,403,365
3 Digit (Barcoded)	97,235	126,795	7,030
3 Digit (Presort)	84,101	136,482	13,811
3-Digit Scheme		9	
Unique 3 Digit	31,154	87,280	16,204
SCF	1,887,047	1,691,919	662,033
ADC	4,668,012	3,806,806	970,018
MADC	2,140,728	2,712,387	141,769
MADC	2,140,728	2,712,387	141,769
ADC	4,668,012	3,806,806	970,018
SCF	1,887,047	1,691,919	662,033
3-Digit	8,356,420	8,579,101	1,440,410
5-Digit	2,260,119	4,787,293	348,041
5-D CR	2,058,917	1,402,343	1,615,562
CR	236,689	398,524	199,300
	21,607,932	23,378,374	5,377,134

Number of pallets by number of facilities

Entry	Pallet Type			
	ADC	SCF	3-Digit	5-Digit
OSCF	430,244	549,187	101,569	58,914
OADC	364,610	498,333	127,296	56,774
OBMC	7,306	8,409	1,898	296

Number of sacks by number of facilities

Entry	MADC	ADC	Sack Type				
			SCF	3-Digit	5-Digit	5-D CR	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	18,499,130	5,160,491	1,582,344
OTH	141,769	2,910,055	1,916,297	4,169,359	1,310,974	6,345,376	788,745

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

Nondropshipped pallets by number of facilities	2,204,837
Nondropshipped pallets	889,239
Facilities per nondropshipped pallet	2.48

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

Nondropshipped sacks by number of facilities	144,350,078
Nondropshipped sacks	50,363,439
Facilities per nondropshipped sack	2.87

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

Nondropshipped pallets and sacks by number of facilities	146,554,914
Nondropshipped pallets and sacks	51,252,679
Facilities per nondropshipped pallet or sack	2.86

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. Some SCFs did not provide 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, for example, when more than one transportation routing (perhaps depending on the time of day) was possible.