

ORIGINAL

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
MMA WITNESS BENTLEY
(USPS/MMA-T1-42-53)


Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to Major Mailers Association witness Richard E. Bentley (USPS/MMA-T1-42-53).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Susan M. Duchek

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December 11, 1996

POSTAL RATE COMMISSION
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USPS/MMA-T1-42. Please refer to Sheet 4 of MMAUSPS.XLS, footnote 1. That footnote cites page 2, column 3 as the source for the amounts in lines 1 and 2, but the cells refer to MMA11.XLS as the source for these amounts. Please provide MMA11.XLS and all source and other materials (in both hard copy and electronic format) necessary to fully document MMAUSPS.XLS.

USPS/MMA-T1-43. Please refer to Sheet 5 of MMAUSPS.XLS, footnote 1. That footnote cites page 2, column 6 as the source for the amounts in lines 1 and 2, but the cells refer to MMA12.XLS as the source for these amounts. Please provide MMA12.XLS and all source and other materials (in both hard copy and electronic format) necessary to fully document MMAUSPS.XLS.

USPS/MMA-T1-44. Please refer to your response to USPS/MMA-T1-28(c), where you stated that you prepared your Docket No. R94-1 analysis the night before you were to testify.

- a. Does this mean that your Docket No. R94-1 analysis was prepared on November 18, 1996? If not, please explain on what date it was prepared.
- b. If your Docket No. R94-1 analysis was not prepared until November 18, 1996, then please explain in detail why Major Mailers Association stated in its September 24, 1996 Motion for Limited Extension of Time to File Testimony and Request for Shortened Answering Period,

that the data from PRC-LR-1 and 2 "effectively supersede the data MMA used in its original prepared testimony. Now that these new data are available, it makes no sense to have MMA submit its testimony as originally prepared."

- c. If your Docket No. R94-1 analysis was not prepared until November 18, 1996, then please explain in detail why you testified: "Yes. I was basically finished with my analysis and when this updated information came on, I felt I would have been embarrassed to file my testimony by ignoring it, so I wanted to incorporate it. . . . Once the new data came out, I saw no need to put in the older data." Tr. 6/2044-45.
- d. If your Docket No. R94-1 analysis was not prepared until November 18, 1996, then please explain in detail why Major Mailers Association stated in its November 25, 1996 Response to United States Postal Service's "Supplemental Comments" to Motion to Strike MMA Witness Bentley's "New Analysis": "This conclusion was contained in the draft of his testimony that Mr. Bentley prepared before the Commission issued PRC-LR-1 and LR-2. At that time, Mr. Bentley illustrated his conclusion with data from Docket No. R94-1 (*Id.* at 6:2042). After the Commission issued PRC-LR-1 and LR-2 data for the R94-1 data."

- e. Was your testimony originally prepared using an analysis different from the one contained at Tr. 6/2039-41 and as revised (attached to letter of November 22, 1996 from Richard Littell to Susan M. Duchek)? If so, please provide all notes, spreadsheets, workpapers, electronic files, and other documentation related to that original analysis.

USPS/MMA-T1-45. Please refer to your response to USPS/MMA-T1-30(a) where you state that the cost figure of \$52,530,344 appearing in row 2, column 4 represents "an estimate" of Postal Service accrued costs under the Commission's rates and projected volumes.

- a. Please explain in detail how this estimate was calculated.
- b. Please explain how this calculation was implemented in your spreadsheet MMAUSPS.XLS.

USPS/MMA-T1-46. Please refer to your response to USPS/MMA-T1-31(a) where you state that the cost figure of \$52,592,438 appearing in row 3, column 1 represents "an estimate" of Commission accrued costs under the Postal Service's rates.

- a. Please explain in detail how this estimate was calculated.
- b. Please explain how this calculation was implemented in your spreadsheet MMAUSPS.XLS.

USPS/MMA-T1-47. Please refer to your responses to USPS/MMA-T1-30(c) and 31 (c) where you state that "In row 2, I have adjusted the Postal Service's total accrued costs to be exactly equal to the Commission's total accrued costs" and "In row 3 I have adjusted the Commission's total accrued costs to be exactly equal to the Postal Service's total accrued costs." Please show all calculations underlying these adjustments. Please provide all notes, spreadsheets, workpapers, electronic files, and other documentation underlying these adjustments.

USPS/MMA-T1-48. Please refer to your response to USPS/MMA-T1-34 in the final sentence where you state that the Appendix D attributable cost, after addition of the contingency and subtraction of the final adjustments, "is just about the same as" the Appendix G attributable cost. Why are the Appendix D "adjusted" attributable costs not exactly the same as the Appendix G attributable costs? Please explain in detail.

USPS/MMA-T1-49. Please refer to your response to USPS/MMA-T1-38 referring to a correction made on the diskette provided in response to USPS/MMA-T1-27. Were there any other corrections or revisions made on the diskette? If so, please explain each such correction or revision in detail.

USPS/MMA-T1-50. Please refer to your response to USPS/MMA-T1-39(g) where you state, "The Commission's costs reflect its recommended rates and volumes.

The Postal Service's costs reflect its proposed rates and volumes. Thus, total accrued costs should be and are different."

- a. Is it your testimony that if the Postal Service's total accrued costs were calculated using Commission recommended rates and volumes, then the Postal Service's total accrued costs would equal the Commission's total accrued costs? Please explain in detail.
- b. Is it your testimony that if the Commission's total accrued costs were calculated using Postal Service proposed rates and volumes, then the Commission's total accrued costs would equal the Postal Service's total accrued costs? Please explain in detail.
- c. Is it your testimony that if you used the Commission's projected volumes in the Postal Service's cost model, then the level of attributable costs as a percent of total accrued costs would be the same as if you had used the Postal Service's projected volumes? Please explain in detail.
- d. Is it your testimony that if you used the Postal Service's projected volumes in the Commission's cost model, then the level of attributable costs as a percent of total accrued costs would be the same as if you had used the Commission's projected volumes? Please explain in detail.

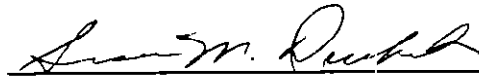
USPS/MMA-T1-51. Please refer to your response to USPS/MMA-T1-39(g) where you state, "In order for the totals of each to be directly comparable, one of the sets of figures should be adjusted." Is this the adjustment you are referring to in your responses to USPS/MMA-T1-30(c) and 31(c)? If not, please explain in detail what adjustment you are referring to in your response to USPS/MMA-T1-39(g).

USPS/MMA-T1-52. Please refer to your response to USPS/MMA-T1-40. Please specify the date on which Attachment II was prepared.

USPS/MMA-T1-53. Please refer to your response to USPS/MMA-T1-41. Please specify the date on which Attachment III was prepared.

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.



Susan M. Duchek

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