**BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON DC 20268-0001**
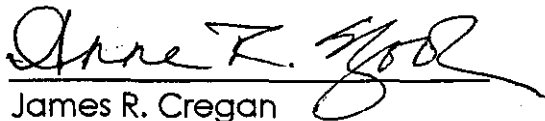
POSTAL RATE AND FEE CHANGES, 2000) Docket No. R2000-1

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**FIRST SET OF INTERROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA, INC.
TO USPS WITNESS YACOBUCCI
(MPA/USPS-T-25-1-7)**

(February 4, 2000)

Pursuant to the Commission's Rules of Practice, Magazine Publishers

of American hereby submits the attached interrogatories to USPS Witness

Yacobucci (MPA/USPS-T25-1-7).

Respectfully submitted,

James R. Cregan
Anne R. Noble
Counsel
Magazine Publishers of America, Inc.
Suite 610
1211 Connecticut Avenue NW
Washington DC 20036
(202) 296 7277

INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA
TO UNITED STATE POSTAL SERVICE WITNESS YACOBUCCI

MPA/USPS-T25-1. Please refer to Table II-2 of your testimony and LR-I-90, R2000_1_Flats Cost Model_Final USPS.xls.

a.   Please confirm that the unit cost figures in Table II-2 can be obtained by running the cost model in R2000_1_Flats Cost Model_Final USPS.xls for all scenarios for the Periodicals Regular subclass and that when you run the model these figures appear on worksheet "Cost Averaging" under the heading "Periodicals Regular Cost Averages - Normalized Auto-Related Savings." If not confirmed, please explain how you developed the unit cost figures in Table II-2.

b.   Please confirm that the unit costs in Table II-2 are based on a ten percent bundle breakage assumption. If not confirmed, what bundle breakage assumption did you use to develop the unit costs in Table II-2?

c.   Please confirm that setting Cell G56 of worksheet "Data" to 0% changes the bundle breakage assumption to 0%. If not confirmed. please explain how to change the bundle breakage assumption.

MPA/USPS-T25-2. Please refer to LR-I-90, R2000_1_Flats Cost Model_Final USPS.xls. Please confirm that changing the bundle breakage assumption from 10% to 0% and running the model for the Periodicals Regular subclass reduces the WEIGHTED AVERAGE MODELED UNIT VOL VAR COST on worksheet "Scenario Costs" from 6.198 cents to 5.534 cents. If not confirmed, please explain.

MPA/USPS-T25-3. Please refer to Note (6) on Worksheet "Productivities" of LR-I-90, R2000_1_Flats Cost Model_Final USPS.xls, where it states: "USPS Operations. Assumed to equal FSM 881 BCR/OCR."

a.   Please confirm that this note indicates that USPS Operations told you to assume that the productivity of an FSM 881 OCR machine is exactly the same as that of an FSM 881 BCR/OCR machine. If not, please explain.

b.   Please explain USPS Operations' basis for this assumption.

MPA/USPS-T25-4. Please refer to the "Coverage Factors" and "CapacitySOP Factors" worksheets of LR-I-90, R2000_1_Flats Cost Model_Final USPS.xls. For this question, please assume that all mail processing facilities have FSM 1000s and AFSM 100s and no facilities have FSM 881s.

a. Please confirm that the method described below is the appropriate way to model unit costs for Periodicals Regular mail under the above scenario: (1) on the "Coverage Factors" worksheet, set Cells F11 and F31 to 100% and Cells F6, F7, F8, F9, F10, F12, F13, F26, F27, F28, F29, F30, F32, and F33 to 0%; (2) on the "CapacitySOP Factors" worksheet, set Cells G29, I29, G39, and I39 to 100% and Cells G27, I27, G37, and I37 to 0%; and (3) run all scenarios for the Periodicals Regular subclass.

b. If not confirmed, please explain in detail how to run the model so that it reflects the above scenarios.

MPA/USPS-T25-5. Please refer to LR-I-90, R2000_1_Flats Cost Model_Final USPS.xls, Worksheets "Vols-Per Reg" and "Vols-Per Non."

a. Please confirm that all "non-sacked" Periodicals Regular Rate flats are palletized. If not confirmed, what percentage of non-sacked Periodicals Regular Rate flats are palletized?

b. Please confirm that all "non-sacked" Periodicals Nonprofit flats are palletized. If not, what percentage of non-sacked Periodicals Nonprofit flats are palletized?

MPA/USPS-T25-6. Please refer to LR-I-90, R2000_1_Flats Cost Model_Final USPS.xls, Worksheet "Data" and LR-I-88, FINAL_Bundle Breakage.xls.

a. Please confirm that your model applies the ten percent bundle breakage assumption to both sacked bundles and palletized bundles..

b. Please specify the worksheets and cells within your model where the model applies the ten percent bundle breakage assumption.

c. Please explain in detail how to modify your model so that it can apply different bundle breakage assumptions to sacked mail and palletized mail.

d.   Please confirm that your study of bundle breakage indicated that bundles in sacks break approximately twice as often as bundles on pallets. If not confirmed, how much more often do bundles in sacks break than bundles on pallets?

e.   Please confirm that assuming that bundles on pallets break with the same frequency as bundles in sacks overstates the per-piece cost (including both piece and bundle sorting costs) of processing pieces that are presented in bundles on pallets relative to the per-piece cost of processing pieces that are presented in bundles in sacks.   If not confirmed, please explain why you didn't confirm.

MPA/USPS-T25-7.   Please refer to Table 9 of LR-I-87 and LR-I-90, R2000_1_Flats Cost Model_Final USPS.xls

a.   Please confirm that approximately eighty percent of Periodicals Regular Rate carrier-route bundles are presented on pallets. If not confirmed, what percentage of Periodicals Regular Rate carrier-route bundles are on pallets.

b.   Please confirm that less than ten percent of ADC Nonautomation bundles are on pallets.

c.   Please confirm that the per-piece cost difference between basic, nonautomation pieces and Carrier Route pieces would be larger if you applied a more-than-ten-percent bundle breakage assumption to bundles in sacks and a less-than-ten-percent bundle breakage assumption to bundle on pallets. If not confirmed, please explain.

d.   If you applied a 15 percent bundle breakage assumption to bundles in sacks and a 5 percent bundle breakage assumption to bundles on pallets, what would the cost difference between basic, nonautomation pieces and carrier route pieces be?

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with the Commission's Rules of Practice.

Anne R. Noble

Washington, D.C.
February 4, 2000