

Before The  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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Postal Rate and Fee Changes

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Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
WITNESS ROBINSON TO INTERROGATORY OF  
DIRECT MARKETING ASSOCIATION  
(DMA/USPS-T34-1)

The United States Postal Service hereby provides the responses of witness Robinson to the following interrogatory of the Direct Marketing Association: DMA/USPS-T34-1, filed on February 16, 2000.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Richard T. Cooper

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March 1, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON  
TO INTERROGATORIES OF DIRECT MARKETING ASSOCIATION, INC.

**DMA/USPS-T34-1.** Please refer to footnote 1 on page 14 of the Domestic Mail Rate History (USPS-LR-I-118), which states, "pieces presented in mailing of at least 300 pieces and meeting applicable Postal Service regulations for presorted Priority Mail receive a 11-cent per piece discount". Please also refer to lines 4-5 on page 7 of your testimony (USPS-T-34) where you state, "the Priority Mail presort discount was eliminated in January 1999 following Docket No. R97-1."

- a. Please confirm that prior to January 1999 an 11-cent discount was given from presorted mailings of at least 300 pieces that met "applicable Postal Service regulations" for presorted Priority Mail. If not confirmed, please explain.
- b. Please describe in detail these "applicable Postal Service regulations" for presorted Priority Mail.
- c. Please describe in detail the method the USPS used to estimate the cost savings resulting from presortation that formed the basis for the 11-cent discount.
- d. How large was the presort cost savings that formed the basis for the Priority Mail presort discount? Please provide the cost savings figure as well as all underlying calculations in an electronic spreadsheet.
- e. Using the method described in your response to part (c), what would the Priority Mail presort cost savings be in the Test Year for this case? Please provide the cost savings figure as well as all underlying calculations in an electronic spreadsheet.
- f. Has the USPS estimated the cost savings that would result from dropshipping Priority Mail to DBMCs, DSCFs, or any other destination facility (e.g., Destination PMPC)? If so, please describe the cost estimating methodology and provide all relevant cost savings figure and all underlying calculations in an electronic spreadsheet.

**RESPONSE:**

- a. Confirmed.
- b. See DMM Issue 53 (January 1, 1998) E120, M010, M020, M030, and M120.

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- c. The presort discount was proposed initially by USPS witness Lyons in Docket No. R90-1. The study estimating cost savings is at Docket No. R90-1, USPS-T-18, Workpapers of Ashley Lyons, Priority Mail: WP III.C. In Docket No. R94-1, USPS witness Foster proposed the 11-cent discount stating: “[t]he presort discount was increased by 10.3 percent, then rounded to the nearest penny . . . .” See Docket No. R94-1, USPS-T-11 at 96.
- d. See response to DMA/USPS-T34-1(c).
- e. The Postal Service is not proposing a Priority Mail presort discount in Docket No. R2000-1; therefore, the requested study has not been performed.
- f. No.

**DECLARATION**

I, Maura Robinson, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
MAURA ROBINSON

Dated: 3.1.2000

## 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.

  
Richard T. Cooper

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