

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES

Docket No. R2000-1

**Major Mailers Association's First Set Of Interrogatories
And Requests For Production Of Documents
To USPS Witness Mark F. Ramage**

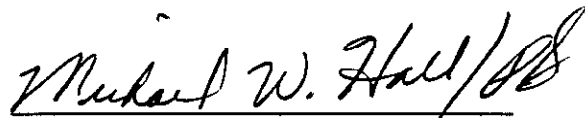
Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, Major Mailers Association herewith submits the following interrogatories and document production requests to United States Postal Service witness Mark F. Ramage:

MMA/USPS-T2-1. If the designated witness is unable to answer any of these questions, please direct them to the appropriate witness who can provide a complete response.

Respectfully submitted,

MAJOR MAILERS ASSOCIATION

By:



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Counsel for
Major Mailers Association

Dated: Round Hill, VA
March 3, 2000

**Major Mailers Association's First Set Of Interrogatories
And Requests For Production Of Documents
To USPS Witness Mark F. Ramage**

MMA/USPS-T2-1 On page 3 of your prepared testimony you indicate that one purpose of your testimony is to discuss the reliability of major cost estimates that are generated from the In-Office Cost System. In Table 1, entitled "CV's For Mailprocessing Costs" and Table 2, entitled "CV's For City Carrier In Office Costs," you list the MODS-based estimated mean distributed costs and coefficients of variation.

- (a) Please refer to Library References LR-I-81 and LR-I-137. How accurate are the individual MODS cost pool data shown in those Library References for First-Class single piece letters, single piece metered letters, presort automated letters, and presort non-automated letters, presort carrier route letters, and presort non-carrier route letters. Please explain your conclusions regarding the accuracy of the individual MODS cost pool data.
- (b) Please explain the meaning of the coefficient of variation (.46% for First-Class letters and parcels and 1.22% for presort letters and parcels) as that term is used in your Table 1.
- (c) Please explain the meaning of the coefficient of variation (.89% for First-Class letters and parcels and 1.35% for presort letters and parcels) as that term is used in your Table 2.
- (d) According to the Postal Service's institutional response to MMA/USPS-T24-3 (a), the average weight of a metered letter is .57 ounces. According to LR-I-91a, the average weight of a presorted letter is .62 ounces. Are the MODS cost pools presented in LR-I-162a (which comes from LR-I-81) sufficiently reliable to accurately reflect differences in mail processing costs for two categories of mail of the same shape, but that experience differences in the average weight of .05 ounces? Please explain your answer and provide any documents that support your conclusions.
- (e) According to USPS witness Miller's response to MMA/USPS-T24-1 (a), heavy weight metered letters (weighing between 3.5 and 13 ounces) "might be affecting" the cost pool estimates, causing those costs to be 84% higher than for automated presort letters that weigh up to 3.3362 ounces. According to LR-I-91b, First-Class single piece letters weighing between 3.5 and 13 ounces comprise .16% of all single piece letters. Are the MODS cost pools presented in LR-I-162a sufficiently reliable to accurately reflect differences in mail processing costs for two categories of mail of the same shape, but that experience differences in the upper

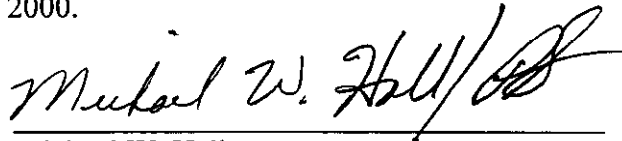
weight limit for such a small number of pieces? Please explain your answer.

- (f) When aggregate MODS cost data are broken down to the specific cost pool levels that are shown, for example, in LR-I-162a, which is more accurate: the individual cost pool data amounts or the sum of the individual cost pool data amounts? Please provide an explanation for your conclusions regarding this matter.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing discovery request upon the United States Postal Service, Ted P. Gerarden, the Designated Officer of the Commission, and participants who requested service of all discovery documents, in compliance with Rules 12, 25, and 26 of the Commission's Rules of Practice And Procedure.

Dated this 3rd day of March, 2000.



Michael W. Hall