

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, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS BOZZO  
TO INTERROGATORY OF  
THE ASSOCIATION OF AMERICAN PUBLISHERS  
REDIRECTED FROM WITNESS DEGEN  
(AAP/USPS-T16-7)

The United States Postal Service hereby provides the response of witness Bozzo to the following interrogatory of the Association of American Publishers: AAP/USPS-T16-7, filed on March 14, 2000, and redirected from witness Degen.

The 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



Susan M. Duchek

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March 28, 2000

**Response of United States Postal Service Witness Bozzo  
To Interrogatories of Association of American Publishers  
(Redirected from Witness Degen, USPS-T-16)**

**AAP/USPS-T16-7. On page 69 of your testimony, you describe the estimated volume variabilities developed by Postal Service witness Bozzo (USPS-T-15) for allied operations that were not incorporated by the Postal Service in R2000-1. Please provide any estimates or analyses that shows the effect on mail processing costs that would result if Dr. Bozzo's analyses of the variabilities of allied operations had been incorporated into the current filing.**

**AAP/USPS-T16-7 Response.**

**In the attached table, I have provided a comparison of the Postal Service's BY98 volume-variable costs for the MODS Platform, Opening, and Pouching cost pools with the results that would obtain from the use of the estimated volume-variability factors I provided in response to MPA/USPS-T15-1. The table follows the approach of the response to AAP/USPS-T15-6. I am aware of no other analyses showing the effect of my estimated allied labor variabilities on mail processing volume-variable costs.**

**Comparison of Volume-Variable Cost for MODS Platform, Opening, and Pouching Cost Pools under Alternative Volume-Variability Methods**

(1)	(2)	(3)	(4)	(5)	(6)
SAS cost pool code	Pool Total Cost, BY 98	Pool Volume-Variable Cost, BY98	Variability from MPA/USPS-T15-1 results	BY 98 Volume-Variable Cost, using MPA/USPS-T15-1 Variabilities	% Difference due to Variabilities
Docket No. R2000-1, USPS-T-17, page 24			USPS LR-I-178, vv-allied-v2.out	Col. 2 x Col. 4	(Col. 5 - Col. 3) / Col. 2
1PLATFRM	1,052,585	943,115	54.30%	571,554	-35.30%
1OPPREF	711,487	683,028	64.20%	456,775	-31.80%
1OPBULK	305,417	305,417	56.90%	173,782	-43.10%
1POUCHNG	446,331	446,331	69.00%	307,968	-31.00%
Total	2,515,820	2,377,891		1,510,079	-34.49%

## DECLARATION

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

A. Thomas Bozzo

Dated: 3-28-00

### **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.

A handwritten signature in cursive script, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

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