

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 SMITH TO INTERROGATORY OF
MAGAZINE PUBLISHERS OF AMERICA
(MPA/USPS-T21-2(d-e))

The United States Postal Service hereby provides the response of witness Smith to the following interrogatory of Magazine Publishers of America: MPA/USPS-T21-2(d-e), filed on March 21, 2000. Interrogatories MPA/USPS-T21-2(a-c) were redirected to witness Taufique.

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


Eric P. Koetting

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April 4, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH
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MPA/USPS-T21-2. Please refer to your response to POIR #4.

a. Please provide Periodicals Regular Rate billing determinants for FY 1989, FY 1992, and FY 1999. Please provide the billing determinants in an electronic spreadsheet using the rate categories that the Postal Service is proposing in this docket.

b. Please describe the methodology that you used to develop billing determinants for FY 1989 and FY 1992.

c. Please confirm that Periodicals Regular Rate mailers performed more worksharing in FY 1999 than they performed in either FY 1989 or FY 1992. If not confirmed, please explain.

d. In an electronic spreadsheet format, please provide the following information from MODS individually for each year from FY 1989 to FY 1999:

1. Manual flat sorting total piece handlings (TPH)
2. Manual flat sorting work hours
3. Manual flat sorting productivity
4. FSM TPH
5. FSM work hours
6. FSM productivity

e. In an electronic spreadsheet format, please provide the following information individually for each year from FY 1989 to FY 1999. If you cannot provide this exact information, please disaggregate wage- level-adjusted Periodical Regular Rate unit mail processing costs in as similar a fashion as possible:

- (1) wage-level-adjusted Periodicals Regular Rate unit cost for allied/support mail processing operations;
- (2) wage-level-adjusted Periodicals Regular Rate unit cost for piece distribution operations;
- (3) wage-level-adjusted Periodicals Regular Rate unit cost for bundle distribution operations;
- (4) wage-level- adjusted Periodicals Regular Rate unit cost for all other mail processing operations.

Response:

a-c. Redirected to witness Taufique, USPS-T-38.

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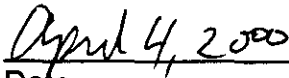
- d. These productivities are to be provided in USPS-LR-I-283. Productivities for FY 89 to FY 96 are provided based on the "scrubbed" data from Dr. Bradley's testimony, USPS-T-14, from Docket No. R97-1. The "unscrubbed" data was not readily available. Productivities for the years FY93 to FY98 are based on the "unscrubbed" data set from Dr. Bozzo's testimony, USPS-T-15. FY99 is based on MODS data from the corporate data base. A comparison of the overlapping years, FY 93 to FY96, shows that the productivities are fairly close for the "scrubbed" and "unscrubbed" data.
- e. Costs can not be provided, in a meaningful way, by operations or groupings of operations using the costing methodology for processing costs contained in POIR No. 4. Doing so requires use of MODS based costing, which is not available for the requested time period as discussed in my response to POIR No. 4.

DECLARATION

I, Marc A. Smith, hereby declare, under penalty of perjury, that the foregoing Docket No. R2000-1 interrogatory responses are true to the best of my knowledge, information, and belief.



Marc A. Smith



Date

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.



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