

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

SUPPLEMENTAL RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS O'TORMEY TO INTERROGATORY OF
MAGAZINE PUBLISHERS OF AMERICA
(MPA/USPS-ST42-3(d))

The United States Postal Service hereby provides the supplemental response of witness O'Tormey to the following interrogatory of Magazine Publishers of America: MPA/USPS-ST42-3(d), filed on April 26, 2000. The original response, filed yesterday, May 9, 2000, indicated that additional information was being compiled and would be supplied shortly. The supplemental response supplies the information.

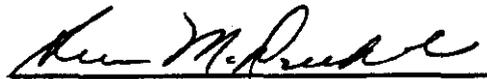
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

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May 10, 2000

Supplemental Response 5/10/00
RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'TORMEY
TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-ST42-3 On page 22 of your testimony, you describe an opportunity you entitle "Productivity."

- a. Are the "more aggressive performance targets in the coming years" completely accounted for in witness Tayman's cost reduction programs?
- b. If so, please provide all references to where witness Tayman accounts for these cost reduction programs.
- c. If not, please fully describe all cost reductions that are not accounted for in witness Tayman's cost reduction programs and estimate the Test Year cost savings that will result from these targets.
- d. Please provide in an electronic spreadsheet format manual flat sorting productivity for the last ten years and the productivity you expect to achieve in the Test Year.
- e. If there are opportunities other than more aggressive performance targets included in these productivity opportunities, please describe them.
- f. If there are other opportunities cited in (e) above that will generate savings in the Test Year that are not accounted for in the testimony of witness Tayman, please quantify the Test Year savings and provide all cost estimating assumptions and calculations in an electronic spreadsheet format.

RESPONSE:

- a) No.
- b) N/A
- c) See response to TW/USPS-9(b)
- d) See response to ANN/USPS-ST42-11. See attached.
- e) See response to TW/USPS-9(b)
- f) See response to TW/USPS-9(b)

	Fiscal Year	Hours (Millions)	Volumes (Billions)	Productivity (TPH/Hr)
FSM Total	1993	20.1	15.0	748
Key,BCR, OCR	1994	22.2	16.3	734
	1995	23.6	17.0	719
	1996	24.4	17.4	713
	1997	28.2	18.9	670
	1998	34.9	21.5	614
	1999	39.6	22.7	573

Note: Volume Workhours data prior to FY 93 is incomplete. PC MODS implemented during FY 92. Prior to FY 93, data was limited to approx. 125 plants. FY 99 implemented manual volumes conversion rate changes.

	Fiscal Year	Hours (Millions)	Volumes (Billions)	Productivity (TPH/Hr)
FSM Keyed	1993	19.6	14.5	740
ML,SL, 1000 & 881	1994	20.7	14.6	705
	1995	21.2	14.4	680
	1996	21.1	14.1	688
	1997	23.3	14.5	623
	1998	28.4	16.3	573
	1999	27.5	14.0	508

Note: Volume Workhours data prior to FY 93 is incomplete. PC MODS implemented during FY 92. Prior to FY 93, data was limited to approx. 125 plants. FY 99 implemented manual volumes conversion rate changes.

	Fiscal Year	Hours (Millions)	Volumes (Billions)	Productivity (TPH/Hr)
FSM BCR/OCR	1993	0.4	0.5	1096
BCR-FY 93	1994	1.5	1.7	1132
OCR-FY 98	1995	2.5	2.6	1048
	1996	3.3	3.3	995
	1997	4.9	4.4	896
	1998	6.5	5.2	797
	1999	12.2	8.7	720

Note: Volume Workhours data prior to FY 93 is incomplete. PC MODS implemented during FY 92. Prior to FY 93, data was limited to approx. 125 plants. FY 99 implemented manual volumes conversion rate changes.

	Fiscal Year	Hours (Millions)	Volumes (Billions)	Productivity (TPH/Hr)
Manual Processing	1993	19.0	9.1	480
	1994	18.7	9.0	483
	1995	21.8	10.2	465
	1996	21.6	10.1	466
	1997	21.1	10.0	474
	1998	17.9	8.2	460
	1999	16.0	6.4	402

Note: Volume Workhours data prior to FY 93 is incomplete. PC MODS implemented during FY 92. Prior to FY 93, data was limited to approx. 125 plants. FY 99 implemented manual volumes conversion rate changes.

DECLARATION

I, Walter F. O'Tormey, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Walter F. O'Tormey

Dated: 5-10-00

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 black ink, appearing to read "Susan M. Duchek", written over a horizontal line.

Susan M. Duchek

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