

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

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
DIRECT MARKETING ASSOCIATION ET AL. WITNESS BUC
(USPS/DMA-T1-13-17)

Pursuant to rules 25 and 26 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to Direct Marketing Association et al. witness Buc: USPS/DMA-T1-13-17.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Scott L. Reiter

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June 12, 2000

USPS/DMA-T1-13 Please refer to AttC-dma-t-1.xls that accompanies your testimony.

- a. Please provide the source for the IS-Manual, Delivery Unit amount of 3.273 that appears in column [1].
- b. Please provide the source for the IS-AFSM 100 and IP-AFSM 100 direct costs per handling of 0.941 cents. Please confirm that these direct costs only relate to the AFSM 100s processing of barcoded mail. If you do not confirm, please explain fully.
- c. Please provide the calculation underlying the 313 operational days per year shown in column [6].
- d. Please refer to the table below that provides Attachment C information in a format similar to that provided in Table 6 of your testimony.

AFSM Cost Savings Estimates

<u>Number of Machines</u>	<u>Workhour Savings per Machine</u>	<u>Total Workhour</u>	<u>Cost Savings (\$ dollars)</u>
166.5	79,246	13,194,427	369,312,000

- i. Please confirm that the number of machines appears in column [4] and the cost savings appears in column [9] of Attachment C. If you do not confirm, please explain fully.
 - ii. Please confirm that dividing the cost savings of 369,312,000 by the hourly wage rate of \$27.99 shown in footnote 4 of Table 6 of your testimony yields the total workhour amount of 13,194,427. If you do not confirm, please explain fully.
 - iii. Please confirm that dividing the total workhour amount of 13,194,427 by 166.5 machines yields 79,246 workhour savings per machine. If you do not confirm, please explain fully.
- e) Please confirm that USPS witness Kingsley, TR.5/1961 describes the number of AFSM operational hours per day as being in the range of 12-20 hours per day. If you do not confirm, please explain fully.

USPS/DMA-T1-14 Please confirm that you exclude piggyback costs from your analysis. If you do not confirm, please explain fully how the piggyback costs are included in your analysis and provide all calculations showing their inclusion.

USPS/DMA-T1-15 Please confirm that USPS LR-I-83, page I-12 indicates that the AFSM 100 requires more floor space (square feet) than either the FSM 881 or the FSM 1000. If you do not confirm, please explain fully.

USPS/DMA-T1-16 Please indicate if your analysis considers any other cost impacts from deploying the AFSM 100. For example, does your analysis consider any allied labor cost impacts? If your analysis does not include any additional costs, please

explain why not. If your analysis does include additional costs, please explain the rationale and provide all calculations showing their inclusion.

USPS/DMA-T1-17 Please confirm that you assume the USPS will realize 100% of your calculated cost savings in the test year. If you do not confirm, please explain why you believe the Postal Service will not realize 100% of the savings and provide all evidence you rely on for your judgment. If you do confirm, please explain why you believe the Postal Service will realize the entire 100% of the savings and provide all evidence you rely on for your judgment.

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 "Scott L. Reiter", is written over a horizontal line.

Scott L. Reiter

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