

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON DC 20268-0001

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OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

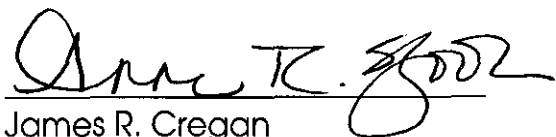
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Docket No. R2000-1

RESPONSE OF MAGAZINE PUBLISHERS OF AMERICA, INC.
WITNESS NELSON TO SEVENTH SET OF INTERROGATORIES
OF THE UNITED STATES POSTAL SERVICE
(USPS/MPA-T3-53-57)

(JULY 7, 2000)

Magazine Publishers of America, Inc. hereby provides the responses of witness Nelson to the following interrogatories of the United State Postal Service: USPS/MPA-T3-53-57, filed on June 23, 2000. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,



James R. Cregan
Anne R. Noble
Counsel
Magazine Publishers of America, Inc.
Suite 610
1211 Connecticut Avenue NW
Washington DC 20036
(202) 296 7277

**RESPONSE OF MAGAZINE PUBLISHERS OF AMERICA, INC. WITNESS NELSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/MPA-T3-53. Please refer to page 14, footnote 7 of your testimony. Please confirm that your analysis excludes Amtrak routes with fewer than 30 feet of contracted footage. Please explain why you excluded Amtrak routes with less than 30 feet of contracted footage.

Response:

Confirmed. As indicated on page 14 of my testimony, lines 18-26 and footnote 7, my analysis addresses Amtrak segments where the cubic feet of procured capacity exceeds the capacity of a tractor-trailer. Thirty (30) linear feet of Amtrak space is used to approximate the capacity of a tractor-trailer.

USPS/MPA-T3-54. Please refer to page 3 of WP-5. Please confirm that you use non-renewal Inter-SCF transportation costs. If confirmed, please explain the meaning of the variable Hkey. Specifically, please explain the meaning of the trailing "Y" in the expression: "Inter-SCF:" + {"0-250", "251-500", "500"} + "Y".

Response:

Confirmed. If the Postal Service were to solicit bids for new (4-year) highway transportation contracts to replace current Amtrak service, it would pay non-renewal rates in the test year. Hkey was used to join to the cost/CFM table. The "Y" refers to regular contracts.

USPS/MPA-T3-55. Please confirm that the Inter-SCF tractor-trailer (Cube.=1650) Cost/CFMs that you use in your calculations by mileage breakdown (0-250, 251-500, 500+) are the following:

0-250+	.000401
251-500	.000313
500+	.000296

Response:

Confirmed. Note that the first mileage category is defined as 0 to and including 250, the next is more than 250 to and including 500, and the final is more than 500.

USPS/MPA-T3-56. Please confirm that you match the 0-250, 251-500, 500+ highway mileages with the same Amtrak lengths. If not confirmed, please detail which Cost/CFMs you use.

Response:

Not confirmed. The highway Cost/CFM used for each segment is selected based on the highway distance – not the Amtrak distance – between the endpoints of the segment.

USPS/MPA-T3-57. Please refer to page 15 of your testimony where you state:

“The analysis may also overstate the cost of substitute highway transportation, since it assumes that trucks will follow the Amtrak route, and will not take advantage of shorter paths that will likely exist between origins and destinations.”

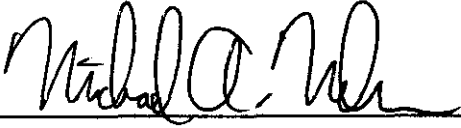
Please refer to page 3 of WP-5 where you calculate highway distances between Amtrak O-D pairs. Please confirm that the highway routings in TransCD mirror the Amtrak routings. If not confirmed, please explain.

Response:

Confirmed. The highway routing uses the shortest path on the National Highway Planning Network between the origin and destination points of each Amtrak segment. The “origins and destinations” in the cited portion of my testimony refer to mail movements, and not Amtrak segments. For example, mail moving on Amtrak between the east coast and the west coast generally makes use of more than one Amtrak segment (e.g., with a connection at Chicago). Substitute highway transportation could potentially make use of direct routes between some such origins and destinations. To the extent that this occurred, the CFM of highway capacity needed to substitute for Amtrak service would be lower than the amount used in my analysis.

DECLARATION

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



Date: 7-07-00

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with the Commission's Rules of Practice.


Anne R. Noble

Washington, D.C.
July 7, 2000