

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, 2001 )

Docket No. R2001-1

INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA, INC.  
TO THE UNITED STATES POSTAL SERVICE  
(MPA/USPS-1-3)  
(October 4, 2001)

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, Magazine Publishers of America, Inc. (MPA) directs the following interrogatories to the United States Postal Service.

Respectfully submitted,

  
\_\_\_\_\_  
James Pierce Myers

Counsel for  
MAGAZINE PUBLISHERS OF AMERICA, INC.

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**MPA/USPS-1.** In Docket No. R2000-1, the Postal Service filed a library reference, USPS-LR-I-332, that contained a bottom-up cost model of Periodicals mail processing costs by entry facility and container type, container and package size, container and package presort level, machinability, and automation compatibility.

(a) Have the Postal Service or any of its contractors updated this model since it was filed as a library reference in Docket No. R2000-1? If so, please provide a copy of the revised model and any documentation available.

(b) Have the Postal Service or any of its contractors developed any similar bottom-up models of Periodicals costs since USPS-LR-I-332 was filed in Docket No. R2000-1? If so, please provide a copy of any such cost models and any documentation available.

(c) Are the Postal Service or any of its contractors in the process of developing any similar models of Periodicals costs? If so, please provide a description of each modeling effort and provide the date by which each model will be complete. When each model is complete, please provide a copy and any documentation available.

(d) If the Postal Service has not updated the Periodicals cost model filed as USPS-LR-I-332, has the Postal Service performed any analyses that contradict the cost estimates in USPS-LR-I-332? If so, please describe these analyses and explain which cost estimate in USPS-LR-I-332 are contradicted.

**MPA/USPS-2.** Please refer to Docket No. R2000-1, USPS-LR-I-332, Table 1. In this table, the Postal Service estimated that three changes in mail preparation standards would have the combined effect of reducing Periodicals costs by \$14.885 million: (1) elimination of CRRT skin sacks; (2) L001 requirement; and

(3) requirement to combine automation/nonautomation pieces in the same containers at the 5-digit level.

(a) Please confirm that the Postal Service did increase the sack minimum for Periodicals CRRT sacks to 24 pieces on January 7, 2001. If not confirmed, please explain fully.

(b) Please confirm that the Postal Service did require the use of the L001 sort scheme for Periodicals on January 7, 2001. If not confirmed, please explain fully.

(c) Please confirm that the Postal Service did require automation and nonautomation pieces to be placed in the same 5-digit containers on January 7, 2001. If not confirmed, please explain fully.

(d) Has the Postal Service updated its cost savings figures for these changes in mail preparation standards since it developed its Docket No. R2000-1 estimates? If so, please provide the updated cost savings estimates.

(e) Did the Postal Service include any cost savings from these changes in mail preparation standards in the Docket No. R2001-1 roll forward? If so, please provide a citation to the record where the Postal Service included these savings.

**MPA/USPS-3.** Please refer to the attached memorandum from Michael Spates to Ralph Moden regarding Flat Casing Methods. In this memorandum, Mr. Spates states, "We anticipate that over the next six months local management can convert somewhere in the neighborhood of 50k routes from the DPS composite bundle work method to the DPS VFC work method. It is estimated that this action has the potential to save ten minutes per route per day or approximately \$70 million in the first full year." He further states that, "[t]he remaining 38k routes will be converted over a slightly longer period of time."

Docket No. R2001-1

(a) Has the Postal Service included these cost savings in its Docket No. R2001-1 roll forward? If so, please provide a citation to the record where the Postal Service included these savings.

(b) In which month did the "first full year" that Mr. Spates was referring to begin?

(c) When does the Postal Service expect to convert the "remaining 38k routes"?

(d) Has the Postal Service updated Mr. Spates' cost reduction estimate since this memorandum was sent to Mr. Moden? If so, what is the Postal Service's new cost reduction estimate and when does it expect to realize the savings?

(e) Does the Postal Service still believe that 50 percent of the savings will accrue to flats and fifty percent to letters? If not, what is the Postal Service's current view on the distribution of these cost savings?



May 3, 2000

**RALPH MODEN**

**SUBJECT: Flat Casing Methods**

**This is in relation to the information you requested concerning potential savings in city delivery relative to the handling of periodicals. Although city delivery activities related to periodicals are not separated from those of other flats, the following information may be helpful.**

**Savings may be achieved by converting routes in a DPS environment using the composite bundle work method to the DPS vertical flat casing (VFC) work method. Data from a September 1998 survey of the field indicates that approximately 88k routes fit this category. We anticipate that over the next six months local management can convert somewhere in the neighborhood of 50k routes from the DPS composite bundle work method to the DPS VFC work method. It is estimated that this action has the potential to save ten minutes per route per day or approximately \$70-million in the first full year. The savings are further estimated to be attributable at the rate of 50 percent to cased letters and 50 percent to flats. The remaining 38k routes will be converted over a slightly longer period of time.**




**Michael F. Spates**  
Manager, Delivery

**cc: Nick Barranca**  
**John Rapp**  
**Pat Mendonca**

**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 Rule 12 of the rules of practice.

  
\_\_\_\_\_  
James Pierce Myers  
Counsel for  
MAGAZINE PUBLISHERS OF AMERICA, INC.

October 4, 2001  
Alexandria, Va.