

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

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TAUFIQUE TO INTERROGATORIES OF
THE MAGAZINE PUBLISHERS OF AMERICA, INC.
(MPA/USPS-T34-8(B, D-F), 9)

The United States Postal Service hereby provides the responses of witness Taufique to the following interrogatories of the Magazine Publishers of America, Inc.: MPA/USPS-T34-8(b, d-f) and 9, filed on October 10, 2001.

Interrogatory MPA/USPS-T34-8(a, c) has been redirected to witness Mayes.

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



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October 24, 2001

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MPA/USPS-T34-8. Please refer to page 4 of your testimony, where you state, "I am also proposing a change to DMCS 421.45 to limit the destination entry discounts to mail entered at the destination facility."

- (a) Please describe in detail how this change will benefit the Postal Service.
- (b) What percentage of Periodicals Outside-County pieces that currently claim the DSCF piece discount is not currently entered at the "destination facility"?
- (c) Has the Postal Service or any of its contractors performed any analyses of the cost difference between pieces claiming the DSCF rate that are not entered at the destination facility, and pieces claiming the DSCF rate that are entered at the destination facility? If so, please provide a copy of each analysis. If not, please describe in as much detail as possible the cost savings that will result from this requirement.
- (d) Has the Postal Service assessed the extent to which mailers of Periodicals-Outside County pieces that claim the DSCF rate, but are not entered at the destination facility, will begin entering these pieces at the destination facility once the change in DMCS 421.45 is implemented?
- (e) If a delivery unit is co-located with a sectional center facility, please describe the conditions under which mail entered at such a facility will be eligible for the DDU rate.
- (f) If an SCF also serves as an ADC, please describe the conditions under which mail entered at such a facility will be eligible for the DSCF rate.

RESPONSE

- (a) Redirected to witness Mayes, USPS-T-23.
- (b) The Postal Service does not have an estimate of the percentage of Periodicals Outside-County pieces that currently claim the DSCF piece discount but are not currently entered at the "destination facility."
- (c) Redirected to witness Mayes, USPS-T-23.
- (d) No.
- (e) The destination delivery unit (DDU) rate applies to eligible pieces entered at the facility (including a co-located delivery unit and sectional center facility) where the carrier cases mail for the

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carrier route serving the delivery address on the mailpiece.

- (f) If an SCF also serves as an ADC, copies not eligible for In-County rates qualify for DSCF rates if the copies are addressed for delivery within the SCF facility service center area and are deposited at the facility.

If the SCF and ADC facilities are separate facilities, copies not eligible for In-County rates qualify for DSCF rates if the copies are addressed for delivery within the SCF facility service center area, are deposited at the DSCF and are placed in other than an ADC, AADC, MXD ADC or MXD AADC sack or tray, or on an ADC or MXD ADC pallet.

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MPA/USPS-T-34-9. Please list all changes in mail preparation requirements for Periodicals and eligibility requirements for Periodicals discounts that have been implemented since the beginning of FY 2000 and those that are expected to be implemented before the end of FY 2003. Please also provide a summary of each change and its actual or planned implementation date. If there is no planned implementation date for a particular change, please provide your best estimate of the implementation date.

RESPONSE

Listed below are the amendments and revisions to Periodicals mail preparation requirements and eligibility requirements for Periodicals discounts since FY2000.

- Effective December 2, 1999, DMM E211.10.3 was amended to allow publishers of bound and unbound publications the option of printing the Periodicals identification statement on the table of contents page. See Postal Bulletin 22011 (11-18-99), page 9.
- Effective February 26, 2000, new DMM G094 was added to incorporate standards governing a two-year experiment allowing material that would otherwise qualify as Standard Mail (A) to "ride along" with Periodicals mail for a flat rate of \$0.10 per piece. See Postal Bulletin 22018 (2-24-00), pages 42-44.
- Effective April 6, 2000, DMM M020.2.1d and M810.2.1 were amended and M011.1.3t was added to allow the option for mailers to use a tic mark in lieu of separator cards for First-Class Mail and Standard Mail (A) (automation) mailings and separator cards or rubber bands in Periodicals and Standard Mail (A) (nonautomation) carrier route mailings prepared in full 5-digit carrier routes trays. Mail in less than full trays must still be banded. See Postal Bulletin 22020 (3-23-00) pages 28-31.
- Effective May 4, 2000, DMM G094.1.3b was amended to reflect that Periodicals mailpieces that include Ride-Along pieces must maintain uniform thickness. See Postal Bulletin 22023 (5-4-00) page 31.
- Effective July 13, 2000, DMM C820.4.3 was amended to remove the requirement that the polywrap product name appear as part of the marking on polywrapped automation flats. The amendment does not remove the

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- requirement that each mailpiece contain a mailpiece identification marking. It removes only the requirement that the polywrap product name appear in the identification. See Postal Bulletin 22026 (6-15-00) page 30.
- Effective at a future date, DMM E230.2.2, M011.1.3, M013.1.1, M033.1.8, M041.5.2, M045.4.1, M050.3.4, M050.4.1, M200.1.3, M200.1.5, and M200.3.1 were amended to include new preparation requirements for Periodicals. See Postal Bulletin 22030 (8-10-00) pages 11-12.
- Effective August 10, 2000, DMM C200.1.4b was amended to eliminate the requirement that the subscription receipts, requests, and order forms permitted as enclosures at Periodicals rates be limited to the host publication or a combination including the host publication and other Periodicals of the host's publication. The standards for permissible enclosures are expanded to allow receipts, requests, orders for a subscription, or printed matter. See Postal Bulletin 2230 (8-10-00) page 13.
- Effective September 7, 2000, DMM E211.10.5e was amended to make optional the publication of a subscription price in the identification statement of a Periodicals publication. See Postal Bulletin 22031 (8-24-00) page 5.
- Effective November 2, 2000, DMM M041.3.1f was amended to reduce the maximum pallet height (mail and pallet combined) for Periodicals, Standard Mail (A) and Standard Mail (B) entered at Anchorage and Fairbanks, Alaska, from 77 inches to 72 inches. See Postal Bulletin 22035 (10-19-00) page 10.
- Effective December 15, 2000, DMM E130, E140, E230, E240, E250, E620, E640, E651, E652, L001, L601, L602, L605, M011, M031, M032, M033, M041, M045, M073, M130, M200, M610, M620, M630, M820, and P012 were amended and new M910, M920, M930, and M940 were added. These amendments make required changes to mailing standards for all palletized Periodicals, Standard Mail (A), and Standard Mail (B). The new DMM provisions also add optional traying provisions for flat-size First-Class Mail and add optional sacking and/or palletizing provisions for nonletter-size Periodicals. See Postal Bulletin 22036 (11-2-00) pages 20-52.
- Effective January 1, 2001, Periodicals nonletter-size mailing jobs prepared in sacks that include both an automation flats mailing and a Presorted flats mailing must use the co-sacking methods in DMM M910. See Postal Bulletin 22039 (12-14-00). pages 11-20.
- Effective January 7, 2001, DMM M810.1.3 was amended to correct information about when documentation is required for a mailing of automation letters. See Postal Bulletin 22042 (1-25-01) page 5.

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- **Effective January 7, 2001, DMM M013.1.1 was amended to require that all basic carrier route rate Periodicals must be in line-of-travel sequence. See Postal Bulletin 22042 (1-25-01) page 6.**
- **Effective July 1, 2001, DMM M020 was amended to improve package integrity for Periodicals and Standard Mail. These amendments reorganized M020 by prescribing basic standards for preparing and securing all packages and incorporating standards that pertain individually to packages on pallets, packages in sacks and packages in trays. See Postal Bulletin 22050 (5-17-01) pages 20-23.**
- **Effective July 1, 2001, DMM R module is amended to reflect new postage rates and fees. See Postal Bulletin 22051 (5-31-01) page 65.**
- **Effective July 15, 2001, DMM M031.4.8, M045.3.1, M045.3.2, M920.1.5, M920.2.6, M920.2.7, M930.1.5, M930.2.4, M930.2.5, M940.1.5, M940.2.4, and M940.2.5 were amended to require pallets of Periodicals and Standard Mail containing carrier route mail and/or Presorted rate mail to show "NONBARCODED" or "NBC" in the pallet label. See Postal Bulletin 22052 (6-14-01) pages 25-26.**
- **Effective June 14, 2001, DMM M041.5.3a was amended to remove the minimum weight requirement for pallets of Periodicals, Standard Mail, and Package Services mail dropped at a destination delivery unit by the mailer or mailer's agent. The requirement that mailers had to request permission from each postal facility where they were dropping mail was also eliminated. See Postal Bulletin 22052 (6-14-01) page 28.**
- **Effective June 14, 2001, DMM C200.1.4b was amended to change the standard for loose enclosures at Periodicals rates. See Postal Bulletin 22052 (6-14-01) page 29.**
- **Effective June 14, 2001, DMM D230 was amended to allow the Postal Service to cancel additional entry authorization for a Periodicals publication when the additional entry is not used for an entire calendar year. See Postal Bulletin 22052 (6-14-01) page 30.**
- **Effective June 14, 2001, DMM M031.4 was amended to clarify the required information that must appear on a pallet label. See Postal Bulletin 22053 (6-28-01) page 18.**
- **Effective September 6, 2001, DMM M050 was amended to change the documentation needed to substantiate compliance with the standards for Periodicals and Standard Mail mailings sequenced in line-of-travel order. See Postal Bulletin 22057 (8-23-01) pages 6-7.**

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If the Periodicals changes proposed in this docket are recommended, conforming DMM changes are expected when the changes are implemented. It is also my understanding that two future DMM changes are under consideration.

1. On August 28, 2001, the Postal Service published in the *Federal Register* a notice proposing to add a new preparation option named "co-packaging." Specifically, this notice proposed that mailers be allowed to combine flat-size automation rate pieces and flat-sized Presorted pieces of the same mail class within the same package. The tentative implementation date for this change is Spring 2002.
2. The Postal Service is considering a DMM revision to allow a new optional level of pallet sort for a limited number of SCF service areas. This option would be available for Periodicals, Standard Mail, and Bound Printed Matter flats prepared on pallets. The suggestion for this mail preparation change was originated by the MTAC Presort Optimization Workgroup. The tentative date for this change is Spring 2002.

DECLARATION

I, Altaf H. Taufique, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

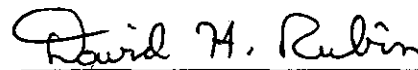


ALTAF H. TAUFIQUE

Dated: 10/24/01

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.



David H. Rubin

475 L'Enfant Plaza West, S.W.
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October 24, 2001