

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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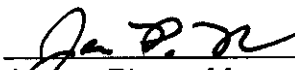
Postal Rate and Fee Changes, 2001)

Docket No. R2001-1

INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA, INC.
TO UNITED STATES POSTAL SERVICE WITNESS RICHARD
PATELUNAS (MPA/USPS-T12-2-5)
(November 1, 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 United States Postal Service witness Richard Patelunas.

Respectfully submitted,


James Pierce Myers

Counsel for
MAGAZINE PUBLISHERS OF AMERICA, INC.

James Pierce Myers
Attorney at Law
1617 Courtland Road
Alexandria, VA 22306
Phone: 703-660-1002
Fax: 703-660-1037
jpm@piercemyers.com

MPA/USPS-T12-2. Did the Postal Service use a model to calculate the cost savings from Phase II of the Automated Flat Sorting Machine 100 (AFSM 100) deployment? If the answer is in the affirmative, please provide it in electronic form and answer the following questions regarding it.

(a) Was this model used to estimate cost savings from any other cost reduction programs?

(b) If your response to subpart (a) of this interrogatory is in the affirmative, for what other cost reduction programs was this model used to estimate cost savings?

MPA/USPS-T12-3. Did the Postal Service use a model to calculate the cost savings from Phase I of the AFSM 100 deployment? If the answer is in the affirmative, was this the same model referred to in MPA/USPS-T12-2 to estimate the cost savings from the AFSM 100 – 2nd Buy? If the same model was not used, please provide a cost savings estimate for the AFSM 100 – 1st Buy using the model referred to in MPA/USPS-T12-2.

MPA/USPS-T12-4. Please refer to USPS-LR-J-145 and your response to MPA/USPS-T12-1(a) where you state, “The rate case amounts are similar to those of the Deployment calculations and the main source of the difference is the use of slightly different deployment projections when the rate case was being prepared. The Decision Analysis Report (DAR) assumptions and the total program savings are still valid, although the timing has changed.”

(a) Please identify and describe all differences (other than timing of deployment and number of machines being deployed) that caused the rate case savings for deploying AFSM 100s to be different than the DAR and deployment savings estimates.

(b) Please define “Threshold Level” as used in the title “DAR Calculations (Threshold Level)” in USPS-LR-J-145.

(c) Were other “levels” or “scenarios” evaluated in the AFSM 100 – 1st Buy DAR?

(d) If your response to subpart (c) is in the affirmative, please provide the cost savings estimated for the other “levels” or “scenarios” in a format similar to that provided for the threshold level savings in USPS-LR-J-45.

(e) Were the Phase I AFSM 100s located in facilities where the savings were estimated to be the highest? If your answer is anything other than an unqualified “yes”, please describe the method used by the Postal Service to determine where to locate the Phase I machines.

MPA/USPS-T12-5. Please refer to Appendix A of your testimony and USPS-LR-J-49, Exhibit B.

(a) Please confirm that the FY 2002 Costs for the AFSM 100 – 2nd Buy in Appendix A to your testimony are \$85.2 million. If not confirmed, please provide the correct figure.

(b) Please confirm that the FY 2002 Other Programs costs for the AFSM 100 – 2nd Buy are \$59.3 million. If not confirmed, please provide the correct figure.


(c) Please explain the difference between the USPS-LR-J-49 figure and the figure in Appendix A of your testimony.

(d) Which of these FY 2002 costs for the AFSM 100 – 2nd Buy did the Postal Service use in its rollforward?

(e) Please confirm that you distributed costs and cost savings from the AFSM 100 – 2nd Buy and from the deployment of automated feeders and Optical Character Readers on Flat Sorting Machine (FSM) 1000s using the FSM distribution key (#1442).

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.

November 1, 2001
Alexandria, VA