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 TO INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA REDIRECTED FROM WITNESS SCHENK (MPA/USPS-T43-4(b) and 5(b))

The United States Postal Service hereby provides the responses to the following interrogatories of Magazine Publishers of America: MPA/USPS-T43-4 (b) and 5 (b), filed on October 19, 2001. Interrogatories MPA/USPS-T43-4 (b) and 5 (b) were redirected from witness Schenk.

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

Nan K. McKenzie

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–3089 Fax –5402 November 2, 2001

MPA/USPS-T43-4. In Section II of your testimony, you discuss your methodology for calculating cost savings from reduced bundle breakage.

(b) Please confirm that the cost savings, as modeled using USPS-LR-J-61, from presorting also results from replacing piece sorting with bundle sorting, which is a less expensive activity on a per-piece basis. If not confirmed, please explain fully.

RESPONSE:

(b) Not confirmed. The purpose of the cost studies found in USPS LR-J-61 is discussed in USPS-T-24, page 1 at 2-4.

This testimony discusses the cost studies that estimate the test year volume variable mail processing unit costs for the First-Class Mail, Periodicals, and Standard Mail presort flats rate categories.

The cost studies found in USPS LR-J-61 estimate <u>total</u> mail processing units costs for the flats rate categories; they do not measure any cost <u>savings</u>.

MPA/USPS-T43-5. Please refer to Section III of your testimony.

(b) Please confirm that implementing the LOT requirement does not require significant changes to city-carrier operational procedures. If not confirmed, please explain fully.

RESPONSE:

(b) Confirmed.

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.

Nan K. McKenzie

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