

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 MAYES TO INTERROGATORY OF THE MAGAZINE PUBLISHERS
OF AMERICA REDIRECTED FROM WITNESS TAUFIQUE
(MPA/USPS-T34—10(E-G))**

The United States Postal Service hereby provides the response of witness Mayes to the following interrogatory of the Magazine Publishers of America redirected from witness Taufique: MPA/USPS-T34—10(e-g), filed on October 19, 2001.

The 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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Attorney

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November 2, 2001

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INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA
REDIRECTED FROM WITNESS TAUFIQUE**

MPA/USPS-T34-10. Please refer to oc01.xls, worksheets Calc. Of new Cells and Rev Adj+Ed Cont.

(e) Please confirm that, ceteris parabis, the transportation and mail processing cost for a piece entered at the DADC facility is lower than the transportation and mail processing cost for a piece entered at an OSCF or OAO in the DADC service territory. If not confirmed, please explain fully.

(f) Does the Postal Service typically transport Periodicals Outside-County mail that is entered at the OSCF (within the DADC service territory, but not the DSCF service territory) to the DADC? Please explain your answer fully.

(g) Does the Postal Service typically transport Periodicals Outside-County mail that is entered at an OAO (within the DADC service territory, but not the DSCF service territory) first to the OSCF and then on to the DADC? Please explain your answer fully.

RESPONSE

(e) The response to this question depends on the availability of direct transportation between the OSCF and the DSCF and the level of preparation of the mail. I cannot confirm this statement in all instances. Depending on the level of presortation and the mail makeup (e.g., 5-digit pallets or SCF pallets) and the availability of direct transportation between the OSCF and the DSCF within the service territory of the same DADC, the mail may go directly from the OSCF to the DSCF. Depending on the circumstances, mail entered at the OSCF may simply be cross-docked and transported directly to the DSCF. The estimated cross-docking cost for a handling at an SCF is calculated in LR-J-68, AppenF.xls, RESULTS as being less than the cost for a handling at an ADC (the cost for which is developed by proxy reference to the cost of a cross-docking at a BMC).

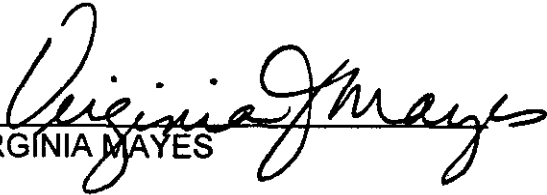
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The question then becomes one of calculating the relative transportation costs from the DADC to the DSCF as compared to the transportation costs from the OSCF directly to the DSCF. If the transportation cost from the DADC is lower than that from the OSCF, then one would have to check if this transportation cost difference were large enough to offset the difference in cross-docking costs. Mail entered at the OAO would most likely incur a leg of transportation to the OSCF and require an additional cross-docking than would mail entered at the DADC.

- (f) The response to this question depends on the availability of direct transportation between the OSCF and the DSCF and the level of preparation of the mail. If, for example, the mail is prepared on 5-digit or SCF pallets for the DSCF and there is direct transportation available between the OSCF and the DSCF, then it may not be necessary for the mail to travel from the OSCF to the DADC before it goes to the DSCF.
- (g) Please refer to the response to subpart (f) above. It is my understanding that the mail would typically be transported from the OAO to the OSCF, but from there, it may not necessarily travel to the DADC before heading to the DSCF.

DECLARATION

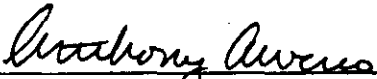
I, Virginia Mayes, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


VIRGINIA MAYES

Dated: 11-02-01

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.



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