

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0000

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate And Fee Changes, 1997

Docket No. R97-1

**INTERROGATORY OF
ALLIANCE OF NONPROFIT MAILERS
TO USPS WITNESS SHARON DANIEL
(ANM/USPS-T29-1-17)
August 4, 1997**

Pursuant to sections 25 and 26 of the Commission's Rules of Practice, the Alliance of Nonprofit Mailers ("ANM") respectfully submits the attached interrogatories and requests for production of documents. Instructions for these questions appear in Appendix A.

ANM/USPS-T29-1 With reference to Exhibit USPS-29C, p. 6, please confirm that note [11] reads as follows: "Column [11] divided by column [2]."

ANM/USPS-T29-2 With reference to Exhibit USPS-29C, p. 6, please explain what number(s) in column [11] is (are) divided by the numbers shown in column [2]. If that is not correct (or impossible), please explain fully the derivation of the numbers shown in column [11].

ANM/USPS-T29-3 With reference to Exhibit USPS-29C, p. 6, please confirm that the "other unit costs" for nonprofit and nonprofit ECR combined are 0.5537 (cents), as shown in column [11], and explain the derivation of this datum. If you fail to confirm fully, identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.

ANM/USPS-T29-4 If the “other’ unit costs” for nonprofit and nonprofit ECR combined are 0.5537 (cents), please refer to p. 5 of Exhibit USPS-29C and explain why the “other costs” shown in the table on that page for nonprofit mail are equal to the “other costs” for regular rate mail (0.6562 cents) shown on p. 6 and not the “other costs” for nonprofit mail (0.5537 cents). Identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.

ANM/USPS-T29-5 In reference to Exhibit USPS-29C, p. 5, footnote 6, please confirm that the cost data (27481700+ 16343300) and the volume data (34359010+ 32424240) shown in the right hand side of the equation are the data for regular rate mail shown on p. 6 of Exhibit USPS-29C and are not the correct cost or volume data for nonprofit mail. If you fail to confirm fully, identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.

ANM/USPS-T29-6 If cost data (27481700+ 16343300) and the volume data (34359010+ 32424240) shown in the right hand side of the equation are the data for regular rate mail shown on p. 6 of Exhibit USPS-29C and are not the correct cost or volume data for nonprofit mail, please supply a copy of p. 5 with “other costs” computed using the correct cost and volume data for nonprofit mail.

ANM/USPS-T29-7 Indicate all testimony, including yours and other Postal Service witnesses of which you are aware, where the total unit cost data shown on p. 5 of Exhibit USPS-29C are utilized or relied upon

ANM/USPS-T29-8 Please confirm that the unit cost for Standard A Regular Rate Basic Presort letters is estimated to be 14.0657 cents, as shown at p. 3 of Exhibit USPS-29C, and the mail processing cost is estimated to be 9.0252 cents and explain any nonconfirmation.

ANM/USPS-T29-9 Please confirm that in Docket No. MC95-1 the unit cost for Standard A Regular Rate Basic letters was estimated to be 17.8552 cents, as shown in USPS-T-12C, p. 2 (revised 6/20/95, excludes contingency), and the mail processing cost was estimated to be 13.0067 cents. Explain any nonconfirmation.

ANM/USPS-T29-10 Please provide a nontechnical description of the major factors that have resulted in a -18.9 percent decrease in mail processing cost for Standard A Regular Rate Basic letters between Docket No. MC95-1 and Docket No. R97-1. In your answer, please distinguish between (i) changes in the cost model (*e.g.*, distinguishing between UPGR Trays and NON-OCR Trays), (ii) changes in sources or inputs to cost data (*e.g.*, use of MODS data and estimates of non-modeled costs), and (iii) changes in input data pertaining to the mail itself (*e.g.* changes in downflow density data). Identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.

ANM/USPS-T29-11 Explain why the factors which you discussed in response to the preceding interrogatory did not affect the unit cost for Standard A Nonprofit Basic letters in a similar manner. Identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case

ANM/USPS-T29-12 Please confirm that the unit cost for Standard A Regular Rate 3/5 Presort letters is estimated to be 11.7504 cents, as shown at p. 3 of Exhibit USPS-29C, and the mail processing cost is estimated to be 6.7389 cents. Explain any nonconfirmation.

ANM/USPS-T29-13 Please confirm that in Docket No. MC95-1 the unit cost for Standard A Regular Rate Basic letters was estimated to be 13.1751 cents, as shown in USPS-T-12C, p. 2 (revised 6/20/95, excludes contingency), and the mail processing cost was estimated to be 8.3116 cents and explain any nonconfirmation.

ANM/USPS-T29-14 Provide a nontechnical description of the major factors that have resulted in a -18.9 percent decrease in mail processing cost for Standard A Regular Rate 3/5-Digit letters between Docket No MC95-1 and Docket No. R97-1. In your answer, please distinguish between (i) changes in the cost model, (ii) changes in sources or inputs to cost data, and (iii) changes in input data pertaining to the mail itself. Identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.

ANM/USPS-T29-15 Explain why the factors which you discussed in response to the preceding interrogatory (ANM/USPS-T-29-14) did not affect the unit cost for Standard A Nonprofit 3/5-Digit letters in a similar manner. Identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.

ANM/USPS-T29-16 Among other things, Exhibit USPS-29B, p. 1, shows the following:

* * *	Model Weights
Presort Basic UPGR Trays	2.81%
Presort Basic NON-OCR Trays-Upgradable	3.93%
Presort Basic NON-OCR Trays-Non Upgradable	<u>9.48%</u>
Subtotal	16.21%.

In Docket No MC96-2, USPS-T-5, Appendix 1, p. 5, Section E (Standard Class, Nonprofit, Automation Compatible, Presort Basic and 3/5 Flows), stated that: “The automation compatible unit costs are weighted with the corresponding non-automation compatible unit costs in the same proportion as used in the benchmark model set (65.8% automation compatible and 34.2% non-automation compatible).”

- a. For comparing your testimony in this Docket with your testimony in Docket No. MC96-2, please confirm that “UPGR [Upgradable] Trays” are considered automation compatible. Please explain any nonconfirmation. Identify all studies, analyses, compilations and other

data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.

- b. For comparing your testimony in this Docket with your testimony in Docket No. MC96-2, please confirm that “NON-OCR Trays-Upgradable” are considered automation compatible. Please explain any nonconfirmation. Identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.
- c. For comparing your testimony in this Docket with your testimony in Docket No. MC96-2, please confirm that “NON-OCR Trays-Non Upgradable” are considered non-automation compatible. Please explain any nonconfirmation. Identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.
- d. Please confirm that in this Docket 41.6 percent of Nonprofit Presort Basic (6.74/16.21) is considered automation compatible, and 58.4 percent is non-automation compatible. Please explain any nonconfirmation. Identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.
- e. Please explain why the share of Nonprofit Presort Basic automation compatible mail declined from 65.8 percent in Docket No. MC96-2 to 41.6 percent in Docket No. R97-1. Identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.

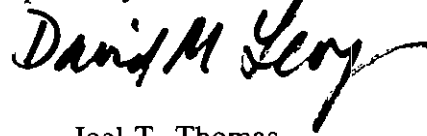
ANM/USPS-T29-17 Exhibit USPS-29B, p. 1 shows, among other things the following :

	Model Weights
Presort 3/5 UPGR Trays	2.50%
Presort 3/5 NON-OCR Trays-Upgradable	5.66%
Presort 3/5 NON-OCR Trays-Non Upgradable	13.67%
Subtotal	21.83%

In Docket No MC96-2, USPS-T-5, Appendix 1, p. 5, Section E (Standard Class, Nonprofit, Automation Compatible, Presort Basic and 3/5 Flows), stated that "The automation compatible unit costs are weighted with the corresponding non-automation compatible unit costs in the same proportion as used in the benchmark model set (65.8% automation compatible and 34.2% non-automation compatible)."

- a. Please confirm that in this Docket 37.4 percent of Nonprofit Presort Basic (8.16/21.83) is considered automation compatible, and 62.6 percent is non-automation compatible. Please explain any nonconfirmation. Identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.
- b. Please explain why the share of Nonprofit Presort Basic automation compatible mail declined from 65.8 percent in Docket No. MC96-2 to 37.4 percent in Docket No. R97-1. Identify all studies, analyses, compilations and other data on which you rely, and produce any such data that the Postal Service has not yet produced in this case.

Respectfully submitted,



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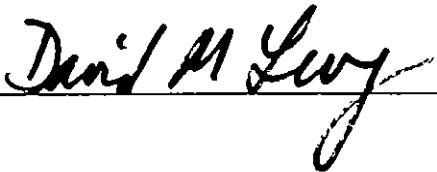
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INSTRUCTIONS

1. If the designated witness cannot answer a question, please redirect it to another witness who can.
2. If the requested data cannot be produced with reasonable effort in the exact format or level of detail requested, please produce all data available in (1) a substantially similar format or level of detail, or (2) susceptible to being converted to the requested format and detail.
3. The term "documents" includes, but is not limited to: letters, telegrams, memoranda, reports, studies, newspaper clippings, speeches, testimony, pamphlets, charts, tabulations, and workpapers. Documents also include information on computer media, microfilm and other non-paper media.
4. Responses to requests for explanations or the derivation of numbers should be accompanied by workpapers. Workpapers shall include sufficient backup material to enable a third party to replicate the final results from the primary sources. Where arithmetic manipulations were performed by a computer with internally stored instructions, and no English language intermediate printouts were prepared, the arithmetic steps should be replicated by manual or other means.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



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