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, 1997

DOCKET NO. R97-1

FIRST SET OF INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA TO USPS WITNESS BARON (MPA/USPS-T17-1-12)

(August 21, 1997)

Pursuant to the Commission's Rules of Practice, Magazine Publishers of America hereby submits the attached interrogatories to USPS witness Baron (MPA/USPS-T17-1-12).

Respectfully submitted,

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INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA TO UNITED STATES POSTAL SERVICE WITNESS BARON

MPA/USPS-T17-1 Please refer to Page 72, Lines 16-18 of your testimony Please confirm that the only change in the rural carrier costing methodology from that used to develop the FY 1996 Cost Segments and Components Report to the one proposed in this case is "a modest change in this traditional volume variability calculation. It promises to no longer account for route reclassifications that occur in response to large discrete volume and workload changes." If not confirmed, please explain all other changes proposed in this case to the rural carrier costing methodology.

<u>MPA/USPS-T17-2</u>. Please refer to the Fiscal Year 1996 Cost Segments and Components and Base Year 1996 Cost Segments and Components.

- a. Please confirm that the Periodical class share of rural carrier attributable costs from the FY 1996 Cost Segments and Components is 9.3 percent.
- b. Please confirm that the Periodicals class share of rural carrier attributable costs from the Base Year 1996 Cost Segments and Components is 10.4 percent.

MPA/USPS-T17-3 Please confirm that, according to your testimony, each class and subclass of mail should receive the same percentage of BY 1996 volume-variable rural carrier costs as it received under the previous costing methodology. If not confirmed, please explain, and provide all relevant data.

MPA/USPS-T17-4. If you were able to confirm MPA/USPS-T17-2 and 3, please explain how both statements can be true

<u>MPA/USPS-T17-5</u>. Please confirm that, all else being equal, if the volume variability of the time taken to deliver a letter is less than 100 percent, as the number of pieces delivered by a rural carrier increases, the average time that the carrier spends to deliver a letter should decrease.

<u>MPA/USPS-T17-6</u>. Please confirm that, all else being equal, if the number of letters delivered on an average rural carrier route increases between revisions of the evaluation factors, and the volume variability of the time taken to deliver a letter is less than 100 percent, the evaluation factor for delivering a letter should decrease from the earlier revision to the latter revision.

MPA/USPS-T17-7 Assume for purposes of this question that rural carriers are paid in the same way that city carriers are paid.

- a. Do you believe that the volume variability for delivery of a piece of mail of a particular shape should be similar for a rural route and for a curbside city route? Please explain your response
- b. If no to a., do you believe that the volume variability for delivery a piece of mail of a particular shape should be higher or lower for a rural route than for a curbside city route? Please explain your response.

MPA/USPS-T17-8. Please refer to LR-H-192, Page 3. Please confirm that there are five types of rural carrier routes. H, J, K, Auxiliary and Mileage

<u>MPA/USPS-T17-9</u>. Please disaggregate the number of routes and rural carrier cost by type (e g, H, J, K, auxiliary, and mileage).

MPA/USPS-T17-10. Please provide documentation on how the Postal Service calculated the salary of an individual rural carrier for FY 1996. Include in this documentation a formula that derives annual rural carrier salary for an individual route from the route evaluation item workload and evaluation factors on that route. Also, please confirm that the data used to calculate FY 1996 workload for evaluated routes was from the "route evaluations .. done over a four week period in the fall of 1995." [LR-H-192, Page 3]

MPA/USPS-T17-11. The following questions refer to evaluation factors.

- a. When was the last time that the evaluation factors were revised?
- b. How often does the Postal Service revise its evaluation factors?
- c. When will the next revision of evaluation factors by the Postal Service occur?

MPA/USPS-T17-12. Please refer to LR-H-201, W/S 10.1.1.

- a. Please provide the definitions of letters, flats, and parcels used for determining the evaluation factor and average value figures provided on this worksheet.
- b. Please provide the average value and evaluation factor for the past ten years for each route evaluation item listed in W/S 10.1 1.

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 section 12 of the rules of practice.

James R. Cregan

Washington, D.C. August 21, 1997