

**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 DEGEN
(MPA/USPS-T12-1-7)**

(August 21, 1997)

Pursuant to the Commission's Rules of Practice, Magazine Publishers of America hereby submits the attached interrogatories to USPS witness Degen (MPA/USPS-T12-1-7).

Respectfully submitted,


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**INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA
TO UNITED STATES POSTAL SERVICE WITNESS DEGEN**

MPA/USPS-T12-1. Please refer to LR-H-1, Appendix C and E and LR-H-19, spreadsheet TW-3e.

- a. Please produce a description of how you distributed mixed mail codes to direct mail codes in a format similar to Appendix C of LR-H-1.
- b. Please list the distribution keys for all mixed mail codes in a format similar to Appendix E of LR-H-1.
- c. Please provide a description of how you distributed Other codes to direct mail codes in a format similar to Appendix C of LR-H-1
- d. Please list the distribution keys for all Other codes in a format similar to Appendix E of LR-H-1.

MPA/USPS-T12-2. Please refer to LR-H-219, Spreadsheet TW-3e.

- a. Please confirm that only 0.03 percent of BMC costs are for code 6521
- b. Please confirm that all BMC costs for code 6521 are for platform operations. If confirmed, please explain why there are no 6521 costs for other BMC operations.
- c. Please confirm that only 1.99 percent of non-MODS costs are for code 6521.
- d. Please confirm that all non-MODS costs for code 6521 are for the Other basic function. If confirmed, please explain why there are no 6521 costs for outgoing, incoming, and transit basic functions
- e. Please confirm that 15.04 percent of all MODS costs are for code 6521.
- f. In spreadsheet TW-3e, have you already distributed costs for code 6521 at BMCs and non-MODS facilities to direct mail codes? If so, please reproduce spreadsheets LR-H-219, TW-3e and TW-7 with costs for code 6521 not distributed to direct mail codes.
- g. Please explain why a clerk or mailhandler in a specific operation would require more breaks and personal needs time than if he were in any other operation. Based upon this explanation, please list the operations which require an above average amount of breaks and personal needs time and those which require a below average amount of breaks and personal needs time.

- h. Please individually provide grand total 6521, 6522, and 6523 costs combined for all facilities and operations for each of the last ten years and provide these costs as a percentage of total mail processing cost.
- i. Please confirm that IOCS identifies \$278 thousand of costs for activity codes 5120 and 6120, which relate to Window Service - U.S. Passport Applications.
 - (i) Please confirm that the Postal Service is reimbursed for performing these activities.
 - (ii) If confirmed, why are costs for these Passport Application-related activities distributed to classes of mail?

MPA/USPS-T12-3. Please refer to LR-H-219, Spreadsheet TW-7.

- a. Please confirm that 57 percent of grand total outgoing costs are for direct mail codes and 67 percent of grand total incoming costs are for direct mail codes.
- b. Please confirm that the majority of outgoing sorts are performed during Tour 3 and the majority of incoming sorts are performed during Tour 1.
- c. Please confirm that the difference between the figures in part a. is statistically significant at a one percent confidence level.
- d. Suppose that a class of mail is totally dropshipped so that it avoids all outgoing sorts.
 - (i) Should the cost for this class of mail include any costs for outgoing mixed mail codes? If yes, why?
 - (ii) Under your proposed methodology, would the cost for this class of mail include costs for outgoing mixed mail codes?

MPA/USPS-T12-4. Please refer to LR-H-219, Spreadsheet TW-3e.

- a. Please confirm that spreadsheet TW-3e shows that costs for IOCS activity codes 6420 and 6430 (Carriers Performing Office Work/Going to Vehicle and Carrier Checking In, Obtaining Accountable Mail or Keys, Checking Vehicle, Safety Meeting, respectively) for employees clocked into MODS mail processing operations constitute .5 percent of mail processing operating costs.
- b. If confirmed, please explain why C/S 3 Clerks and Mailhandlers mail processing costs includes costs which IOCS identifies as being incurred for carrier activities.

- c. Please explain why city carriers are clocked into mechanical (e.g., FSM and LSM) and automated operations (e.g., OCR and BCS).

MPA/USPS-T12-5 Please refer to LR-H-219, Spreadsheet TW-3e.


- a. Please confirm that this spreadsheet shows that window and related office costs (activity codes 5020-5195 and 6000-6200) for Clerks and Mailhandlers clocked into mail processing operations constitute .44 percent of grand total Clerks and Mailhandlers cost, .53 percent of MODS facility Clerks and Mailhandlers cost, and .13 percent of Non-MODS facility Clerks and Mailhandlers cost
- b. Please explain why a clerk or mailhandler clocked into a MODS mail processing operation would perform window and related office activities.
- c. In light of your answer to part b, please provide an explanation of why clerks and mailhandlers at MODS facilities clocked into mail processing operations spend a higher percentage of their time performing window and related office activities than do clerks and mailhandlers at non-MODS facilities.
- d. What percentage of mail processing facilities have window operations?

MPA/USPS-T12-6 Are clerks and mailhandlers at MODS offices clocked into a MODS operation when they are on lunch? If yes, please explain what operations employees are clocked into when they are on lunch.

MPA/USPS-T12-7 Are there times when employees are at work but are not clocked into a MODS operation? If yes, please explain what the employee is doing while not clocked into a MODS operation.

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