

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  
INTERROGATORIES OF THE MAGAZINE PUBLISHERS OF AMERICA  
(MPA/USPS-T23—1(C-H) & 2)**

The United States Postal Service hereby provides the response of witness Mayes to the following interrogatories of the Magazine Publishers of America: MPA/USPS-T23—1(c-h) & 2, filed on November 20, 2001. Interrogatory MPA/USPS-T23—1(i) has been redirected to witness Taufique. Responses to interrogatory MPA/USPS-T23—1(a-b) will be provided as soon as possible.

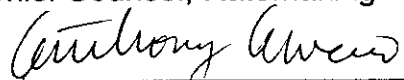
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



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December 4, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYES TO  
INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA, INC.**

**MPA/USPS-T23-1.** Please refer to your response to MPA/USPS-T34-5(b) where you state, "For non-destination SCF [Sectional Center Facility] Zone 1 & 2 pieces entered at the DBMC [destination bulk mail center] or destination transfer hub, it is assumed that 80 percent will be transported directly to the DSCF and 20 percent of the pieces will first travel through an intermediate facility (assumed to be the destination ADC [Area Distribution Center]) then be cross-docked to the DSCF."

(a) Please provide a citation to the original source of your assumption that 80 percent of zones 1 & 2 pieces that are entered at the DBMC or destination transfer hub will be transported directly to the DSCF and that 20 percent of these pieces will first travel through an intermediate facility.

(b) Please confirm that zones 1 & 2 pieces that are not entered at the Destination Area Distribution Center (DADC) or the DSCF can be entered at facilities other than the DBMC. If not confirmed, please explain your response fully. If confirmed, please answer the following questions:

(i) Why did you use zones 1 and 2 DBMC-entered periodicals as your benchmark against which to determine the DSCF and DADC nontransportation cost avoidances?

(ii) What percentage of zones 1 and 2 periodicals that are not entered at the DSCF or the DADC is entered at the DBMC? Please provide the source of your data.

(c) Please confirm that if a zones 1 and 2 periodical is entered at an origin associate office (OAO) that is in the DADC service territory, but not in the DSCF service territory, it will almost always be handled at the OAO and at an origin SCF (OSCF) before arriving at the DSCF. If not confirmed, please explain your response fully.

(d) Please confirm that if a zones 1 and 2 periodical is entered at an origin associate office (OAO) that is in the DADC service territory, but not in the DSCF service territory, it may be handled at the OAO, an OSCF, and the DADC before arriving at the DSCF. If not confirmed, please explain your response fully.

(e) Please confirm that if a zones 1 and 2 periodical is entered at an OSCF within the DADC service territory, it may be handled at both the OSCF and the DADC before arriving at the DSCF. If not confirmed, please explain your response fully.

(f) Please confirm that if a zones 1 and 2 periodical is entered at an OSCF within the DBMC service territory, but not the DADC service territory, it could be handled at the OSCF, the OADC, the DBMC and the DADC before arriving at the DSCF. If not confirmed, please explain your response fully.

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(g) Please confirm that if a zones 1 and 2 periodical is entered at an OADC within the DBMC service territory, it may be handled at the OADC, the DBMC, and the DADC before arriving at the DSCF. If not confirmed, please explain your response fully.

(h) Please confirm that, on average, mail entered in higher zones (e.g., zone 5) will be transported through more facilities than mail entered in lower zones (e.g., zones 1 and 2). If not confirmed, please explain your response fully.

(i) Please confirm that the advertising zone differentials in the Periodicals Outside-County subclass rate design do not reflect any nontransportation cost differences between lower zone mail (e.g., zones 1 and 2) and higher zone mail (e.g., zone 8). If not confirmed, please explain your response fully.

**RESPONSE**

(c) Confirmed

(d) Confirmed.

(e) Confirmed.

(f) Confirmed. However, typically there is direct transportation linking ADCs within the same DBMC service area. Hence, the mail could bypass the DBMC.

(g) Confirmed. See also response to subpart (f).

(h) I am unaware of any empirical work that would confirm that the number of facilities through which a piece of mail is transported would be highly correlated with the distance between the origin of entry and the destination. The number of facilities through which mail will travel would be related to the number of service territories crossed, but not necessarily to the distance between origin and destination, except to the extent that as distance increases, there may be a higher number of service territories crossed. In the example given, it is possible that the Zone 5 piece and the Zone 1&2 piece

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are within the same BMC service territory and would be handled in exactly the same number of facilities. It is also possible that, in the interest of service, direct transportation exists between the facility of origin and the destination ADC or destination SCF for the Zone 5 piece, whereas the Zone 1&2 piece might have to travel through the DBMC, DADC, and DSCF. In its Opinion and Recommended Decision in Docket No. MC91-3, the Second-Class Pallet Discount case, the Commission commented that: "In [the Commission's] view, the record clearly demonstrates that, on average, the number of dock transfers increases with distance." (Page 70, para. 2097) However, it is my understanding that the relationship between number of dock transfers and distance as stated in Docket No. MC91-3 was based on assumptions and expert opinion rather than on empirical evidence.

- (i) Redirected to witness Taufique.

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**MPA/USPS-T23-2.** Please refer to pages 25-26 of Docket No. R87-1, USPS-T-12. In particular, please refer to where witness Acheson states, "The reason mail processing times were estimated for both one and two dock transfers is that zones 1 and 2 mail includes not only that mail I characterized as intra-sectional center facility (SCF) and intra-SDC [State Distribution Center] (see Table 2 on page 9) in the pallet study but also a portion of inter-SDC mail (mail requiring two intermediate handlings). For this analysis, I assumed that 80% of zones 1 and 2 mail not entered in the destination SCF area receives one cross-dock and that 20% of that mail receives two."

(a) Please confirm that area distribution centers (ADC) in today's operating environment serve a similar role in the postal network to that served by state distribution centers in the late eighties. If not confirmed, please explain your response fully.

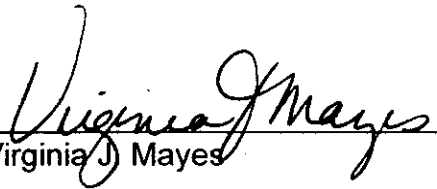
(b) Is mail entered at the DBMC inter-ADC mail, intra-ADC mail, or could it be either? Please explain your response fully.

**RESPONSE:**

- (a) Confirmed, although the service territories vary. There are more ADCs than there were SDCs.
- (b) It is my understanding that it could be either. For example, mail entered at DBMC Atlanta, which is in ADC Atlanta, could destinate within ADC Atlanta (intra-ADC) or ADC Birmingham (inter-ADC).

**DECLARATION**

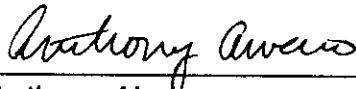
I, Virginia J. Mayes, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
Virginia J. Mayes

Dated: 12-4-01

**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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Anthony Alverno

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