

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED
DEC 6 1 23 PM '01
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES

Docket No. R2001-1

Major Mailers Association's Second Set of Follow Up Interrogatories And Document Production Requests To USPS Witness Leslie M. Schenk

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, Major Mailers Association herewith submits the following interrogatories and document production requests to United States Postal Service witness Leslie M. Schenk: **MMA/USPS-T43-21-22**. If the designated witness is unable to answer any of these questions, please direct them to the appropriate witness who can provide a complete response.

Respectfully submitted,

Major Mailers Association

By: 

Michael W. Hall
34693 Bloomfield Road
Round Hill, Virginia 20141
540-554-8880
Counsel for
Major Mailers Association

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing discovery request upon the United States Postal Service, the Designated Officer of the Commission, and participants who requested service of all discovery documents, in compliance with the Commission's Rules of Practice.

Dated this 6th day of December 2001.


Michael W. Hall

**Major Mailers Association's Follow Up Interrogatories And Document
Production Requests For USPS Witness Leslie M. Schenk**

MMA/USPS-T43-21 Please refer to Part H of Interrogatory MMA/USPS-T43-13, which you redirected to USPS witness Miller to answer. That question asked you specific information regarding *your* understanding of the derivation of your unit delivery cost for nonautomation mixed AADC letters and that the interrogatory was intended for *you* to answer.

- A. Please confirm that letters addressed and delivered to a post office box do not require nonDPS processing. If no, please explain.
- B. Please confirm that you assumed that the nonDPS cost for nonautomation, machinable mixed AADC letters for the test year, as well as for all other types of presorted letters, was 3.11 cents.
- C. Please confirm that the 3.11 unit cost refers to an average for all nonautomation machinable mixed AADC letters, as well as all other types of presorted letters, whether or not they required nonDPS processing, since some unknown portion was addressed and delivered to a post office box.
- D. Please confirm your understanding that the decision to use nonautomation machinable mixed AADC letters as a proxy for BMM letters implicitly assumes that the 3.11 unit cost refers to BMM letters as well, and that BMM letters would exhibit the same, unknown portion of letters that was addressed and delivered to a post office box. If you cannot confirm, please explain.
- E. Please confirm that letters addressed and delivered to a post office box do not require DPS processing. If no, please explain.
- F. Please confirm that your derived DPS cost for nonautomation, machinable mixed AADC letters, as well as for all other types of presorted letters, was .5 cents for the test year.
- G. Please confirm that the .5-cent unit cost refers to an average for all nonautomation machinable mixed AADC letters, as well as all other types of presorted letters, whether or not they required DPS processing, since some unknown portion was addressed and delivered to a post office box.
- H. Please confirm your understanding that the decision to use nonautomation machinable mixed AADC letters as a proxy for BMM letters implicitly assumes that the .5-unit cost refers to BMM letters as well, and that BMM letters would exhibit the same, unknown portion of letters that was addressed and delivered to a post office box. If you cannot confirm, please explain.

MMA/USPS-T43-22 Please refer to your response to Part B of Interrogatory MMA/USPS-T43-12. There you discuss the derivation of the DPS unit cost to

process presorted letters based on the derived nonDPS unit cost to process presorted letters from FY 1993 cost and volume data.

- A. Please confirm that your derived estimate for the test year DPS unit cost to process presorted machinable letters is .5 cents. If you cannot confirm, please provide the correct figure and a source for your answer.
- B. Please confirm that USPS witness Miller estimates that the test year DPS unit cost to process presorted machinable letters is 1.14 cents, as shown in the following table. If you cannot confirm, please provide the correct figures and the sources for your answer.

Computation of Unit DPS Costs For Presorted Letter Categories From USPS Witness Millers Models (Cents)

Model		TPH	Total Cents Per Piece	DPS %	Unit DPS Cost
BMM	Auto 3-Pass	3,205	0.187	75.73%	0.0793
	Auto 2-Pass	13,536	0.594	75.73%	1.0624
	Avg DPS Cost				1.1416
Mach MAADC-AADC	Auto 3-Pass	3,182	0.187	75.17%	0.0793
	Auto 2-Pass	13,436	0.594	75.17%	1.0624
	Avg DPS Cost				1.1416
Mach 3D-5D	Auto 3-Pass	3,276	0.187	77.40%	0.0793
	Auto 2-Pass	13,835	0.594	77.40%	1.0624
	Avg DPS Cost				1.1416
Auto Mix AADC	Auto 3-Pass	3,122	0.187	73.76%	0.0793
	Auto 2-Pass	13,184	0.594	73.76%	1.0624
	Avg DPS Cost				1.1416
Auto AADC	Auto 3-Pass	3,232	0.187	76.35%	0.0793
	Auto 2-Pass	13,646	0.594	76.35%	1.0624
	Avg DPS Cost				1.1416
Auto 3D	Auto 3-Pass	3,258	0.187	76.98%	0.0793
	Auto 2-Pass	13,759	0.594	76.98%	1.0624
	Avg DPS Cost				1.1416

Source: USPS-LR-J-60 (Revised 11/14/01)

Note that Unit DPS Cost = (TPH x Total Cents Per Piece) / DPS % /10,000

- C. Please explain why your derived test year presorted DPS unit cost is less than half that derived by USPS' witness Miller.