

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

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POSTAL RATE COMMISSION  
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POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS PATELUNAS TO INTERROGATORIES OF  
MAGAZINE PUBLISHERS OF AMERICA, INC.  
(MPA/USPS-T12-6-8)

The United States Postal Service hereby provides the response of witness Patelunas to the following interrogatories of Magazine Publishers of America, Inc.: MPA/USPS-T12-6-8, filed on November 26, 2001.

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 10, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE  
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**MPA/USPS-T12-6.** Had any Automated Flat Sorting Machine (AFSM) 100s been deployed as of the date the Postal Service completed the Phase II AFSM 100 decision analysis report (DAR)? If so, how many AFSM 100s had been deployed as of that date?

**Response:**

It is my understanding that by the time the Phase II AFSM 100 DAR was finalized on April 11, 2000, the Postal Service had deployed three Phase I AFSM 100s (two of which were fully operational). By the time the Board of Governors approved funding for the Phase II AFSM 100 purchase on July 11, 2000, the Postal Service had deployed 41 Phase I machines (25 of which were fully operational).

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**MPA/USPS-T12-7.** Please refer to your response to MPA/USPS-T12-4(e) where you state, "I am informed that the Phase I AFSM [Automated Flats Sorting Machine] 100 DAR [Decision Analysis Report] targeted facilities that needed additional flat sorting capacity. To be included in the DAR, a site had to meet our minimum savings level."

(a) What was the "minimum savings level" per machine (expressed either as a workhour savings per machine per year or cost savings per machine per year) required to be considered for an AFSM 100 in the Phase I AFSM 100 deployment?

(b) What was the maximum cost savings and workhour savings per machine per year that was calculated for any site for the Phase I AFSM 100 deployment?

**Response:**

(a) It is my understanding that a site/machine was considered a candidate for inclusion in the Phase I AFSM 100 DAR if it could generate savings of 18,000 workhours or more.

(b) I am told the highest level of savings expected using the DAR's lower bound scenario assumptions was about 66,000 workhours per AFSM 100; it covered three machines planned for one site. However, all remaining machines purchased under the Phase I DAR had expected savings of about 53,000 workhours or less. In fact, the average savings expected from the machines purchased in the Phase I DAR was about 29,000 workhours per AFSM 100.

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**MPA/USPS-T12-8.** In USPS-LR-J-145, the Postal Service's "Rate Case Calculations" show that in Phase II of the Automated Flat Sorting Machine (AFSM) 100 deployment, the Postal Service will deploy only 334 machines while the description of the Phase II AFSM 100 deployment in this same worksheet indicates that in Phase II the Postal Service will deploy 362 AFSM 100s. Please indicate which of the Phase II machine deployment figures in USPS-LR-J-145 is correct and provide an explanation for the discrepancy between the two figures.

**Response:**

Please refer to my response to MPA/USPS-T6-1(a), redirected from witness Tayman. Library Reference USPS-LR-J-145 is the electronic version of Attachment 1 that accompanies the response to MPS/USPS-T6-1(a). As I stated in that response: "The calculations shown there present a general description, or crosswalk, from the original DAR calculations to the calculations that appear in USPS-LR-J-49. The DAR calculations were developed at a certain point in time and the crosswalk will help explain how those calculations changed by the time of preparing USPS-LR-J-49." Additionally, in my response to MPS/USPS-T6-4(a), I stated: "Other than the timing of deployment and the number of machines being deployed, the only identifiable difference is the cost of labor. The cost of labor is different because the calculations were done at different points in time."

The calculations in USPS-LR-J-145 were meant as an aid to crosswalk from the DAR calculations to the rate case calculations; they were not a precise dollar-for-dollar reconciliation. The 362 Automated Flat Sorting Machine (AFSM 100s) in the descriptive title in USPS-LR-J-145 represents the total machines planned in the DAR. The 334 machines shown in the Rate Case Calculations

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**Response continued:**

section represents the "Calculated Average Number of Machines" resulting from the assumptions used for the rate case. This is not the planned number of machines. This "Calculated Average Number of Machines" is similar to the "Calculated Average Number of Machines" shown in the Deployment Calculations section. The concept I was trying to convey was not the precise number of machines; I was trying to demonstrate how the deployment schedule has changed, how the rate case calculations are similar, and that both these approaches advance the savings much earlier than the DAR calculations had.

DECLARATION

I, Richard Patelunas, declare under penalty of perjury that the foregoing answers to interrogatories are true and correct to the best of my knowledge, information, and belief.

Richard Patelunas

Dated: 12/10/01

## 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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