

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 SCHENK TO INTERROGATORY OF THE MAGAZINE PUBLISHERS OF  
AMERICA, INC., (MPA/USPS-T34-28) AND PARTIAL RESPONSES TO MPA/USPS-  
T34-29, 30a, 31a, 32-33, REDIRECTED FROM WITNESS TAUFIQUE

The United States Postal Service hereby provides the response of witness Schenk to the following interrogatory of the Magazine Publishers of America, Inc.: MPA/USPS-T34-28, and partial responses to the following interrogatories: MPA/USPS-T34-29, 30a, 31a, 32-33. Witness Mayes will provide the remainder of the response for MPA/USPS-T34-29-33. These interrogatories, which were filed on November 26, 2001, were redirected from witness Taufique.

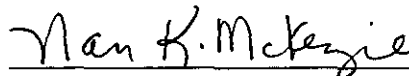
Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Nan K. McKenzie

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December 10, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK TO  
INTERROGATORY OF THE MAGAZINE PUBLISHERS OF AMERICA, INC.,

**MPA/USPS-T34-28.** Please refer to USPS-LR-J-100, which contains the model used to estimate the pallet cost avoidance.

- (a.) Please confirm that cell Y10 in USPS-LR-J-100, worksheet "Table 1" shows that the cost to unload and move sacked mail at the 'destination' facility is \$0.871 per sack. If you do not confirm, please explain.
- (b.) Please confirm that cell Y16 in USPS-LR-J-100, worksheet "Table 1" shows that the cost to unload and move palletized mail at the 'destination' facility is \$13.232 per pallet. If you do not confirm, please explain.

**RESPONSE:**

- (a.) Not confirmed. The cost of \$0.871 per sack cited above includes not only the cost to unload and move sacked mail at the 'destination' facility, but also includes the cost of dumping the sack, and costs associated with empty container handlings. The cost to unload and move sacked mail at the 'destination' facility is \$0.151 per sack, which is obtained by adding cells Y5 and Y6 in USPS-LR-J-100, worksheet "Table 1."
- (b.) Not confirmed. The cost of \$13.232 per pallet cited above includes not only the cost to unload and move palletized mail at the 'destination' facility, but also includes the cost of dumping the pallet, and costs associated with empty pallet handlings. The cost to unload and move palletized mail at the 'destination' facility is \$8.026 per pallet, which is obtained by adding cells Y12 and Y13 in USPS-LR-J-100, worksheet "Table 1."

PARTIAL RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK TO INTERROGATORIES OF THE MAGAZINE PUBLISHERS OF AMERICA, INC.,

**MPA/USPS-T34-29.** Please refer to MPA/USPS-T34-27-28, above. Please confirm that Table 7 presents costs per piece for crossdocking, unloading, and moving operations for containers of different sizes by dividing the costs per container by the number of pieces per container. If you do not confirm, please explain and provide the correct figures.

Table 7. Per-Piece Container-Handling Costs

Container	Crossdocking at Sectional Center Facility (SCF)	Crossdocking at Bulk Mail Center (BMC)	Unloading at Destination Delivery Unit (DDU)	Unloading and Moving at 'Destination' Facility
6-piece sack	\$0.116	\$0.131	\$0.054	\$0.145
12-piece sack	\$0.058	\$0.065	\$0.027	\$0.073
1,062-piece pallet <sup>1</sup>	\$0.014	\$0.014	\$0.004	\$0.012
Average pallet <sup>2</sup>	\$0.009	\$0.009	\$0.002	\$0.008

<sup>1</sup> A 500-pound pallet assuming the average 0.471 pounds per piece.

<sup>2</sup> A pallet with 1,728.9 pieces (USPS-LR-J-114).

**RESPONSE:**

In partial response to this interrogatory, the per-piece container-handling costs in the last column (i.e., "unloading and moving at the 'destination' facility") are not confirmed.

The correct figures, using the container costs provided in response to MPA/USPS-T34-28, are:

- 6-piece sack: \$0.025 (=0.151/6)
- 12-piece sack: \$0.013 (=0.151/12)
- 1,062-piece pallet: \$0.008 (=8.026/1062)
- Average pallet: \$0.005 (=8.026/1728.9)

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

**MPA/USPS-T34-30.** Please refer to MPA/USPS-T34-29, above. Assume that a 6-piece sack containing 3-digit automation pieces is entered at an origin sectional center facility (OSCF) in Zone 4 and is crossdocked at the OSCF, the origin bulk mail center (BMC), and the destination BMC and incurs unloading and moving costs at a destination facility. Further, please assume that each piece in the sack weighs 0.471 pounds and has an advertising percentage of 43.5.

- (a.) Please confirm that the Postal Service incurs a cost per piece of \$0.523 (sum of \$0.116, \$0.131, \$0.131, and \$0.145) for crossdocking, unloading, and moving this sack. If you do not confirm, please explain and provide the correct figure.

**RESPONSE:**

- (a.) In partial response, the figure of \$0.145 for unloading and moving this sack at the 'destination' facility is not confirmed. The figure should be \$0.025, as provided in response to MPA/USPS-T34-29.

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

**MPA/USPS-T34-31.** Please refer to MPA/USPS-T34-29, above. Assume that a 12-piece sack containing 3-digit automation pieces is entered at an origin sectional center facility (SCF) in Zone 4 and is crossdocked at the origin SCF, the origin bulk mail center (BMC), and the destination BMC and incurs unloading and moving costs at a destination facility. Further, please assume that each piece in the sack weighs 0.471 pounds and has an advertising percent of 43.5.

- (a.) Please confirm that the Postal Service incurs a cost per piece of \$0.261 (sum of \$0.058, \$0.065, \$0.065, and \$0.073) for crossdocking, unloading, and moving this sack. If you do not confirm, please explain and provide the correct figure.

**RESPONSE:**

- (a.) In partial response, the figure of \$0.073 for unloading and moving this sack at the 'destination' facility is not confirmed. The figure should be \$0.013, as provided in response to MPA/USPS-T34-29.

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

**MPA/USPS-T34-32.** Please refer to MPA/USPS-T34-29, above. Assume that a 1,062 pallet (500 pounds assuming each piece weighs 0.471 pounds) containing 3-digit automation pieces is entered at an origin sectional center facility (SCF) and is crossdocked at the origin SCF, the origin bulk mail center (BMC), and the destination BMC and incurs unloading and moving costs at a destination facility. Please confirm that the Postal Service incurs a cost per piece of \$0.054 (sum of \$0.014, \$0.014, \$0.014, and \$0.012) for crossdocking, unloading, and moving this pallet. If you do not confirm, please explain and provide the correct figure.

**RESPONSE:**

In partial response, the figure of \$0.012 for unloading and moving this pallet at the 'destination' facility is not confirmed. The figure should be \$0.008, as provided in response to MPA/USPS-T34-29.

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

**MPA/USPS-T34-33.** Please refer to MPA/USPS-T34-29, above. Assume that a 1,728.9 pallet containing 3-digit automation pieces is entered at an origin sectional center facility (SCF) and is crossdocked at the origin SCF, the origin bulk mail center (BMC), and the destination BMC and incurs unloading and moving costs at a destination facility. Please confirm that the Postal Service incurs a cost per piece of \$0.035 (sum of \$0.009, \$0.009, \$0.009, and \$0.008) for crossdocking, unloading, and moving this pallet. If you do not confirm, please explain and provide the correct figure.

**RESPONSE:**

In partial response, the figure of \$0.008 for unloading and moving this pallet at the 'destination' facility is not confirmed. The figure should be \$0.005, as provided in response to MPA/USPS-T34-29.

## DECLARATION

I, Leslie M. Schenk, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

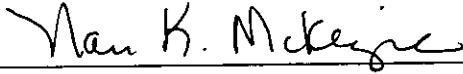
  
\_\_\_\_\_  
Leslie M. Schenk

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.

  
\_\_\_\_\_  
Nan K. McKenzie

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Washington, D.C. 20260-1137  
December 10, 2001