

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 INTERROGATORY OF THE MAGAZINE PUBLISHERS OF
AMERICA, INC., (MPA/USPS-T34-27) AND PARTIAL RESPONSES TO MPA/USPS-
T34-29, 30(A), 31(A), 32-33, ALL REDIRECTED FROM WITNESS TAUFIQUE

The United States Postal Service hereby provides the response of witness Mayes to the following interrogatory of the Magazine Publishers of America, Inc.: MPA/USPS-T34-27, and partial responses to the following interrogatories: MPA/USPS-T34-29, 30a, 31a, 32-33. Witness Schenk's partial responses to the latter interrogatories provide the remainder of these responses. 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


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December 10, 2001

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

MPA/USPS-T34-27. Please refer to USPS-LR-J-68, AppenF.xls, which contains Periodicals dropship nontransportation cost models. Please confirm that setting the conversion factors in cells A11 and A12 on worksheet "App F, Tab 2" equal to 1 develops the crossdocking and unloading costs per container shown in Table 6 below. If you do not confirm, please explain and provide the correct data.

Table 6. Crossdocking and Unloading Costs¹

Container Type	Costs per Container		
	Crossdock at Sectional Center Facility (SCF)	Crossdock at Bulk Mail Center (BMC)	Unload at Destination Delivery Unit (DDU)
	"App F, Table 3"	"App F, Table 4"	"App F, Table 5"
Sacks	\$0.693	\$0.785	\$0.321
Pallets	\$15.142	\$14.978	\$4.257

¹ Sum of the products of "Cost per Piece" and "Percent of Volume by Method" or "Percent Vol. In Operation."

RESPONSE:

I can confirm that setting the conversion factors in cells A11 and A12 equal to one piece of mail per container results in the figures shown in the chart above.

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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 ¹	\$0.014	\$0.014	\$0.004	\$0.012
Average pallet ²	\$0.009	\$0.009	\$0.002	\$0.008

¹ A 500-pound pallet assuming the average 0.471 pounds per piece.

² 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 first three columns of figures (Crossdocking at SCF and BMC, and Unloading at DDU) are the costs per piece for unloading, crossdocking, moving and, at the SCF and BMC, loading as shown in Appendix F of USPS-LR-J-68.

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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, for the pieces in the sack as described, the figures of \$0.116, \$0.131 and \$0.131 costs per piece for unloading, moving, crossdocking and loading this sack at the OSCF, OBMC and DBMC are confirmed.

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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, for the pieces in the sack as so described, the figures of \$0.058, \$0.058, and \$0.065 per piece for unloading, moving, crossdocking and loading this sack at the OSCF, OBMC and DBMC are confirmed.

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MPA/USPS-T34-32. Please refer to MPA/USPS-T34-29, above. Assume that a 1,062-piece 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, for the pieces on the pallet as so described, the figures of \$0.014, \$0.014, and \$0.014 per piece for unloading, moving, crossdocking and loading this sack at the OSCF, OBMC and DBMC are confirmed.

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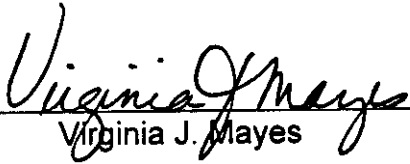
MPA/USPS-T34-33. Please refer to MPA/USPS-T34-29, above. Assume that a 1,728.9-piece pallet containing 3-digit automation pieces is entered at an origin sectional center facility (SCF) and is crossdocked at the origin SCF, the origin bulk mail center (BMC), and the destination BMC and incurs unloading 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, for the pieces on the pallet as so described, the figures of \$0.009, \$0.009 and \$0.009 per piece for unloading, moving, crossdocking and loading this sack at the OSCF, OBMC and DBMC are confirmed.

DECLARATION

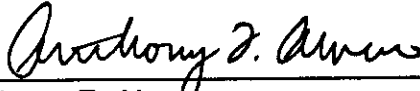
I, Virginia J. Mayes, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


Virginia J. Mayes

Dated: 12-10-01

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.



Anthony F. Alverno

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