

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

**POSTAL RATE AND FEE CHANGES**

**Docket No. R2001-1**

**Major Mailers Association's First Set Of Follow Up  
Interrogatories To The United States Postal Service**

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, Major Mailers Association herewith submits the following interrogatories to the United States Postal Service: **MMA/USPS-8-11**.

Respectfully submitted,

**Major Mailers Association**

By: \_\_\_\_\_

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**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 17th day of December 2001.

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Michael W. Hall

## **Major Mailers Association's First Set Of Follow Up Interrogatories To The United States Postal Service**

**MMA/USPS-8** Please refer to your response to Interrogatories MMA/USPS-6 and 7. You were asked to confirm various facts about BMM that you did not know from any data collection source or from a special, in-depth study.

- A. For each item in that interrogatory that you did not confirm, please identify the specific data collection system and/or provide representatives of Major Mailers Association access to such data collection system (under appropriate conditions) and a copy of any in-depth study that supports your answer. If you did not confirm the requested information because you have made an assumption, please so state, confirm that the factual basis, if any, for that assumption does not come from any data collection system or the result of an in-depth study, and provide all the reasons for your assumption.
- B. Please explain whether the "field observations" referred to in your response to Part C constitutes an in-depth study?
- C. Please explain whether "field observations" referred to in your response to Part C constitutes information obtained from one of your data collection systems.
- D. For each of the "field observations" referred to in your response to Part C, please indicate the dates and times such field observation occurred, the names of all USPS personnel or third parties who made such observations, the names of USPS personnel who were responsible for the conduct of such field observations, the locations of the USPS facilities where such field observations were made, the identity of all BMM mailers who were observed depositing their mail at either a loading dock or a Bulk Mail Entry Unit (BMEU), and please provide a statement regarding whether such field observations also entailed observation of BMM deposited at windows and copies of all documents (including electronic documents) discussing the reasons for making field observations of BMM, the instructions governing how, where, and when field observations of BMM were to be conducted, and all notes relating to the field observations.
- E. Please explain and quantify what you mean by "overwhelming bulk," as used in your response to Part C.
- F. In answer to Part J you did not confirm that the volume or percentage of BMM that is delivery point sequenced was available from either a data collection system or a special, in-depth study. Then you explain that estimates are found in Library Reference USPS-LR-J-60.
  - 1. Does your answer mean that you do not know the requested information, and it is not available from either a data system or a special, in-depth

study, but there is an estimate from another study? Whether your answer is yes or no, please explain.

2. Please confirm that you do not consider the study found in Library Reference USPS-LR-J-60 to be a special, in-depth study? Please explain.
  3. In your response to Part B 3 of Interrogatory MMA/USPS-7, you failed to confirm that, for purposes of measuring workshare cost savings in this case, the Postal Service attempted to estimate the percentage of BMM letters that are delivery point sequenced from a simulation model that **understated** the CRA-based BMM unit processing cost estimate by more than 50%.
    - a. Please confirm that the BMM model shown on pages 15-16 of Library Reference USPS-LR-J-60 does not provide an estimate of the percentage of BMM letters that are delivery point sequenced.
    - b. Please confirm that the BMM model shown on pages 15-16 of Library Reference USPS-LR-J-60 is not a simulation model of BMM letters.
    - c. Please confirm that the BMM model shown on pages 15-16 of Library Reference USPS-LR-J-60 does not understate the CRA-based BMM unit processing cost estimate by more than 50%.
    - d. If you do not confirm Parts a-c directly above, please explain why you did not confirm the original question.
- G. You did not confirm Part K but indicated that an estimate of the volume or percentage of BMM letters that are delivered to post office boxes is available in Library Reference USPS-LR-J-60.
1. Does your answer mean that you do not know the requested information, and it is not available from either a data system or a special, in-depth study, but there is an estimate from another study? Whether your answer is yes or no, please explain.
  2. Is Library Reference USPS-LR-J-60 a special, in-depth study upon which you rely in order to estimate the volume or percentage of BMM letters that are delivered to post office boxes? Please explain.
  3. Please provide an exact page and line citation where Library Reference USPS-LR-J-60 provides an estimate, **developed specifically for BMM letters**, of the volume or percentage of BMM letters that are delivered to post office boxes.

4. Please provide copies of all the **BMM-specific** data collected to support the estimated volume or percentage of BMM letters that are addressed to post office boxes.
- H. You did not confirm Part L but indicated that an estimate of the volume or percentage of BMM letters that are barcoded is available in Library Reference USPS-LR-J-60.
1. Does your answer mean that you do not know the requested information, and it is not available from either a data system or a special, in-depth study, but there is an estimate from another study? Whether your answer is yes or no, please explain.
  2. Is Library Reference USPS-LR-J-60 a special, in-depth study upon which you rely in order to estimate the volume or percentage of BMM letters that are barcoded? Please explain.
  3. Please provide an exact page and line citation where Library Reference USPS-LR-J-60 provides an estimate, **developed specifically for BMM letters**, of the volume or percentage of BMM letters that are barcoded.
  4. Please provide copies of all the **BMM-specific** data collected to support the estimated volume or percentage of BMM letters that are barcoded.
- I. In Part M you failed to confirm that you did not know the volume or percentage of BMM brought to the post office in trays. Please confirm that you know the percentage to be 100% by definition, but that you do not know the volume. If you cannot confirm, please explain.
- J. In Part O you failed to confirm that you did not know the volume or percentage of BMM that is prebarcoded. Please confirm that you believe this percentage to be zero or very close to zero by reason of logic and not the result of a data collected from one of your systems or a special, in-depth study. If you cannot confirm, please explain.
- K. In Part P you failed to confirm that you did not know the acceptance costs for BMM. Please confirm that since, as you note, BMM is not subject to formal acceptance and verification procedures, the acceptance cost is zero. If you cannot confirm, please explain why you believe you know the acceptance cost from a data collection system or a special, in-depth study, and provide the unit cost.
- L. In Part Q you confirmed that you did not know the average BMM unit cost for mail processing. Please confirm that the average BMM unit cost from Library Reference USPS-LR-J-60 is not the result of an estimate from a special, in-

depth study. If you cannot confirm, then please explain why an average BMM unit cost was provided in this case from Library Reference USPS-LR-J-60.

M. In Part X you failed to confirm that you did not determine why mailers do or do not engage in worksharing as a result of data from a collection system or from a special, in-depth study. You also indicate that USPS witness Miller has not conducted an in-depth study to determine why mailers do, or do not, engage in worksharing and that this is outside the scope of his testimony. Please explain why you did not confirm that you did not determine why mailers do or do not engage in worksharing from either a collection system or from a special, in-depth study.

N. In Part Z you failed to confirm that you did not know what the likely sources were for BMM. Instead, you refer to a portion of USPS witness Miller's Direct Testimony and Library Reference USPS-LR-J-155.

1. Please state precisely where in Library Reference USPS-LR-J-155 you show specific sources of BMM.
2. Please confirm that, of the two sources of BMM discussed in USPS witness Miller's testimony, he could not explain why one of them would not engage in worksharing. For the other source, he reported that the mailer did engage in worksharing and expected to receive a discount, but did not only because the mail was too late to be accepted. If no, please explain.
3. Please confirm that the two sources of BMM discussed in USPS witness Miller's testimony are the only two sources that he knows of. (See his response to MMA/USPS-T22-16 (C).
4. Please confirm that the reason that you could not confirm Part Z was that you had not collected information from either a data collection system or a special, in-depth study. If no, please explain.
5. Is the study summarized in Library Reference USPS-LR-J-155 a special, in-depth study designed to measure likely sources of BMM? If yes, please explain and provide the data collected that supports Mr. Miller's conclusion that there are only two likely sources of BMM.

O. In Part CC you failed to confirm that you did not know whether the proportion of prebarcoded BMM is higher or lower than the proportion of prebarcoded metered letters. Instead, you refer to your answer to Part H, which indicates that field observations suggest the overwhelming bulk of BMM letters is not barcoded.

1. Please explain whether the overwhelming bulk of BMM letters not being prebarcoded means that the proportion of prebarcoded BMM is lower than the proportion of prebarcoded metered letters.
  2. Please explain why USPS witness Miller could not answer that same question because he had not studied the issue and had no basis for forming an opinion. See his response to MMA/USPS-T38(C).
- P. In Part DD you failed to confirm that you did not know whether BMM is, in fact, the most likely type of mail that will shift from the single piece category to the workshare category. Instead, you rely on the view of the Commission, which you share. Please explain why you did not confirm that this “view” is not the result of information from a data collection system or an in-depth special study.
- Q. In Parts N and BB you have taken the position that, by definition, BMM is not ever plant loaded.
1. Please confirm that BMM is never plant loaded. If no, please explain.
  2. Please confirm that from the Postal Service’s point of view, mailers with large enough volumes receive plant loading because of cost benefits that accrue to the Postal Service. If no, please explain.
  3. Please confirm that if large mailers that now receive plant loading decided to stop their worksharing efforts, the Postal Service assumes, in its measurement of worksharing cost savings, that such letters would no longer be plant loaded and, instead, would be brought to the local post office in trays. If you do not confirm, please explain how the Postal Service’s measurement of worksharing cost savings assumes that this mail would be provided to the Postal Service.
  4. Please explain precisely where, in USPS witness Miller’s workshare cost savings analysis, plant loading cost savings are included.

**MMA/USPS-9** Please refer to your response to Part A of Interrogatory MMA/USPS-T22-48 redirected from USPS witness Miller. You were asked to provide copies of USPS written guidelines, instructions, and/or rules that indicate where mailers must present their eligible First-Class automation letters. You were specifically asked if a window of a post office was an option. Your answer referred to DMM Section D100.2.2, which states:

First-Class Mail paid at the Presorted rate or at any automation rate must be deposited at locations and times designated by the postmaster. Metered mail must be deposited in locations under the jurisdiction of the

licensing post office except as permitted in P030. Permit imprint mail must be deposited under P040 and P900.

- A. Is a window at a post office considered a location designated by the postmaster at which an automation mailing may be accepted? If no, please explain.
- B. Is a window at a post office considered a location under the jurisdiction of the licensing post office except as permitted in P030 at which BMM mailing may be accepted? If no, please explain

**MMA/USPS-10** Please refer to your response to Part C of Interrogatory MMA/USPS-T22-48 redirected from USPS witness Miller. You were asked to provide First-Class average single piece and automation window service costs and comment about why they were different. You provided the cost figures but simply referred to Library Reference USPS-LR-J-1 for a description of how the cost figures were developed.

- A. Please confirm that the average window service cost for First-Class single piece is more than 15 times that of First-Class Automation mail. If you cannot confirm, please explain.
- B. Please confirm that this difference is not due to worksharing in any sense of the meaning of that term. If yes, please define worksharing as you use that term.
- C. Please explain what causes the difference in the two average window service costs between First-Class single piece and Automation mail.
- D. Please confirm that according to Library Reference USPS-LR-J-58, the test year unit window service costs for First-Class single piece and automation *letter-shaped* pieces are 1.487 and .094 cents, respectively. If you cannot explain please explain and provide the correct unit cost figures.
- E. Please confirm that the average window service cost for First-Class single piece letter shapes is more than 15 times that of First-Class Automation letter shapes. If you cannot confirm, please explain.
- F. Please confirm that this difference is not due to worksharing in any sense of the meaning of that term. If yes, please define worksharing as you use that term.
- G. Please explain what causes the difference in the two average window service costs between First-Class single piece and Automation letter shapes.

- H. Please explain why the First-Class unit window service cost for all shapes within single piece is .466 cents or 31% lower than the unit window service cost for just letter shapes.
- I. Please explain why the First-Class unit window service cost for all shapes within Automation is .028 cents or 30% lower than the unit window service cost for just letter shapes.

**MMA/USPS-11** Please refer to USPS witness Miller's response to Part F of Interrogatory MMA/USPS-T-22-1 and Part A of Interrogatory MMA/USPS-T22-43. Mr. Miller claimed that he did not know that First-Class Automation mailers are required to palletize their presorted trays and then presort the pallets onto Postal trucks. He further states that the Postal Service internally uses rolling stock, rather than pallets, to transfer nonpresorted First-Class letters to platforms and then onto trucks. Please explain why the Postal Service requires First-Class Automation mailers to utilize pallets, provided to them by the Postal Service, rather than rolling stock.