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

POSTAL RATE COMMISSION
OFFICE OF THE CLERK

POSTAL RATE AND FEE CHANGES

Docket No. R2001-1

**Major Mailers Association's Interrogatory
To USPS Witness Michael W. Miller In Lieu Of Cross Examination**

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, Major Mailers Association herewith submits the following interrogatory to United States Postal Service witness **Michael W. Miller: MMA/USPS-T22-76**. If the designated witness is unable to answer the question, please direct it to the appropriate witness who can provide a complete response.

Respectfully submitted,

Major Mailers Association

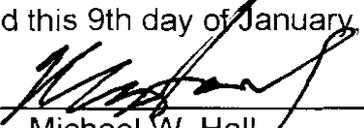
By: 

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 9th day of January, 2002.


Michael W. Hall

MMA/USPS-T22-76 Please refer to Library Reference USPS-LR- J-84. The table below compares (in Column 1) First-Class Mail cost avoidances for certain rate categories determined by using a modified version of Library Reference USPS J-84 to (Column 2) the discounts proposed for such rate categories in the amended December 26, 2001 settlement proposal ("Settlement"). For purposes of this interrogatory, USPS LR J-84 is modified by reclassifying four "nonworksharing related fixed" cost pools ("1 MISC" -- cost pool no. 36; "1 SUPPORT" -- cost pool no. 37; LD 48 OTH -- cost pool no. 44; and LD 48_ ADM" -- cost pool no. 45, as shown on page 8 of USPS-LR-J-84(attached hereto as part of Attachment A) to the "worksharing related fixed" classifications applied in Docket No. 2000-1. Library Reference UPSS-LR J-84 also is modified by the use of the aggregate Non-Automation Presort Letters Delivery unit cost estimate. The resulting cost avoidances are shown on page 1 of Library Reference USPS-LR-J-84, which is also attached as part of Attachment A to this interrogatory, and in Column 1 below.

- A. Please confirm that the aforementioned reclassification of the cost pools and the substitution of the delivery cost estimate indicated above would result in the USPS LR J-84 cost avoidance calculations as shown in Column 1 of the Table below. If not, please provide the correct figures as well as the derivation of those numbers.
- B. Please confirm that the cost avoidance calculations shown in Column 1 of the Table exceed the discounts in the proposed Settlement, as shown in Column 2 of the Table.

Comparison of Workshare Cost Savings
Using the Docket No. R00-1 Methodology
With USPS Proposed Workshare Discounts

| Rate Category | Workshare Cost Savings Docket No. R00-1 Methodology | USPS Proposed Discounts |
|---------------|---|----------------------------|
| Mixed AADC | 7.994 | 6.1 |
| AADC | 9.076 | 6.9 |
| 3-Digit | 9.439 | 7.8 |
| 5-Digit | 10.711 | 9.2 |

Attachment A To Interrogatory MMA/USPS-T-22-76

FIRST-CLASS MAIL PRESORT LETTERS SUMMARY
 PRC VERSION

| | (1) | (2) | (3) | (4) | (5) |
|---|-----------|-----------|-----------|-----------|----------|
| | MAIL PROC | MAIL PROC | DELIVERY | TOTAL | WORK- |
| BENCHMARK | TOTAL | WORK- | WORK- | WORK- | SHARING |
| RATE CATEGORY | UNIT COST | SHARING | SHARING | SHARING | RELATED |
| | | RELATED | RELATED | RELATED | SAVINGS |
| | | UNIT COST | UNIT COST | UNIT COST | |
| Bulk Metered Mail (BMM) Letters | 12.199 | 11.495 | 5.942 | 17.437 | --- |
| Nonautomation Presort Letters | 16.427 | 15.161 | 5.942 | 21.103 | (3.666) |
| Nonautomation Nonmachinable Mixed ADC | 36.415 | 35.149 | 8.408 | 43.557 | (26.120) |
| Nonautomation Nonmachinable ADC | 28.567 | 27.301 | 8.408 | 35.709 | (18.272) |
| Nonautomation Machinable Mixed AADC | 11.440 | 10.174 | 4.083 | 14.257 | 3.180 |
| Nonautomation Machinable AADC | 11.440 | 10.174 | 4.083 | 14.257 | 3.180 |
| Nonautomation Nonmachinable 3-Digit | 25.385 | 24.119 | 8.408 | 32.527 | (15.090) |
| Nonautomation Nonmachinable 5-Digit | 15.407 | 14.141 | 8.408 | 22.549 | (5.111) |
| Nonautomation Machinable 3-Digit | 11.000 | 9.734 | 3.954 | 13.688 | 3.750 |
| Nonautomation Machinable 5-Digit | 11.000 | 9.734 | 3.954 | 13.688 | 3.750 |
| Nonautomation Machinable Letters (All Presort Levels) | 11.173 | 9.907 | 4.005 | 13.911 | 3.526 |
| Automation Mixed AADC Letters | 5.518 | 5.279 | 4.164 | 9.443 | 7.994 |
| Automation AADC Letters | 4.585 | 4.346 | 4.015 | 8.361 | 9.076 |
| Automation 3-Digit Presort Letters | 4.259 | 4.019 | 3.979 | 7.998 | 9.439 |
| Automation 5-Digit Presort Letters | 3.172 | 2.933 | 3.794 | 6.727 | 10.711 |
| Automation 5-Digit Presort Letters (CSBCS/Manual Sites) | 4.002 | 3.763 | 6.160 | 9.923 | --- |
| Automation Carrier Route Presort Letters | 2.094 | 1.855 | 6.059 | 7.914 | 2.009 |

- (1) CRA Mail Processing Unit Costs:
 Worksharing Proportional Cost Pools + Worksharing Fixed Cost Pools + Non-Worksharing Fixed Cost Pools
Model-Based Mail Processing Unit Costs:
 (Model Cost * Worksharing Proportional Adjustment) + Worksharing Fixed Adjustment + Non-Worksharing Fixed Adjustment
- (2) CRA Mail Processing Unit Costs:
 Worksharing Proportional Cost Pools + Worksharing Fixed Cost Pools
Model-Based Mail Processing Unit Costs:
 (Model Cost * Worksharing Proportional Adjustment) + Worksharing Fixed Adjustment
- (3) USPS LR-J-117
 (4) (2) + (3)
 (5) Benchmark (4) - Rate Category (4)

CRA FIRST-CLASS MAIL LETTERS MAIL PROCESSING UNIT COSTS

Source: USPS LR-J-81

PRC VERSION

| Cost Pool No. | Source | Cost Pool Abbreviation | BULK METERED | | | | NON AUTO | | | | AUTO | | | | | | |
|---------------|----------|------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|--------------------|-------------------|--------|--------|-------|
| | | | WRP MP Unit Costs | WRF MP Unit Costs | NWRF MP Unit Costs | CRA MP Unit Costs | WRP MP Unit Costs | WRF MP Unit Costs | NWRF MP Unit Costs | CRA MP Unit Costs | WRP MP Unit Costs | WRF MP Unit Costs | NWRF MP Unit Costs | CRA MP Unit Costs | | | |
| 1 | BMCS | NMO | | | X | 0.000 | | | 0.000 | | | 0.000 | 0.000 | | | | 0.000 |
| 2 | BMCS | OTHR | | | X | 0.000 | | | 0.000 | | | 0.000 | 0.000 | | | | 0.001 |
| 3 | BMCS | FLA | | | X | 0.000 | | | 0.000 | | | 0.000 | 0.000 | | | | 0.000 |
| 4 | BMCS | FSM | | | X | 0.000 | | | 0.000 | | | 0.000 | 0.000 | | | | 0.000 |
| 5 | BMCS | SPB | | | X | 0.000 | | | 0.000 | | | 0.000 | 0.000 | | | | 0.000 |
| 6 | BMCS | SSM | | | X | 0.000 | | | 0.000 | | | 0.000 | 0.000 | | | | 0.000 |
| 7 | MODS 11 | BCS/ | X | | | 0.539 | 0.539 | | 0.593 | 0.593 | | | 0.220 | 0.220 | | | 0.000 |
| 8 | MODS 11 | BCS/DBCS | X | | | 1.881 | 1.881 | | 2.260 | 2.260 | | | 1.007 | 1.007 | | | 0.007 |
| 9 | MODS 11 | OCR/ | X | | | 0.909 | 0.909 | | 0.969 | 0.969 | | | 0.122 | 0.122 | | | 0.000 |
| 10 | MODS 12 | FSM/ | | X | | 0.036 | | | 0.036 | | | | 0.022 | | | | 0.008 |
| 11 | MODS 12 | FSM/1000 | | X | | 0.017 | | | 0.017 | | | | 0.015 | | | | 0.002 |
| 12 | MODS 12 | LSM/ | X | | | 0.002 | 0.002 | | 0.004 | 0.004 | | | 0.000 | 0.000 | | | 0.000 |
| 13 | MODS 12 | MECPARC | | | X | 0.001 | | | 0.001 | | | | 0.001 | 0.001 | | | 0.001 |
| 14 | MODS 12 | SPBS OTH | | | X | 0.023 | | | 0.023 | 0.037 | | | 0.037 | 0.008 | | | 0.008 |
| 15 | MODS 12 | SPBSPRIO | | | X | 0.007 | | | 0.007 | 0.001 | | | 0.001 | 0.003 | | | 0.003 |
| 16 | MODS 12 | *SACKS_M | | | X | 0.033 | | | 0.033 | 0.051 | | | 0.051 | 0.014 | | | 0.014 |
| 17 | MODS 14 | MANF | | | X | 0.031 | | | 0.031 | 0.034 | | | 0.034 | 0.004 | | | 0.004 |
| 18 | MODS 14 | MANL | X | | | 2.028 | 2.028 | | 2.661 | 2.661 | | | 0.315 | 0.315 | | | 0.002 |
| 19 | MODS 14 | MANP | | | X | 0.010 | | | 0.010 | 0.021 | | | 0.021 | 0.002 | | | 0.002 |
| 20 | MODS 14 | PRIORITY | | | X | 0.011 | | | 0.011 | 0.009 | | | 0.009 | 0.003 | | | 0.003 |
| 21 | MODS 15 | LD15 | X | | | 0.347 | 0.347 | | 0.281 | 0.281 | | | 0.051 | 0.051 | | | 0.005 |
| 22 | MODS 17 | 1BULK FR | X(N/A) | X(A) | | 0.004 | | 0.004 | 0.035 | 0.035 | | | 0.007 | 0.007 | | 0.007 | 0.007 |
| 23 | MODS 17 | 1CAN:MPP | | X | | 0.639 | | 0.639 | 0.206 | 0.206 | | 0.206 | 0.062 | 0.062 | | 0.062 | 0.062 |
| 24 | MODS 17 | 1OPBULK | X(N/A) | X(A) | | 0.139 | | 0.139 | 0.203 | 0.203 | | | 0.050 | 0.050 | | 0.050 | 0.050 |
| 25 | MODS 17 | 1OPREF | X(N/A) | X(A) | | 0.556 | | 0.556 | 0.833 | 0.833 | | | 0.224 | 0.224 | | 0.224 | 0.224 |
| 26 | MODS 17 | 1PLATFRM | | X | | 0.960 | | 0.960 | 1.338 | 1.338 | | 1.338 | 0.309 | 0.309 | | 0.309 | 0.309 |
| 27 | MODS 17 | 1POUCHING | X(N/A) | X(A) | | 0.392 | | 0.392 | 0.518 | 0.518 | | | 0.131 | 0.131 | | 0.131 | 0.131 |
| 28 | MODS 17 | 1SACKS_H | | | X | 0.109 | | | 0.109 | 0.221 | | | 0.221 | 0.043 | | | 0.043 |
| 29 | MODS 17 | 1SCAN | | | X | 0.039 | | | 0.039 | 0.094 | | | 0.094 | 0.019 | | | 0.019 |
| 30 | MODS 18 | BUSREPLY | | | X | 0.008 | | | 0.008 | 0.013 | | | 0.013 | 0.001 | | | 0.001 |
| 31 | MODS 18 | EXPRESS | | | X | 0.009 | | | 0.009 | 0.008 | | | 0.008 | 0.001 | | | 0.001 |
| 32 | MODS 18 | MAILGRAM | | | X | 0.000 | | | 0.000 | 0.000 | | | 0.000 | 0.000 | | | 0.000 |
| 33 | MODS 18 | REGISTRY | | | X | 0.015 | | | 0.015 | 0.018 | | | 0.018 | 0.001 | | | 0.001 |
| 34 | MODS 18 | REWRAP | | | X | 0.015 | | | 0.015 | 0.008 | | | 0.008 | 0.002 | | | 0.002 |
| 35 | MODS 18 | 1EZQMT | | | X | 0.028 | | | 0.028 | 0.023 | | | 0.023 | 0.005 | | | 0.005 |
| 36 | MODS 18 | 1MISC | | X | | 0.084 | | 0.084 | 0.081 | 0.081 | | | 0.026 | 0.026 | | 0.026 | 0.026 |
| 37 | MODS 18 | 1SUPPORT | | X | | 0.035 | | 0.035 | 0.049 | 0.049 | | | 0.011 | 0.011 | | 0.011 | 0.011 |
| 38 | MODS 18 | 1TTL | | | X | 0.019 | | | 0.019 | 0.026 | | | 0.026 | 0.004 | | | 0.004 |
| 39 | MODS 41 | LD41 | X | | | 0.073 | 0.073 | | 0.070 | 0.070 | | | 0.036 | 0.036 | | 0.036 | 0.036 |
| 40 | MODS 42 | LD42 | X | | | 0.001 | 0.001 | | 0.001 | 0.001 | | | 0.000 | 0.000 | | 0.000 | 0.000 |
| 41 | MODS 43 | LD43 | X | | | 0.341 | 0.341 | | 0.540 | 0.540 | | | 0.108 | 0.108 | | 0.108 | 0.108 |
| 42 | MODS 44 | LD44 | X | | | 0.200 | 0.200 | | 0.244 | 0.244 | | | 0.060 | 0.060 | | 0.060 | 0.060 |
| 43 | MODS 48 | LD48 EXP | | | X | 0.000 | | | 0.000 | 0.000 | | | 0.000 | 0.000 | | | 0.000 |
| 44 | MODS 48 | LD48 OTH | | X | | 0.069 | | 0.069 | 0.103 | 0.103 | | | 0.024 | 0.024 | | 0.024 | 0.024 |
| 45 | MODS 48 | LD48_ADM | | X | | 0.044 | | 0.044 | 0.070 | 0.070 | | | 0.012 | 0.012 | | 0.012 | 0.012 |
| 46 | MODS 48 | LD48_SEV | | | X | 0.030 | | | 0.044 | 0.044 | | | 0.044 | 0.011 | | | 0.011 |
| 47 | MODS 49 | LD49 | | X | | 0.289 | | 0.289 | 0.760 | 0.760 | | | 0.191 | 0.191 | | 0.191 | 0.191 |
| 48 | MODS 70 | LD70 | | X | | 0.007 | | 0.007 | 0.066 | 0.066 | | | 0.026 | 0.026 | | 0.026 | 0.026 |
| 49 | MODS 99 | *SUPP_F1 | | | X | 0.000 | | | 0.000 | 0.000 | | | 0.000 | 0.000 | | | 0.000 |
| 50 | MODS 99 | *SUPP_F4 | | | X | 0.000 | | | 0.000 | 0.000 | | | 0.000 | 0.000 | | | 0.000 |
| 51 | NON MODS | ALLI-I7 | | X | | 0.533 | | | 0.910 | 0.910 | | | 0.228 | 0.228 | | 0.228 | 0.228 |
| 52 | NON MODS | AUTO-MEC | X | | | 0.323 | 0.323 | | 0.378 | 0.378 | | | 0.203 | 0.203 | | 0.203 | 0.203 |
| 53 | NON MODS | EXPRESS | | | X | 0.000 | | | 0.000 | 0.000 | | | 0.000 | 0.000 | | | 0.000 |
| 54 | NON MODS | MANF | | | X | 0.009 | | | 0.019 | 0.019 | | | 0.002 | 0.002 | | | 0.002 |
| 55 | NON MODS | MANL | X | | | 1.101 | 1.101 | | 1.986 | 1.986 | | | 0.299 | 0.299 | | 0.299 | 0.299 |
| 56 | NON MODS | MANP | | | X | 0.003 | | | 0.003 | 0.003 | | | 0.003 | 0.001 | | | 0.001 |
| 57 | NON MODS | MISC | | | X | 0.223 | | | 0.597 | 0.597 | | | 0.098 | 0.098 | | 0.098 | 0.098 |
| 58 | NON MODS | REGISTRY | | | X | 0.028 | | | 0.028 | 0.001 | | | 0.001 | 0.007 | | | 0.007 |
| | | | | | | 12.199 | 7.745 | 3.750 | 0.704 | 16.427 | 11.576 | 3.585 | 1.266 | 3.962 | 2.421 | 1.301 | 0.239 |
| | | | | | | | 63.49% | 30.74% | 5.77% | | 70.47% | 21.82% | 7.71% | | 61.11% | 32.84% | 6.04% |