

**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 Interrogatories And Document  
Production Requests To APWU Witness Michael J. Riley**

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, Major Mailers Association herewith submits the following interrogatories and document production requests to APWU witness Riley: **MMA/APWU-T1-1-6**.

Respectfully submitted,

**Major Mailers Association**

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

Michael W. Hall  
34693 Bloomfield Road  
Round Hill, Virginia 20141  
540-554-8880  
Counsel for  
**Major Mailers Association**

Dated: Round Hill, VA  
February 4, 2002

**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 4th day of February 2002.

\_\_\_\_\_  
Michael W. Hall

**Major Mailers Association's First Set Of Interrogatories And Document  
Production Requests For APWU Witness Michael J. Riley**

**MMA/APWU-T1-1** Please refer to page 6 of your Direct Testimony where you state that you “used the estimated avoided costs sponsored by USPS Witness Miller.”

- A. Did you independently verify the estimated cost savings derived and presented by USPS witness Miller? If yes, please explain exactly how you did so and provide copies of all studies, workpapers, and any other documents you prepared or reviewed in connection with that effort. If you did not prepare any of these documents, for each such document please identify the person that did so.
  
- B. Were you aware that Mr. Miller changed the methodology for estimating workshare cost savings from the methodology employed by the Commission in Docket No. R2000-1, less than one year prior to Mr. Miller's filing of his direct testimony in this case? If yes, please list and explain each of those changes, as you understand them, provide the separate impact of each such change upon measured workshare cost savings, and provide copies of all workpapers or other documents prepared by you or under your direction and supervision prior to the date your Direct Testimony was filed that set forth or discuss an analysis of Mr. Miller's changes in the methodology for estimating workshare cost savings. If no, please explain the extent to which you have studied USPS witness Miller's derivation of workshare cost savings.
  
- C. If the Commission's exact methodology for measuring workshare cost savings had been proposed by the Postal Service in this case, would the First-Class workshare discounts proposed in the settlement be greater or less than the cost savings? Please explain your answer and provide citations to all sources and set forth clearly the formulae and computations used to support your answer.

**MMA/APWU-T1-2** Please refer to page 8 of your Direct Testimony where you recommend changes only to the proposed settlement rates for First-Class letters. Please also refer to the Direct Testimony of Joseph D. Moeller (USPS-T-32), page 23, lines 15 – 18, where Mr. Moeller recommends a 150% passthrough of the cost difference for 5-digit automated Standard letters. Please explain why you are proposing to establish First-Class discounts that are less than the alleged cost savings, but have ignored Standard rate discounts that are greater than the alleged cost savings.

**MMA/APWU-T1-3** Please refer to pages 9 and 10 of your Direct Testimony where you discuss your contention that the “actual” cost avoided is less than the “should cost” estimated cost avoided, as measured by the Postal Service. Please confirm that the Postal Service's model-derived unit costs are reconciled to the CRA-derived unit costs and that the CRA-derived unit costs reflect test

year projected costs that are based on actual costs. If you cannot confirm, please explain.

**MMA/APWU-T1-4** On page 11 of your Direct Testimony you propose lower workshare discounts to attract more First-Class single piece letters and higher revenues. Please confirm that First-Class single piece volumes have remained fairly stagnant over the past 30 years. See USPS-T-7, page 34. If you cannot confirm, please explain.

**MMA/APWU-T1-5** On page 12 of your Direct Testimony you suggest that the unit contribution to institutional costs for First-Class discounted workshare letters be at least as great as the contribution for “comparable” non-discounted single piece letters.

- A. Please explain exactly how you would measure the unit contributions for First-Class workshare letters and single piece letters. Should the distance traveled be the same? Should the weight be the same? Would you compare the workshare unit contribution to that of an average single piece letter, an average clean letter, an average metered letter, an average bulk metered letter, or something else?
- B. Please provide the unit contributions for First-Class workshare letters and comparable single piece letters that would result if your proposed workshare rates, as shown in your Table 1, were adopted by the Commission. Please provide citations to all sources and set forth all formulae and computations used to support your answer.

**MMA/APWU-T1-6** On page 24 of your Direct Testimony you recommend that the First-Class workshare discounts be set at 80% of the costs avoided, as determined by USPS witness Miller. Please provide for the test year in this case, a table of postal finances that includes First-Class workshare mail, First-Class single piece mail, and all mail. Please be sure to provide for each category the total revenue, cost, contribution to institutional costs, cost coverage, markup index, and the percent increase that would result from implementation of your proposed rates. Please include as part of your response to this interrogatory clearly labeled keys to all of the source documents, inputs, outputs, and calculations used in your analyses.