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

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997


DOCKET NO. R97-1

**FIRST SET OF INTERROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA
TO THE UNITED STATES POSTAL SERVICE
(MPA/USPS-1-2)**

(September 16, 1997)

Pursuant to the Commission's Rules of Practice, Magazine Publishers of America hereby submits the attached interrogatories to USPS (MPA/USPS-1-2).

Respectfully submitted,



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**INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA
TO THE UNITED STATES POSTAL SERVICE**

MPA/USPS-1. Witness Moden identifies “a couple of peculiar outputs from the cost models” relating to Periodicals and Standard (A) Nonprofit flats which he characterizes as “enigmatic.” He states “ we are determined to identify the factors that may have led to these results.” USPS-T-4 at 11-12. Similarly, witness O’Hara notes “the proposed cost coverage [for Regular Periodicals] has been further reduced due to consideration of the effect of rate increases (criterion 4) ” According to witness O’Hara, “[t]he Postal Service is undertaking an analysis to understand what factors may have contributed to increases in flats mail processing costs, especially for Periodicals ” USPS-T-30 at 30.

- a. Has the Postal Service undertaken the analysis referred to by witness O’Hara, or any analysis or study to address the “enigmatic” behavior of costs for Regular Periodicals noted by witness Moden?
- b. If the answer to a. is yes, please provide any such analyses or studies.
- c. If the answer to a. is no, please describe any such analyses or studies which are planned.

MPA/USPS-2. The Commission, in the past, has tried to examine unexplained cost increases analagous to the “peculiar outputs” and cost increases identified by witnesses Moden, USPS-T-4 at 11-12, and O’Hara, USPS-T-30 at 30. In its Order Terminating Docket No. RM92-2 it noted “[a]t issue is the seemingly excessive and unexplained growth in two cost areas — the costs of ‘nonproductive’ time and of mail processing for second-class regular and third-class carrier route mail ” PRC Order No. 1002 (January 14, 1994) at 1.

- a. Since January 14, 1994, has the Postal Service undertaken any analysis or study of “the seemingly excessive and unexplained growth” in the costs of nonproductive time and mail processing for Regular Periodicals?
- b. If the answer to a. is yes, please provide any such analyses or studies.
- c. If the answer to a. is no, please describe any such analyses or studies which are planned.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.


James R. Cregan

Washington, D.C.
September 16, 1997