

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

POSTAL RATE AND FEE CHANGES

Docket No. R2005-1

Further Comments of
Major Mailers Association
On Discovery Issues

In May 2, 2005 comments and at the May 5, 2005 prehearing conference, Major Mailers Association (MMA) has expressed concerns about the United States Postal Service's proposed date for cutoff of discovery on the Service's case-in-chief. MMA adheres to those comments. In the spirit of compromise, MMA suggests that **June 17, 2005** would be a more appropriate cutoff date.

Respectfully submitted,

Major Mailers Association

By: _____

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MMA/USPS-T21-41

Please refer to your Library References USPS-LR-K-48 and USPS-LR-K-110. These library references derive the First-Class unit cost savings due to worksharing using the Postal Service's cost attribution methodology and the Commission's cost attribution methodology, respectively.

- A. Please confirm that in both library references, you have deviated from the latest Commission-approved methodology for deriving workshare cost savings that was provided in library reference PRC-LR-12 Part B in Docket No. R2000-1. If you cannot confirm, please explain.
- B. Please confirm that in order to derive processing workshare cost savings using the latest Commission-approved methodology in R2000-1, you would have to take your analysis provided in USPS-LR-K-48 but make the following changes. If you cannot confirm, please explain.
 1. Replace the CRA Mail Processing Costs for BMM, Automation and Nonautomation letters in USPS-LR-K-53 with the CRA Mail Processing Costs for BMM, Automation and Nonautomation letters in USPS-LR-K-99.
 2. Replace the Mail Flow Models, with all of the input parameters, in USPS-LR-K-48 with those in USPS-LR-K-110.
 3. Divide the amount for cost pool 1CANCEL for BMM in USPS-LR-K-99 by 3.
 4. Re-categorize the cost pool 1CANCEL for BMM, Nonautomation and Automation letters from "Non worksharing-related fixed" to "Worksharing-related fixed".
 5. Re-categorize the cost pool LD48_ADM for BMM, Nonautomation and Automation letters from "Non worksharing-related fixed" to "Worksharing-related fixed".
 6. Re-categorize the cost pool LD48 OTH for BMM, Nonautomation and Automation letters from "Non worksharing-related fixed" to "Worksharing-related fixed".

- C. Please confirm that in order to derive delivery workshare cost savings using the latest Commission-approved methodology in R2001-1, you would have to take your analysis provided in USPS-LR-K-48 but make the following changes. If you cannot confirm, please explain.
1. Replace the Unit Delivery costs in USPS-LR-K-67 with those provided in USPS-LR-K-101.
 2. Derive the unit delivery cost for all Nonautomation letters combined from the delivery cost derivations provided in USPS-LR-K-101.
 3. Utilize the derived unit delivery cost for all Nonautomation letters combined that you developed in Part 2 as a proxy for the BMM unit delivery cost.
- D. Please confirm that, had you updated the latest Commission-approved methodology for deriving First-Class workshare cost savings, the results would be as follows:

BENCHMARK RATE CATEGORY	Mail Processing	Delivery	Total	Total	
	Total	Worksharing	Worksharing	Worksharing	
	Unit Cost	Related Unit Cost	Related Unit Cost	Related Unit Cost	
	(1)	(2)	(3)	(4)	(5)
Bulk Metered Mail (BMM)	12.773	11.032	6.487	17.519	
Nonauto Presort	22.275	19.583	6.487	26.069	(8.550)
Auto Mixed AADC	5.431	4.965	4.155	9.120	8.399
Auto AADC	4.503	4.037	3.981	8.018	9.501
Auto 3-Digit	4.169	3.703	3.903	7.606	9.913
Auto 5-Digit (Other)	2.973	2.507	3.695	6.202	11.317
Auto 5-Digit (CSBCS/Manual Sites)	3.318	2.852	6.280	9.132	
Auto Carrier Route	2.402	1.936	6.136	8.072	1.059

If you do not confirm, please provide the correct figures using the latest Commission-approved methodology for deriving First-Class workshare cost savings and show your calculations and/or sources for any corrections.