

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

POSTAL RATE AND FEE CHANGES

Docket No. R2005-1

**Major Mailers Association's First Set Of
Interrogatories And Document Production Requests
To The United States Postal Service (INSTITUTIONAL) (MMA/USPS-1-9)
(May 26, 2005)**

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 the United States Postal Service for institutional responses **(MMA/USPS-1-9)**.

Respectfully submitted,

Major Mailers Association

By: _____

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**Dated: Middleburg, Virginia
May 26, 2005**

MMA/USPS-1

Please refer to the response to Interrogatory MMA/USPS-T21-16 (redirected from USPS witness Abdirahman) where you discuss the relationship of PostalOne! cost savings with workshare cost savings. You state, in part,

While PostalOne! may facilitate worksharing, installation of PostalOne! in and of itself does not consist of “worksharing.” “Worksharing” includes presortation, making mail automation compatible, and dropshipping mail closer to destination and generally involves customers performing work that the Postal Service would otherwise do. To the extent that PostalOne! customers perform worksharing activities, the costs avoided by that worksharing are incorporated in the cost avoidance models presented by witnesses Abdirahman, Miller and Mayes. However, these models do not explicitly distinguish worksharing performed by PostalOne! customers from worksharing performed by other customers.

- A. Please confirm that, to the extent PostalOne! cost savings are reflected in the mail flow models presented by USPS witnesses Abdirahman, all First-Class workshare mailers are given equal credit (on a per piece basis) for those cost savings. If you cannot confirm, please explain.
- B. If First-Class workshare mailers perform work that would ordinarily be performed by Postal employees as a result of the employment of PostalOne!, why do you not consider this a form of worksharing?
- C. If First-Class workshare mailers can dropship their mail closer to the destination saving both dock transfer and transportation costs, why do you not consider this a form of worksharing?
- D. Why is it fair and equitable to give all First-Class workshare mailers partial credit for work performed by only 38 mailers that allows the Postal Service to save significant amounts of money per year?

MMA/USPS-2

Please refer to your responses to Interrogatory MMA/USPS-T21-33 C – G (redirected from USPS witness Abdirahman) where you discuss the criteria you

consider when suggesting PostalOne! for use by a First-Class workshare mailer and indicate that, as of May 12, 2005, there are 38 workshare mailers utilizing PostalOne!.

- A. Is volume the *primary* factor in the Postal Service's decision to encourage a workshare mailer to utilize PostalOne!? If not, please explain how a workshare mailer with a "low" volume could possibly provide the savings necessary to justify the expense of setting up PostalOne!
- B. How many of the 38 workshare mailers now utilizing PostalOne! elected to purchase PostalOne! directly from the vendor and are responsible for their own maintenance?
- C. How many of the 38 workshare mailers now utilizing PostalOne! have "lower volumes" and have purchased a desktop system to facilitate PostalOne!?
- D. How many total PostalOne! systems are deployed at the facilities of the 38 workshare mailers now utilizing PostalOne!?
- E. Of the total PostalOne! systems now deployed, please state how many are automated systems and how many are desktop systems.
- F. How many workshare mailers does the Postal Service estimate will utilize PostalOne! by TY 2006?
- G. How many additional workshare mailers does the Postal Service consider to be potential candidates for the automated PostalOne! system?
- H. How many First-Class workshare mailers are there?

MMA/USPS-3

Please refer to your response to Interrogatory MMA/USPS-T21-33 H (redirected from USPS witness Abdirahman) where you failed to provide the lowest and highest mail volumes for workshare mailers who use PostalOne!. You indicate

that providing the highest volume could divulge individual mailer information but failed to provide the lowest volume figure.

- A. For FY 2004, please provide the lowest annual volume mailed by a workshare mailer that used PostalOne! during the entire twelve month period.
- B. For FY 2004, please provide the average annual volume mailed by the four highest volume mailers that used PostalOne!

MMA/USPS-4

Please refer to your response to Interrogatory MMA/USPS-T21-33 H (redirected from USPS witness Abdirahman). You indicate that, on average, workshare mailers using PostalOne! send out 74,577 trays per month per customer.

- A. Please provide an average number of pieces per tray for these mailers. If this information is not available, please provide an average number of pieces per tray for all workshare mailers.
- B. Please explain why the Postal Service refrains from counting volume figures given the simple technological procedures to do so.

MMA/USPS-5

Please refer to your response to Interrogatory MMA/USPS-T21-33 J (redirected from USPS witness Abdirahman). Your response indicates that PostalOne! counts volume in trays, not individual pieces, and does not distinguish between letters and cards. Using other Postal Service data systems that do provide information about First-Class workshare mail volumes by pieces, please provide, separately, the number of letters and the number of cards that the 38 PostalOne! users mailed during FY 2004.

MMA/USPS-6

Please refer to your response to Interrogatory MMA/USPS-T21-33 I (redirected from USPS witness Abdirahman) where you state that, under the current PostalOne! program, the minimum estimated Postal Service return on the cost of installing the system required for PostalOne! deployment is 20.3 percent.

- A. What is the minimum and maximum cost incurred by the Postal Service for installing the PostalOne! systems currently deployed?
- B. What is the maximum estimated Postal Service return on the cost of installing a system required for PostalOne! Deployment?
- C. What is the average estimated Postal Service return on the cost of installing a system required for PostalOne! Deployment?
- D. Please provide the formula that the Postal Service uses to determine its return on the cost of installing a PostalOne! system.
- E. Please provide a description of all of the types of savings that the Postal Service anticipates from installing a PostalOne! System.

MMA/USPS-7

Please refer to your response to MMA/USPS-T21-33 K (redirected from USPS witness Abdirahman) where you quantify the FY 2006 expected savings from the PostalOne! program as \$6,194,735.

- A. Please explain how this cost savings figure was derived and exactly what cost savings are included.
- B. If this cost savings figure does not include transportation cost savings, please explain why not and provide how much transportation cost savings are expected in FY 2006.
- C. Please identify the person who was responsible for calculating this savings figure for purposes of the R2005-1 case and provide a description of the person's qualifications to make such a calculation.
- D. Please provide the comparable cost savings for BY 2004 and each fiscal year the PostalOne! program has been fully operational.
- E. For each fiscal year the PostalOne! program has been operational, please provide the number of mailers using PostalOne! during all or any portion of such fiscal year.
- F. Please state how many PostalOne! mailers the Postal Service expects to have during TY 2006.

MMA/USPS-8

Please refer to USPS witness Abdirahman's response to Interrogatory MMA/USPS-T21-18, which was not redirected by him to any other witness or the Postal Service despite the fact that witness Abdirahman indicated he was not familiar with the Automated Mail Processing System (AMPS).

- A. Please describe the AMPS system and explain how the use of AMPS by workshare mailers saves the Postal Service money.
- B. Please explain how, if at all, AMPS is integrated into the PostalOne! system.
- C. Do all PostalOne! systems installed to date incorporate AMPS or is AMPS an additional, add-on to PostalOne!? Please explain your answer.
- D. Are there any workshare mailers who use AMPS as a standalone system or in conjunction with programs, equipment, or systems other than PostalOne!? Please explain your answer fully and include the names of any other programs, equipment, or systems used in conjunction with AMPS.
- E. When deriving the cost savings of \$6,194,735 expected from PostalOne! in FY 2006, did you include cost savings that result from mailers who perform additional pallet separations that are facilitated by using PostalOne! in conjunction with AMPS? If not, please explain why not. If yes, please explain how such cost savings were determined.

MMA/USPS-9

Please identify by name and title all persons who provided information for the Postal Service's institutional responses to Interrogatories MMA/USPS –T21-16, 17, and 33, as well as responses to Interrogatories MMA/USPS-1-8 and state briefly the contribution of each such person. In addition, please provide the name, title, and autobiographical information for the person that the Postal

Service will provide at the hearing to answer parties' questions regarding the PostalOne! program and AMPS.