

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MAYES TO
INTERROGATORIES OF THE MAGAZINE PUBLISHERS OF AMERICA, INC.
(MPA/USPS-T25-1 and 2(a))

The United States Postal Service hereby files the responses of Witness Mayes to the above-listed interrogatories, filed on May 19, 2006. Interrogatory MPA/USPS-T25-2(b) has been redirected to the Postal Service.

The interrogatories are stated verbatim and followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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MPA/USPS-T25-1. This question refers to USPS-LR-L-88, Appendix F, Tables 3 and 4.

(a) Please confirm that, according to Table 3, crossdocking sacked Periodicals through one SCF costs the Postal Service an average of 1.57 cents per piece. (Note that this is the weighted average of the unit cost figures in I25 and I26). If you do not confirm fully, please provide the correct figure and all of your underlying calculations.

(b) Please confirm that, according to Table 3, crossdocking palletized Periodicals through one SCF costs the Postal Service an average of 0.93 cents per piece. If you do not confirm fully, please provide the correct figure and all of your underlying calculations.

(c) Please confirm that, according to Table 4, crossdocking sacked Periodicals through one BMC costs the Postal Service an average of 1.75 cents per piece. (Note that this is the sum of the figures in cells I26 through I30 with E26 set equal to 100%.) If you do not confirm fully, please provide the correct figure and all of your underlying calculations.

(d) Please confirm that, according to Table 4, crossdocking palletized Periodicals through one BMC costs the Postal Service an average of 1.00 cents per piece. (Note that this figure is shown in cell I31 with cell E31 set to 100%.) If you do not confirm fully, please provide the correct figure and all of your underlying calculations.

(e) Please confirm that the table below accurately summarizes the average per-piece crossdocking costs for palletized and sacked Periodicals that are crossdocked at the specified number of facilities. If you do not confirm fully, please provide the correct figure and all of your underlying calculations.

# of Non-Destination Facilities		Per-Piece Crossdocking Costs (in Cents)		
BMCs	SCFs	Sacked	Palletized	Difference
0	1	1.57	0.93	0.64
1	0	1.75	1.00	0.75
1	1	3.32	1.93	1.39
2	1	5.07	2.93	2.14
2	2	6.64	3.86	2.78

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(f) Please confirm that, according to Table 3, crossdocking a Periodicals sack through one SCF costs the Postal Service an average of 71 cents (1.57 cents per piece times 45.11 pieces per sack). If you do not confirm fully, please provide the correct figure and all of your underlying calculations.

(g) Please confirm that, according to Table 4, crossdocking a Periodicals sack through one SCF costs the Postal Service an average of 79 cents (1.75 cents per piece times 45.11 pieces per sack). If you do not confirm fully, please provide the correct figure and all of your underlying calculations.

Response:

The figures provided in the interrogatory represent rounded numbers when compared to the figures developed in Appendix F of USPS-LR-L-88. I confirm that the correct figures round to the numbers provided in the interrogatory.

a. Confirmed

b. Confirmed

c. Confirmed, although both G26 and G30 must be set to 100%.

d. Confirmed, when G31 is set to 100%.

e. The figures in the table are confirmed to the degree that they are rounded to two digits after the decimal. When the figures in Appendix F are used directly, the final three numbers in the "Palletized" column are 1.92, 2.92, and 3.85, respectively, and the last two figures in the "Difference" column are 2.15 and 2.79, respectively.

f. Confirmed

g. Confirmed

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MPA/USPS-T25-2. Please refer to page 7 of your testimony, where you discuss “Assumptions Used in Periodicals Destination Entry Models” and USPS-LR-L-88, Appendix F, Table 6.

(a) Please confirm the DSCF nontransportation cost avoidance of \$.0136 per piece is calculated assuming that DSCF entry avoids handlings at 1.194 facilities. If you do not confirm fully, please provide the correct figure and all of your underlying calculations.

(b) On average, through how many facilities is a Periodicals container that fails to qualify for destination entry rates crossdocked? Please explain your response fully, and provide citations to the underlying data in sufficient detail to replicate your response.

Response:

a. The DSCF cost avoidance is calculated assuming that DSCF entry avoids one BMC equivalent handling and 0.194 SCF equivalent handlings.

b. Redirected to the Postal Service.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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