

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes,  
2006

)

Docket No. R2006-1

FIRST SET OF INTERROGATORIES OF  
MAGAZINE PUBLISHERS OF AMERICA, INC.  
AND ALLIANCE OF NONPROFIT MAILERS  
TO USPS WITNESS MILLER  
(MPA/USPS-T20-1-2)  
(June 7, 2006)

Pursuant to sections 25, 26 and 27 of the rules of practice, Magazine Publishers of America, Inc., and Alliance of Nonprofit Mailers direct the following interrogatories to United States Postal Service witness Michael Miller (USPS-T-20). If the witness cannot answer a question or subpart, we request that the Postal Service answer through another witness or submit an institutional response.

Respectfully submitted,

David M. Levy  
Paul A. Kemnitzer  
SIDLEY AUSTIN LLP  
1501 K Street, N.W.  
Washington, DC 20005-1401  
(202) 736-8000

*Counsel for Magazine Publishers of America,  
Inc., and Alliance of Nonprofit Mailers*

**MPA/USPS-T20-1.** Please refer to USPS-LR-L-43, PER OC FLATS.xls, '5D AUTO COST,' '5D NONAUTO COST,' and 'COVERAGE FACTORS' and USPS-LR-J-61, PERIOD.XLS, '5D AUTO COST,' '5D NONAUTO COST,' and 'COVERAGE FACTORS.'

(a) Please confirm that USPS-LR-L-43 estimates that, in FY 2008, 1,587 out of every 10,000 5-Digit Automation Flats and 1,813 out of every 10,000 5-Digit Nonautomation Flats will receive a manual incoming secondary sort. If not confirmed, please provide the correct figure.

(b) Please confirm that USPS-LR-J-61 estimated that, in FY 2003, 5,717 of every 10,000 5-Digit Automation Flats and 7,170 out of every 10,000 5-Digit Nonautomation Flats received a manual incoming secondary sort. If not confirmed, please provide the correct figure.

(c) Please explain the meaning of the "Incoming Secondary Machinable Flats" coverage factors in USPS-LR-J-61 and how these factors are used in determining the percentage of flats that receive manual incoming secondary sorts.

(d) Please confirm that the source of the "Incoming Secondary Machinable Flats" coverage factors in USPS-LR-J-61 was "Operations estimate" and explain how Operations derived these estimates.

(e) Please confirm that USPS-LR-L-43 does not contain "Incoming Secondary Machinable Flats" coverage factors. If not confirmed, please provide a citation to the information. If confirmed, please explain why USPS-LR-L-43 does not contain these coverage factors.

(f) Please provide a version of USPS-LR-L-43 that includes the capability to analyze the effect of changes in "Incoming Secondary Machinable Flats" coverage factors on the flow of Periodicals Outside County flats and the resulting presort cost avoidances.

**MPA/USPS-T20-2.** Please refer to lines one through 8 on page 26 of USPS-T-42, where the following statement appears:

"Bundle integrity can have a significant impact on the productivity of any bundle sorting operation. If and when a bundle breaks prematurely, the value of the bundle presort can be partially or completely lost, and the bundle may require distribution in a residual distribution operation. Also, productivity can suffer when,

for example, a mailhandler attempts to capture and repair a ruptured bundle within the bundle sorting operation.”

Please also refer to USPS-LR-L-43, PER OC FLATS.xls, ‘Bundle Data.’

(a) Does USPS-LR-L-43 explicitly model all of the impacts of bundle breakage on productivity described in the cited passage from witness McCrery’s testimony? If not, please list which ones are reflected in your model, and which are not.

(b) Please confirm that the initial bundle breakage factor in USPS-LR-L-43 for sacked mail is 15.9 times as large as the initial bundle breakage rate in USPS-LR-L-43 for palletized mail. If not confirmed, please explain fully.

(c) Please confirm that setting all of the initial bundle breakage factors in USPS-LR-L-43 to 17.5% (the initial bundle breakage factor for sacked mail) results in a weighted average modeled cost of 7.302 cents. If not confirmed, please provide the correct figure.

(d) Please confirm that setting all of the initial bundle breakage factors in USPS-LR-43 to 1.1% (the initial bundle breakage factor for palletized mail) results in a weighted average modeled cost of 6.214 cents. If not confirmed, please provide the correct figure.