

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA, INC.,  
AND ALLIANCE OF NONPROFIT MAILERS (MPA/USPS-3)  
(July 10, 2006)

The United States Postal Service hereby provides its institutional response to  
interrogatory MPA/USPS-3.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**MPA/USPS-3.** This question is a follow-up to MPA/USPS-T20-1(f), which asked USPS witness Miller to “provide a version of USPS-LR-L-43 that includes the capability to analyze the effect of changes in ‘Incoming Periodical Outside County flats and the resulting presort cost avoidances.’” Please produce a version of the L-43 Periodicals Outside County flats mail processing cost model that includes the ability to analyze the effect of incoming secondary machinable flats coverage factors on the model results.

**RESPONSE:**

A revised Periodicals Outside County cost model is contained in USPS-LR-L-153. In the "COVERAGE FACTORS" worksheet (page 24), "incoming secondary machinable flats" automation/mechanization and manual coverage factors have been included at the bottom of the page. The 65 percent and 35 percent figures from Docket No. R2001-1, USPS-LR-J-61 are currently entered in the model. These coverage factors have been used to modify the incoming secondary Automated Flat Sorting Machine model 100 (AFSM100), Upgraded Flat Sorting Machine model 1000 (UFSM1000), and manual nodes on each mail flow model sheet (pages 5, 7, 9, 11, 13, 15, 17, 19, 21, and 23).

The end result of these changes is that the percentage of machinable mail finalized in AFSM100 and UFSM1000 operations is equivalent to the total machinable mail volume for a given rate category multiplied by the automation/mechanization incoming secondary machinable flats coverage factor. For example, the total machinable mail volume for the nonautomation basic presort flats rate category (page 5) is 7,985 pieces (the sum of cells G11 to G16). The total mail pieces finalized on the AFSM100 and UFSM1000 are 4,758 and 432 pieces. The sum of those two figures is 5,190 pieces, which is 65 percent of the 7,985 total machinable pieces in that mail flow model.

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The changes that have been made to the incoming secondary nodes are described below. The machinable mail volumes are multiplied by the automation/mechanization incoming secondary machinable flats coverage factor and distributed to the AFSM100 and UFSM1000 operations using other destinating piece distribution coverage factors related to those machines. The remaining machinable mail volumes have been entered in the manual operation. Nonmachinable mail volumes are entered in the manual operation as it is assumed that the UFSM1000 is used to perform incoming secondary operations for machinable mail only. The AFSM100 and UFSM1000 reject rates have also been set to zero so that the percent finalized on automation/mechanization would be equivalent to the new coverage factor multiplied by the machinable mail volume.