

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes,
2006

)
)

Docket No. R2006-1

NINTH SET OF INTERROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA, INC.,
AND ALLIANCE OF NONPROFIT MAILERS
TO USPS WITNESS TANG
(MPA/USPS-T35-23-24)
(July 20, 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 Rachel Tang (USPS-T-35). 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*

QUESTIONS

MPA/USPS-T35-23. Please refer to USPS-LR-L-126, REV 7-13-2006 LR 126 Outside County Revised.xls, worksheet "Pound Data_Ed."

(a) Please confirm that the SOA leakages calculated in cells C19 and C20 of this worksheet should be calculated relative to Zones 1&2, rather than relative to the next higher level (e.g., DDU relative to DSCF). If not confirmed, please explain fully.

(b) Please confirm that you calculated the SOA leakages in cells C19 and C20 relative to the next higher level. If not confirmed, please explain fully.

(c) Please confirm that the formula in cell C19 should be "=(Pound Data_Adv!D92-'Pound Data_Adv'!D89)/1.25." If not confirmed, please explain fully.

(d) Please confirm that the formula in cell C20 should be "=(Pound Data_Adv!D92-'Pound Data_Adv'!D90)/1.25." If not confirmed, please explain fully.

(e) Please confirm that, to produce the proposed rates, correcting the formulae in cells C19 and C20 requires changing the formula in cell C34 to "=ROUND(C37-C19,3)" and the formula in cell 35 to "=ROUND(C37-C20,3)." If not confirmed, please explain fully.

MPA/USPS-T35-24. Please refer to USPS-LR-L-126, REV 7-13-2006 LR 126 Outside County Revised.xls, worksheet "Pound Data_Ed." Please also refer to page 8, lines 20 through 24, of your testimony (USPS-T-35), where you state:

In order to make sure that the ECSI value from editorial pounds is recognized and reflected in rate design, an adjustment of \$0.013 is applied to the average editorial pound rate. The revenue leakage cause by this adjustment is added back to the total revenue required from the pound side and allocated to both the editorial and advertising sides.

(a) Please confirm that the revenue leakage that you "add back" to the total revenue required from the pound side is equal to the unzoned editorial pounds times \$.013. If not confirmed, please provide what you believe to be the correct value, and explain fully.

(b) Please confirm that, in addition to the revenue leakage from the unzoned

editorial pounds, the \$.013 adjustment you made will also result in a \$.013 per editorial pound revenue leakage for the DDU, DSCF and DADC editorial pounds in cells D28-D30. If not confirmed, please explain fully.

(c) Please confirm that the \$.013 adjustment you made will also result in a revenue leakage for SOA editorial pounds in cells D34-D37 of \$.01 per SOA editorial pound. If not confirmed, please explain fully.

(d) Please confirm that the total revenue leakage from the \$.013 adjustment you made is equal to $$.013 * \text{sum}(D28:D31) + $.01 * \text{sum}(D34:D37)$ and that this formula results in a total leakage estimate of \$28,249,721. If not confirmed, please provide what you believe to be the correct values, and explain fully.