

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE
TO MAGAZINE PUBLISHERS OF AMERICA, INC., AND ALLIANCE
OF NONPROFIT MAILERS WITNESS GLICK (USPS/MPA/ANM-T2-8-13)
(October 3, 2006)

Pursuant to Rules 25 through 27 of the Commission's Rules of Practice and Procedure, the United States Postal Service hereby directs the following interrogatories to Magazine Publishers of America, Inc., and Alliance of Nonprofit Mailers witness Glick: USPS/MPA/ANM-T2-8-13.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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USPS/MPA/ANM-T2-8 Please refer to pages 20 to 21 of your testimony, where you discuss your model's reliance on a cost by shape estimate for Outside County nonletters (flats and parcels) rather than Outside County flats.

(a) Please quantify the impact that this specific modification had on the CRA adjustment factor.

(b) Please quantify the impact that this specific modification had on your cost estimates by rate category. In other words, what would the results have been had you not made this modification?

USPS/MPA/ANM-T2-9 Please refer to lines 15 to 18 of page 23 of your testimony, where you describe your modification to the FLATPRP cost pool. Please quantify the impact that this specific modification had on your cost estimates by rate category. In other words, what would the results have been had you not made this modification?

USPS/MPA/ANM-T2-10 In your testimony on page 21, lines 7 to 8, you state, "MPA/ANM-LR-2 also classifies the costs in letter, parcel, Priority Mail, and Express Mail sorting cost pools as proportional."

(a) Please list all the cost pools which were classified as "fixed" in USPS-LR-L-43 but which you have now classified as "proportional."

(b) Please quantify the impact that this specific modification had on your cost estimates by rate category. In other words, what would the results have been had you not made this modification?

USPS/MPA/ANM-T2-11 In your testimony on page 21, lines 7 to 8, you state, "MPA/ANM-LR-2 also classifies the costs in letter, parcel, Priority Mail, and Express Mail sorting cost pools as proportional."

(a) Please confirm that the issue you describe would affect the costs studies for all classes and shapes of mail. For example, the flats cost pools are not classified as proportional in the letters cost models. If you do not confirm, please explain.

(b) Please indicate whether you think such modifications should be made to the cost studies depicting other classes and shapes of mail. If you do not think these changes should be made to the cost studies depicting the other classes and shapes of mail, please explain why this change should be made to the Periodicals Outside County cost study only.

USPS/MPA/ANM-T2-12 On page 22 of your testimony you describe a modification that you have made to the NonMODS "allied" cost pool. The basis for your adjustment is an

IOCS tally analysis indicating that 37% of the costs attributed to that cost pool were for bundle sorting tasks.

(a) Please confirm that there are some costs pools that are classified as "proportional" in your cost model which also contain costs for activities that are not contained in the mail flow model. For example, the "OPBULK" and "OPPREF" cost pools, which represent the opening units, reflect costs for bundle sorting tasks (which are actually modeled) and container sorting tasks (which are not actually modeled). If you do not confirm, please explain.

(b) For the cost pools such as those described in part (a), did you make any attempt to modify those cost pools to remove activities that are not actually included in the mail flow model? If not, why not?

(c) Please quantify the impact that the NonMODS allied cost pool modification had on your cost estimates by rate category. In other words, what would the results have been had you not made this modification?

USPS/MPA/ANM-T2-13 On page 22 of your testimony you describe a modification that you have made to the 1SUPPF1 cost pool. Please describe your understanding as to what tasks are "mapped" to that cost pool and explain how they are related to worksharing.