

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

**Six-Day to Five-Day Street Delivery
and Related Service Changes**

)
)
)

Docket No. N2010-1

**SECOND DISCOVERY REQUESTS OF
MAGAZINE PUBLISHERS OF AMERICA
AND DIRECT MARKETING ASSOCIATION
TO THE UNITED STATES POSTAL SERVICE
(MPA/USPS-2-5)**

(June 30, 2010)

Pursuant to Rules 25 through 27 of the Rules of Practice and Procedure of the Postal Regulatory Commission, the Magazine Publishers of America (“MPA”) and the Direct Marketing Association (“DMA”) respectfully submit the following follow-up discovery requests to the United States Postal Service.

MPA/USPS-2. Please refer to page 10 of the Electronic Attachment to MPA/USPS-T2-3.b where it states, “Our total value of labor input calculation is controlled to labor expenses reported in the NCTB” and Appendix B1 of the Electronic Attachment, which lists the “NCTB Accounts Included in Total Value of Labor Input.”

(a) Please confirm that the annual pre-funding payments into the Postal Service Retiree Health Benefit Fund are not included in the labor expenses to which the “total value of labor input calculation is controlled.” If not confirmed, please provide (i) a comprehensive list of all NCTB accounts (including both account numbers and names)

to which the labor expenses in the value of labor input calculation are controlled; (ii) an explanation of the effect of the pre-funding payments, by year, on both the aggregate labor input price index and postal inflation index growth rates; and (iii) the aggregate labor input price index and postal inflation index growth rates for FY 2009 that would have resulted if the FY 2009 pre-funding payment had been \$5.4 billion, not \$1.4 billion.

(b) Please confirm that the net effect of the Postal Civil Service Retirement System Funding Reform Act of 2003, Pub. L. No. 108-18, was to reduce FY 2003 Postal Service compensation costs (and subsequent year compensation costs). If not confirmed, please explain your response fully.

(c) Please confirm that the FY 2003 aggregate labor input price index and postal inflation index growth rates would have been higher if Pub. L. No. 108-18 had not been enacted. If not confirmed, please explain your response fully.

(d) Please confirm that neither the Postal Service's FY 2006 payment into the "escrow" account established by Pub. L. No. 108-18 or the FY 2007 transfer of this payment into the Postal Service Retiree Health Benefit Fund were directly or indirectly included in the calculation of the aggregate labor input price index or the postal inflation index. If not confirmed, please explain how the escrow payment and its transfer into the Fund were included in the calculation of these two indexes and the effect of their inclusion on the FY 2006-FY2008 aggregate labor input price index and postal inflation index growth rates.

MPA/USPS-3. Please refer to the response to MPA/USPS-T2-3(e). Please confirm that the "Straight-Time Average Hourly Rates" provided in response to this

interrogatory include overtime and other premium pay. If not confirmed, please provide average salary/wage costs per workhour including overtime and premium pay.

MPA/USPS-4. Please refer to MPA.T2.3.c.d.Attach.xls. Please confirm that the growth rates in this spreadsheet that are labeled “Annual FY09” are fiscal year figures (not the calendar year figures that the interrogatory requested). Please also provide Calendar Year 2009 figures.

MPA/USPS-5. This question is a follow-up to your statement in response to MPA/USPS-T2-7 that: “Currently there is no statute that prohibits the Postal Service from closing facilities other than small post offices.”

(a) Please provide a list of all facilities other than post offices that have been closed since the beginning of FY2006, the fiscal year in which each facility was closed, and the annual cost savings from each facility closure.

(b) Please provide a list of all Area Mail Processing consolidations that have been implemented since the beginning of FY 2006, the fiscal year in which each consolidation was implemented, and the annual cost savings from each consolidation.

Respectfully submitted,

Jerry Cerasale
Senior VP for Government Affairs
DIRECT MARKETING ASSOCIATION, INC.
1615 L Street, N.W., Suite 1100
Washington DC 20036
jcerasale@the-dma.org

*Counsel for Direct Marketing Association,
Inc.*

David M. Levy (dlevy@venable.com)
Matthew D. Field (mfield@venable.com)
VENABLE LLP
575 Seventh Street, N.W.
Washington DC 20004
(202) 344-4800

*Counsel for Magazine Publishers of
America*

June 30, 2010