

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Docket No. R2000-1

POSTAL RATE AND FEE CHANGES, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS DANIEL TO INTERROGATORY OF MAJOR MAILERS
ASSOCIATION REDIRECTED FROM WITNESS FRONK (USPS-T-33—4)
(MMA/USPS-T33—4)**

The United States Postal Service hereby provides the response of witness Daniel to the following interrogatory of Major Mailers Association redirected from witness Fronk: MMA/USPS-T33—4, filed on February 10, 2000.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Anthony Alverno
Attorney

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(202) 268-2997; Fax -6187
February 24, 2000

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO
INTERROGATORY OF MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS FRONK**

MMA/USPST33-4. On page 25 of your prepared testimony you state that the Daniel weight study shows that "the first additional ounce of single-piece mail adds 22.4 cents to unit costs, while the first additional ounce of presort mail adds 17.7 cents to cost." Citation omitted.

- (a) Does this statement mean that for an average First-Class nonpresorted mail piece, it costs the Postal Service 22.4 cents more to process a 2-ounce piece than it costs if that same piece weighs 1 ounce? Please explain your answer.
- (b) Does this statement mean that for an average First-Class presorted mail piece, it costs the Postal Service 17.7 cents more to process a 2-ounce piece than it costs if that same piece weighs 1 ounce? Please explain your answer.
- (c) If your answer to either part (a) or (b) is yes, please indicate exactly where such a conclusion is stated and/or supported in USPS witness Daniel's testimony or the library references related to her testimony.

RESPONSE:

- (a.) No. The comparison in witness Fronk's testimony refers to *total* First-Class Single-Piece Mail, not any given First-Class Mail Single-Piece piece. As explained on page 12 of my testimony, the weight analysis does not account for the changing shape mix as weight increases in First-Class Mail: "One of the reasons why costs increase sharply over the first few ounce increments is due to the change in the shape mix."
- (b.) No. The comparison in witness Fronk's testimony refers to *total* First-Class Presort Mail, not any given First-Class Mail Presort piece. See also response to (a).
- (c.) N/A

DECLARATION

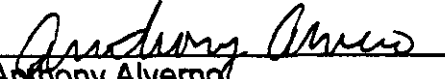
I, Sharon Daniel, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


SHARON DANIEL

Dated: 2/24/00

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Anthony Alvemog

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