

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS CARLSON REDIRECTED FROM
WITNESS ROBINSON
(DFC/USPS-T34—10-11)**

The United States Postal Service hereby provides responses to the following interrogatories of Douglas Carlson redirected from witness Robinson: DFC/USPS-T34—10-11, filed on February 11, 2000.

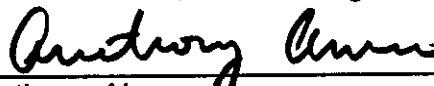
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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February 25, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DOUGLAS F. CARLSON
REDIRECTED FROM WITNESS ROBINSON**

DFC/USPS-T34-10. Please provide any data, information, or analysis to confirm that Priority Mail flat-rate envelopes weighing one to three ounces should cost less to process and transport than Priority Mail flat-rate envelopes weighing four to 16 ounces.

RESPONSE:

Priority Mail flat-rate envelopes weighing one to three ounces should cost less to transport via air and water than Priority Mail flat-rate envelopes weighing four to 16 ounces because air and water transportation costs are pound-related (see USPS-T-28 page 9 lines 25-26). Highway and rail costs are cubic foot mile-related, so to the extent that Priority Mail flat-rate envelopes weighing four to 16 ounces are larger than Priority Mail flat-rate envelopes weighing one to three ounces, they will cost more to transport via highway and rail. (see USPS-T-28 page 9 line 30).

The cost differences in processing Priority Mail flat-rate envelopes weighing one to three ounces versus Priority Mail flat-rate envelopes weighing four to 16 ounces are less clear. No study has been conducted specifically analyzing the effect of weight on costs for Priority Mail flat-rate envelopes; however, the testimony of witness Daniel (USPS-T-28) at page 3 lines 17-20 and page 12 line 16 through page 13 line 2 makes the following observations:

In general, although the cost of handling letters tends to increase as weight increases, the costs of handling flats and parcels do not appear to increase as weight increases in the lighter weight increments, but do tend to increase in heavier weight increments. . . .

An analysis of these data suggests that weight does not appear to have the same effect on the cost of most flats as it does on letters. The unit cost of Single-Piece flats weighing less than one-ounce appear to be much more costly to handle than the average flat. This may be attributed to the flimsy nature of light-weight flats, which could jam or fly off the machines, thereby requiring manual handling. For all classes, the flats unit cost curve is "u-shaped." This has been a longstanding feature of the unit costs, as shown by witnesses Madison in Docket No. R84-1 and McGrane in Docket Nos. MC95-1 and R97-1.

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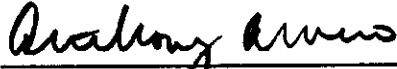
DFC/USPS-T34-11. Please refer to your response to DFC/USPS-T34-3. For each one-ounce increment, please provide the processing and transportation cost for those flat-rate envelopes.

RESPONSE:

As stated in the response to DFC/USPS-T34-10, no study has been conducted specifically analyzing the effect of weight on costs for Priority Mail flat-rate envelopes; therefore, the Postal Service has no information responsive to this request.

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.



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