

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

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POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF  
UNITED PARCEL SERVICE  
REDIRECTED FROM WITNESS PAFFORD  
(UPS/USPS-T1-2)

The United States Postal Service hereby provides the response to the following interrogatory of United Parcel Service: UPS/USPS-T1-2, filed on July 23, 1997, and redirected from witness Pafford.


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

  
Anne B. Reynolds

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August 6, 1997

ANSWERS OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF THE UNITED PARCEL SERVICE

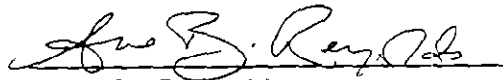
- T1-2.      a. Please refer to lines 3-5 on page 4 of your testimony, where you state, "[M]ost postage revenue accounts are general accounts which are not identified with specific mail categories." Has the Postal Service considered implementing a data collection system under which postage revenue, at least for major classes and subclasses of mail, would be identified with specific mail categories? If not, why not? If so, please provide all studies and reports relating to the Postal Service's consideration of this matter.
- b. Please refer to lines 5 and 6 of your testimony. Has the Postal Service considered adopting a revenue accounting system which would contain volume information? If not, why not? If so, please provide all studies and reports relating to the Postal Service's consideration of this matter.
- c. Please provide (i) an estimate of the costs of implementing a data system under which postage revenue accounts would be identified with specific mail categories and (ii) an estimate of the costs of implementing a revenue accounting system containing volume information.
- T1-2.      a. No. Most postal service revenue comes from customer purchases of stamps and postage meters. At the time of purchase, for these types of revenue, there is no way to determine customer intent in regard to either the timing of postage usage or the class(es) of mail for which postage purchased will be used. Thus, we record it at time of sale as revenue from the sale of either stamps or metered postage. Since we cannot ascertain customer intent at the time of purchase, the postal service must use statistical sampling to infer mail volume and revenue by class of mail. In some

instances revenue accounts are identified by class of mail as explained in the testimony of witness Pafford in USPS-T-1.

- b. No. See response to part a. above.
- c. Cost estimates have never been computed for such systems since it is not feasible to establish data collection systems relating postage revenue and volume by mail category as explained above.

## 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.

  
Anne B. Reynolds

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