

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, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS MOELLER TO INTERROGATORY OF  
UNITED PARCEL SERVICE  
REDIRECTED FROM WITNESS TAUFIQUE  
(UPS/USPS-T34-1)

The United States Postal Service hereby provides the response of witness Moeller to the following interrogatory of United Parcel Service: UPS/USPS-T34-1, filed on July 24, 1997, and redirected from witness Taufique.

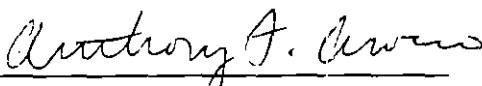
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
\_\_\_\_\_  
Anthony F. Alvemo

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2997; Fax -5402  
August 7, 1997

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO  
INTERROGATORY OF UNITED PARCEL SERVICE REDIRECTED FROM  
WITNESS TAUFIQUE

UPS/USPS-T34-1. On pages 4 to 6 of your testimony you discuss the reasoning behind the proposal to eliminate Standard A Mail Single Piece. Please explain in detail how it is possible for First Class, "an all-encompassing substitute that offers many features that Standard Mail lacks, such as free forwarding and return, air transportation, better service standards, and fewer content restrictions," to cost less than Standard A Single Piece.

RESPONSE:

This question, while initially directed to witness Taufique, actually refers to pages 4-6 of my testimony, USPS-T-36. My testimony presents pricing and classification analysis of the Postal Service's proposal for Standard Mail (A), and does not attempt to analyze the cost causative factors for Single-Piece; however, I would note that there are a number of cost drivers that cause the costs for Single-Piece to differ from First-Class Mail, including those listed in the question. Other potential cost drivers include weight-per-piece, length of haul, shape, and additional characteristics unique to the Single-Piece classification, which is frequently associated with return and forwarding. Regardless of cause, the costs for Single Piece imply that the rates would have to exceed those for First-Class Mail; hence, the Postal Service proposes elimination of the Single-Piece subclass.

**DECLARATION**

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

  
\_\_\_\_\_  
JOSEPH D. MOELLER

Dated: August 7, 1997

## 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 F. Alverno

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Washington, D.C. 20260-1137  
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