

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

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POSTAL RATE AND FEE CHANGES, 1997

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Docket No. R97-1

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'HARA  
TO INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA  
(MPA/USPS-T30-1)**

The United States Postal Service hereby files the response of witness O'Hara to the following interrogatory of Magazine Publishers Of America, dated July 31, 1997: MPA/USPS-T30-1.

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



Michael T. Tidwell

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August 14, 1997

**RESPONSE OF POSTAL WITNESS O'HARA TO THE INTERROGATORIES OF THE  
MAGAZINE PUBLISHERS OF AMERICA**

**MPA/USPS-T30-1.** Please refer to Exhibit USPS-30D and Table 1 below. Table 1 shows the percentage change in revenue per piece from Test Year Before Rates to Test Year After Rates. The revenue per piece figures are from the Test Year Current Rates and Test Year Proposed Rates Cost and Revenue Analyses from Witness Patelunas's testimony (Exhibit USPS-15G, Pages 15-20 and Exhibit USPS-15J, Pages 15-20).

- a. Please confirm that the percentage changes in revenue per piece by class and subclass in Table 1 are different than the proposed percentage changes in rates by class and subclass in Exhibit USPS-30D.
- b. Please explain how you developed the percent change figures shown in Exhibit USPS-30D.
- c. Please provide all calculations and underlying data for Exhibit USPS30-D.

**Table 1. Percentage Change in Revenue Per Piece**

Class	Subclass	Test Year Revenue Per Piece		
		Current Rates	Proposed Rates	Change
First	Single Letters/Sealed Parcels	\$0.394	\$0.404	2.54%
First	Presort Letters/Sealed Parcels	\$0.267	\$0.279	4.49%
First	Single Card	\$0.204	\$0.213	4.41%
First	Private Presort Card	\$0.161	\$0.173	7.45%
First	All	\$0.332	\$0.343	3.31%
Priority	All	\$3.545	\$3.777	6.54%
Express	All	\$12.798	\$13.412	4.80%
Periodicals	In County	\$0.089	\$0.091	2.25%
Periodicals	Nonprofit	\$0.140	\$0.157	12.14%
Periodicals	Classroom	\$0.205	\$0.215	4.88%
Periodicals	Regular Rate	\$0.225	\$0.234	4.00%
Periodicals	All	\$0.197	\$0.207	5.08%
Standard Mail A	Commercial ECR	\$0.145	\$0.149	2.76%
Standard Mail A	Commercial Regular	\$0.208	\$0.212	1.92%
Standard Mail A	Nonprofit ECR	\$0.081	\$0.075	-7.41%
Standard Mail A	Nonprofit	\$0.112	\$0.125	11.61%
Standard Mail A	All	\$0.168	\$0.175	4.17%
Standard Mail B	Parcel Post	\$3.052	\$3.331	9.14%
Standard Mail B	Bound Printed Matter	\$0.868	\$0.912	5.07%
Standard Mail B	Special	\$1.763	\$1.755	-0.45%
Standard Mail B	Library	\$1.594	\$1.821	14.24%
Standard Mail B	All	\$1.570	\$1.647	4.90%

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**RESPONSE:**

a. Confirmed.

b-c. The after-rates revenue per piece numbers in your Table 1 apply to the total after-rates volumes, including any volume shifted between subclasses and any new volume attracted by various initiatives. Because the billing determinants (and hence revenue per piece) of this shifted/new volume may differ significantly from that of the pre-existing volume in a subclass (being heavier or lighter, or more finely presorted, etc.), simple comparisons of revenue per piece before- and after-rates may not adequately depict the rate increase for the volume initially in the subclass. The percent change figures in my Exhibit USPS-30D were obtained from the pricing witnesses for the individual subclasses, who in some cases have provided a calculation that controls for these volume shifts to the extent possible. Other minor differences between your Table 1 and my Exhibit USPS-30D may be due to rounding (the pricing witnesses would generally have been using more digits) and to differences in the treatment of fee revenue. Specific sources for Exhibit USPS-30D in the testimony of the pricing witnesses are as follows:

First Class Mail	
Letters	Exhibit USPS-32B
Cards	Exhibit USPS-32B
Priority Mail	USPS-T-33 Table 6, line 14
Express Mail	USPS-T-33 Table 3, line 5
Periodicals	
In County	USPS-T-34 at 1
Nonprofit	USPS-T-35 at 1
Classroom	USPS-T-35 at 1
Regular Rate	USPS-T-34 at 1
Standard Mail A	
Commercial Regular	USPS-T-36 at 2

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Commercial Enhanced Carrier-Route	USPS-T-36 at 2
Nonprofit	USPS-T-36 at 2
Nonprofit Enhanced Carrier-Route	USPS-T-36 at 2
Standard Mail B	
Parcel Post	USPS-T-37, WP II.A&C*
Bound Printed Matter	USPS-T-38, WP BPM1
Special	USPS-T-38, WP SR1
Library	USPS-T-38, WP Lib1

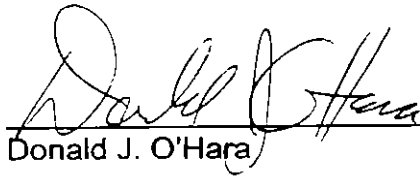
\*Calculated as percent change in revenue per piece using revenues from WP II.C, page 1,  
line 4 and volumes from WP II.A, page 1.

DECLARATION

I, Donald J. O'Hara, hereby declare, under penalty of perjury, that the foregoing Docket No. R97-1 interrogatory responses are true to the best of my knowledge, information, and belief.

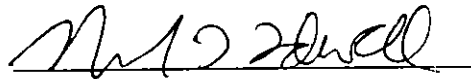
Date

5/14/97

  
Donald J. O'Hara

CERTIFICATE OF SERVICE

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

A handwritten signature in black ink, appearing to read "Michael T. Tidwell", written over a horizontal line.

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.  
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