

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-4000

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997)
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Docket No. R97-1

INTERROGATORIES OF THE
AMERICAN BANKERS ASSOCIATION
TO UNITED STATES POSTAL SERVICE
WITNESS DAVID R. FRONK
(ABA/USPS-T32-1-2)

August 15, 1997

Pursuant to sections 25 and 25 of the Rules of Practice of the Postal Rate Commission, American Bankers Association (ABA) directs the following interrogatories to United States Postal Service witness Fronk (USPS-T32). If witness Fronk is unable to respond to any interrogatory, we request that the interrogatory be redirected to an appropriate person capable of providing a response.

Respectfully submitted,



Irving D. Warden

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ABA/USPS-T32-1.

(a) Do you believe that over years immediately preceding a rate case, whether unit costs have fallen, risen, or remained the same for a subclass or rate category is an important criterion in setting rates?

(b) Please confirm that from postal fiscal year 1994 to postal fiscal year 1996, CRA unit costs for First Class workshared letter mail went down 10.9%.

(c) Please confirm that from postal fiscal year 1994 to postal fiscal year 1996, CRA unit costs for First Class non-workshared letter mail went up 11.6%.

(d) Please confirm that from postal fiscal year 1994 to postal fiscal year 1996, CRA unit costs for standard class workshared regular and ECR letter mail went up an average of 6%.

ABA/USPS-T32-2. On page 26 of your testimony, Table 5, you note a "bulk metered benchmark" unit cost of 13.6851 cents.

(a) Was that benchmark the basis for your rate proposals for First Class automation letter mail?

(b) Was that benchmark a basis for your claim on page 27 at lines 19 and 20 that your rate proposal for 3 digit automated mail "passes through approximately 118% of the cost differential"?

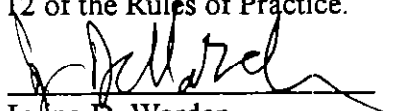
(c) Was that benchmark the basis for your claim on page 28, line 2, that for your basic automation rate, you also "passed through 118% of the cost difference" between that mail and the benchmark?

(d) Using the corrected metered cost benchmark of 14.7274 cents referenced in USPS witness Daniel's testimony at USPS-29C, page 1, footnote 5, which you refer to but do not cite in your Table 5, footnote 5, please calculate the corrected cost differences for each of the automation letter rate categories you list in your Table 5.

(e) Please recompute using your revised cost differences from (d) the percentage pass-through of unit cost differences for each of the automation letter rate categories you list in your Table 5.

CERTIFICATE OF SERVICE

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


Irving D. Warden

August 15, 1997