

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

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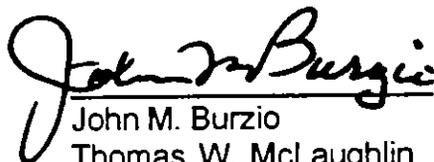
POSTAL RATE AND FEE CHANGES, 1997

Docket No. 97-1
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

INTERROGATORIES OF ADVO, INC.
TO UNITED STATES POSTAL SERVICE WITNESS
DONALD M. BARON (ADVO/USPS-T17-7)

Pursuant to sections 25 and 26 of the Rules of Practice, Advo, Inc. (Advo) directs the following interrogatories to United States Postal Service witness Donald M. Baron. If the witness is unable to respond to any interrogatory, we request that a response be provided by appropriate USPS witness capable of providing an answer.

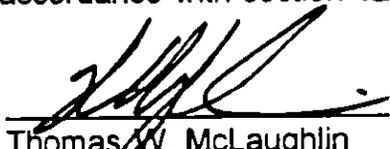
Respectfully submitted,



John M. Burzio
Thomas W. McLaughlin
Burzio & McLaughlin
1054 31st Street, N.W.
Washington, D. C. 20007
Counsel for ADVO, INC.

CERTIFICATE OF SERVICE

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


Thomas W. McLaughlin

August 20, 1997

ADVO/USPS-T17-7. Please refer to Equation (7) and your statement on page 19 that: "The delivery effect is properly measured as the second line of equation 7."

(a) Please state how the two elasticities were calculated and identify the sources of the data used and lines of code which calculate the elasticities:

(1) $(\partial LT/\partial AD)/(LT/AD)$

(2) $(\partial AD/\partial V)/(AD/V)$

(b) Please confirm that the elasticities in (a) were multiplied together to develop the delivery effect elasticities shown in Tables 6 and 7. If you can not confirm, explain how the delivery effect elasticities were calculated and why.

(c) Please specify the lines of code in USPS LR-H-137 which enters the two elasticities into the program and multiplies them together to develop the "delivery effect" as specified in the second line of equation 7.