

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

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNES O'HARA
TO INTERROGATORIES OF UNITED PARCEL SERVICE
(UPS/USPS-T30-7 AND T30-8)**

The United States Postal Service hereby files the responses of witness O'Hara to the following interrogatories of United Parcel Service, dated August 18, 1997: UPS/USPS-T30-7 and T30-8.

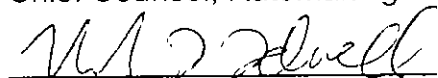
The interrogatories are stated verbatim and are followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202)268-2998/FAX: -5402
August 25, 1997

**RESPONSE OF U.S. POSTAL SERVICE WITNESS O'HARA TO
INTERROGATORIES OF UNITED PARCEL SERVICE**

UPS/USPS-T30-7. Please confirm that an FY 1998 after-rates ratio of revenue to incremental cost for Parcel Post below 1 would be unacceptable to the Postal Service. If not confirmed, please explain.

RESPONSE:

Confirmed, for all subclasses during the test year.

**RESPONSE OF U.S. POSTAL SERVICE WITNESS O'HARA TO
INTERROGATORIES OF UNITED PARCEL SERVICE**

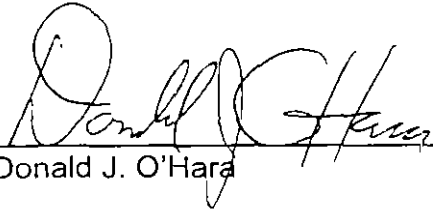
UPS/USPS-T30-8. Please confirm that a subclass of mail with a ratio of revenue to incremental cost below 1 in a given year would be cross-subsidized by the other subclasses of mail. If not confirmed, please explain.

RESPONSE:

Please see my response to UPS/USPS-T30-7.

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.

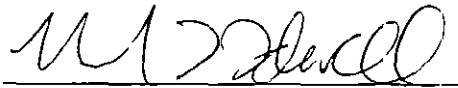


Donald J. O'Hara

8-25-97
Date

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

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August 25, 1997