

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

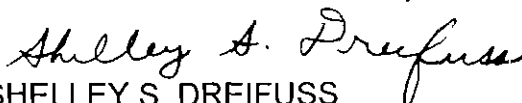
OFFICE OF THE CONSUMER ADVOCATE  
INTERROGATORIES TO UNITED STATES POSTAL SERVICE  
WITNESS DONALD J. O'HARA  
(OCA/USPS-T30-8-9)  
August 28, 1997

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories 1-7 to the United States Postal Service dated July 16, 1997, are hereby incorporated by reference.

Respectfully submitted,



GAIL WILLETTE  
Director  
Office of the Consumer Advocate



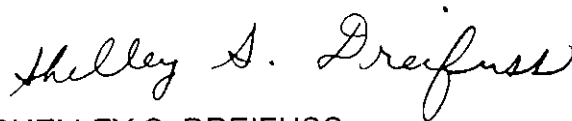
SHELLEY S. DREIFUSS  
Attorney

OCA/USPS-T30-8. Do you consider the use of cost coverages instead of markups to determine rate levels to be compatible with Ramsey pricing? Please explain why or why not.

OCA/USPS-T30-9. At page 15, footnote 7, you state that, "In fact, for most postal products, incremental cost does exceed volume-variable cost. However, there are several Special Services for which the reverse is true; for example, the incremental cost for Certified Mail is 9% below its volume-variable cost." Please explain fully how this comports with the avoidance of cross-subsidy between postal products (as discussed by both you and Dr. Panzer) and your use of incremental costs under Criterion 3 as the appropriate test of this.

#### 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.



SHELLEY S. DREIFUSS  
Attorney

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August 28, 1997