

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-000

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS FRONK
TO INTERROGATORY OF AMERICAN BANKERS ASSOCIATION.
(ABA/USPS-T32-4)**

The United States Postal Service hereby files the response of witness Fronk to the following interrogatory of American Bankers Association, filed August 18, 1997: ABA/USPS-T32-4.

The interrogatory is stated verbatim and is followed by the response.

Interrogatory ABA/USPS-T32-3 has been redirected to the Postal Service for response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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September 2, 1997

RESPONSE OF U.S. POSTAL SERVICE WITNESS FRONK TO
INTERROGATORIES OF THE AMERICAN BANKERS ASSOCIATION

ABA/USPS-T32-4. Please confirm that in the last rate case, R94-1, the Commission did not set worksharing discounts on the basis of the Postal Service's "cost avoidance" methodology, but instead relied on its own "cost difference" methods.

RESPONSE: Not confirmed. In Docket No. R94-1, The Postal Service proposed uniform, across-the-board increases to the basic presort rates and discounts. Updates of formal cost studies of mailflows and productivities were not prepared for Docket No. R94-1.

DECLARATION

I, David R. Fronk, 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.

David R. Fronk

David R. Fronk

9-2-97

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.


Michael T. Tidwell

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September 2, 1997