

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

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS MAYES TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T37-1 AND 4)

The United States Postal Service hereby provides responses of witness Mayes to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T37-1 and 4, filed on August 22, 1997. The Postal Service requested a one-day extension for responding to these interrogatories on September 5, 1997.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Scott L. Reiter

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September 8, 1997

RESPONSE OF POSTAL SERVICE WITNESS MAYES TO OCA INTERROGATORIES

OCA/USPS-T37-1. In Docket No. MC97-2, the Office of the Consumer Advocate ("OCA") submitted a number of interrogatories to which you provided replies. Please indicate the Postal Service's position as to whether the responses you gave to interrogatories 7, 8, 9, 27, 28, 29, 30, 31, 32, 33 in Docket No. MC97-2 are still valid. If not, please explain.

Response:

Redirected in part to the Postal Service.

If you are requesting that I verify that my responses to the listed interrogatories from Docket No. MC97-2 remain the same, then I can verify that the responses to 7, 8, 9, 27, 30, 32 and 33 would be unchanged. The responses to 28 would remain the same, with clarification of the response to part c provided in my response to OCA/USPS-T37-6. The responses to 29 would remain unchanged except as noted in my response to OCA/USPS-T37-7. The responses to 31 would remain unchanged except as noted in my responses to OCA/USPS-T37-8 and OCA/USPS-T37-9. I would note that the quote from the Scherer text that you provided in your original question OCA/USPS-T13-31d misquoted the statement that appears in the textbook. I would also note that the quote that you provided in your original question OCA/USPS-T13-31e appears in the textbook in the context of a discussion regarding the "coordination problem" which occurs as oligopolists coordinate pricing efforts to maximize profits, and that the discussion includes consideration of the homogeneity of the products. It is also

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worth noting, especially with respect to the interrogatories 29, 30 and 33, that the Postal Service is not proposing to raise the weight limit for parcels.

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OCA/USPS-T37-4. In Docket No. MC97-2, OCA submitted a number of interrogatories to you concerning discounts. These included interrogatories 12, 35, 36, and 37. Please indicate whether it is the position of the Postal Service that the responses you gave to interrogatories 12, 35, 36, and 37 in Docket No. MC97-2 are still valid. If not, please explain.

Response:

Redirected in part to the Postal Service.

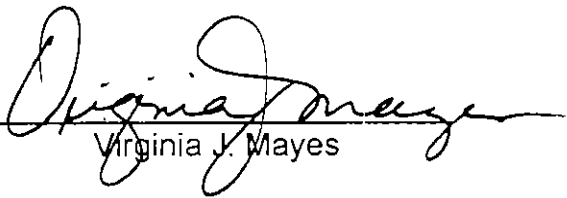
If you are requesting that I verify that the responses given to the interrogatories in question would remain unchanged, then I can verify that the responses to 37 would remain the same. The responses to 12 would remain the same with the exception that the response to part 12c would refer to the testimony of witness Crum (USPS-T-28), and not witness Daniel (USPS-T-29). The responses to 35 would remain the same with the following changes: 35a would be amended to refer to the responses of witness Crum to interrogatories UPS/USPS-T28-16b and UPS/USPS-T28-7, and 35g would be amended to refer to witness Daniel's Appendix V, page 17. In addition, the average cubic feet per machinable parcel has changed from 0.54 to 0.547, and the average number of parcels per container changed from 106 to 104.5. The responses to 36 would remain the same with the following changes: the response to 36a currently refers only to the efficient use of transportation space, but the mail processing costs per piece for such functions as moving, unloading and dumping containers would also vary with the number of pieces per container. The response to 36b should be changed to refer to witness Daniel's Appendix V, page 17, and not to Exhibit

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USPS-8H. The response to 36c should be changed to refer to Library Reference H-135, and not PCR-35. The response to 36d should be truncated such that only the first sentence of the original answer remains.

DECLARATION

I, Virginia J. Mayes, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


Virginia J. Mayes

Dated: 9-8-97

CERTIFICATE OF SERVICE

I hereby certify that I have this day 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 cursive script, appearing to read "Scott L. Reiter", is written over a horizontal line.

Scott L. Reiter

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