

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

RECEIVED
SEP 9 4 54 PM '97

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 NASHUA, DISTRICT, MYSTIC & SEATTLE
(NDMS/USPS-T32-25)**

The United States Postal Service hereby files the response of David Fronk to the following interrogatory of Nashua, District, Mystic & Seattle, dated August 26, 1997:
NDMS/USPS-T32-25.

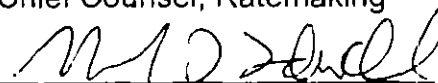
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

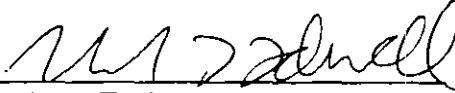


Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202)268-2998/FAX: -5402
September 9, 1997

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

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1145
September 9, 1997

RESPONSE OF U.S. POSTAL SERVICE WITNESS FRONK
TO INTERROGATORIES OF NDMS

NDMS/USPS-T32-25. In your response to NDMS/USPS-T32-4, you state that :

[b]y passing through additional costs associated with nonstandard pieces, I can send the appropriate signal to mailers and encourage the use of standard, automation-compatible pieces.

- a. Please confirm that in the case of letters this would mean changing the aspect ratio to come within the dimensions for Standard-shaped letters. If you fail to confirm, please explain fully what incentive is intended.
- b. Please confirm that in the case of nonstandard First-Class flats the intended incentive is to encourage mailers of flats that weigh less than one ounce to convert to letter-shaped mail. If you fail to confirm, please explain fully what incentive is intended.
- c. What incentive is intended for mailers of nonletter, nonflat pieces (i.e. parcels) that weigh less than one ounce?
- d. What studies, analysis or other efforts have been undertaken by the Postal Service to ascertain whether the nonstandard surcharge has had any effect in reducing the volume on nonstandard First-Class letters and flats?

RESPONSE:

(a)-(c) I think you may be reading more into my response to NDMS/USPS-T32-4 than I intended. In the sentence immediately preceding the one you quote above, I stated, "The rationale for the single-piece and presort passthrough was the same: I passed through 100 percent of the identifiable cost difference between nonstandard and standard pieces."

In the nonstandard surcharge proposals, my intention was to better align prices with costs and signal this information to mailers. If the price mailers pay for nonstandard pieces is not generally aligned with costs and is artificially low, the Postal Service may encourage the overuse of nonstandard pieces.

I am not trying to "convert" nonstandard pieces to standard pieces in the sense your questions seem to imply. Mailers may well find that a nonstandard piece will best meet their needs and that they are willing to pay the corresponding rate. My intention was simply to signal mailers the costs the Postal Service incurs when processing nonstandard pieces.

RESPONSE OF U.S. POSTAL SERVICE WITNESS FRONK
TO INTERROGATORIES OF NDMS

RESPONSE to NDMS/USPS-T32-25 (Continued)

(d) None. Also, please see response to (a)-(c) above.

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.

9-9-97
Date

David R. Fronk
David R. Fronk