

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 MOELLER TO INTERROGATORIES OF
MAIL ADVERTISING SERVICE ASSOCIATION INTERNATIONAL
(MASA/USPS-T36-6-7)

The United States Postal Service hereby provides responses of witness Moeller to the following interrogatories of Mail Advertising Service Association International: MASA/USPS-T36-6-7, filed on August 26, 1997.

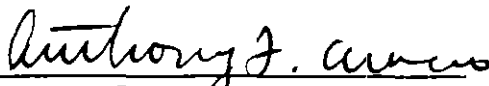
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Anthony F. Alverno

475 L'Enfant Plaza West, S.W.
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September 9, 1997

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES
OF MAIL ADVERTISING SERVICE ASSOCIATION INTERNATIONAL

MASA/USPS-T36-6. In response to MASA/USPS-T36-4c, you state that there has been "no forecast of volume changes specifically due to [the] change in the difference between the DMBC and DSCF discount."

- a. Apart from whether any specific forecast was made, will any volume decrease occur in DSCF mail as a result of the decrease in the discount increment between DSCF and DBMC mail under the USPS proposal in this docket? If so, give your best estimate of the magnitude of the decrease and explain how you arrived at it?
- b. If your answer to a. is no, explain your answer fully.

RESPONSE:

- a. It is possible that increasing the DBMC discount relative to the DSCF discounts could result in a decrease in DSCF volume. Presumably, there is some mail that is entered at the DSCF because it is closer to mailers' plants than is the DBMC, or is entered at the DSCF for service reasons. These pieces might continue to be entered at the DSCF regardless of the difference between the DSCF discount and the DBMC discount. On the other hand, there is a second group of mail which is currently entered at the DSCF rather than the DBMC in order to take advantage of the difference between the two discounts. The decrease in the difference may cause some of this mail to no longer be entered at the DSCF rate. I do not know how much mail falls into each of these two groupings, and have no estimate of the net change in DSCF volume that would result from a decrease in the DBMC/DSCF differential.
- b. See response to subpart a.

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MASA/USPS-T36-7. In formulating rate recommendations, was any consideration given to whether the decrease in the discount increment between DSCF and DBMC mail categories would make it less attractive to mailers to present mail at the DSCF level? Explain your answer fully.

RESPONSE:

No. The proposed destination entry discounts were developed as described in my testimony at page 20. Potential alternative approaches are described in my response to MASA/USPS-T36-5c.

DECLARATION

I, Joseph D. Moeller, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

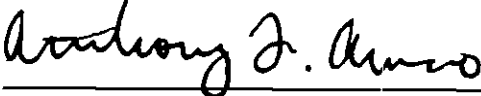


JOSEPH D. MOELLER

Dated: September 9, 1997

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.


Anthony F. Alverno

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