

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

RECEIVED  
SEP 11 4 52 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 DANIEL TO INTERROGATORIES OF  
THE MAJOR MAILERS ASSOCIATION  
(MMA/USPS-T29-2-4)

The United States Postal Service hereby provides responses of witness Daniel to the following interrogatories of the Major Mailers Association: MMA/USPS-T29-2-4, filed on August 28, 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. Alvelho

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2997; Fax -5402  
September 11, 1997

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION**

**MMA/USPS-T29-2.** Please refer to USPS-29C, pages 1 and 2. In the questions below assume that the mailer does not take advantage of destination entry discounts.

(A) If a mailer sends out a First-Class Basic Automation letter weighing 1.8 ounces, please confirm that under the Postal Service's proposed rates, the postage would be 50.5 cents and the unit cost estimate for mail processing and delivery would be 9.03 cents. If you cannot confirm please explain and provide the correct postage rates and costs.

(B) If a mailer sends a First-Class Basic Automation letter weighing .9 ounces and a Standard Mail A Basic Automation letter weighing .9 ounces, please confirm that under the Postal Service's proposed rates, the total postage for both letters would be 46.4 cents (27.5 cents for First-Class and 18.9 cents for Standard Mail A and the total unit cost estimate for mail processing and delivery for both letters would be 17.8 cents (9.03 + 8.74). If you cannot confirm please explain and provide the correct postage rates and costs.

(C) Suppose an Automation mailer plans to send to each customer an invoice weighing .9 ounces (with envelope) and advertising matter ("inserts") weighing .9 ounces (with envelope). Suppose also that the Automation mailer has the choice of (1) combining the mailing by mailing the invoice and the advertising matter together, in a single envelope, at First-Class Basic Automation rates [the situation described in Paragraph (A)] or (2) splitting the mailing by mailing the invoice in one envelope at First-Class Basic Automation Rates and mailing the advertising matter separately in another envelope at Standard A Basic Automation rates [the situation described in Paragraph (B)]. Do you agree that, as compared with the combined mailing of both the invoice and the advertising matter at First-Class rates, the mailer pays less postage and the Postal Service incurs greater cost if the mailer makes a split mailing? If you do not agree, please explain.

(D) Do you agree that, as compared with the combined mailing of both the invoice and the advertising matter at First-Class rates (as described in Paragraphs (A) and (C)), the Postal Service receives a lower contribution to institutional costs if the mailer makes a split mailing (as described in Paragraphs (B) and (C)). If you do not agree, please explain.

**RESPONSE:**

(A) Not Confirmed. The mail processing cost is for an average weight letter, not specifically for a 1.8 ounce letter. The rate is confirmed.

(B) Not Confirmed. The mail processing cost is for an average weight letter, not

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION**

specifically for a 1.8 ounce letter. Rates for a Regular Basic Automation letter with no destination entry discounts and for a First-Class Basic Automation letter are confirmed. (C-D) No. The mailer pays less postage, but I cannot confirm that the cost is higher. See response to MMA/USPS-T29-2 (A&B).

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION**

**MMA/USPS-T29-3.** Please refer to USPS-29C, pages 1 and 2. In the questions below assume that the mailer does not take advantage of destination entry discounts.

(A) If a mailer sends out a First-Class 3-Digit Automation letter weighing 1.8 ounces, please confirm that under the Postal Service's proposed rates, the postage would be 49.5 cents and the unit cost estimate for mail processing and delivery would be 8.2 cents. If you cannot confirm please explain and provide the correct postage rates and costs.

(B) If a mailer sends a First-Class 3-Digit Automation letter weighing .9 ounces and a Standard Mail A 3-Digit Automation letter weighing .9 ounces, please confirm that under the Postal Service's proposed rates, the total postage for both letters would be 44.3 cents (26.5 cents for First-Class and 17.8 cents for Standard Mail A 3-Digit Automation and the total unit cost estimate for mail processing and delivery for both letters would be 16.3 cents (8.2 + 8.1). If you cannot confirm please explain and provide the correct postage rates and costs.

(C) Suppose an Automation mailer plans to send to each customer an invoice weighing .9 ounces (with envelope) and advertising matter ("inserts") weighing .9 ounces (with envelope). Suppose also that the Automation mailer has the choice of (1) combining the mailing by mailing the invoice and the advertising matter together, in a single envelope, at First-Class 3-Digit Automation rates [the situation described in Paragraph (A)] or (2) splitting the mailing by mailing the invoice in one envelope at First-Class 3-Digit Automation Rates and mailing the advertising matter separately in another envelope at Standard A 3-Digit Automation rates [the situation described in Paragraph (B)]. Do you agree that, as compared with the combined mailing of both the invoice and the advertising matter at First-Class rates, the mailer pays less postage and the Postal Service incurs greater cost if the mailer makes a split mailing? If you do not agree, please explain.

(D) Do you agree that, as compared with the combined mailing of both the invoice and the advertising matter at First-Class rates (as described in Paragraphs (A) and (C)), the Postal Service receives a lower contribution to institutional costs if the mailer makes a split mailing (as described in Paragraphs (B) and (C))? If you do not agree, please explain.

**RESPONSE:**

(A) Not Confirmed. The mail processing cost is for an average weight letter, not specifically for a 1.8 ounce letter. The rate is confirmed.

(B) Not Confirmed. The mail processing cost is for an average weight letter, not

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION**

specifically for a 1.8 ounce letter. Rates for a Regular 3-Digit Automation letter with no destination entry discounts and for a First-Class 3-Digit Automation letter are confirmed.

(C-D) No. The mailer pays less postage, but I cannot confirm that the cost is higher.

See response to MMA/USPS-T29-3 (A&B).

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION**

**MMA/USPS-T29-4.** Please refer to USPS-29C, pages 1 and 2. In the questions below assume that the mailer does not take advantage of destination entry discounts.

(A) If a mailer sends out a First-Class 5-Digit Automation letter weighing 1.8 ounces, please confirm that under the Postal Service's proposed rates, the postage would be 47.9 cents and the unit cost estimate for mail processing and delivery would be 6.6 cents. If you cannot confirm please explain and provide the correct postage rates and costs.

(B) If a mailer sends a First-Class 5-Digit Automation letter weighing .9 ounces and a Standard Mail A 5-Digit Automation letter weighing .9 ounces, please confirm that under the Postal Service's proposed rates, the total postage for both letters would be 40.9 cents (24.9 cents for First-Class and 16.0 cents for Standard Mail A 5-Digit Automation) and the total unit cost estimate for mail processing and delivery for both letters would be 13.4 cents (6.6 + 6.8). If you cannot confirm please explain and provide the correct postage rates and costs.

(C) Suppose an Automation mailer plans to send to each customer an invoice weighing .9 ounces (with envelope) and advertising matter ("inserts") weighing .9 ounces (with envelope). Suppose also that the Automation mailer has the choice of (1) combining the mailing by mailing the invoice and the advertising matter together, in a single envelope, at First-Class 5-Digit Automation rates [the situation described in Paragraph (A)] or (2) splitting the mailing by mailing the invoice in one envelope at First-Class 5-Digit Automation Rates and mailing the advertising matter separately in another envelope at Standard A 5-Digit Automation rates [the situation described in Paragraph (B)]. Do you agree that, as compared with the combined mailing of both the invoice and the advertising matter at First-Class rates, the mailer pays less postage and the Postal Service incurs greater cost if the mailer makes a split mailing? If you do not agree, please explain.

(D) Do you agree that, as compared with the combined mailing of both the invoice and the advertising matter at First-Class rates (as described in Paragraphs (A) and (C)), the Postal Service receives a lower contribution to institutional costs if the mailer makes a split mailing (as described in Paragraphs (B) and (C))? If you do not agree, please explain.

**RESPONSE:**

(A) Not Confirmed. The mail processing cost is for an average weight letter, not specifically for a 1.8 ounce letter. The rate is confirmed.

(B) Not Confirmed. The mail processing cost is for an average weight letter, not

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO  
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION**

specifically for a 1.8 ounce letter. Rates for a Regular 5-Digit Automation letter with no destination entry discounts and for a First-Class Automation 5-Digit letter are confirmed.

(C-D) No. The mailer pays less postage, but I cannot confirm that the cost is higher.

See response to MMA/USPS-T29-4 (A&B).

**DECLARATION**

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

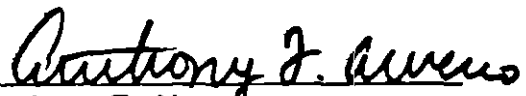
  
SHARON DANIEL

Dated: September 11, 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

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
September 11, 1997