

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

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TAUFIQUE TO INTERROGATORY OF
THE AMERICAN BUSINESS PRESS
(ABP/USPS-T34-7(C))

The United States Postal Service hereby provides the revised response of witness Taufique to the following interrogatory of The American Business Press: ABP/USPS-T34-7(c), filed on August 20, 1997. This corrects the original response, filed on September 3, 1997, to indicate the eligibility of automation-rate mailings in SCF sacks for the proposed 3-digit and 5-digit Periodicals Regular rates.


The entire interrogatory ABP/USPS-T34-7 is stated verbatim and is followed by the response, including the revised response to part (c).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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September 12, 1997

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
TAUFIQUE TO INTERROGATORY ABP/USPS-T-34-7[c] OF AMERICAN
BUSINESS PRESS (ABP)

ABP/USPS-T-34-7

[a] Please refer to p. 11, lines 10-16 of your testimony. Does USPS anticipate more 3 digit sacks in the test year than formerly were ADC or mixed ADC sacks as a result of the proposed application of 3 digit presort discounts to 3 digit packages? If your answer is no, please explain the response.

[b] Will SCF sacks be allowed for periodicals in the test year? If they are going to be allowed, what will be the effect on USPS mail processing costs if (1) automated 3 and 5 digit packages, now in ADC or mixed ADC sacks, are placed in SCF sacks and (2) if nonautomated 3 and 5 digit packages, now in ADC or mixed ADC sacks, are placed in SCF sacks?

[c] Would copies of periodicals within 3 or 5 digit packages placed in SCF sacks be eligible for 3 or 5 digit piece discounts if the carrier route sort of these pieces is performed at the SCF within which delivery of each piece occurs?

RESPONSE

[a] The Postal Service anticipates that some increase in 3-digit sacks is possible, although it cannot predict the amount of this increase since it is based on anticipating mailer behavior. Since Periodicals mailers may prepare 3-digit sacks containing as few as one package of mail, it is anticipated that more mailers may prepare such "skin sacks" in order to qualify more mail for the 3-digit rates. However, the Postal Service has no data showing how many mailers are currently preparing such "skin sacks" for service reasons, or how many mailers will prepare such sacks under the proposed structure. Furthermore, since preparation of "skin sacks" involves extra production costs for mailers, it is not

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known how many mailers that do not currently prepare such sacks would find the proposed new rate structure an economic incentive to do so.

[b] Redirected to Witness Seckar

[c] For nonautomation rate sacked mailings, where the rates depend in part on the level of sack in which pieces are placed, it is my understanding that all nonletter-size mail in SCF sacks would be eligible for Basic rates.

However, it is my understanding that this would not be true for automation rate nonletter-size mailings prepared in sacks. For automation rate mailings, pieces in 5-digit packages of 6 or more pieces and pieces in unique 3-digit packages of 6 or more pieces placed in SCF sacks would be eligible for the 3/5 rate. Pieces in nonunique 3-digit packages and pieces in 5-digit and unique 3-digit packages of fewer than 6 pieces that are placed in SCF sacks would be eligible for the basic automation rate. If our proposed rate structure in Docket No.R97-1 is adopted, for automation rate mailings pieces in SCF sacks would be eligible for the 5-digit automation rate if in a 5-digit package of 6 or more pieces, and for the 3-digit automation rate if in any type of 3-digit package of 6 or more pieces.

DECLARATION

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




ALTAH H. TAUFIQUE

Dated: 9/12/97

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.


David H. Rubin

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