

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
TO INTERROGATORY OF
THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS HARAHUSH
AND MOTION FOR ITS LATE ACCEPTANCE
(OCA/USPS-T3-1(D))

The United States Postal Service hereby provides the response to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T3-1(d), filed on August 28, 1997, and redirected from witness Harahush. The interrogatory is stated verbatim and is followed by the response.

The Postal Service additionally asks that this response be accepted today, one day late. The identification of and communication with the appropriate personnel was hindered significantly by many managers' participation in the recent Postal Forum. While we sincerely regret the need to file this response out of time, the Postal

Service considers that no participant will be prejudiced by the delay.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

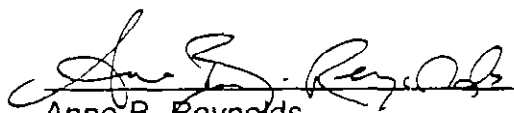
Daniel J. Foucheaux, Jr.
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September 12, 1997

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.


Anne B. Reynolds

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
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OCA/USPS-T3-1. Please refer to page 21 of library reference H-89. The "Data Recoding" section states that counts of third-class single piece increased substantially for PQ 4, and consequently that third-class single piece mail was recoded as third-class bulk rate regular for the city carrier system.

d) Please explain why it was necessary to perform this recoding of third-class single piece mail for the city carrier system.

Response

The initial estimates of third-class single piece in the carrier cost systems for PQ 4 FY 1996 substantially exceeded estimates for any of the four previous quarters, and the estimates from the four previous quarters were all of the same magnitude. Further analysis showed that the change occurred coincident with the implementation of classification reform. In other words, prior to classification reform implementation, third-class single piece volumes, as measured by the carrier cost system, were consistent with historical data, but after implementation, the volumes increased substantially. The Postal Service was unaware of any rationale for a change in mailer behavior reason coincident with classification reform which would cause such a significant shift in third-class single piece mail volume. Furthermore, the RPW system was not reflecting such an increase. This led the Postal Service to believe there was a problem with the data which needed correction.