

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

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POSTAL RATE AND FEE CHANGES, 1997

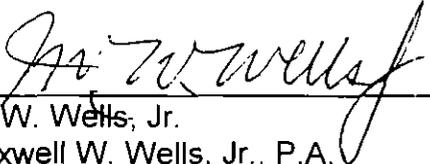
DOCKET NO. R97-1

FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS WILLIAM M TAKIS, USPS-T-41

September 16, 1997

Florida Gift Fruit Shippers Association (FGFSA) hereby submits the attached interrogatories to USPS WITNESS Takis (USPS-T-41) and requests a timely and full response under oath.

Florida Gift Fruit Shippers Association

By 

M. W. Wells, Jr.

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Interrogatories to USPS Witness Takis

FGFSA/USPS - T41-1

The Postal Service contracts for highway transportation to service Intra-BMC mail. Each contract is for a specific route to be operated on a prescribed, contracted for time schedule, to provide service of a specified cube capacity, regardless of actual mail volume, from a BMC to one or more SCFs or other postal facilities, with scheduled intermediate stops for unloading and partial loading, together with a return from those postal facilities to the BMC.

- a) Do you categorize those contracts as being examples of incremental costs since it is merely the cost cost caused by the provision of the entire amount of the transportation service? If not, how do you categorize them?
- b) Is each segment or leg of the route an example of incremental costs? If not, how do you categorize them?
- c) If actual mail volume exceeds the contracted for capacity, and additional transportation service is obtained to handle the excess, is the cost of the additional transportation an example of marginal costs? If not, please explain.
- d) Are these contracts "cost drivers" as you use those terms on page 5 of your testimony? If so, explain how the cost of a contract varies with volume of mail.

FGFSA/USPS-T41-2

Do you agree that the cost of each Intra-BMC contract is a joint cost, as that term is used by an economist, of providing the transportation service for the entire route? If not, please explain.

FGFSA/USPS-T41-3

Have you made a determination that the costs of contract purchased transportation for Intra-BMC are volume variable costs? If, please explain the basis for your determination.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding on this date in accordance with Section 12 of the Rules of Practice and Procedure.

Dated :September 16, 1997



M. W. Wells, Jr., Attorney