

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

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POSTAL RATE AND FEE CHANGES, 1997))
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Docket No. R97-1

SECOND SET OF INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION
TO UNITED STATES POSTAL SERVICE WITNESS
JOSEPH D. MOELLER (USPS-T-36)

Major Mailers Association asks the United States Postal Service to answer the following interrogatories pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure. In answering these interrogatories, the witness is requested to follow the General Instructions that are set forth in the Attachment to the First Set of Interrogatories to this witness. Requests for data or documents are to be interpreted in accordance with General Instructions G and H. If the designated witness is unable to respond to any interrogatory, the Postal Service is asked to redirect the question to another Postal Service witness who can answer it.

Respectfully submitted,

MAJOR MAILERS ASSOCIATION



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September 16, 1997

MMA INTERROGATORIES TO USPS WITNESS
(Joseph D. Moeller: Set Two)

MMA/USPS-T36-12.

Please refer to your workpapers, WP 1, pages 24, 25 and 27.

(A) Please explain how a migration of 3.242 billion letters from Standard Mail A ECR to Standard Mail A Regular, each costing 7.5725 cents prior to migration and costing 7.5888 cents after migration (which is virtually the same), results in a volume variable cost reduction of \$223.806 million (prior to contingency) for Standard Mail A Regular and another reduction of \$32.099 million (prior to contingency) for Standard Mail A ECR. In other words, how does a transfer of volume from one subclass to another, when the cost to process those same pieces remains unchanged, result in cost savings?

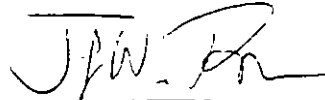
(B) Please explain how your adjustments to TYAR Standard Mail A Regular revenues to account for the volume mix result in an increase of revenue of \$319.834 million [$37,627.555 \times (.2178 - .2093)$] and no volume adjustment.

(C) Please explain why the additional revenues figure resulting in a unit revenue of .2178 for Standard Mail A Regular, as shown on your WP 1, page 27, is not the same as the .2132 figure provided by USPS witness O'Hara, as shown in his workpapers, USPS-T- 30, W/P II, page 2 (revised).

(End of this set of Interrogatories)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document, by First-Class Mail, upon the participants requesting such service in this proceeding.



Jeffrey Plummer

September 16, 1997