

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

RECEIVED
SEP 19 4 47 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 DEGEN TO INTERROGATORY OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T12-40)

The United States Postal Service hereby provides the response of witness Degen to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T12-40, filed on September 5, 1997. Interrogatories OCA/USPS-T12-41-42 were redirected to witness Adra.

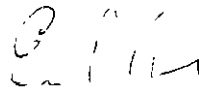
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992; Fax -5402
September 19, 1997

Response of United States Postal Service Witness Degen
to Interrogatories of the Office of the Consumer Advocate

OCA/USPS-T12-40. This interrogatory follows up on your response (September 2, 1997) to question 2 of POIR No. 2. The premise for question 2 was that, "In Docket No. R94-1, the Commission concluded that as the processing of Library Rate and Special Rate pieces should be similar, data showing that the attributable costs for these two subclasses were similar was not surprising."

- a. Please confirm that the processing of Library Rate and Special Rate pieces is similar. If you do not confirm, please explain, in detail, your disagreement with this premise.
- b. If you confirm in part a. that Library Rate and Special Rate pieces are processed in a similar manner, then confirm that it would be reasonable to expect the attributable costs for the two subclasses to be similar.
- c. In your response to question 2 you state that "the operating plan does not segregate Library Rate mail from Special Rate mail."
 - i. What is the "operating plan?"
 - ii. Why is it significant that the "operating plan" does not segregate Library and Special Rate mail?

OCA/USPS-T12-40.

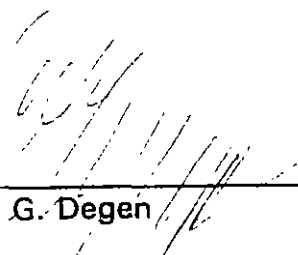
- a. Confirm with the qualification that differences in piece characteristics and mail preparation may cause some differences in productivities or the number of handlings required. Please see my response to question 2 of POIR 2.
- b. Confirm subject to the caveats in part a. above.
- c.
 - i. My reference to "operating plan" in my response to question 2 of POIR 2 referred to the normal practices for processing mail.
 - ii. My understanding is that the normal practice for processing Library Rate and Special Rate mail is to process them in the same operations as a single mail stream. This is significant because question 2 of POIR 2 was asking about differences in the

**Response of United States Postal Service Witness Degen
to Interrogatories of the Office of the Consumer Advocate**

processing of these two categories. If the two subclasses were segregated I would have more concern that there were differences in the way the two subclasses were processed.

DECLARATION

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




Carl G. Degen

Date: _____

9 12 47

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.



Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
September 19, 1997