

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
WITNESS THRESS TO INTERROGATORY OF
THE AMERICAN BUSINESS PRESS
(ABP/USPS-T7-5)

The United States Postal Service hereby provides the response of witness Thress to the following interrogatory of the American Business Press: ABP/USPS-T7-5, filed on September 5, 1997.


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


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September 19, 1997

RESPONSE OF POSTAL SERVICE WITNESS THRESS
TO INTERROGATORIES OF ABP


ABP/USPS-T7-5. In response to ABP/USPS-T7-3, you calculated an assumed subscription price increase of 16% for a periodical with a subscription price of \$1.50 per issue and were unwilling to state whether a 16% price increase would be "modest." Assume a subscription price of \$.75 and a resulting price increase of 32%. Are you able to offer an opinion on whether a 32% price increase is modest, or is that, too, "ultimately subjective"?

RESPONSE:

I would not consider a 32% price increase to be modest, although I would still maintain that the term "modest" is, by definition, a subjective one. For example, one could look at this scenario and evaluate the price increase purely in terms of dollar amount and conclude that a 24¢ price increase is modest. As I indicated in my response to ABP/USPS-T7-3, the only thing that I can state with certainty is that the price increase proposed by the Postal Service for Periodical regular mail in this case is more modest than the price increase implied by Mr. Bernstein's Ramsey prices.

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

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