

DOCKET SECTION

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

RECEIVED

SEP 25 1997
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS MOELLER TO INTERROGATORIES OF
NASHUA PHOTO INC., DISTRICT PHOTO INC., MYSTIC COLOR LAB, AND
SEATTLE FILMWORKS, INC.
(NDMS/USPS-T36-1-3)

The United States Postal Service hereby provides responses of witness Moeller to the following interrogatories of Nashua Photo Inc., District Photo Inc., Mystic Color Lab, and Seattle Filmworks, Inc.: NDMS/USPS-T36-1-3, filed on September 11, 1997.

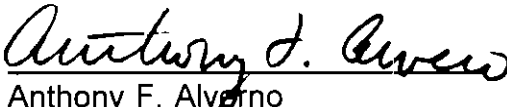
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Anthony F. Alverno

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2997; Fax -5402
September 25, 1997

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO
INTERROGATORIES OF NDMS

NDMS/USPS-T36-1.

- a. What is the average cost of Standard A ECR parcels?
- b. What is the average revenue from Standard A ECR parcels?
- c. For Standard A ECR parcels, your proposed surcharge of 10 cents represents what percent of the difference between revenues and costs?

RESPONSE:

- a. See witness Crum's response to NDMS/USPS-T28-17.
- b. See witness Crum's response to NDMS/USPS-T28-17.
- c. See witness Crum's response to NDMS/USPS-T28-17. The comparison sought in this subpart is not particularly illuminating, but can be calculated using the figures cited by witness Crum. What percentage 10 cents is of the "difference between revenues and costs" is not relevant to the rate design. The 10-cent surcharge is a recognition of the cost difference between flats and other nonletters.

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO
INTERROGATORIES OF NDMS

NDMS/USPS-T36-2.

- a. What is the average cost of Standard A Regular parcels?
- b. What is the average revenue from Standard A Regular parcels?
- c. For Standard A Regular parcels, your proposed surcharge of 10 cents represents what percent of the difference between revenues and costs?

RESPONSE:

- a. See witness Crum's response to NDMS/USPS-T28-17.
- b. See witness Crum's response to NDMS/USPS-T28-17.
- c. See witness Crum's response to NDMS/USPS-T28-17. The comparison sought in this subpart is not particularly illuminating, but can be calculated using the figures cited by witness Crum. What percentage 10 cents is of the "difference between revenues and costs" is not relevant to the rate design. The 10-cent surcharge is a recognition of the cost difference between flats and other nonletters.

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO
INTERROGATORIES OF NDMS

NDMS/USPS-T36-3. Please refer to your response to DMA/USPS-T4-23 (redirected from witness Moden). Please define the term "low passthrough" as you use it in that interrogatory response, and explain how one would distinguish a low passthrough from a moderate or high passthrough.

RESPONSE:

In the cited response, I am referring to the resulting passthrough of 28.6 percent for the residual shape surcharge of 10 cents. This is a very low passthrough in that it is, with one exception, the lowest passthrough in Standard Mail (A).

DECLARATION

I, Joseph D. Moeller, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

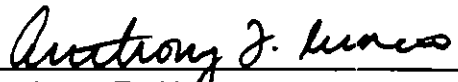


JOSEPH D. MOELLER

Dated: September 25, 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.



Anthony F. Alverno

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
September 25, 1997