

DOCKET SECTION
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 ADRA TO INTERROGATORIES OF
THE AMERICAN LIBRARY ASSOCIATION
REDIRECTED FROM THE POSTAL SERVICE
(ALA/USPS-1, 4 & 5)

The United States Postal Service hereby provides responses of witness Adra to the following interrogatories of the American Library Association: ALA/USPS-T1, 4 & 5, filed on September 12, 1997, and redirected from the Postal Service.

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, Rate-making



Scott L. Reiter

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September 26, 1997

**RESPONSE OF U.S. POSTAL SERVICE WITNESS ADRA TO INTERROGATORIES
OF AMERICAN LIBRARY ASSOCIATION**

ALA/USPS-1. Please confirm each of the following statements. Please explain fully any failure to give an unqualified confirmation.

- (a) The Postal Service is proposing increased rates averaging 4.5 percent across all types of domestic mail.
- (b) For the Library rate, the proposed increase is 28.6 percent for the first pound, 27.3 percent for a 2-lb. Package, and 24.6 percent for an 8-lb. Package.
- (c) In Docket No. R94-1, the Postal Service proposed a 73.7 percent average increase for the library rate.
- (d) In Docket No. R94-1, the average rate increase for library rate implemented by the Postal Service was 69.9 percent.
- (e) If the Postal Service's current rate request is implemented, the library rate for a three-pound piece would be \$2.48, a 117.5 percent increase in 3 years.

Response:

- (a) Confirmed.
- (b) Confirmed conditionally, that is, if the comparison refers to step 6 rates for both current and proposed rates. Please note that step 6 rates are not effective until FY 1999.
- (c) Confirmed. Please note, however, that in Docket R90-1, the average rate increase was 1.9 percent.
- (d) Confirmed.
- (e) Confirmed conditionally, that is, if the comparison refers to step 6 proposed rates (\$2.48) and pre R94-1 rates (\$1.14). As such, the 117.5% increase would be within a 4-year period, not a 3-year period. Please note that step 6 rates are not effective until FY 1999.

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ALA/USPS-4. Please confirm that the following table shows the existing and proposed rates for special standard (book rate) and library rate mail. Explain fully any failure to confirm unconditionally:

<i>Special Standard mail (book rate)</i>	<i>current (cents)</i>	<i>proposed (cents)</i>
First pound, not presorted	124	124
Each additional lb. Through 7 lbs.	50	51
Each additional lb. Over 7 lbs.	31	21

<i>Library rate</i>	<i>current (cents)</i>	<i>proposed (cents)</i>
First pound	112	144
Each additional lb. Through 7 lbs.	42	52
Each additional lb. Over 7 lbs.	22	25

Response:

Confirmed for the Special Standard Mail table. However, I can only confirm conditionally the Library rate table, that is, if the comparison refers to step 6 rates for both current and proposed rates. Please note that step 6 rates are not effective until FY 1999.

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ALA/USPS-5. Please explain how the library rate, a preferred rate, can exceed the book rate for a piece of the same weight. Identify all studies, analyses, reports, compilations of data, and other documents that support your response, and produce all identified documents that are not publicly available.

Response:

The rate structure for Library and Special Standard mail is identical. The proposed library rates were designed in accordance with statutory requirements that they cover their costs and that their markup is half of that of Special Standard. The development of the proposed rates are explained in my testimony and workpapers. For cost data, please refer to Exhibit 15G, page 2 and Exhibit 15J, page 2.

DECLARATION

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



Dated: 9-26-97

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.

A handwritten signature in cursive script, appearing to read "Scott L. Reiter", is written above a horizontal line.

Scott L. Reiter

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