

# 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 MOELLER TO INTERROGATORIES OF  
THE DIRECT MARKETING ASSOCIATION, INC.  
(DMA/USPS-T36-9-10)

The United States Postal Service hereby provides responses of witness Moeller to the following interrogatories of the Direct Marketing Association, Inc.: DMA/USPS-T36-9-10, filed on September 12, 1997.

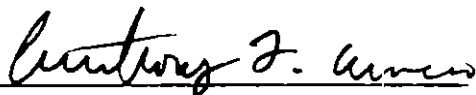
Each interrogatory is stated verbatim and is followed by the response.

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  
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September 26, 1997

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES  
OF DIRECT MARKETING ASSOCIATION

DMA/USPS-T36-9. Please refer to your response to NAA/USPS-T36-5(d) in which you state that "A piece with "flat-like" costs will likely meet the definition of a flat, in which case it would be exempted from the surcharge, as long as it is prepared in accordance with flat preparation requirements."

- a. Please describe the flat preparation requirements you cite.
- b. Does this answer imply that the Postal Service has performed studies which show that shape is the factor that differentiates the costs of flats from those of nonflats? If so, please provide a copy of the relevant study or studies.

RESPONSE:

- a. See DMM C050 Exhibit 2.0; DMM C050.3.0; DMM M610.5.0; DMM M620.4.0; and DMM M820.4.0.
- b. This answer implies that a piece which meets the definition of a flat, and is not prepared as a parcel, is going to be processed as a flat. Pieces entered as flat-size pieces should exhibit the costs of flats. Witness Crum's testimony (USPS-T-28) describes a study which measures the cost differences between flats and other nonletters.

U.S. POSTAL SERVICE WITNESS MOELLER RESPONSE TO INTERROGATORIES  
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DMA/USPS-T36-10. Please refer to your response to DMA/UPS-T4-23(b) (redirected from witness Moden).

- a. Please confirm that the Postal Service realizes similar cost savings from prebarcoded Standard (A) parcels as with prebarcoded Standard (B) parcels.
- b. Please confirm that one of the reasons that no discount was proposed for prebarcoded Standard (A) parcels is because the discount would make the rate structure for Standard (A) less "simple."
- c. Please describe the number of rate categories that already exist in Standard (A) mail.

RESPONSE:

- a. If a prebarcoded Standard (A) parcel is processed on a parcel sorter with a barcode reader, the cost savings due to the presence of the barcode on that piece are likely to be similar to those for a prebarcoded Standard (B) parcel that is processed on a parcel sorter with a barcode reader.
- b. Reasons why no discount was proposed for barcoded Standard Mail (A) parcels are provided in the response to the interrogatory cited in this question. Avoidance of added rate complexity was one of the reasons provided.
- c. The response to this subpart depends on what is considered a rate category. For example, is 3/5-digit automation flats a single category, or three categories (no destination entry, DBMC, and DSCF), or six categories (minimum-per-piece, or pound-rated, for each entry option)? If minimum-per-piece and pound-rated pieces are considered one category, and the destination entry options are not considered distinct rate categories for each presort and automation category, then the number of categories is 16 for commercial Standard Mail (A), and 16 for nonprofit Standard Mail (A).

# DECLARATION

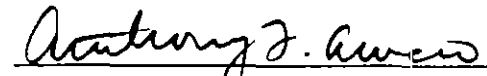
I, Joseph D. Moeller, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
JOSEPH D. MOELLER

Dated: September 26, 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

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