

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 HUME TO INTERROGATORIES OF
THE NEWSPAPER ASSOCIATION OF AMERICA
(NAA/USPS-T18-1-2)

The United States Postal Service hereby provides responses of witness Hume to the following interrogatories of the Newspaper Association of America: NAA/USPS-T18-1-2, filed on September 16, 1997.

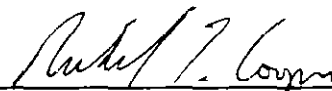
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Richard T. Cooper

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September 30, 1997

Response of United States Postal Service Witness Peter Hume
to Interrogatories of NAA

NAA/USPS-T18-1 Please identify, describe and provide the cost studies that the Postal Service has performed within the last five years in order to determine the effect that weight has on costs and the classification of costs in cost segment 6, 7 and 10 for Standard Mail.

Response

I cannot attest to a complete inventory of weight and classification cost studies pertaining to Cost Segments 6, 7, and 10 performed by the Postal Service over the past five years; information may be available from other witnesses. I am aware of only the particular study (one of the "FY96 carrier and messenger surveys") described in the following library references:

- H-151,MLR Survey - Development and Data;
- H-152,SPR Survey - Development and Data;
- H-153,EMS Survey - Development and Data;
- H-156,MLR Survey - Programs and Output.
- H-157,SPR Survey - Programs and Output.
- H-158,EMS Survey - Programs and Output.

The MLR survey was fielded during AP8 of FY96 over a sample of 230 motorized city delivery routes to collect data on the weight of mail associated with individual vehicle parking stops and walk loops. The results are used by witness Nelson (USPS-T-19) to analyze the costs of vehicle drive time (a component of Cost Segment 7).

The SPR and EMS surveys were fielded coincidentally with the MLR survey over samples of Special Purpose (Parcel, Collection, Combination) city delivery routes and Special Delivery Messenger routes respectively to collect data on route operating functions. The data from these routes included the weight of pieces subject to individual delivery as described by witness Nelson (USPS-T-19)

Response of United States Postal Service Witness Peter Hume
to Interrogatories of NAA

NAA/USPS-T18-2 Has the Postal Service analyzed, within the last five years, the effect that weight has on component costs within cost segments 6, 7 and 10 for Standard Mail? If yes, please describe and provide a copy of such analysis. If no, explain why not.

Response

See my response to your NAA/USPS-T-18-1. The MLR Survey, noted in that response, deals specifically with the effects of mail weight on the costs of driving time. The treatment provides a distribution of driving-time component costs that affects the costs of Standard A mail in Cost Segment 7. To my knowledge, no other components of Cost Segments 6, 7, or 10 have been studied with regard to mail weight effects. Delivery costs are customarily differentiated according to mail shape (letters, flats, parcels), which implicitly accounts for weight effects.

DECLARATION

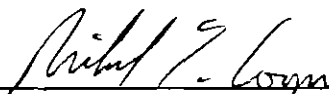
I, Peter D. Hume, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Peter D. Hume

Dated: 7-30-97

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.


Richard T. Cooper

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