

# DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
Docket No. R97-1

MOTION FOR LATE ACCEPTANCE AND RESPONSE OF  
UNITED STATES POSTAL SERVICE WITNESS MAYES  
TO INTERROGATORIES OF DAVID B. POPKIN  
REDIRECTED FROM THE POSTAL SERVICE  
(DBP/USPS-38(M)-(Q), (S)-(AA))

The United States Postal Service hereby provides the response of witness Mayes to the following interrogatories of David B. Popkin: DBP/USPS-T38(m)-(q), (s)-(aa), filed on September 10, 1997, and redirected from the Postal Service. The interrogatory is stated verbatim and is followed by the response.

The Postal Service moves that these responses be accepted one day later than the due date set forth in Presiding Officer's Ruling No. R97-1/21, due to coordination problems engendered by the format of the interrogatories.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



Scott L. Reiter

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September 30, 1997

RESPONSE OF POSTAL SERVICE WITNESS MAYES TO DBP INTERROGATORIES  
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DBP/USPS-39. [m] Wouldn't the rates for parcel post be clearer and more understandable if there was a uniform variation for each of the one pound changes in weights [other than the need to maintain the rates less than those of Priority Mail]? [n] If not, explain why not. [o] Confirm, or explain if you are unable to do so, that parcel post rates must be kept lower than the same weight and zone for Priority mail. [p] Has it been necessary to adjust the parcel post rates to something other than it would normally be based on cost data to meet the requirements of subpart o? [q] If so, enumerate and explain the instances. [s] Confirm, or explain if you are unable to do so, that there are a number of rate cells where Priority Mail costs only five cents more than parcel post. [t] What percentage of all parcel post falls into these cells? [u] What percentage of all Priority Mail falls into these cells? [v] Explain why you feel that this provides a fair and understandable rate structure. [w] Confirm, or explain if you are unable to do so, that ignoring price, there are no reasons why a mailer would choose to send a parcel by parcel post over Priority Mail. [x] Confirm, or explain if you are unable to do so, that there is a nonmachinable surcharge that may apply to a parcel sent by parcel post. [y] Confirm, or explain if you are unable to do so, that a parcel of the same size, shape, contents, and destination would not require the application of the nonmachinable surcharge if send [sic] by Priority Mail. [z] Confirm, or explain if you are not able to do so, that this could result in the cost for parcel post being greater than the cost for Priority mail for the same parcel. [aa] How can this be considered to be fair and equitable?

[m] & [n] No. If the costs are not incurred in a uniform manner, with each additional pound causing the exact same increase in cost, I fail to understand why, given the availability of additional data reflecting the relationship of weight and cube, the Postal Service would want to send false price signals indicating that the incremental increase in cost was the same.

[o] Not confirmed. By Commission and Postal Service precedent, the rates for machinable inter-BMC Parcel Post have been constrained to remain below the applicable rates for Priority Mail service.

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- [p] Yes.
- [q] Please refer to my workpapers WP I.L, pages 21 through 39, and WP I.M., pages 21 through 37.
- [s] Confirmed. Please refer to Library Reference H-187 for a complete listing of the rates for Priority Mail and Parcel Post.
- [t] Please refer to the Parcel Post Billing Determinants, provided in Library Reference H-145.
- [u] Please refer to the Priority Mail Billing Determinants, provided in Library Reference H-145.
- [v] Please refer to the Commission's Opinions and Recommended Decisions for Dockets No. R94-1 (para. [5360] on page V-119), R90-1 (para. [6414] on page V-334), and R87-1 (para. [5933] on page 712).
- [w] I cannot fully explain why any given mailer would choose to use a particular product rather than another. However, I can suggest that there are certain items which cannot be accepted by the Postal Service for transportation by air (See, for example, DMM sections C023.2.0 and C023.3.0). Such items may be sent via surface transportation as Parcel Post, but not as Priority Mail due to the use of air transportation for Priority Mail.
- [x] Confirmed.
- [y] Confirmed.
- [z] Confirmed.

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- [aa] A certain amount of rate averaging for items of differing characteristics takes place under virtually any rate schedule. The rates for Priority Mail do not distinguish whether the item is machinable or nonmachinable, whereas the rates for Parcel Post do. The mail processing environment, and associated costs, for Parcel Post can easily be divided into separate mailstreams for machinable and nonmachinable items. It is fair and equitable for the rates for Parcel Post to reflect the costs of the two different mailstreams. It is not clear that such demarcations in processing may be drawn for Priority Mail.

## DECLARATION

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

  
Virginia J. Mayes

Dated: 9-29-97

## 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, reading "Scott L. Reiter", written over a horizontal line.

Scott L. Reiter

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