

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

**NOTICE OF FILING OF COMPLETE COPY OF REVISED RESPONSE OF
UNITED STATES POSTAL SERVICE WITNESS HATFIELD
TO INTERROGATORY OF MAJOR MAILERS ASSOCIATION
(MMA/USPS-T25-2)**

On August 27, 1997, the United States Postal Service filed the response of witness Hatfield to the following interrogatory of Major Mailers Association: MMA/USPS-T25-2.

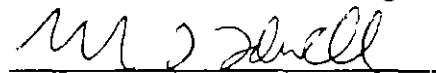
On October 2, 1997, the Postal Service filed a revised response to that interrogatory, which reflected changes to parts (a) and (b) of the response. Unfortunately, the revised response filed on that date was not complete, as it did not include the original responses to part (c)-(e) and (f)-(l) which were unaffected by the revisions. Attached is a complete copy of the revised response to MMA/USPS-T25-2, which includes (a) and (b), as revised on October 2, 1997, as well as the original responses to parts (c) - (l).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
October 6, 1997

RESPONSE OF POSTAL SERVICE WITNESS HATFIELD TO
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T25-2. On page 5 of USPS-T-25, you note that the "models yield an average mail processing cost per piece for the average letter in each different rate category".

(A) What is the weight of an "average" letter for each category which the costs of your models reflect?

(B) For these "average" letters, how many weigh under one ounce, between one and two ounces, and between two and three ounces?

(C) How would the costs in your models change if the mail flows reflected letters weighing only up to one ounce? Please explain your answer.

(D) How would the costs in your models change if the mail flows reflected letters weighing only up to two ounces? Please explain your answer.

(E) How would the costs in your models change if the mail flows reflected letters weighing between one and two ounces? Please explain your answer.

(F) Are First-Class prebarcoded automated letters (basic, 3-digit and 5-digit) weighing between one and two ounces sorted on barcode sorters? If your answer is no, can those letters be sorted on barcode sorters? Please explain any no answers.

(G) Are First-Class prebarcoded automated letters (basic, 3-digit and 5-digit) weighing between two and three ounces sorted on barcode sorters? If your answer is no, can those letters be sorted on barcode sorters? Please explain any no answers.

(H) Are Standard Mail A prebarcoded automated letters (basic, 3-digit and 5-digit) weighing between one and two ounces sorted on barcode sorters? If your answer is no, can those letters be sorted on barcode sorters? Please explain any no answers.

(I) Are Standard Mail A prebarcoded automated letters (basic, 3-digit and 5-digit) weighing between two and three ounces sorted on barcode sorters? If your answer is no, can those letters be sorted on barcode sorters? Please explain any no answers.

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RESPONSE:

(A) The weight of average presorted First-Class Mail letters by rate category is not available in the test year. However, this data is available for the base year:

Nonautomation presort:	0.60 ounces
Automation basic:	0.58 ounces
Automation 3-digit:	0.61 ounces
Automation 5-digit:	0.63 ounces
Carrier route:	0.63 ounces

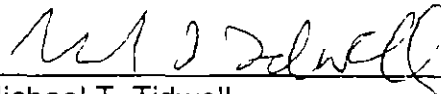
(B) Please see the attachment to NDMS/USPS-T32-47.

(C) - (E) It is difficult to hypothesize regarding how the mail processing costs for presorted First-Class Mail would differ in a situation where one was able to model the different effects of weight on mail processing costs. As stated by witness Smith in his response to MMA-T10-2B in Docket No. MC95-1, "Weight has a variety of implications for mail processing costs, due to its impact on both labor costs and equipment costs." In some situations, heavier pieces will tend to have higher mail processing costs for various reasons. For example, heavier pieces may lead to lower throughputs on automated equipment and cause more jams and damage.

(F) - (I) Based on the content requirements for automation compatible mail as specified in DMM 810.2.3, it is my understanding that these pieces are processed on barcode sorters.

CERTIFICATE OF SERVICE

I hereby certify that I have this date 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 black ink, appearing to read "Michael T. Tidwell", written over a horizontal line.

Michael T. Tidwell

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