

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

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

POSTAL RATE AND FEE CHANGES, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF
MAGAZINE PUBLISHERS OF AMERICA
(MPA/USPS-1)

The United States Postal Service hereby provides the response to the following interrogatory of Magazine Publishers of America: MPA/USPS-1, filed on September 16, 1997.

The 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

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October 21, 1997

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MPA/USPS-1. Witness Moden identifies "a couple of peculiar outputs from the cost models" relating to Periodicals and Standard (A) Nonprofit flats which he characterizes as "enigmatic." He states ". . . we are determined to identify the factors that may have led to these results." USPS-T-4 at II-12. Similarly, witness O'Hara notes that "the proposed cost coverage [for Regular Periodicals] has been further reduced due to consideration of the effect of rate increases (criterion 4)." According to witness O'Hara, "[t]he Postal Service is undertaking an analysis to understand what factors may have contributed to increases in flats mail processing costs, especially for Periodicals." USPS-T-30 at 30.

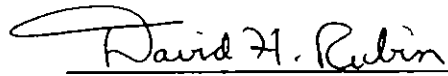
- a. Has the Postal Service undertaken the analysis referred to by witness O'Hara, or any analysis or study to address the "enigmatic" behavior of costs for Regular Periodicals noted by witness Moden?
- b. If the answer to a. is yes, please provide any such analyses or studies.
- c. If the answer to a. is no, please describe any such analyses or studies which are planned.

RESPONSE:

- a-c. The analyses referred to by witnesses O'Hara and Moden are still in the design phase. An internal operations review of Regular Periodicals mail processing, as well as an analysis of the "enigmatic" cost behavior mentioned by witness Moden, are planned. Please see the Postal Service's response to MPA/USPS-2, filed October 1, 1997, and the response of witness O'Hara to ABA&EBI&MAPM/USPS-T30-7, filed October 3, 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.



David H. Rubin

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