

DOCKET SECTION

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

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS HATFIELD
TO INTERROGATORIES OF ADVERTISING MAIL MARKETING ASSOCIATION
(AMMA/USPS-LR-H-130-1 AND 2)**

The United States Postal Service hereby files the responses of witness Phillip Hatfield to the following interrogatories of Advertising Mail Marketing Association, filed October 30, 1997: AMMA/USPS-H-130-1 and 2.

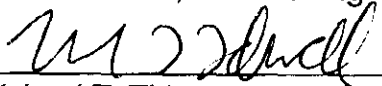
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Chief Counsel, Ratemaking


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November 6, 1997

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AMMA/USPS-LR-H-130-1. The following questions refer to the "Data Collection Period" discussed in the "Data Collection Packet" of LR-H-130.

- a. Please confirm that the data collection took place on Monday through Friday (no Saturdays or Sundays) beginning February 24, 1997 and ending March 7, 1997 for a total of ten (10) consecutive work days plus "two scheduled contingency days" (March 10 and 11).
- b. If you cannot confirm part a., please provide the correct dates.
- c. How and why was this particular ten (10) day period chosen?
- d. Did you or anyone else test the implicit assumption of the users of these data that the information collected and parameters estimated by the sample study are not subject to seasonal fluctuations?
- e. If the answer to part d is "yes", please provide all analyses of the test(s)?
- f. If the answer to part d is "no", what was the justification for making the assumption described in part d?

RESPONSE:

- a. Confirmed.
- b. N/A
- c. The data collection period was chosen based on the rate filing schedule, the ability to minimize impact on field personnel and normal processing, and to be cost-effective in collection the necessary data.
- d. No.
- e. N/A
- f. In order to test the hypothesis that the accept and upgrade rates of automation equipment by specific mail type vary seasonally, a significant amount of data would be necessary. Specifically, estimates of these parameters at varying times

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throughout the year would be needed. These data are not currently available and their collection would be costly and cause a significant disruption of normal processing operations. Further, for the most part, these parameters would not be expected to vary seasonally. For these reasons, no test for seasonal fluctuations was conducted.

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AMMA/USPS-LR-H-130-2. USPS Witness Daniel (USPS-T-29 Appendix I page 40 of 43) cites LR-H-130 as the source of Standard (A) acceptance rates. Please explain all of the differences between Witness Daniel's rates and terminology on the page cited in Witness Daniel's testimony and the rates and terminology in Tables 5.1, 5.2 and 5.3 on page 10 of LR-H-130.

RESPONSE:

In comparing the table in witness Daniel's testimony (Appendix I, page 40) to page 10 of USPS LR-H-130 there are no differences in the accept and upgrade rates. One possible source of confusion may be the fact that an errata was filed to USPS LR-H-130 on October 6th that changed some of the upgrade rates. Despite the errata, witness Daniel's testimony has contained the correct rates since it was originally filed.

Although the terminology used by witness Daniel on page 40 of Appendix I of her testimony is slightly different than that used in USPS LR-H-130 on page 10, the descriptions refer to the same mail types. The table below provides a mapping between the mail type descriptions used by witness Daniel and those used in USPS LR-H-130:

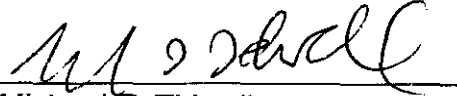
<u>USPS-T-29, Appendix I, page 40</u>	<u>USPS LR-H-130, page 10</u>
MLOCR & ISS Basic Non-Automation Compatible	Table 5.3 - 3C basic presort non-automation, Non-OCR
MLOCR & ISS Basic Automation Compatible	Table 5.3 - 3C basic presort non-automation, OCR
MLOCR & ISS 3/5 Presort Non-Automation Compatible	Table 5.3 - 3C 3/5 presort non-automation, Non-OCR
MLOCR & ISS 3/5 Presort Automation Compatible	Table 5.3 - 3C 3/5 presort non-automation, OCR

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MPBCS-OSS Basic Non-Automation Compatible	Table 5.1 - 3C basic presort non-automation, Non-OCR
MPBCS-OSS Basic Automation Compatible	Table 5.1 - 3C basic presort non-automation, OCR
MPBCS-OSS 3/5 Presort Non-Automation Compatible	Table 5.1 - 3C 3/5 presort non-automation, Non-OCR
MPBCS-OSS 3/5 Presort Automation Compatible	Table 5.1 - 3C 3/5 presort non-automation, OCR
MPBCS-OSS Rejects to: Basic Non-Automation Compatible	Table 5.2 - 3C basic presort non-automation, Non-OCR
MPBCS-OSS Rejects to: Basic Automation Compatible	Table 5.2 - 3C basic presort non-automation, OCR
MPBCS-OSS Rejects to: 3/5 Presort Non-Automation Compatible	Table 5.2 - 3C 3/5 presort non-automation, Non-OCR
MPBCS-OSS Rejects to: 3/5 Presort Automation Compatible	Table 5.2 - 3C 3/5 presort non-automation, OCR

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.


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