

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 NEEDHAM TO INTERROGATORIES OF DAVID B. POPKIN
(DBP/USPS-T39-16(A-D) AND 21(M-P, R, V, Y-AA, AND CC),
REDIRECTED FROM THE POSTAL SERVICE)
AND SUPPLEMENTAL RESPONSE OF WITNESS NEEDHAM TO
INTERROGATORY DBP/USPS-37(L) OF DAVID B. POPKIN,
REDIRECTED FROM THE POSTAL SERVICE
(November 10, 1997)

The United States Postal Service hereby provides responses of witness Needham to the following interrogatories of David B. Popkin: DBP/USPS-T39-16(a-d) and 21(m-p, r, v, y-aa, and cc), filed on September 10, 1997, and redirected from the Postal Service. These responses were compelled by Presiding Officer's Ruling No. R97-1/53, issued October 30, 1997.

The Postal Service also provides a supplemental response to interrogatory DBP/USPS-37(l), filed on September 10, 1997, and redirected from the Postal Service, to provide the requested claims information. The initial response to this interrogatory, filed on October 2, 1997, stated that this information would be provided later.

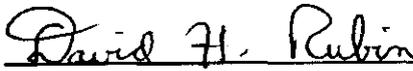
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



David H. Rubin

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November 10, 1997

**RESPONSE OF WITNESS NEEDHAM TO
INTERROGATORY OF DAVID B. POPKIN
(REDIRECTED FROM THE UNITED STATES POSTAL SERVICE)**

DBP/USPS-16 (a) Confirm that the United States Postal Service issued in May 1997 a card with a 20-cent Bugs Bunny stamp on the front and a picture of Bugs Bunny on the reverse. (b) Confirm that these were supplied in a cellophane wrapped book of ten cards. (c) Confirm that the price tag on the back of the package states, "BUGS BUNNY POSTAL CARD BOOK / 10 POSTAL CARDS / ITEM NO. 8982 / PRICE: \$5.95. (d) Confirm that there is a gold seal on the front of the package that states, READY-TO-MAIL / POSTAL CARDS.

RESPONSE:

- a) Confirmed.
- b) Confirmed.
- c) Confirmed.
- d) Confirmed.

**RESPONSE OF WITNESS NEEDHAM TO
INTERROGATORIES OF DAVID B. POPKIN
(REDIRECTED FROM THE UNITED STATES POSTAL SERVICE)**

DBP/USPS-21. (m) Confirm, or explain if you are unable to do so, that the maximum proposed cost for a Priority Mail parcel weighing ten pounds or less will be \$14.85 and that the fee for Special Handling for parcels weighing ten pounds or less will be \$17.25. (n) Confirm, or explain if you are unable to do so, that a Priority Mail parcel weighing ten pounds or less will always cost less than the Special Handling parcel of the same characteristics and destination. (o) Confirm, or explain if you are unable to do so, that the fee for Special Handling for parcels over ten pounds will be \$24.00. (p) Confirm, or explain if you are unable to do so, that when the Special Handling fee is added to the Inter-BMC Standard Mail rates that Priority Mail will be less expensive than the Standard Mail rate for all but the following cells: Zones 1 and 2, over 63 pounds; Zone 3, none; Zone 4, over 48 pounds; Zone 5, over 49 pounds; Zone 6, over 44 pounds; Zone 7, over 46 pounds; and Zone 8, over 44 pounds. (r) Confirm, or explain if you are unable to do so, that when the Special Handling fee is added to the Intra-BMC Standard Mail rates that Priority Mail will be less expensive than the Standard Mail rate for all but the following cells: Local, over 60 pounds; Zones 1 and 2, over 61 pounds; Zone 3, over 67 pounds; Zone 4, over 43 pounds; and Zone 5, over 46 pounds. (v) If you are unable to confirm subpart u, provide those categories and weight cells where Special Handling would be less expensive than Priority Mail. (y) Confirm, or explain if you are unable to do so, that the maximum weight for Bound Printed Matter will be 15 pounds and that the maximum postage for a 15 pound Priority Mail parcel will be \$21.05. (z) Confirm, or explain if you are unable to do so, that a Priority Mail parcel will always cost less than a Bound Printed Matter parcel sent by Special Handling. (aa) Confirm, or explain if you are unable to do so, that when the Special Handling fee is added to the Special Standard Mail rates that Priority Mail will be less expensive than the Standard Mail rate for all but the following cells: Zones Local, 1, 2, and 3, none; Zone 4, over 49 pounds; Zone 5, over 44 pounds; Zone 6, over 34 pounds; Zone 7, over 30 pounds; and Zone 8, over 23 pounds. (cc) Confirm, or explain if you are unable to do so, that when the Special Handling fee is added to the Library rates that Priority Mail will be less expensive than the Standard Mail rate for all but the following cells: Zones Local, 1, 2, and 3, none; Zone 4, over 53 pounds; Zone 5, over 47 pounds; Zone 6, over 36 pounds; Zone 7, over 32 pounds; and Zone 8, over 25 pounds.

RESPONSE OF WITNESS NEEDHAM TO
INTERROGATORIES OF DAVID B. POPKIN
(REDIRECTED FROM THE UNITED STATES POSTAL SERVICE)

DBP/USPS-21 (Continued)

RESPONSE:

- m. Confirmed.
- n. Confirmed that a Priority Mail parcel weighing ten pounds or less will always cost less than a parcel with special handling to the same destination from the same origination. However, not confirmed that Priority Mail and special handling have the same characteristics.
- o. Confirmed that the proposed fee for special handling for over 10 pounds is \$24.00.
- p. Not confirmed. There are additional cells in which the rate for Priority Mail will exceed the inter-BMC rate plus the special handling fee. An example of this is a Zone 2 parcel weighing 63 pounds.
- r. Not confirmed. There are additional cells in which the rate for Priority Mail will exceed the intra-BMC rate plus the special handling fee. An example of this is a local parcel weighing 60 pounds.
- v. See my response to DBP/USPS-21(r).
- y. Confirmed that this is the Postal Service proposed rate.

RESPONSE OF WITNESS NEEDHAM TO
INTERROGATORIES OF DAVID B. POPKIN
(REDIRECTED FROM THE UNITED STATES POSTAL SERVICE)

DBP/USPS-21 (Continued)

RESPONSE:

z. Confirmed.

aa. Not confirmed. There are additional cells in which the rate for Priority Mail will exceed the Special Standard Mail B rate plus the special handling fee.

An example of this is a Zone 4 parcel weighing 49 pounds.

cc. Not confirmed. There are additional cells in which the rate for Priority Mail will exceed the Library rate plus the special handling fee. An example of this is a Zone 4 parcel weighing 51 pounds.

**SUPPLEMENTAL RESPONSE OF WITNESS NEEDHAM TO
INTERROGATORY OF DAVID B. POPKIN
(REDIRECTED FROM THE UNITED STATES POSTAL SERVICE)**

DBP/USPS-37 [!] Provide a table over a period of a recent 12-month period showing the number of articles mailed in each of the 27 rate categories, the number of claims that were filed in each of the 27 rate categories, and the average value paid out per claim in each of the 27 categories.

RESPONSE:

1) For the requested claims information, please see the attached.

REGISTERED CLAIMS
FY 1996

Value Level	Total Claims	Paid Claims	Amount Paid	Average Paid Per Claim (Col 3/Col 1)	Average Paid Per Claim Paid (Col 3/Col 2)
	(1)	(2)	(3)	(4)	(5)
\$0.00 TO \$100.00	634	96	\$7,574	\$11.95	\$78.90
\$100.01 TO \$500.00	738	292	\$80,386	\$108.92	\$275.29
\$500.01 TO \$1000.00	695	378	\$226,311	\$325.63	\$598.71
\$1000.01 TO \$2000.00	593	355	\$345,915	\$583.33	\$974.41
\$2000.01 TO \$3000.00	254	155	\$279,314	\$1,099.66	\$1,802.03
\$3000.01 TO \$4000.00	119	65	\$145,967	\$1,226.61	\$2,245.64
\$4000.01 TO \$5000.00	105	69	\$194,075	\$1,848.33	\$2,812.68
\$5000.01 TO \$6000.00	50	28	\$105,166	\$2,103.32	\$3,755.93
\$6000.01 TO \$7000.00	35	15	\$61,457	\$1,755.93	\$4,097.16
\$7000.01 TO \$8000.00	38	21	\$98,283	\$2,586.38	\$4,660.12
\$8000.01 TO \$9000.00	13	8	\$52,439	\$4,033.80	\$6,554.93
\$9000.01 TO \$10000.00	47	27	\$142,089	\$3,023.16	\$5,262.54
\$10000.01 TO \$11000.00	15	6	\$35,295	\$2,353.03	\$5,882.58
\$11000.01 TO \$12000.00	15	8	\$59,167	\$3,944.46	\$7,395.87
\$12000.01 TO \$13000.00	11	5	\$48,957	\$4,450.62	\$9,791.36
\$13000.01 TO \$14000.00	10	4	\$50,360	\$5,035.95	\$12,589.88
\$14000.01 TO \$15000.00	13	10	\$59,542	\$4,580.13	\$5,954.17
\$15000.01 TO \$16000.00	5	3	\$15,948	\$3,189.54	\$5,315.90
\$16000.01 TO \$17000.00	5	2	\$32,910	\$6,581.99	\$16,454.97
\$17000.01 TO \$18000.00	2	2	\$13,808	\$6,904.13	\$6,904.13
\$18000.01 TO \$19000.00	8	6	\$44,856	\$5,607.05	\$7,476.07
\$19000.01 TO \$20000.00	17	10	\$137,223	\$8,071.93	\$13,722.27
\$20000.01 TO \$21000.00	6	5	\$43,809	\$7,301.47	\$8,761.77
\$21000.01 TO \$22000.00	2	1	\$22,004	\$11,002.00	\$22,004.00
\$22000.01 TO \$23000.00	4	4	\$91,726	\$22,931.52	\$22,931.52
\$23000.01 TO \$24000.00	3	3	\$49,044	\$16,347.97	\$16,347.97
\$24000.01 TO \$25000.00	38	24	\$366,531	\$9,645.55	\$15,272.11
\$25000.01 AND UP	18	1	\$24,999	\$1,388.85	\$24,999.21
TOTAL	3,493	1,603	\$2,835,154	\$811.67	\$1,768.66

DECLARATION

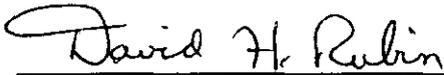
I, Susan W. Needham, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Susan W Needham

Dated: NOVEMBER 10, 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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