

DOCKET SECTION
BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268

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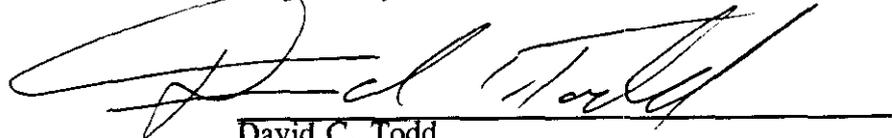
Postal Rate and Fee Changes, 1997

Docket No. R97-1

**FIRST SET OF INTERROGATORIES
OF MAIL ORDER ASSOCIATION OF AMERICA
TO VAL-PAK DIRECT MARKETING SYSTEMS, INC.,
VAL-PAK DEALERS' ASSOCIATION, INC., AND
CAROL WRIGHT PROMOTIONS, INC., WITNESS
DR. JOHN HALDI (VP/CW-T-1)**

Pursuant to Rules 25 and 26 of the Rules of Practice and Procedure, the Mail Order Association of America (MOAA) submits its first set of interrogatories to Val-Pak/Carol Wright (VP/CW) witness Dr. John Haldi.

Respectfully submitted,



David C. Todd
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(202) 457-6000

Counsel for Mail Order Association of America

MOAA/VP/CW-T1-1

Please provide all workpapers, including machine-readable spreadsheets (with any formulas and source references), supporting the tables found in your testimony and Appendices A-D.

MOAA/VP/CW-T1-2

Please confirm that the Enhanced Carrier Route ("ECR") rates found in your Table 6 reflect the rates that you are proposing on behalf of VP/CW in Docket R97-1. If confirmed, please provide sources and calculations of your proposed rates found in Table 6. If not confirmed, please provide the rates for ECR that you are proposing as well as sources and calculations supporting your proposed ECR rates.

MOAA/VP/CW-T1-3

Please confirm that the volume variable unit costs found in Table 1 of your testimony reflect estimated costs for Standard (A) ECR letters that are applicable to the rates that you have proposed in Table 6 of your testimony. If you cannot confirm, please provide the volume variable unit costs applicable to the rates that you have proposed in Table 6 of your testimony.

MOAA/VP/CW-T1-4

Please confirm that the margins shown in Table 7 of your testimony are developed by subtracting the volume variable cost in Table 1 of your testimony from the rates in Table 6 of your testimony. If not confirmed, please provide the sources and calculations of the margins shown in Table 7 of your testimony.

MOAA/VP/CW-T1-5

Please refer to pages 11 and 41 of your testimony. Please list the subclasses other than Priority Mail where you believe that the USPS utilizes "Bottom-Up" and "Target Mark-up" procedures in setting rates.

MOAA/VP/CW-T1-6

Please confirm that in developing the aggregate revenues generated by your rate proposal, you have not considered the impact on ECR volumes caused by your rate proposal. If you cannot confirm, please provide all workpapers supporting the changes in volume caused by your rate proposal.

MOAA/VP/CW-T1-7

Please refer to Table A-6 of your testimony.

- a. Please confirm that the source of the test year after rate volumes is USPS Witness Moeller (USPS-T-36) workpaper 1, page 20. If you cannot confirm, please provide the source of the volumes.
- b. Please confirm that you utilized the following volumes for ECR letters from Witness Moeller's testimony.

<u>Item</u> (1)	<u>Volume (Pieces)</u>	
	<u>High Density</u> (2)	<u>Saturation</u> (3)
1. Total	392,986,000	3,086,387,000
2. BMC	38,040,000	211,268,000
3. SCF	248,831,000	2,029,472,000
4. DDU	<u>66,038,000</u>	<u>470,851,000</u>
5. No destination entry ^{1/}	40,077,000	374,778,000

^{1/} Line 1 minus (Line 2 + Line 3 + Line 4).

If you cannot confirm, please provide the correct volumes.

MOAA/VP/CW-T1-8

Please refer to Table A-10 of your testimony.

- a. Please confirm that the unit shipping costs for high-density mail with no destination entry is based on a volume of 106,048,962 pieces. If you cannot confirm, please provide the correct volume as well as the sources and calculations supporting the volumes.
- b. Please confirm that the unit shipping costs for saturation mail with no destination entry are based on a volume of 845,176,149 pieces. If you cannot confirm, please provide the correct volume as well as the sources and calculations supporting the volumes.

MOAA/VP/CW-T1-9

Please identify the impact on your proposed rates if the volumes for high density and saturation mail with no destination entry are based on the volumes shown in the table in question

MOAA/VP/CW-T1-7.

MOAA/VP/CW-T1-10

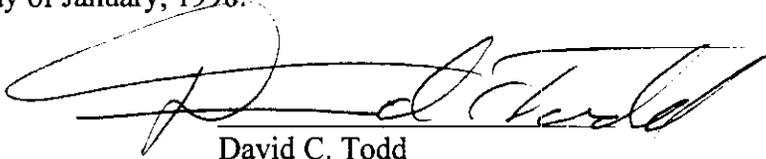
Please refer to page 18 and 19 of your testimony. Please provide a detailed explanation of the derivation of the calculations of 11.91 cents per pound, 0.54 cents per pound and 26.50 cents per pound.

MOAA/VP/CW-T1-11

Please refer to Table A-5 of your testimony. Please confirm that the pounds per piece for automation letters entered at the BMC, SCF and DDU is not known. If you cannot confirm, please provide the average pounds per piece for automation letters entered at the BMC, SCF, and DDU, as well as the sources and calculations supporting your values.

CERTIFICATE OF SERVICE

This is to certify that a copy of the above interrogatories were served upon all parties requesting such service this 26th day of January, 1998.

A handwritten signature in black ink, appearing to read "D. C. Todd", written over a horizontal line.

David C. Todd
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