

DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

WRITTEN RESPONSE OF POSTAL SERVICE WITNESS DEGEN TO ORAL QUESTION POSED AT HEARINGS (March 24, 1998)

Attached is witness Degen's response to a question posed by counsel for ABP at hearings on Friday, March 20, 1998. The question and answer are followed by witness Degen's declaration.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:


Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Eric P. Koetting

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.



Eric P. Koetting

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March 24, 1998

WRITTEN RESPONSE OF POSTAL SERVICE WITNESS DEGEN TO
ORAL QUESTION OF AMERICAN BUSINESS PRESS AT TR. 36/19434-35

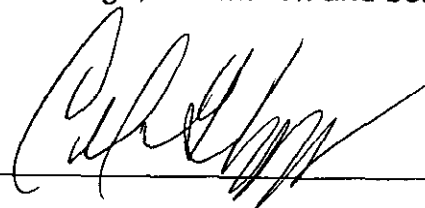
Q. [With respect to the 43 percent figure at the top of page 31 of USPS-RT-6,] would you check your math and see ... whether the five-digit percentage is 43 percent or some lower number and report back?

RESPONSE:

On page 31, line 1, of my rebuttal testimony, USPS-RT-6, I report the percentage of mail on 5-digit pallets decreases from 43 percent to 11 percent when comparing the 1993 and 1996 Mail Characteristics Studies. During my cross-examination, I was asked whether I meant to include "carrier route" and "3-digit carrier route" pallets in the numerator. Upon review, it appears that my testimony would have been more accurate if I had said that the decline from 43 percent to 11 percent occurred in pallets "made up more finely than a standard 3-digit preparation." For purposes of the calculation, I did include "carrier route" and 3-digit carrier route" pallets in the numerator. Excluding the "3-digit carrier route" pallets from the numerator would reduce the proportion to 35 percent, as indicated on the cross-examination exhibit at Tr. 36/19437. As I stated at Tr. 36/19438, however, my conclusion is the same in either case: there appears between 1993 and 1996 to have been a significant increase in the use of more aggregate pallets, corresponding to the overall increase in regular rate Periodicals unit costs over the same time period.

DECLARATION

I, Carl G. Degen, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.



Date: 24 March 1998