

## DOCKET SECTION

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OFFICE OF THE SECRETARY

UNITED STATES OF AMERICA  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268

Postal Rate and Fee Changes

Docket No. R97-1

### PRESIDING OFFICER'S INFORMATION REQUEST NO. 19

(April 6, 1998)

The Postal Service is requested to provide the information described below to assist in developing a record for the consideration of its request for changes in rates and fees. In order to facilitate inclusion of the requested material in the evidentiary record, the Postal Service is to have a witness attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers. The answers are to be provided within 7 days.

Postal Service witness Postal Service witness Taufique shows percentage changes for Regular and Within County proposed rates on page 1 of USPS-T-34, revised August 18, 1997. Similarly, witness Kaneer shows percentage changes for Nonprofit and Classroom proposed rates on page 1 of USPS-T-35, revised August 14, 1997. Both witnesses indicate that rate changes for the preferred categories are calculated from current step 5 to proposed step 5. However, witness Taufique indicates use of revenues excluding fees and witness Kaneer indicates inclusion of fees. Both witnesses appear to round the revenue-per-piece figures to tenths of a cent before calculating the percentage changes.


1. Consistent with procedures used for other subclasses of mail, please indicate whether fees should be included and present consistent revenue-per-piece and percentage increase figures.

2. Consistent with the practice of rounding final figures but not intermediate figures, please present percentage change figures based on unrounded revenue-per-piece figures.

The workpapers of witness Taufique show that the revenue losses (commonly referred to as leakages) associated with discounts were calculated using unrounded discounts. These losses are then added on to the revenue requirement in order to assure that appropriate revenues are obtained.

3. With respect to the issue of rounding, please explain the Postal Service's policy on recognizing revenue losses associated with discounts, and discuss whether and why this policy should vary among subclasses.

4. Since the actual revenue losses will be those associated with the rounded discounts, please explain why these losses should be based on unrounded discount figures.



Edward J. Gleimah  
Presiding Officer