

ORIGINAL

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

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U.S. POSTAL SERVICE

MAILING ONLINE SERVICE

Docket No. MC98-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS ROTHSCHILD TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T4-37, 38, 44, AND 45)

The United States Postal Service hereby provides the responses of witness Rothschild to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T4-37, 38, 44, and 45, filed on November 2, 1998. Interrogatories OCA/USPS-T4-39 and 40 were redirected to witness Seckar and interrogatories OCA/USPS-T4-41-43 were redirected to witness Plunkett.

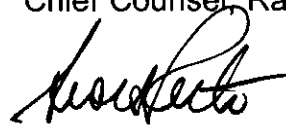
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

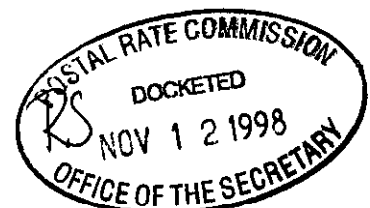
By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Scott L. Reiter

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November 12, 1998



**Response of Postal Service Witness Rothschild
To OCA Interrogatories**

OCA/USPS-T4-37. Please refer to NetPost's Commercial Prices, at the 25 percent contribution margin, for "Next-Day Delivery" shown on the rate card that appears at the end of Attachment E in USPS-LR-2/MC98-1.

- a. Please confirm that there is no price per piece associated with 1-2 page, 11x17 Black & White or Spot color, Simplex pieces. If you do not confirm, please explain and provide the price per piece.
- b. Please confirm that 1-2 page, 11x17 Black & White or Spot color, Simplex pieces was not offered as an option to survey respondents. If you do not confirm, please explain.
- c. Please confirm that you have estimated no Mailing Online volume for 1-2 page, 11x17 Black & White or Spot Color, Simplex pieces. If you do not confirm, please explain.

RESPONSE:

a,b,c. Confirmed.

Response of Postal Service Witness Rothschild To OCA Interrogatories

OCA/USPS-T4-38. Please refer to NetPost's Commercial Prices, at the 25 percent contribution margin, shown on the rate cards that appear at the end of Attachment E in USPS-LR-2/MC98-1.

- a. In the row labeled "More than 15 pages" on the "Next-Day Delivery" and "Standard (Two-To-Five Day) Delivery" rate cards, please confirm that the "Applicable postage rate + per page production cost" represents a weighted average price per piece for Simplex and Duplex 8.5x11, 8.5x14, and 11x17 Black & White and Spot color. If you do not confirm, please explain.
- b. In the row labeled "More than 15 pages" on the "Next-Day Delivery" and "Standard (Two-To-Five Day) Delivery" rate cards, please provide the "Applicable postage rate + per page production cost" for Simplex and Duplex 8.5x11, 8.5x14, and 11x17 Black & White and Spot color.

RESPONSE:

- a,b Not confirmed. Each category of color, size of paper, delivery time, and number of sides was calculated separately. The applicable postage rate + per page production cost on which revenue estimates were based for the category of more than 15 pages was an average of the prices for 16-40 pages as shown in the chart below. For example, the price for more than 15 pages, black and white, next-day, simplex is \$2.89. It was computed by summing the prices for the five categories and dividing by five.

		Black & White			Spot		
		8.5 x 11	8.5 x 14	11 x 17	8.5 x 11	8.5 x 14	11x 17
NEXT-DAY DELIVERY	Simplex 16-20 pages	\$1.97	\$2.23	\$2.83	\$2.91	\$3.17	\$3.79
	21-25 pages	\$2.43	\$2.69	\$3.39	\$3.63	\$3.89	\$4.61
	26-30 pages	\$2.89	\$3.16	\$3.96	\$4.34	\$4.61	\$5.44
	31-35 pages	\$3.34	\$3.62	\$4.52	\$5.06	\$5.34	\$6.27
	36-40 pages	\$3.80	\$4.09	\$5.08	\$5.78	\$6.06	\$7.09
	More than 15 pages	\$2.89	\$3.16	\$3.96	\$4.34	\$4.61	\$5.44

8.5 x 11	8.5 x 14	11 x 17	8.5 x 11	8.5 x 14	11x 17
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**Response of Postal Service Witness Rothschild
To OCA Interrogatories**

Duplex	16-20 pages	\$2.20	\$2.46	\$3.39	\$3.16	\$3.42	\$4.43
	21-25 pages	\$2.73	\$2.99	\$4.08	\$3.95	\$4.21	\$5.40
	26-30 pages	\$3.25	\$3.52	\$4.77	\$4.73	\$5.00	\$6.36
	31-35 pages	\$3.77	\$4.05	\$5.46	\$5.52	\$5.80	\$7.33
	36-40 pages	\$4.29	\$4.58	\$6.15	\$6.30	\$6.59	\$8.29
	More than 15 pages	\$3.25	\$3.52	\$4.77	\$4.73	\$5.00	\$6.36

		Black & White			Spot		
		8.5 x 11	8.5 x 14	11 x 17	8.5 x 11	8.5 x 14	11x 17
STANDARD DELIVERY	Simplex 16-20 pages	\$1.04	\$1.06	\$1.41	\$1.97	\$2.00	\$2.36
	21-25 pages	\$1.30	\$1.34	\$1.78	\$2.50	\$2.53	\$3.00
	26-30 pages	\$1.57	\$1.61	\$2.15	\$3.02	\$3.06	\$3.63
	31-35 pages	\$1.83	\$1.88	\$2.52	\$3.55	\$3.60	\$4.27
	36-40 pages	\$2.10	\$2.15	\$2.89	\$4.07	\$4.13	\$4.90
	More than 15 pages	\$1.57	\$1.61	\$2.15	\$3.02	\$3.06	\$3.63

		8.5 x 11	8.5 x 14	11 x 17	8.5 x 11	8.5 x 14	11x 17
Duplex	16-20 pages	\$1.27	\$1.30	\$1.87	\$2.22	\$2.25	\$2.86
	21-25 pages	\$1.60	\$1.63	\$2.37	\$2.82	\$2.85	\$3.64
	26-30 pages	\$1.93	\$1.97	\$2.87	\$3.41	\$3.45	\$4.41
	31-35 pages	\$2.26	\$2.31	\$3.37	\$4.01	\$4.06	\$5.19
	36-40 pages	\$2.59	\$2.65	\$3.87	\$4.60	\$4.66	\$5.96
	More than 15 pages	\$1.93	\$1.97	\$2.87	\$3.41	\$3.45	\$4.41

**Response of Postal Service Witness Rothschild
To OCA Interrogatories**

OCA/USPS-T4-44. Please provide volume estimates for the 1999-2003 time period based upon the rates and premailing fees in effect during the market test.

RESPONSE:

I am not aware of the rates and premailing fees expected to be in effect during the market test. It is not part of our contractual responsibilities to calculate these estimates.

**Response of Postal Service Witness Rothschild
To OCA Interrogatories**

OCA/USPS-T4-45. Please provide volume estimates for the 1999-2003 time period based upon the rates and premailing fees expected to be in effect during the experimental phase.

RESPONSE:

I am not aware of the rates and premailing fees expected to be in effect during the experimental test. It is not part of our contractual responsibilities to calculate these estimates.

DECLARATION

I, Beth B. Rothschild, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Beth B. Rothschild

Dated: 11/12/98

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.

A handwritten signature in black ink, appearing to read "Scott L. Reiter", is written over a horizontal line.

Scott L. Reiter

475 L'Enfant Plaza West, S.W.
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