

DOCKET SECTION

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes

Docket No. R2000-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 1 (February 4, 2000)

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 required 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 at out hearings. The answers are to be provided within 10 days.

1. Refer to LR-I-121 "Before-and After-Rates Volume Forecasting Spreadsheets":

a. Please explain why the Postal Service shows two different before rates volume forecasts for Periodical nonprofit, classroom, and regular rate subclasses. The two forecasts are presented below (pieces in thousands):

2001 TYBR Volume

	First Forecast	Second Forecast
Nonprofit	2,095,809	1,954,453
Classroom	56,415	56,153
Regular Rate	7,410,104	7,545,945

The "First Forecast" is developed in file VF_BR.WK4 and is presented in USPS-T-6 "Direct Testimony of Postal Service witness Tolley." The "Second Forecast" is calculated in file VF_BRO.WK4 and is used by Postal Service witness Kashani in the before-rates rollforward of costs and witness Taufique in LR-I-167 "Periodicals Pricing Spreadsheets."

b. Please provide the source of the following 1999Q4 volumes for Periodical nonprofit, classroom, and regular rate mail, used in file VF_BRO.WK4:

	1999Q4 (Thousands)
Nonprofit	474,289
Classroom	15,807
Regular Rate	2,287,483

c. Depending on your determination of the correct before-rates volume forecast for Periodical nonprofit, classroom, and regular rate subclasses, please show the effect, if any, on the after-rates volume forecasts of these subclasses.

2. Please provide the source of the following GFY 1999 volumes for Periodical nonprofit, classroom, and regular rate subclasses used by witness Kashani in USPS-T-14, Exhibit-14A.

	GFY 1999 (Thousands)
Nonprofit	1,975,997
Classroom	59,259
Regular Rate	7,345,117

3. Please provide the electronic version of the spreadsheets used to forecast international mail volume and revenue for FY 2000, FY 2001 (test year before rates), and FY 2001 (test year after rates). Exhibits USPS-32A, USPS-32B and USPS-32C. Please show the quarterly volume forecasts of international mail for FY 2000-2002 in the same manner Postal Service witnesses Tolley (USPS-T-6) and Musgrave (USPS-T-8) have presented before- and after- rates quarterly volume forecasts of domestic mail for those years.

4. Please provide workpapers, in support of Exhibits USPS-32A, USPS-32B and USPS-32C, that show for each mail category and special service the following statistics and their source: (a) mail volume, (b) postage, (c) fees, (d) total revenue, and (e) revenue per piece. The requested workpapers should have a similar structure as Workpapers I, II and IV presented by Postal Service witness O'Hara in support of his Exhibits USPS-30A, USPS-30B and USPS-30C in Docket No.R97-1.

5. See the electronic workpapers of witness Taufique, USPS-T-38, designated Library Reference I-167. (a) Sheet "Pound Data" cell C42 shows a multiplication by the RPW correction factor. Please explain why it would not be more appropriate to divide by the correction factor. (b) The same cell shows subtraction of TYBR fees. Please explain why it would not be more appropriate to subtract the TYAR fees. (c) Sheet "Piece Discounts" cell C2 shows a multiplication by the RPW correction factor and the subtraction of the TYBR fees. Please explain why it would not be more appropriate for the former to be a division and for the latter to use TYAR fees. (d) On sheet "Piece Discounts 2" cells C36-C49, please explain whether it would be more appropriate to calculate leakage estimates using rounded discounts. (e) Sheet "Discounts" cells D49-D54 shows a reference to USPS-T-24, p. 18. The figures shown on the sheet do not

appear to come from referenced page 18. Please provide an explanation and, if needed, an appropriate reference. (f) Sheet "TYAR B.D." cell D37 and related after-rates revenue cells do not appear to contain RPW correction factors. Please explain the role that these correction factors should play in the calculation of after-rates revenues.

6. Witness Taufique, USPS-T-38, page 9, line 19, indicates that 75 percent of a specific discount is to be provided through the piece rates. His electronic Library Reference I-167, sheet "Piece Discounts 2", cells D17-D18, and also the "Pound Data" sheet cells D51-D52, show that 70 percent of the discount was provided through the piece rates. Please reconcile these two references and explain which is the Postal Service's proposal.

7. Witness Taufique, USPS-T-38, page 7, line 8, indicates that 60 percent of Outside County Periodicals revenue is to come from the piece rates. This is the same percentage used by the Commission in Docket No. R97-1. However, there are two changes in the Postal Service's proposal in this case. First, the Postal Service is proposing to combine Regular and Nonprofit and Classroom, and Nonprofit, the larger addition, did not have 60 percent of its revenue from the piece rates. Second, the Postal Service has presented new evidence on the effect of weight on costs in the testimony of witness Daniel, USPS-T-28, especially pages 18 through 19b. With references to these two changes, please provide a justification for the decision to propose that the 60-percent figure be used.

8. Please refer to LR-I-107, Excel workbook file "reg9398" and the TSP program starting on page 54 of the library reference that are used by witness Bozzo in developing USPS T-15.

a. Please confirm that the TSP program command on page 55, line 17, of the library reference reads data for 69 variables from Excel workbook file "reg9398".

b. Please confirm that the Excel workbook file "reg9398" has 66 columns of data.

c. Please provide headers for each column of data in the Excel workbook file "reg9398" that identify the variables to which the data corresponds.

9. Please provide copies of the computer programs used to produce USPS-LR-I-138 and electronic copies of the tables and data presented in "FY 98 Billing Determinants" USPS-LR-I-138.

10. Please refer to USPS-LR I-125, H-1.

a. The note at the bottom of page 2 states, "Excludes 1,931,382 Alaska Bypass pieces and 1,556,914 OMAS pieces." Please explain how these numbers are calculated and provide cites.

b. Please also provide the revenue and revenue adjustment figures for H-1.

11. Please refer to USPS-T-36, Attachment A. On page 1 the total air postage pounds for TYBR is 70,062,344. On page 2 the figure used is 64,784,248. Please reconcile these numbers.

12. Please refer to USPS-T-36, Attachment E.

a. The sources listed are WP I.A page 1 and WP I.A pages 6 and 7. Are these workpapers included in LR-I-62 "Materials related to Testimony of witness Plunkett, USPS-T-36"?

b. If so please provide a crosswalk between the sources listed in USPS-T-3 and the library reference. For example, is WP I.A pages 6 and 7, the same as LR-I-62 'BD Volumes'?

A handwritten signature in black ink, appearing to read 'Edward J. Gleiman', with a long horizontal flourish extending to the right.

Edward J. Gleiman
Presiding Officer