

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

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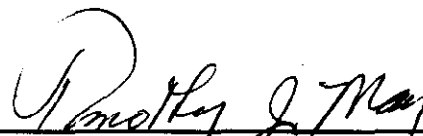
**POSTAL RATE AND FEE CHANGES**

**DOCKET NO. R2000-1**

**FIRST INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION  
TO UNITED STATES POSTAL SERVICE  
WITNESS VIRGINIA MAYES (USPS-T32-1-2)**

The Parcel Shippers Association (PSA) requests United States Postal Service to respond fully and completely to the following interrogatories and requests for production of documents pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure.

Respectfully submitted,



\_\_\_\_\_  
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Counsel for Parcel Shippers Association

Dated: February 15, 2000

**INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION  
TO UNITED STATES POSTAL SERVICE WITNESS MAYES**

**PSA/USPS-T32-1**

On pages 42 and 43 of your testimony you point out that in past proceedings Parcel Post revenue was not expected to exceed costs by such a large margin as the 114.1% coverage you are requesting in this proceeding, because of the desire of both the Commission and the Service to mitigate rate increases by reducing cost coverage so as to halt the volume decline.

(a) Please explain why you have abandoned your low cost coverage proposals that the Postal Service proposed in prior rate proceedings.

(b) Having reference to your testimony about the reasons for low cost coverage in the past, please explain what has changed that has caused the Service to propose significantly higher cost coverages for Parcel Post in this proceeding.

(c) Please reconcile your 114.1% cost coverage number with witness Plunkett's 115.1% cost coverage number in his Attachment K to his Testimony (USPS-T-36).

(d) On page 43 of your testimony you refer to what you describe as "improved. . . data collection for Parcel Post volume." (i) Please describe corrections made to FY 1997 and 1998 because of the "improved data collection" in your reference. (ii) Please provide the dollar amount of the revenue and the number of Parcel Post pieces that were underreported by the Postal Service for the Base Year and for the Test Year, Before and After Rates, in its filing, in R97-1. (iii) Please provide the percentage amount of the Parcel Post increase or reduction that would have been required in R97-1 to reach the 108% cost coverage level recommended by the Commission, had the Base

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Year and Test Year Parcel Post volumes and revenues reflected what you now call the “improved data collection.”

**PSA/USPS-T32-2**

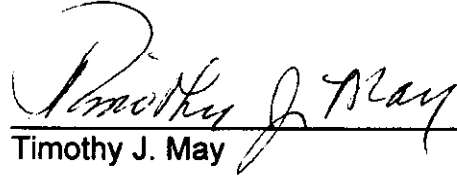
On page 43 of your testimony you state that your proposed Parcel Post rate level is fair and equitable, satisfying Criterion 1.

(a) Did you arrive at the level of coverage taking into account the fact that the Postal Service had made massive errors in its data reporting for Parcel Post in the recent past, leading to rate increases and rates which were greatly excessive in terms of cost coverage, both the coverage requested by the Postal Service and the higher coverage recommended by the Rate Commission in R97-1?

(b) Would it not have been “fair and equitable” to remedy the Postal Service’s past overcharging of Parcel Post by reason of faulty data collection to have proposed a rate reduction in Parcel Post in this proceeding? Please explain any negative response.

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.

  
\_\_\_\_\_  
Timothy J. May

Dated: February 15, 2000