

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

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POSTAL RATE COMMISSION
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POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

**RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS MOELLER TO INTERROGATORIES OF PARCEL SHIPPERS
ASSOCIATION REDIRECTED FROM WITNESS CRUM
(PSA/USPS-T27—4)**

The United States Postal Service hereby provides the response of witness Moeller to the following interrogatory of Parcel Shippers Association redirected from witness Crum (USPS-T-27): PSA/USPS-T27—4, filed on February 4, 2000.

The 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, Rate-making


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Attorney

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February 18, 2000

**RESPONSE OF POSTAL SERVICE WITNESS MOELLER TO
INTERROGATORY OF THE PARCEL SHIPPERS ASSOCIATION
REDIRECTED FROM WITNESS CRUM**

PSA/USPS-T27-4. According to your Attachment F Tables, the cost coverages for Standard (A) IPPs and parcels in the two ECR sub-classes fail to cover their attributable costs to a much greater degree than does the Bulk Regular Rate parcel category. Please explain why, notwithstanding the fact that the ECR subclasses have a more adverse cost revenue relationship, you nevertheless propose a surcharge for parcels in those two sub-classes that is 3 cents less than for parcels in the other two sub-classes.

RESPONSE:

The rationale for the level of the proposed surcharge in ECR can be found on pages 23-24 of my testimony (USPS-T-35). The figure of 15 cents was chosen because it is the minimum net surcharge that a non-ECR (Regular) piece eligible for the barcode discount can receive under the proposed rates. The surcharge, therefore, is never greater for an ECR piece than for a Regular piece eligible for the surcharge. ECR parcels avoid many of the cost-difference-causing sorting operations that Regular pieces incur, so it is not unreasonable to restrain the ECR surcharge to that for Regular pieces.

DECLARATION

I, Joseph D. Moeller, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.



JOSEPH D. MOELLER

Dated: 2/18/05

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.



Anthony Alverno

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