

UNITED STATES OF AMERICA
Before the
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

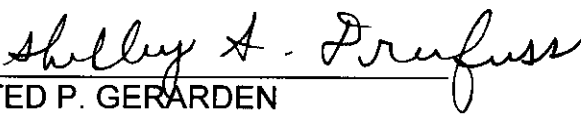
Postal Rate and Fee Changes, 2000)

Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS MICHAEL K. PLUNKETT (USPS-T36-1-7)
February 22, 2000

Pursuant to sections 26 and 27 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-1-14 to the United States Postal Service, dated January 24, 2000, are hereby incorporated by reference.

Respectfully submitted,


TED P. GERARDEN
Director
Office of the Consumer Advocate

SHELLEY S. DREIFUSS
Attorney

1333 H Street, N.W.
Washington, D.C. 20268-0001
(202) 789-6830; Fax (202) 789-6819

OCA/USPS-T36-1. Please refer to your testimony at page 13. There you state, in regard to Parcel Post, that “Rates have been constrained such that no rate is allowed to increase by more than 10 percent.”

- a. Please explain on what the basis you chose ten percent.
- b. If the ten percent constraint relies on a study or other empirical evidence, please provide such evidence.
- c. Did you consider other constraints? If so, what were they and why were they rejected.

OCA/USPS-T36-2. Please refer to your testimony at page 13-14. There you state, in regard to Parcel Post, that “Moreover, for the newest rate categories, rate changes were restricted so that no rate could change by more than 2 percent in either direction.”

- a. Please explain on what the basis you chose two percent.
- b. If the two percent constraint relies on a study or other empirical evidence, please provide such evidence.
- c. Did you consider other constraints? If so, what were they and why were they rejected.
- d. Please specify exactly what you refer to as “newest rate categories.” Do these include the DSCF and DDU rate categories added in Docket No. R97-1?

OCA/USPS-T36-3. Did you constrain any other rates or rate categories of Parcel Post that are not included in those discussed in OCA/USPS-T36-2 & 3 above? If so, please give a detailed explanation of such constraints.

OCA/USPS-T36-4. Please refer to your testimony at page 9. There you state, in regard to Express Mail, that “The rate increases for each rate element were constrained

to be no more than 4.5 percent consistent with rounding constraints, rates were rounded up to the nearest nickel and rates for Post Office to Addressee are set to be at least twice the Priority Mail rates for zone 5.”

- a. Please explain on what the basis you chose 4.5 percent.
- b. If the 4.5 percent constraint relies on a study or other empirical evidence, please provide such evidence.
- c. Did you consider other constraints? If so, what were they and why were they rejected?

OCA/USPS-T36-5. Please refer to your testimony at page 9. There you state, in regard to Express Mail, that “The popular letter rate, which accounts for 78 percent of all Express Mail volume, is proposed to be increased from “11.75 to \$12.30, an approximate 4.7 percent increase.”

- a. Please explain on what the basis you chose 4.7 percent.
- b. Do you consider this to be a constraint on the increase for the letter rate? Please explain why or why not.

OCA/USPS-T36-6. Please refer to your testimony at page 9. There you state, in regard to Express Mail, that “In a number of cells in each category, particularly for pieces weighing between 20 and 35 pounds, I manually adjusted rates to preserve reasonable relationships between adjacent weight cells.”

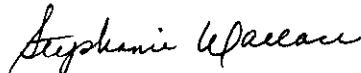
- a. Please provide several examples of these manual adjustments with an explanation of how it preserved reasonable rate relationships.
- b. Please indicate what you mean by “a number.” A count of cells is not necessary, a percent or a range is satisfactory in order to give the magnitude of “a number.”

OCA/USPS-T36-7. Please refer to your testimony at page 14. There you discuss the amount of the passthroughs you use for various surcharges and discounts applicable to Parcel Post.

- a. Please explain how a decision to pass through lesser amounts of the cost differences (in rate categories in which the passthrough was 100 percent) would have affected the rates for Parcel Post. For example, what would be the effect of a 50 percent or a 75 percent passthrough?
- b. If passthroughs were held to 50 or 75 percent, as above, would you have changed/reconsidered your general ten percent constraint on Parcel Post rates? Please explain in detail.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.


Stephanie Wallace

Washington, D.C. 20268-0001
February 22, 2000