

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

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS KAY TO INTERROGATORY OF
UNITED PARCEL SERVICE
(UPS/USPS-T23-5)

The United States Postal Service hereby provides the response of witness Kay to the following interrogatory of United Parcel Service: UPS/USPS-T23-5, filed on February 10, 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, Ratemaking


Eric P. Koetting

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February 24, 2000

**RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS KAY TO
INTERROGATORIES OF UNITED PARCEL SERVICE.**

UPS/USPS-T23-5.

Identify all instances in which you have relied on or used in your testimony in any way any FY 1999 cost, revenue, volume, or other data, and state in each such instance why you used FY 1999 data instead of data for BY 1998.

RESPONSE:

None of the cost, revenue, volume, or other data I use to calculate BY 1998 incremental cost is for FY 1999. My TY 2001 volume-related incremental cost calculations rely on TY 2001 volume variable costs and space and mail processing equipment distribution keys as calculated by witness Kashani (USPS-T-14). I also use the cost-level and non-volume workload rollforward factors to calculate TY 2001 product specific costs, and TY 2001 RPW volumes to calculate test year incremental cost per piece. Please refer to witness Kashani's testimony for a description of the rollforward process, which incorporates projected FY 1999 volume, revenue, costs, and other data.

DECLARATION

I, Nancy R. Kay, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.



Dated: 2/24/00 _____

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.



Eric P. Koetting

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