

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 BERNSTEIN TO INTERROGATORY OF  
UNITED PARCEL SERVICE  
(UPS/USPS-T41-1)

The United States Postal Service hereby provides the response of witness Bernstein to the following interrogatory of United Parcel Service: UPS/USPS-T41-1, 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

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2992 Fax -5402  
February 24, 2000

**RESPONSE OF POSTAL SERVICE WITNESS BERNSTEIN TO  
UPS INTERROGATORIES**

**UPS/USPS-T41-1. 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:**

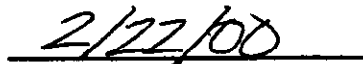
The demand elasticities used in my testimony to calculate the Ramsey prices and the Test Year volumes at the Ramsey and non-Ramsey price schedules were based on regressions estimated using volume and revenue data through PFY 1999. The volume forecasts presented in my testimony also made use of postal volumes in 1999, which served as the Base Year for these forecasts. I chose to use the same demand elasticities and Base Year volumes that were used in the volume forecasts of Dr. Tolley and Dr. Musgrave.

DECLARATION

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

A handwritten signature in cursive script, appearing to read "Peter Bernstein", written over a horizontal line.

(Signed)

A handwritten date "2/22/00" written over a horizontal line.

(Date)

**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.

A handwritten signature in black ink, appearing to read "Eric P. Koetting", is written over a horizontal line.

Eric P. Koetting

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