

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 FRONK TO INTERROGATORY OF
UNITED PARCEL SERVICE
(UPS/USPS-T33-1)

The United States Postal Service hereby provides the response of witness Fronk to the following interrogatory of United Parcel Service: UPS/USPS-T33-1 (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



Michael T. Tidwell

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February 24, 2000

**RESPONSE OF U.S. POSTAL SERVICE WITNESS FRONK
TO INTERROGATORIES OF UPS**

UPS/USPS-T33-1. 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: First, I reviewed FY 1999 Qualified Business Reply Mail (QBRM) volume and revenue data in developing my QBRM rate proposals for letters and cards for the current docket. I needed to review FY 1999 data because the QBRM postage discounts were implemented for the first time on January 10, 1999. The details of my review are described in my response OCA/USPS-T33-6.

The second instance is related to my use of First-Class Mail billing determinants. For the letters subclass, I use billing determinant relationships to estimate Test Year 2001 volumes and revenues associated with the nonstandard surcharge, the heavy piece discount, and the number of additional ounces associated with workshared mail. As shown on page 7 of my workpaper, I use GFY 1998 billing determinant data as the starting point for these estimates. I then need to make adjustments to these 1998 estimates to account for the increase in the First-Class Mail maximum weight limit from 11 to 13 ounces that took place on January 10, 1999. The adjustments I make are detailed in the note that appears on page 7 of my workpaper and the calculations shown on page 10 of the workpaper. In brief, I use PQ3 and PQ4 1999 RPW data to adjust nonstandard surcharge, heavy piece deduction, and additional ounce volumes for nonautomation presort mail and automation flats.

In addition, my testimony and workpaper do include information from other witnesses who may have incorporated FY 1999 data in their work. These witnesses are Tolley (USPS-T-6), Thress (USPS-T-7), Musgrave (USPS-T-8), Kashani (USPS-T-14), Miller (USPS-T-24), Daniel (USPS-T-28), Campbell (USPS-T-29), Mayes (USPS-T-32), and Mayo (USPS-T-39). Please refer to their responses to this identical interrogatory.

DECLARATION

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


David R. Fronk

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.

A handwritten signature in black ink, appearing to read "M. Tidwell", written over a horizontal line.

Michael T. Tidwell

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