

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

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POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-63-64) AND MOTION FOR LATE ACCEPTANCE

The United States Postal Service hereby provides its responses to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-63-64, filed on February 10, 2000. Answers were due on February 24th, but the answer to number 64 was delayed because of the absence of the individual preparing it due to a family emergency, and the answer to number 63 was delayed because of administrative oversight. The Postal Service submits that no party will be prejudiced by the one-day delay, and hereby moves for late acceptance of these answers.

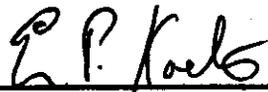
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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February 25, 2000

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF
THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-63. Please provide an estimate of the number of domestic delivery addresses the Postal Service expects to have in January 2001.

RESPONSE: One rough estimate can be obtained by summing the city and rural deliveries estimates for 2001 on page 175 of LR-I-127 of 83,489,986 and 30,666,946, plus the TYBR post office "boxes in use" estimate of 17,995,845 shown on Workpaper 18 associated with the testimony of witness Kaneer (USPS-T-40). Such an estimate, however, would not necessarily be related specifically to the month of January in 2001.

**Response of the United States Postal Service to Interrogatories of the
Office of Consumer Advocate**

OCA/USPS-64. Refer to USPS-LR-I-179, filed February 7, 2000, and USPS-T-6, Table 1. Total volume appears to differ by approximately 8.5 billion pieces, with most of that occurring in Standard (A). Please provide an explanation of the differences in the volume projections in USPS-LR-I-179 (specifically at page 8 for PFY 2001) from the TYAR volume projections in USPS-T-6, Table 1 for GFY 2001. Identify all differences in forecasting methodologies and assumptions between the two forecasts.

Response:

First, the volume projections in USPS-LR-I-179 assumed an across-the-board rate increase of 3.03 percent (equal to a 34-cent stamp) on Jan. 7, 2001.

Neither the before- or after-rates forecast filed in the rate case has that assumption. The TYAR forecast filed in the current case reflects the Postal Service's requested rates. The requested increase is greater than 3.03 percent, and is not equal across all categories of mail, as was assumed in that planning scenario. Updating the pricing assumptions to reflect the TYAR proposals drops the volume, primarily in Standard (A).

Updating the forecast to include actual 1999Q4 in the base further reduced volume. The rate case forecast also reflects ongoing improvements in model specification, and this further reduced the rate case forecast relative to the planning scenario used in USPS-LR-I-179. Lastly, as noted in the question, the volume projections in USPS-LR-I-179 are for PFY2001, not GFY, so that by itself would also cause the totals to be lower.

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.



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