

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

RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS MAYES TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T32-8 THROUGH 10)

The United States Postal Service hereby provides its responses to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T32-8 through 10, filed on February 11, 2000.

Each 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 25, 2000

RESPONSE OF POSTAL SERVICE WITNESS MAYES TO OCA INTERROGATORIES

OCA/USPS-T32-8. Please refer to your testimony, Exhibit USPS-32C, at page 1.

- (a) Please reconcile the FY2000 Priority Mail volume of 1,229,818 shown in your exhibit with the number of Priority Mail pieces of 1,217,641 shown in USPS-T-14, Exhibit USPS-14G, at page 16.**
- (b) Please reconcile the FY2000 Grand Total Revenue of \$64,767,245 shown in your exhibit with the Total Mail and Services revenue of \$64,778.3 shown in USPS-T-14, Exhibit USPS-14G, at page 2.**

Response:

- (a) Please refer to page 2 of Attachment J of the testimony of witness Robinson, USPS-T-34, where she shows the Priority Mail volume before and after adjustment for additional volumes due to delivery confirmation service. The Priority Mail volume figure shown in my Exhibit USPS-32C is the adjusted volume figure. The Priority Mail volume figure shown in Exhibit USPS-14G is the volume figure prior to adjustment. Please also refer to Attachment K of USPS-T-34 where witness Robinson derives the cost adjustment associated with the volume difference. This cost adjustment is subsequently used in witness Kashani's workpapers to reconcile the costs associated with using the two different volume figures.**
- (b) Please refer to page 3 of Exhibit 14G where the Total Revenue is shown as \$64,767.2, matching my Grand Total revenue of \$64,767,245.**

RESPONSE OF POSTAL SERVICE WITNESS MAYES TO OCA INTERROGATORIES

OCA/USPS-T32-9. Please refer to your testimony, Exhibit USPS-32B, at page 1. Please reconcile the test year after rates (FY2001) Grand Total Revenue of \$69,116,820 shown in your exhibit with the Total Mail and Services revenue of \$69,132.2 shown in USPS-T-14, Exhibit USPS-14M, at page 2.

Response:

Please refer to the errata to my testimony and to witness Kashani's testimony

filed on February 18, 2000. My revised TYAR Grand Total revenue is

\$69,119,726 and witness Kashani's revised Total Revenue shown on the revised

page 3 of Exhibit 14M is \$69,119.7.

RESPONSE OF POSTAL SERVICE WITNESS MAYES TO OCA INTERROGATORIES

OCA/USPS-T32-10. For each Standard Mail (A) and ECR rate category, please show what proportion of the After Rates revenue increase is necessitated by (1) increased attributable costs and (2) increased institutional cost recovery.

Response:

In keeping with policy and precedent, I did not develop cost coverage targets for categories of mail below the subclass level. As I did not develop cost coverage targets for categories of mail below the subclass level, I have not considered the proportions of these rate categories' after rates revenue increases necessitated by increased attributable or institutional costs. The volume variable costs for the four subclasses in Standard Mail (A) are provided in the testimony of witness Kashani, USPS-T-14, and the cost coverages for each of the four subclasses are discussed in my testimony. For additional discussion regarding rate design below the cost coverage level, please refer to the testimony of witness Moeller, USPS-T-35.

DECLARATION

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

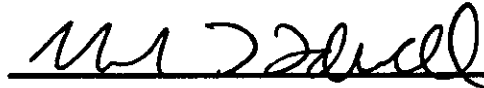

Virginia J. Mayes

Dated:

2-25-00

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.



Michael T. Tidwell

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