

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 THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF KEYSpan ENERGY  
(KE/USPS-T33-2)

The United States Postal Service hereby provides its response to the following interrogatory of KeySpan Energy: KE/USPS-T33-2, filed on February 14, 2000. The interrogatory has been redirected from witness Fronk to the Postal Service for response.

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



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February 28, 2000

RESPONSE OF U.S. POSTAL SERVICE  
TO INTERROGATORIES OF KEYSpan ENERGY  
REDIRECTED FROM WITNESS FRONK

KE/USPS-T33-2. In Docket No. R97-1, the Board of Governors rejected the Postal Service's own proposal to establish a Prepaid Reply Mail (PRM) discount.

- (a) Please confirm that, when the Board of Governors rejected the Postal Service's own proposal to establish a Prepaid Reply Mail (PRM) discount, it did not modify the Commission's cost analysis underlying the 5 cent per piece QBRM fee recommended by the Commission. If you cannot confirm, please explain.
- (b) By rejecting the Postal Service's own PRM proposal and accepting without modification the Commission's QBRM cost analysis and 5-cent per piece rate recommendation, didn't the Board of Governors effectively accept a QBRM per piece fee that did not reflect lower-cost PRM volumes in the derivation of the unit cost to process QBRM letters. If you do not agree, please explain.
- (c) Please confirm that the current QBRM per piece fee of 5 cents is based on a cost analysis that overstated the unit cost to process QBRM letters? If you cannot confirm, please explain.

**RESPONSE:**

- (a) – (c) The Decision of the Board of Governors in Docket No. R97-1 speaks for itself.

**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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