

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

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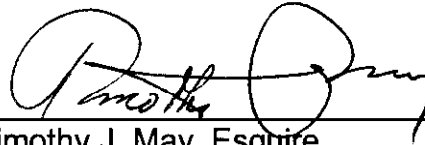
POSTAL RATE AND FEE CHANGES

DOCKET NO. R2000-1

**SECOND INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION
TO UNITED STATES POSTAL SERVICE
(PSA/USPS-4)**

The Parcel Shippers Association (PSA) requests United States Postal Service to respond fully and completely to the following interrogatories and requests for production of documents pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure.

Respectfully submitted,



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Counsel for Parcel Shippers Association

Dated: March 8, 2000

**SECOND INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION
TO UNITED STATES POSTAL SERVICE**

PSA/USPS-4

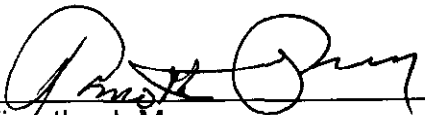
In response to PSA/USPS-3, the Postal Service responded that, even though the estimated changes and accrued costs for FY 2000 and FY 2001 are greater than the estimated changes in the CPI-W (by a cumulative amount of 2.7%, that is, 7.4% for FY 2000 and FY 2001 versus 4.7% for the CPI estimates for FY 2000 and FY 2001), the increases over the previous two rate cycles were 5% below inflation.

(a) Please explain why below-inflation rate increases over the previous two rate cycles are a justification for higher than inflation rate increases over a future rate cycle?

(b) Is it not more the case that your below-inflation rate increases over the previous two rate cycles, which coincided with unprecedented postal surpluses, require that the Postal Service explain why it is departing from a pattern of below-inflation rate increases?

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the Postal Service by hand and by First-Class Mail upon all participants in this proceeding requesting such service.


Timothy J. May

Dated: March 8, 2000