

UNITED STATES OF AMERICA
Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE CONSUMER ADVOCATE

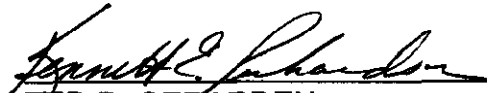
Postal Rate and Fee Changes, 2000)

Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS SUSAN W. MAYO (OCA/USPS-T39-1-2)
March 14, 2000

Pursuant to sections 26 and 27 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-1-14 dated January 24, 2000, are hereby incorporated by reference.

Respectfully submitted,



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Director
Office of the Consumer Advocate

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OCA/USPS-T39-1. Please refer to your testimony, pages 15 and 16, in which you utilize a test year cost for Bulk Parcel Return Service of \$1.13 per piece derived from the cost determined by USPS witness Eggleston in USPS-T-26, plus contingency.

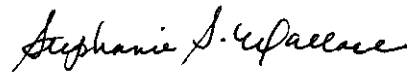
- (a) Please confirm that your reference on page 15, footnote 5, to pages 41-44 of USPS-T-26 should be to pages 30-40. If not, please explain.
- (b) Please provide your calculations for adjusting witness Eggleston's test year BPRS cost of \$1.105 at USPS-T-26, page 40, to arrive at the \$1.13 test year BPRS cost to which you apply a cost coverage. Please provide all supporting documentation.
- (c) Please indicate your basis for the contingency amount you applied to witness Eggleston's BPRS cost.
- (d) Please explain your basis for selecting a nickel rounding constraint rather than, for instance, a penny rounding constraint.
- (e) If witness Eggleston revised the total BPRS test year volume variable unit cost shown on USPS-T-26, page 40, either up or down, would you adjust your BPRS rate recommendation accordingly, by recalculating the BPRS cost using witness Eggleston's revised test year cost (to which you apply the contingency and add the cost coverage)? If not, please explain.

OCA/USPS-T39-2. On page 17 of your testimony, you state that "the major consideration in developing the proposed BPRS per piece fee was maintaining a cost coverage close to the systemwide average." With a cost of \$1.13 per piece and a proposed rate of \$1.65 your proposed cost coverage is 146 percent.

- (a) What systemwide average cost coverage did you assume when you prepared your testimony?
- (b) If the systemwide average cost coverage were altered significantly in this proceeding, would your recommendation be altered to conform to the new systemwide average, as adjusted by the nickel rounding constraint?

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.


Stephanie S. Wallace

Washington, D.C. 20268-0001
March 14, 2000