

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

RECEIVED  
MAR 15 11 28 AM '00  
POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

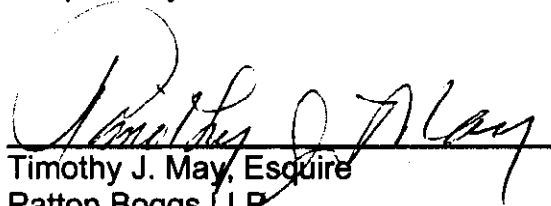
**POSTAL RATE AND FEE CHANGES**

**DOCKET NO. R2000-1**

**SECOND INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION  
TO UNITED STATES POSTAL SERVICE  
WITNESS VIRGINIA MAYES (USPS-T32-3 and 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,



Timothy J. May, Esquire  
Patton Boggs LLP  
2550 M Street, NW  
Washington, DC 20037-1350  
Tel. 202/457-6050  
Fax: 202/457-6315

Counsel for Parcel Shippers Association

Dated: March 15, 2000

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

**PSA/USPS-T32-3**

(a) In response to PSA/USPS-T32-1 (d) (iii), you state that if the newer data had been used to develop the R97-1 forecasting, the own-price elasticity estimate for Parcel Post may not have been the same.

(a) Please explain why it may not have been the same.

(b) You also state that, if the newer data is used, you do not know what the costs would have been, before and after rates, using the cost roll forward model that was used in R97-1. Please explain why the costs would not be exactly the same as used in the roll forward models in R97-1, both by USPS and the PRC, since there has been no restatement of the base year "cost" for Parcel Post.

**PSA/USPS-T32-4**

Please refer to Appendix G, Schedule 1 of the Docket No. R97-1 Opinion and Recommended Decision and the FY 1998 PRC Revised RPW Data Version Cost and Revenue Analysis report.

(a) Please confirm that the Postal Rate Commission recommended a 108 percent TYAR cost coverage for Standard (B) Parcel Post in Docket No. R97-1. If not confirmed, please explain.

(b) Please confirm that the Postal Rate Commission recommended a 12.3 percent rate increase for Standard (B) Parcel Post in Docket No. R97-1. If not confirmed, please explain.

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

(c) Please confirm that (using PRC costing methods) the actual FY 1998 cost coverage for Standard (B) parcel post was 112.4 percent. If not confirmed, please explain.

(d) Please confirm that the 112.4 percent cost coverage for Standard (B) parcel post in FY 1998 was based on pre-R97-1 rates. If not confirmed, please explain.

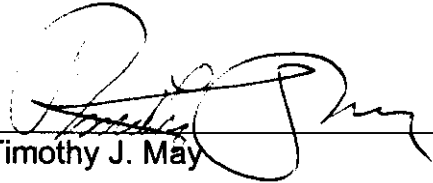
(e) Please confirm that increasing FY 1998 Standard (B) parcel post average revenue per piece (while holding unit cost and volume constant) by 12.3 percent would have increased the cost coverage on Standard (B) parcel post from 112.4 percent to 126.2 percent. If not confirmed, please explain.

(f) Please confirm that FY 1998 revenue for Standard (B) parcel post was \$947.9 million. If not confirmed, please explain.

(g) What was the cost coverage for Standard (B) parcel post in FY 1999?

## 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 15, 2000