

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

Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
WITNESS CRUM TO INTERROGATORY OF
RECORDING INDUSTRY ASSOCIATION OF AMERICA
(RIAA/USPS-T27-2)

The United States Postal Service hereby provides the responses of witness Crum to the following interrogatory of the Recording Industry Association of America: RIAA/USPS-T27-2, filed on March 1, 2000.

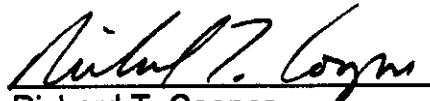
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Richard T. Cooper

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March 15, 2000

**U.S. POSTAL SERVICE WITNESS CHARLES L. CRUM
RESPONSE TO INTERROGATORY
OF RECORDING INDUSTRY ASSOCIATION OF AMERICA**

RIAA/USPS-T-27-2. In your answer to OCA/USPS-T-27-9 you referred to "the uncertainties related to the issue described on page 7, lines 18-22 of my testimony"

- (a) What are the "uncertainties" to which your response refers?
- (b) Please confirm that for all of 1998 mail pieces meeting the dimension and preparation requirements for flats in all particulars but thickness and having a thickness between .75 inches and 1.25 inches were categorized as parcels.
- (c) Please confirm that mail pieces described in subpart (b) above were at and after October 4, of 1999 categorized as flats.
- (d) Please provide the mail processing costs for the mail pieces described in subpart (b) above for (i) FY 1998 and (ii) FY 1999.
- (c) What do you project the mail processing costs for the mail pieces described in subpart (b) above to be in the FY 2001?

RESPONSE

- a. If I were to use 1999 data, the existing regulations for the flat automation rate could cause uncertainty in my present cost study methodology for the .75 inch to 1.25 inch thick qualifying pieces regarding what is a parcel and what is a flat. This would make it more difficult to accurately estimate the cost difference between the two shapes.
- b. Confirmed in all respects.
- c. Not confirmed. All pieces exceeding .75 inches in thickness are still considered parcels in the costing systems. The pieces having a thickness between .75 inches and 1.25 inches and meeting all

the dimension and preparation requirements of the FSM 1000 Flat Automation rate (including bearing a barcode) are considered flats for postage payment purposes. These pieces generally continue to be treated as parcels operationally. Please refer to the testimony of witness Kingsley (USPS-T-10, pages 16-17).

- d. This data is not available. Please also see my response to PSA/USPS-T27-1(d).
- e. I have no Test Year 2001 estimate of mail processing costs specifically for these pieces.

DECLARATION


I, Charles L. Crum, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


CHARLES L. CRUM

Dated: 15 MARCH 2000

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.


Richard T. Cooper

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