

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

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Postal Rate and Fee Changes, 2000

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
Docket No. R2000-1

**NEWSPAPER ASSOCIATION OF AMERICA  
THIRD SET OF INTERROGATORIES TO  
UNITED STATES POSTAL SERVICE WITNESS  
JOSEPH D. MOELLER (NAA/USPS-T35-60)  
March 21, 2000**


The Newspaper Association of America hereby submits the attached interrogatory to United States Postal Service witness Joseph D. Moeller (NAA/USPS-T35-60) and respectfully requests a timely and full response under oath.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the instant document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

March 21, 2000

  
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William B. Baker

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JOSEPH D. MOELLER (NAA/USPS-T35-60)

NAA/USPS-T35-60. Please refer to your reply to NAA/USPS-T-35-21, where you state that the calculation of coverages at the subclass level (ECR Total) is based on costs that are after rates, whereas implicit coverages calculated on a weight-grouping basis (*piece rated versus pound rated*) are calculated before rates. You also offer an explanation of the discrepancies between the subclass coverage and the two weight groups might be explained by the fact that the subclass coverage considers a contingency whereas the implicit coverages do not.

- a. Please provide any explanation why you used different methodologies for the two calculations (for subclass coverage and implicit coverages).
- b. In your answer to NAA/USPS-T35-37 you explain why you believed it appropriate not to account for volume shifts in the calculation of the change in revenue/piece as a result of the difference between "before rates" and "after rates." In response to VP-CW/USPS-T35-3(c) you state:

... Since after rates costs are not available, the before rates costs are used for the comparison with after rates revenues. Any change in costs in the after rates environment would be due to a change in volume mix. Since the volumes are being held constant for the revenue calculation, it would be appropriate to use after rates costs, even if they were available, for this comparison of implicit cost coverages.

Please explain why you believe "volume shifts" should be accounted for in some cases and a "constant mail mix" in others. Please also explain why you have used different approaches in the cited examples.