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POSTAL RATE COMMISSION OFFICE OF THE SECRETARY

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

Postal Rate and Fee Changes, 2000

Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS MICHAEL K. PLUNKETT (OCA/USPS-T36-8-11)
March 22, 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,

TED P. GERARDEN

Director

Office of the Consumer Advocate

SHELLEY S. DREIFUSS Attorney

1333 H Street, N.W. Washington, D.C. 20268-0001 (202) 789-6830; Fax (202) 789-6819 OCA/USPS-T36-8. Postal Rate Commission Chairman Edward J. Gleiman gave a speech before the Association of Priority Mail Users, Inc. on September 28, 1999. The full text of the speech may be found on the PRC website, <a href="www.prc.gov">www.prc.gov</a>. In this speech he said the following.

Because 95 percent of the Priority volume is less than five pounds, Priority parcels can be delivered by letter carriers on both residential and business routes. Consequently, Priority Mail enjoys even greater scope economies than parcel post.

The Postal Service's lower weight single piece parcel business seems to cry out for some reform. Eliminating lightweight parcel post in favor of Priority Mail or some other, more general realignment in the parcel area might be a solution worth considering. I would urge the Postal Service to consider the matter.

- a. Has the Postal Service considered eliminating single piece Parcel Post under 2 pounds in favor of Priority Mail?
- If so, please provide all memoranda, studies or other documents that pertain to this matter. If not, please explain why not.
- c. Has the Postal Service considered eliminating single piece Parcel Post for any weights under 5 pounds in favor of Priority Mail?
- d. If so, please provide all memoranda, studies or other documents that pertain to this matter. If not, please explain why not.

OCA/USPS-T36-9. Please assume hypothetically that the Commission recommends merging the lower weights of single piece Parcel Post into Priority Mail.

- (1) Consider first merging under two pounds;
- (2) Also, separately consider merging under five pounds.

In answering parts a. and b. describe the general effects; then give specific calculations where possible and state all assumptions made to generate the calculations.

- a. What would be the cost and revenue effects on single piece Parcel Post? On Priority Mail?
- b. What would be the volume effects on each?

OCA/USPS-T36-10. Please assume hypothetically that the Commission recommends merging the lower weights of single piece Parcel Post into Priority Mail.

- a. Would this merger significantly improve parcel rate structures with regard to criterion 7 of the Act? (Simplicity of structure for the entire schedule and simple, identifiable relationships between the rates or fees charged the various classes of mail for postal services.) Please explain in detail.
- Would this merger improve the parcel rate structures with regard to criterion 2 of the Act? (The value of mail service provided to the sender and the recipient.)
   Please explain in detail.

OCA/USPS-T36-11. Please assume hypothetically that the Commission recommends merging the lower weights of single piece Parcel Post into Priority Mail.

- Please explain in detail what the effect of the merger would have on the Priority
   Mail contract with Emery.
- Please explain in detail what the effect of the merger would have on other transportation costs.
- c. Please explain in detail what the effect of the merger would have on mail processing costs.

## 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 22, 2000