

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

RECEIVED
MAR 22 12 46 PM '00
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 2000)

Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS: VIRGINIA J. MAYES (OCA/USPS-T32-15-18)
March 22, 2000

Pursuant to sections 25 and 26 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

EMMETT RAND COSTICH
Attorney

1333 H Street, N.W.
Washington, D.C. 20268-0001
(202) 789-6830; Fax (202) 789-6819

OCA/USPS-T32-15. Please refer to your response to interrogatory GCA/USPS-T32-4. You state that “the rate increase proposed for First Class Letters is below the rate of inflation and thus, represents a decrease in the real price of postage for those pieces.”

- (a) Please explain how a nominal price increase in the test year can be considered a real price decrease when compared to prices in effect in 2000.
- (b) Please identify the point in time after rates increase that the rate increase for First Class Letters will become a real price decrease when compared to the rates in effect on the day before rates increase.
- (c) Please identify the periods of time before and after rate increases that you are comparing in your response to GCA/USPS-T32-4.

OCA/USPS-T32-16. Please refer to your response to interrogatory GCA/USPS-T32-5(c). You state that your examination of markups recommended by the Commission in past cases did not influence your choice of markup for First Class Letters in this case.

- (a) Have you had occasion to compare prior Commission recommended *relative contributions* for First Class Letters with the actual relative contributions calculated from CRA reports? If so, what were the results of that comparison? If not, why not?
- (b) Have you had occasion to compare prior Commission recommended *relative contributions* for Standard Mail (A) with the actual relative contributions calculated from CRA reports? If so, what were the results of that comparison? If not, why not?

OCA/USPS-T32-17. Please refer to your response to interrogatory OCA/USPS-T32-7. In defending your proposal to increase the relative institutional cost burden on First Class Letters, you state, "Mailers pay rates, not institutional cost burdens, not markups."

- (a) Please provide the unit attributable cost of First Class Letters in 1999 dollars for each year of the period 1995 to 1999 as calculated from CRA reports.
- (b) Did the real unit attributable cost of First Class Letters change over the period 1995 to 1999? If so, what was the direction and magnitude of change?
- (c) Should (and did) a change in real unit attributable cost affect the rate increase proposed for a category of mail? Please explain your response.
- (d) Did the relative share of cost attributed to First Class Letters change over the period 1995 to 1999? If so, what was the direction and magnitude of change?
- (e) Should (and did) a change in the share of attributable cost affect the rate increase proposed for a category of mail? Please explain your response.

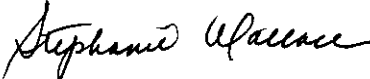
OCA/USPS-T32-18. Please refer to your response to interrogatory OCA/USPS-T32-4. You state, "In the current case, in deference to criterion 4, it was necessary to moderate the cost coverages for several subclasses of mail which experienced substantial increases in costs"

- (a) Please list these subclasses.
- (b) Did any of these subclasses receive "moderated" cost coverages in any case since and including Docket No. R90-1? If so, please identify the subclass(es) and the case(s) in which cost coverages were moderated.

- (c) Should (and did) the fact that a subclass of mail has a history of "moderated" cost coverages affect the cost coverage proposed in this case? Please explain your response.

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 Wallace

Washington, D.C. 20268-0001
March 22, 2000