

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

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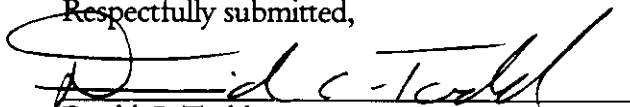
POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

SECOND SET OF INTERROGATORIES OF  
MAIL ORDER ASSOCIATION OF AMERICA  
TO USPS WITNESS MAYES (MOAA/USPS-T32-11-12)

Pursuant to Sections 25 and 26 of the rules of practice, the Mail Order Association of America (MOAA), submits the following interrogatories to USPS witness Mayes (USPS-T-32).

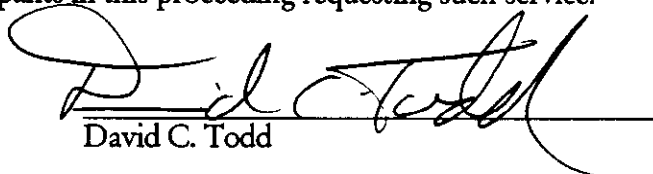
Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon the Postal Service by hand and by First-Class Mail upon all participants in this proceeding requesting such service.



David C. Todd

Date: March 23, 2000

INTERROGATORIES OF MAIL ORDER ASSOCIATION OF AMERICA  
TO UNITED STATES POSTAL SERVICE WITNESS MAYES

MOAA/USPS-T-32-11 The direct testimony of George S. Tolley shows that total volume of Standard Mail A Enhanced Courier Route decreased in the year 1999. See USPS-T-6 at 129.

a. Were you aware of 1999 volume figures at the time you prepared your testimony making rate recommendations? If so, did you give any consideration to proposing lower rates for ECR in view of this decrease in volume? Please explain your answer fully.

b. If you were not aware of the decrease in volume does the fact that ECR mail volumes decreased now give you a reason to revisit your rate recommendations? Please explain your answer fully.

MOAA/USPS-T-32-12 You recognize on page 43 of your testimony that the rate increase proposed for Bound Printed Matter (BPM) is “the highest rate increase proposed for any subclass in this case.” The increase reflects sharply increased costs.

a. Please provide a summary of any explanation that was given to you to account for the increase in BPM costs.

b. In the event that you have not been provided with an explanation for the increase in BPM costs, are you, as an expert in postal matters and volume trends, able to provide any explanation for the cost increases? If so, please provide such an explanation.

c. Please provide a summary of what, if any, steps are being taken by the Postal Service to address the increase in BPM costs, i.e. operational or other steps being taken to bring costs back into line with historical patterns.

MOAA/USPS-T-32-13

In its decision in Docket No. R97-1, the Commission rejected NAA witness Chown's use of "total weighted attributable cost" as a base for the allocation of institutional costs. PRC Rec. Dec., R97-1, at 258. Nevertheless, the Commission found that "witness Chown's point remains valid," in assessing ECR's appropriate contribution to institutional costs. *Id.* at 259. The Commission stated that a subclass that "is a relatively heavy user of one or more functions that engender significant amounts of institutional costs" should result in a unit contribution from the subclass "sufficient to recognize the value of those functions to users of the subclass." *Id.* At 259.

a. Do you concur in whole or in part with the Commission's analysis of the Chown testimony? Please explain fully.

b. Regardless of whether you do or do not concur in the PRC's conclusions in R97-1, are you satisfied that the rates that you have recommended for Standard Mail ECR satisfy the Commission's concern about "the adequacy of contributions from subclasses that heavily rely on functions which account for a large share of the institutional costs of the Postal Service."? Please explain your answer fully.