

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

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OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 2000)
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Docket No. R2000-1

AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS
JOINT FOLLOW-UP INTERROGATORIES TO USPS WITNESS FRONK
(ABA&NAPM/USPS-T33-24-27)

(March 29, 2000)

Pursuant to Sections 25 and 26 of the Commission's Rules of Practice, the American Bankers Association (ABA) and the National Association of Presort Mailers (NAPM) hereby submit these joint follow-up interrogatories and requests for the production of documents. These interrogatories follow-up on Fronk responses to ABA&NAPM joint interrogatories, which responses were filed on March 22, 2000. The instructions included with ABA&NAPM interrogatories ABA&NAPM/USPS-T24-1-24 are hereby incorporated by reference.

ABA&NAPM/USPS-T33-24

Please refer to your response to ABA&NAPM/USPS-T33-13. Please confirm that the CRA unit attributable cost you list for 1998 presort should be 9.4 cents [3,936, 850,000 / 41,866,292,000 from the audited 1998 CRA dated April 6, 1999], not 9.7 cents, and that the CRA unit attributable cost you list for 1998 single piece should be 21.8 cents.

[11,736,629,000/53,781,254,000 from the audited 1998 CRA dated April 6, 1999], not 21.6 cents.

ABA&NAPM/USPS-T33-25

Please refer to your response to ABA&NAPM/USPS-T33-18. This interrogatory asked you to confirm the statement made in the question using the terminology “marginal cost” that witness Daniel used. Your answer did not directly confirm the interrogatory, rather it used the term “average total unit cost.” Please confirm the interrogatory as stated, or explain why you do not use the term “marginal cost”.

ABA&NAPM/USPS-T33-26

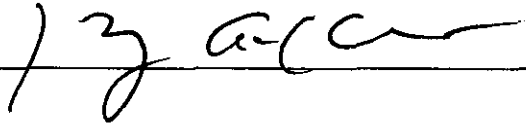
Please refer to witness Miller’s response to ABA&NAPM/USPS-T33-10, b. and c., to Attachment 18 in USPS witness Smith’s testimony, and to the DMM requirements for First Class workshared letter mail being entered into the system in trays. Please confirm that the 0.3 cent differential between single piece metered and bulk metered First Class letter mail is the (assumed) avoided cost of traying, and that this is a worksharing related activity performed by worksharing mailers which is not included in witness Miller’s calculations, but from which you set your discounts for First Class workshared mail. If you can so confirm, please explain why.

ABA&NAPM/USPS-T33-27

Please refer to your response to interrogatory ABA&NAPM/USPS T33-13 where you site a substantial decline in attributable costs for FCLM Single Piece and for FCLM presort from the 1996 CRA to the 1997 CRA. Do you agree that nearly all if not all of such decline is due to a change in the methodology in the measurement of attributable costs of such rate categories from the 1996 CRA to the 1997 CRA, as opposed to an actual reduction in attributable costs of such rate categories? If you do not agree, how can you justify raising the rates for FCLM single piece and presort by a penny in this case in light of such a reduction in their attributable costs?

Respectfully submitted,

AMERICAN BANKERS ASSOCIATION
NATIONAL ASSOCIATION OF PRESORT MAILERS

By:  _____

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March 29, 2000

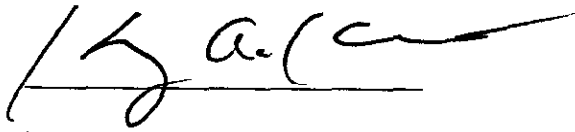
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CERTIFICATE OF SERVICE

I hereby certify that I have this date caused the foregoing document to be served upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.

A handwritten signature in black ink, appearing to read 'H. A. Hart', written over a horizontal line.

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March 29, 2000