

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

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OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 2000)
_____)

) Docket No. R2000-1
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AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS
JOINT FOLLOW-UP INTERROGATORIES TO USPS WITNESS DANIEL
(ABA&NAPM/USPS-T28-24-28)

(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 Daniel responses to ABA&NAPM joint interrogatories, which responses were filed on Friday, March 22, 2000. The instructions included with ABA&NAPM interrogatories ABA&NAPM/USPS-T24-1-24 are hereby incorporated by reference.

ABA&NAPM/USPS-T28-24

Please refer to your response to ABA&NAPM/USPS-T28-2. Please confirm that using your corrected figure of .223 for the second ounce of FCM single piece, the "marginal cost difference" increases between the first and second ounce. Do you agree that for the first through the third ounce, First Class workshared letter mail in a standard business sized envelope and Standard A advertising mail in an identical envelope are identical insofar as BCS or MLOCR processing is concerned?

ABA&NAPM/USPS-T28-25

Please refer to your response to ABA&NAPM/USPS-T28-7. Do you have greater confidence in sample data that do not exhibit heteroskedasticity, and would you agree that your data plot in section 2, page 1 of 2 in LR-I-91, titled "Presort Letters Test Year Unit Costs by Detailed (1/2 ounce) Weight Increments" exhibits heteroskedasticity?

ABA&NAPM/USPS-T28-26

Please refer to your response to ABA&NAPM/USPS-T28-9. a. Was the IOCS sample materially reduced before the base year in R94-1, after the start of mail processing automation in 1988?

ABA&NAPM/USPS-T28-27

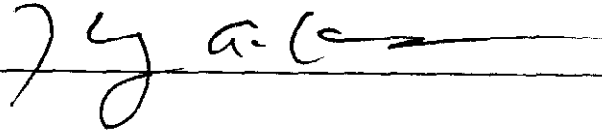
Please refer to your response to ABA&NAPM/USPS-T28-11. Please confirm that your "marginal cost difference" of \$0.43: (i) includes costs attributable to the first ounce beyond the \$0.20 cost you list for the first ounce, which is based on an average weight of only 0.4 ounces and (ii) substantially overestimates the costs associated with the second ounce per se, that is the costs associated with weight strictly above 1 ounce.

ABA&NAPM/USPS-T28-28

Please refer to your response to ABA&NAPM/USPS-T28-12. Would you agree that the R – squared values you presented in response to ABA&NAPM/USPS-T28-4. b. are significantly lower for First Class (single piece and presort) than for Standard A (Regular and ECR)? In your Table 1, would you agree that your number \$0.69 in the 3 to 4 ounce range appears as an outlier, an outlier seen in even more dramatic form in your half ounce tables, a \$0.959 average total unit cost for a letter weighing 3.8 ounces?

Respectfully submitted,

AMERICAN BANKERS ASSOCIATION
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March 29, 2000

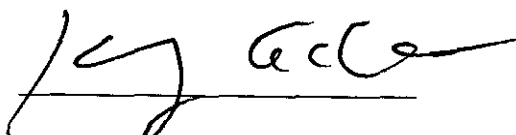
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CERTIFICATE OF SERVICE

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.



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