

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS THRESS TO INTERROGATORIES OF
THE PARCEL SHIPPERS ASSOCIATION,
REDIRECTED FROM WITNESS MAYES
(PSA/USPS-T32-9(a))

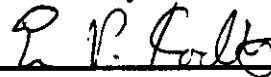
The United States Postal Service hereby provides the response of witness
Thress to the following interrogatories of the Parcel Shippers Association:
PSA/USPS-T32-9(a), filed on March 15, 2000, and redirected from witness Mayes.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:



Eric P. Koetting

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(202) 268-2992 Fax -5402
March 29, 2000

**RESPONSE OF POSTAL SERVICE WITNESS THRESS TO
INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION
REDIRECTED FROM WITNESS MAYES**

PSA/USPS-T32-9(a) In response to PSA/USPS-T32-1 (d)(iii), you state that if newer data had been used to develop the R97-1 forecasting, the own-price elasticity estimate for Parcel Post may not have been the same.

(a) Please explain why it may not have been the same.

RESPONSE:

The own-price elasticity is estimated as a function of the historical volume of parcel post mail. If the historical volume of parcel post mail is changed, as was the case with the restatement of the parcel post data, then, mathematically, it stands to reason that the own-price elasticity may also change, as the relationship has changed between volume, which has changed, and price, which has not changed.

DECLARATION

I, Thomas Thress, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.

A handwritten signature in black ink, appearing to read 'Thomas Thress', is written over a horizontal line.

(Signed)

3-28-00

(Date)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Eric P. Koetting

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