

DOCKET SECTION

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

RECEIVED

APR 3 1 17 PM '00

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 2000)

Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE
FOLLOW-UP INTERROGATORIES TO
UNITED STATES POSTAL SERVICE
WITNESS DAVIS (OCA/USPS-T30-1-5)
April 3, 2000

Pursuant to sections 26 and 27 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits follow-up interrogatories and request for production of documents. Instructions included with OCA interrogatories OCA/USPS-1-14 to the United States Postal Service, dated January 24, 2000, are hereby incorporated by reference.

Respectfully submitted,



TED P. GERARDEN

Director

Office of the Consumer Advocate

SHELLEY S. DREIFUSS
Attorney

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

OCA/USPS-T-30-1. Please refer to your answer to OCA/USPS-T-39-4a. (redirected from witness Mayo).

- a. You state that costs in C/S-3 and C/S-7 have increased due to methodological changes resulting in higher variability factors for insurance. You then refer to the testimony of witnesses Bozzo, Baron, and Van-Ty-Smith. Please provide specific references to the testimonies that detail these changes.
- b. Please describe the magnitude of these changes and their specific effects on the costs for insurance.

OCA/USPS-T-30-2. Please refer to your answer to OCA/USPS-T-39-4a. (redirected from witness Mayo).

You state that there was "an apparent error in the Docket No. R97-1 cost study for insurance" which understated test year CRA costs. Please provide the correct costs for insurance in that docket.

OCA/USPS-T-30-3. Please refer to your answer to OCA/USPS-T-39-4a. (redirected from witness Mayo). You state that there was "an apparent error in the Docket No. R97-1 cost study for insurance" which understated test year CRA costs.

- a. Please confirm that the Postal Rate Commission used the appropriate level of costs for insurance when recommending fees in Docket No. R97-1. (See Appendix G, Schedule 1.)
- b. Please confirm that the cost coverage for insurance recommended by the Commission was 144.7%.

OCA/USPS-T-30-4. Please refer to your answer to OCA/USPS-T-39-4a. (redirected from witness Mayo).

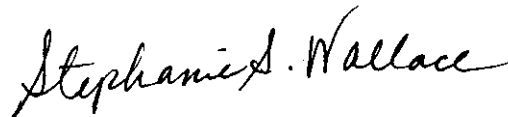
- a. Is the methodology that you used for insurance in this docket the same as that used by the Postal Service in Docket No. R97-1? Describe any differences.
- b. Is the methodology you used for insurance in this docket the same as that used by the Postal Service in Docket No. R90-1? Describe any differences.

OCA/USPS-T-30-5. Please refer to your answer to OCA/USPS-T-39-4a. (redirected from witness Mayo). There you state that "it may be that the decentralization of claims processing has resulted in higher volume variable costs for insurance".

- a. Please explain in detail what "the decentralization of claims processing" entails.
- b. Please explain how this decentralization causes higher costs.
- c. Please explain the rationale for decentralization if it causes costs to increase rather than decrease.

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.

A handwritten signature in black ink that reads "Stephanie S. Wallace". The signature is written in a cursive, flowing style.

Stephanie S. Wallace

Washington, D.C. 20268-0001
April 3, 2000