

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

Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
WITNESS CRUM TO INTERROGATORY OF
RECORDING INDUSTRY ASSOCIATION OF AMERICA
(RIAA/USPS-T27-4)

The United States Postal Service hereby provides the responses of witness
Crum to the following interrogatory of the Recording Industry Association of America:
RIAA/USPS-T27-4, filed on March 20, 2000.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


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April 3, 2000

**U.S. POSTAL SERVICE WITNESS CHARLES L. CRUM
RESPONSE TO INTERROGATORY
OF RECORDING INDUSTRY ASSOCIATION OF AMERICA**

RIAA/USPS-T-27-4. Please refer to your response to PSA/USPS-T-27-5. You there say "Also, ECR parcels require a detached label card."

(a) Please provide a DMM citation to the provision containing this requirement.

(b) Your answer goes on (in the same paragraph) to intimate though not really to say that this characteristic increases costs. Is this the conclusion that is intended by this portion of your answer?

(c) If so, please provide copies of, or citations to evidence in this case containing, all documentation and analysis on which you rely to support this conclusion.

(d) In subpart (d) of your response to this interrogatory you say that "unit cost data . . . has been consistent from year to year" and attach a table that shows the cost increasing by five cents between FY 1993 and FY 1994, decreasing by 3.3 cents between FY 1994 and FY 1995, decreasing by further 2.3 cents between FY 1995 and FY 1996 and increasing by 25.5 cents between FY 1996 and FY 1998. Please explain how these data support the quoted conclusion.

RESPONSE

a. Please refer to my response to VP-CW/USPS-T27-1.

b. My intent was to present one possible explanation for the higher costs noted.

c. I have reached no conclusion. I am pointing out a possibility described in my response to PSA/USPS-T27-5(a) "based on my visits to delivery offices and discussions with carriers, carrier supervisors, and other delivery personnel". I have conducted no studies or analysis.

d. Between 1993 and 1994, costs rose 10.1 percent. Between 1994 and 1995, costs fell 5.4 percent. Between 1995 and 1996, costs fell 4.6

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percent. The PSA interrogatory you refer to suggested variability so great that the numbers could not be trusted. Given the thrust of the question, then, I fully stand behind my response as worded. I do not believe results must be identical to be consistent particularly given real data in an ever-changing and non-homogeneous section of the postal mail-stream.

The large change between 1996 and 1998 reflects the Postal Service's change in mail processing volume variability assumptions. This was mentioned in the footnotes of the attached table to which you refer. Please refer to the testimony of witness Bozzo (USPS-T-15) for more information regarding the Postal Service's mail processing approach in this docket. Since the two mail processing methodologies are so different, I did not consider 1998 data part of the statement regarding costs as consistent. While the underlying costs may have been consistent, those presented will vary substantially.

DECLARATION

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

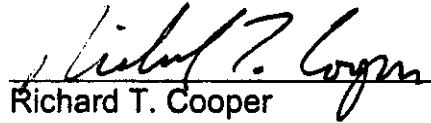
Charles L. Crum

CHARLES L. CRUM

Dated: 3 APRIL 2000

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.


Richard T. Cooper

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