UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268

Postal Rate and Fee Changes   Docket No. R2000-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 7

(Issued April 6, 2000)

The Postal Service is requested to provide the information described below to assist in developing a record for the consideration of its request for changes in rates and fees. In order to facilitate inclusion of the required material in the evidentiary record, the Postal Service is to have a witness attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers at our hearings. The answers are to be provided within 10 days.
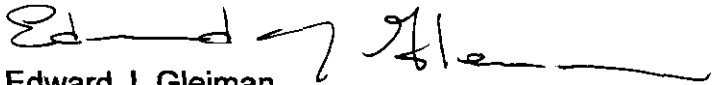
1. Recently, the Postal Service and the National Rural Letter Carriers Association (NRLCA) reached an agreement to extend the 1995-1999 National Agreement one year to expire November 20, 2000. Please provide the changes to LR-I-127 that would occur due to the ratification of this extension to the National Agreement.

2. The Postal Service and the National Association of Letter Carriers (NALC) recently concluded negotiations on the procedures regarding the upgrade of NALC represented grade 5 employees resulting from the arbitration decision. Please provide all changes that would be needed to LR-I-127 to reflect the execution of the Memorandum of Understanding between the USPS and the NALC.

3. Please refer to LR-I-95, LR95revised.xls, sheets 'city load' (cl) and 'Delivery Volume' (dv). Shortening the notation somewhat, the formula in cell C64 on sheet cl is C53 * dvG3 + (dvG13 – dvG3) * C53, which, after factoring and reducing equals C53 * dvG13. In words, the formula is the unit cost of letters times the DMM-defined letter volume. The formula in cell D64 is D53 * dvH3 + (dvH13 – dvH3) * C53. This one does not reduce. In words, the formula is the unit cost of flats times the CS7 volume of flats plus the difference in flat volume between the DMM and CS7 times the unit cost of letters. It is not clear why a flat-volume difference should be multiplied by the unit cost of letters. Please provide a rationale for this product and explain the rationale for the lack of symmetry between cells cl C64 through C71, and cells cl D64 through E71.

4. Please refer to USPS-T-28, Table 5, revised 3/1/00. The cost difference between the "Regular Nonletter Subtotal" of 8.359 cents and the "ECR Basic Nonletters" cost of 6.589 cents, being 1.77 cents, is used by witness Taufique (USPS-T-38) as part of the cost basis for the carrier route discount for Outside-County Periodicals. It appears that both of these cost figures are weighted averages of the corresponding costs of flats and of parcels within each category.

   (a) Please provide the proportion of flats to parcels for each of these Standard A categories.

   (b) Please provide the relative proportions of flats to parcels in the Periodicals categories of 5-digit and carrier route.

(c) Acknowledging the relative levels of parcels in the two Standard A

categories, please explain the meaning of the cost difference of 1.77 cents

and explain its applicablility to Periodicals discounts.

Edward J. Gleiman
Presiding Officer