

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 PLUNKETT TO INTERROGATORY OF
PARCEL SHIPPERS ASSOCIATION
(PSA/USPS-T36-2)

The United States Postal Service hereby provides the response of witness Plunkett to the following interrogatory of the Parcel Shippers Association: PSA/USPS-T36-2, filed on April 3, 2000.

The 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



Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999; Fax -5402
April 17, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PLUNKETT TO
FOLLOW-UP INTERROGATORY OF PARCEL SHIPPERS ASSOCIATION

PSA/USPS-T36-2. Please refer to Witness Eggleston's answer to PSA/USPS-T264a. In particular, please refer to Table 2 at page 1 of Attachment A of the Errata filed to USPS-T-26 as a result of Witness Eggleston's answer to this interrogatory. Please note that the average cost for oversized parcels dropped 20-25 percent as a result of this Errata. Please provide revised rates for oversized parcels that reflect this correction to their average cost.

PSA/USPS-T36-2 Response.

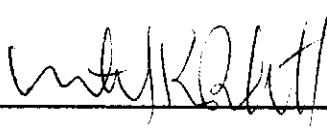
Attached is a table showing the rates that result from plugging witness Eggleston's errata into my rate design worksheets. However, I would point out that the forecasts and revenue assumptions that have been incorporated into my rate design do not reflect these changes. Because oversize pieces account for a small share of total volume, the effect on total revenue and or other rates would be likely to be minimal. I would add that this is an interim stage in rate development, the rate effects of these changes on volume forecasts and the roll forward would have to be examined in order to make an informed judgement on whether the resulting rates are correct.

Effect of Cost Errata on Oversized Parcel Post Rates

	Proposed Rates		Proposed Rates		Change
	Proposed Rates		w. Errata		
<u>Intra BMC</u>					
Local	\$	19.82	\$	19.82	\$ -
Zones 1 & 2	\$	28.99	\$	28.99	\$ -
Zone 3	\$	28.99	\$	28.99	\$ -
Zone 4	\$	28.99	\$	28.99	\$ -
Zone 5	\$	28.99	\$	28.99	\$ -
<u>Inter BMC</u>					
Zones 1 & 2	\$	34.75	\$	34.75	\$ -
Zone 3	\$	38.94	\$	38.94	\$ -
Zone 4	\$	45.10	\$	45.10	\$ -
Zone 5	\$	54.87	\$	54.87	\$ -
Zone 6	\$	66.41	\$	66.41	\$ -
Zone 7	\$	82.14	\$	82.14	\$ -
Zone 8	\$	108.13	\$	108.13	\$ -
<u>Parcel Select</u>					
DDU	\$	8.69	\$	8.69	\$ -
DSCF	\$	12.14	\$	11.99	\$ (0.15)
DBMC					
Zones 1 & 2	\$	16.66	\$	16.61	\$ (0.05)
Zone 3	\$	24.55	\$	24.40	\$ (0.15)

DECLARATION

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



Dated: 4/17/00

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.

A handwritten signature in black ink, appearing to read "Scott L. Reiter", is written over a solid horizontal line.

Scott L. Reiter

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