

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 MOELLER TO INTERROGATORY OF THE RECORDING
INDUSTRY ASSOCIATION OF AMERICA
(RIAA/USPS-T35—3)**

The United States Postal Service hereby provides the response of witness Moeller to the following interrogatory of the Recording Industry Association of America: RIAA/USPS-T35—3, filed on April 10, 2000.

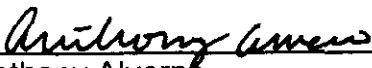
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Anthony Alverno
Attorney

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April 18, 2000

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RIAA/USPS-T35-3. Please refer to your response to DMC/USPS-T35-7 (filed April 6, 2000):

- a. In response to subpart i of that interrogatory you state that for "revenue estimation purposes" the volume of pieces estimated to receive the barcode discount in Standard Mail (A) Regular is 490 million. Please confirm that this number represents 76% of the net volume of "surchargeable pieces" as reflect in your workpaper 1, page 14. If you do not confirm, please state how the 490 million pieces set forth in your response to DMC/USPS-T-35-7(i) was derived.
- b. Does your estimation of the number of pieces that will receive the barcode discount include any pieces that are deemed machinable pursuant to DMM C050.4.3? If so, what percentage of the 490 million pieces set forth in your response to the DMC interrogatory are estimated to be eligible for the barcode on this basis, and how was such estimate derived?
- c. Please confirm that the 490 million pieces set forth in your response to the DMC interrogatory does not include any pieces that are estimated to be entered as flats. If you do not confirm, please explain your answer in detail.
- d. Is the reference to "revenue estimation purposes" contained in your response to subpart i of the DMC interrogatory meant to imply that, for purposes other than revenue estimation, different volumes and different estimates of the percentage of pieces that will receive the barcode discount were used? Please explain your answer in detail.

RESPONSE:

- a. Confirmed.
- b. The estimate is related to the definition of machinable parcels in DMM C050.4.3 in that it is based on the assumption that all pieces weighing six ounces or above will receive the discount. Six ounces is the minimum weight for a machinable parcel, unless a BMC plant manager authorizes lighter-weight pieces to be prepared as machinable parcels. Although some parcels weighing over 6 ounces may not claim the discount, this may be

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offset by those pieces weighing less than 6 ounces that receive eligibility for preparation as machinable parcels.

- c. Confirmed. Pieces entered as flats will not be eligible for the parcel barcode discount.
 - d. The reference to "revenue estimation purposes" in this question was not intended to imply that there was some other estimate of pieces that will claim the barcode discount. I know of no other estimate of barcoded volume. I do understand, however, that a slightly different percentage (75 percent instead of 76 percent) was used in the calculation of the fixed weight index for Standard Mail (A) Regular. The 75 percent figure is an average for all non-carrier-route Standard Mail (A) parcels, and the 76 percent figure is for Standard Mail (A) Regular.
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DECLARATION

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


JOSEPH D. MOELLER

Dated: 4/18/00

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.

Anthony Alverno
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