

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-T36-3)

The United States Postal Service hereby provides the response of witness Plunkett to the following interrogatory of the Parcel Shippers Association: PSA/USPS-T36-3, filed on April 19, 2000.

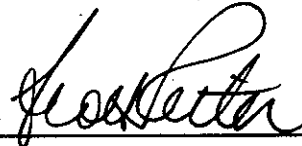
The interrogatory is stated verbatim and is followed by the response.

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 26, 2000

**RESPONSE OF WITNESS PLUNKETT TO FOLLOW-UP INTERROGATORY OF
PARCEL SHIPPERS ASSOCIATION**

PSA/USPS-T36-3. Please refer to Witness Eggleston's answer to PSA/USPS-T26-7 where she provides mail processing cost differences for oversized parcels using 5.00 as the input cube of oversized parcels. Please provide proposed rates based upon the mail processing cost differences for oversized parcels that Witness Eggleston provided in response to PSA/USPS-T26-7.

PSA/USPS-T36-3 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 judgment on whether the resulting rates are correct.

Attachment to Response to PSA/USPS-T36-3

Effect of Change in Oversize Cube on Oversized Parcel Post Rates

	Proposed Rates		Change
	Proposed Rates	w. Errata	
<u>Intra BMC</u>			
Local	\$ 19.82	\$ 19.04	\$ (0.78)
Zones 1 & 2	\$ 28.99	\$ 27.85	\$ (1.14)
Zone 3	\$ 28.99	\$ 27.85	\$ (1.14)
Zone 4	\$ 28.99	\$ 27.85	\$ (1.14)
Zone 5	\$ 28.99	\$ 27.85	\$ (1.14)

	Proposed Rates		Change
	Proposed Rates	w. Errata	
<u>Inter BMC</u>			
Zones 1 & 2	\$ 34.75	\$ 34.07	\$ (0.68)
Zone 3	\$ 38.94	\$ 38.18	\$ (0.76)
Zone 4	\$ 45.10	\$ 44.22	\$ (0.88)
Zone 5	\$ 54.87	\$ 53.79	\$ (1.08)
Zone 6	\$ 66.41	\$ 65.11	\$ (1.30)
Zone 7	\$ 82.14	\$ 78.92	\$ (3.22)
Zone 8	\$ 108.13	\$ 103.89	\$ (4.24)

	Proposed Rates		Change
	Proposed Rates	w. Errata	
<u>Parcel Select</u>			
DDU	\$ 8.69	\$ 8.69	\$ -
DSCF	\$ 12.14	\$ 11.99	\$ (0.15)
DBMC			
Zones 1 & 2	\$ 16.66	\$ 16.66	\$ -
Zone 3	\$ 24.55	\$ 22.73	\$ (1.82)
Zone 4	\$ 30.24	\$ 28.00	\$ (2.24)
Zone 5	\$ 30.24	\$ 30.24	\$ -

DECLARATION

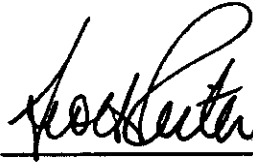
I, Michael K. Plunkett, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Michael K. Plunkett

Dated: 4/26/00

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 cursive script, appearing to read "Scott L. Reiter", is written above a solid horizontal line.

Scott L. Reiter

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