

**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

**ASSOCIATION FOR POSTAL COMMERCE
RESPONSE TO NOI NO. 2**

Notice of Inquiry Number 2 requested further comment on the use of FY 1999 cost data in this proceeding. The Association for Postal Commerce ("PostCom") provides its thoughts on that question in this pleading.

Neither of the extremes in the first two "possible outcomes" suggested by the Commission at page two of NOI No. 2 seems appropriate. Although analytic purity would be well served by using "FY 1999 as the base year for all analyses", this requires that the Commission hold that the Postal Service's use of FY 1998 as the base year does not comport with Rule 54(f). Such a ruling would render much of the testimony, discovery and cross-examination in the case irrelevant. Though one can wonder why the Postal Service did not follow the sensible course of waiting until it had the final FY 1999 data available to it before filing this case, the Postal Service did not. In all events, the use of FY 1999 as the base year "for all purposes" essentially requires dismissal of the present case and thus entails the issue whether the advantages of reconstituting the case on the basis of FY 1999 data clearly exceed the lost investment in the case as it has so far proceeded.

The second "possible outcome" is plainly unacceptable. Fiscal Year 1999 data are available and they must not be ignored.

PostCom suggests (under alternative 3) that any party that wishes to employ FY 1999 data in the testimony that it submits in the proceeding be permitted to do so. Discovery will, as usual, be permitted on any FY 1999 data used in that testimony. Only one alteration to the conventions of discovery may be required. Parties interrogating the use of FY 1999 data may need to inquire beyond the data in order to understand, or challenge, their implications. This suggests that not only those sponsoring testimony employing FY 1999 data, but the Postal Service be subjected to inquiries concerning these data.

The course we suggest will permit the integration of FY 1999 data into the record of this proceeding in any fashion that participants filing testimony think beneficial. It will protect the due process rights of all by subjecting those data to conventional examination abetted the somewhat unconventional tack of permitting interrogation of the Postal Service on FY 1999 data employed by intervenors. This seems to PostCom an intermediate course that, like all compromises, probably does not satisfy all of the interests of any of the participants but strikes what we submit is a reasonable balance between the

polar extremes of requiring that the case rely exclusively on FY 1999 data and excluding entirely FY 1999 data from the case.

Respectfully submitted,



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May 8, 2000

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CERTIFICATION

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.



N. Frank Wiggins