

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

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF MAJOR MAILERS ASSOCIATION
(MMA/USPS-2 AND 3)

The United States Postal Service hereby provides its responses to the following interrogatories of Major Mailers Association: MMA/USPS-2 and 3, filed respectively, on April 25 and 28, 2000.

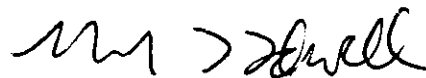
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998 Fax -5402
May 8, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES
OF
MAJOR MAILERS ASSOCIATION**

MMA/USPS-3. Please refer to the untimely institutional responses to Interrogatory MMA/USPS-T32-2-3, redirected from USPS witness Virginia J. Mayes. Please explain how total costs for the test year on a before rates and after rates basis can be different if computed using the Postal Service's methodology for attributing costs rather than the Commission's methodology for attributing costs? In the event that they should be identical, please show that this is so by filling in the table below.

USPS Method
TYAR TYBR

PRC Method
TYAR TYBR

Volume Variable Costs
Other Costs
Total Costs

RESPONSE:

Please refer to the arithmetic example presented in the revised response to MMA/USPS-T32-2 (redirected to the Postal Service) filed 5/8/00. Hopefully, this example and explanation will dispel the confusion that caused MMA in its motion to compel to comment on page 5 that "[t]he Postal Service well knows that the choice of cost methodology does not change the level of total costs" and in the accompanying footnote "[b]ased on MMA's information and belief, there is no logical reason why there should be a difference in the total costs regardless of which costing methodology is used."

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MMA/USPS-2. Please refer to the untimely institutional response to Interrogatory MMA/USPS-T32-3, redirected from USPS witness Virginia J. Mayes. Please provide an updated version of LR-I-131 that incorporates all up-to-date changes that have been filed by USPS witnesses. Specifically, please provide as an attachment to your response Table E of Volume H and Table E of Volume J.

RESPONSE:

Whatever changes have been noted by Postal witnesses have been filed as errata and incorporated into the record accordingly. To provide an updated version of LR-I-131 that incorporates all up-to-date changes that have be filed by USPS witnesses requires completely rerunning LRs-I-130 and 131, the Postal Service's COBOL presentation of the Commission's cost model. The Postal Service has not rerun its own cost model because the impact of the changes are either evident from each witness's presentation or are not materially significant; thus, the time and expense of rerunning the model and printing the thousands of pages have not been contemplated. In the absence of rerunning the entire model, in its revised response to MMA/USPS-T32-2 (redirected to the Postal Service), filed 5/8/00, the Postal Service has provided the equivalent of the information provided by witness Mayes, USPS-T32, in the errata to her testimony. From this information, parties can determine the implications of Postal Service errata on the Commission's cost model.

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 "Michael T. Tidwell". The signature is fluid and cursive, with the first name "Michael" and last name "Tidwell" clearly distinguishable.

Michael T. Tidwell

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