

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED
JUN 27 4 20 PM '00
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
THE OFFICE OF THE CONSUMER ADVOCATE WITNESS SMITH
(USPS/OCA-T4-52-53)

Pursuant to rules 25 through 27 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to the Office of the Consumer Advocate witness Smith:
USPS/OCA-T4-52-53.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990 Fax -5402
June 27, 2000

USPS/OCA-T4-52. Please refer to your response to USPS/OCA-T4-28(b). In OCA-T-4, do you enumerate the “unrealistic assumptions” upon which you believe the fixed effects model is based? If so, please provide detailed citations to the relevant sections of your testimony. If not, please do so.

USPS/OCA-T4-53. Please refer to your response to USPS/OCA-T4-31.

- a. In your response to USPS/OCA-T4-31(b), item (ii), you indicate that you disagree with the statement enumerated in your response to USPS/OCA-31(a), item (ii) (“Dr. Bozzo maintains that it is not possible to classify all equipment at a site by cost pool.”). You subsequently state, “Since some classification may appear to be arbitrary, it would be necessary to determine whether such a classification yields the best answer. However, a correctly performed analysis might not require the division of jointly shared equipment into specific cost pools.” Does your response imply that to classify *all* equipment at a site by cost pool, it would be necessary either to assign some equipment types to cost pools arbitrarily, or to assign some equipment to a separate pool for “jointly shared equipment”? If not, please explain.
- b. Please confirm that, in your response to USPS/OCA-T4-31(a), item (vi), your citation to Dr. Bozzo’s response to UPS/USPS-T15-24 is, more specifically, to Dr. Bozzo’s statement, “The effect of including the facility capital index is to capture the net effect on labor demand in a given cost pool of the capital services employed in that cost pool as well as the capital services employed in other cost pools” (Tr. 15/6399). If you do not confirm, please explain.

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.



Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990 Fax -5402
June 27, 2000