

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

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
OFFICE OF THE CONSUMER ADVOCATE WITNESS ROSENBERG
(USPS/OCA-T3-18-19)

Pursuant to rules 25 and 26 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to Office of the Consumer Advocate witness Rosenberg: USPS/OCA-T3-18-19.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Scott L. Reiter

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June 29, 2000

USPS/OCA-T3-18. Please refer to your response to OCA/USPS-T3-5, where you state "it is possible to develop scenario analyses for adverse events and attempt, however imperfectly, to estimate their impact and have contingency plans in place for dealing with them." Have you done any scenario analysis or estimates of adverse events, other than a subjective interpretation of how the material you have presented relates to the size of the contingency? If your answer is other than no, please provide the specific amounts and detailed calculations of adverse events you made. Please include an explanation of the methodology used and references.

USPS/OCA-T3-19. Please refer to your response to OCA/USPS-T3-10 where you state:

The Postal Service experienced net losses in eleven of the seventeen years from 1978 through 1994, when the rates set in Dockets R76-1 through R90-1 were in effect, and it was allowed a contingency provision at or above the 2.5 percent requested in this case. In contrast, the Postal Service has had net profits in each year from 1995 forward when allowed a contingency provision less than the 2.5 percent requested in this case.

- (a) Please confirm that the effective contingency for Dockets R76-1 through R90-1 was never as low as 2.5% as you have stated but actually ranged from 3.0%-4.0%. If you do not confirm, please explain.
- (b) Is it your testimony that contingencies "at or above 2.5%" result in net losses and contingencies less than 2.5% result in net incomes? If your answer is yes, please explain how you reached this conclusion. If your answer is no, please explain the purpose of the above statement.

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 "Scott L. Reiter", is written over a solid horizontal line.

Scott L. Reiter

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