

BEFORE THE POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES

Docket No. R2000-1

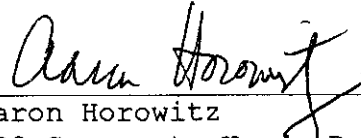
RESPONSES OF WITNESS LAWRENCE G. BUC FOR
THE CONTINUITY SHIPPERS ASSOCIATION,
THE DIRECT MARKETING ASSOCIATION,
ASSOCIATION FOR POSTAL COMMERCE AND
PARCEL SHIPPERS ASSOCIATION
TO THE INTERROGATORIES OF
THE UNITED STATES POSTAL SERVICE
(USPS/CSA-T1-39-41)

The Continuity Shippers Association, the Direct Marketing Association, the Association for Postal Commerce and the Parcel Shippers Association hereby provide responses of witness Lawrence G. Buc to the following interrogatories of the United States Postal Service: USPS/CSA-38-41, filed on June 16, 2000.

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

Dated: June 30, 2000

Respectfully Submitted,



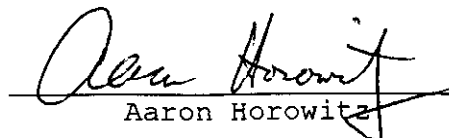
Aaron Horowitz
200 Corporate Woods Parkway
Vernon Hills, IL 60061-3167
(847) 913-3360

Attorney for the Continuity
Shippers Association

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the following Interrogatory Responses of Lawrence G. Buc on all participants who requested discovery in this proceeding in accordance with section 12 of the Rules of Practice.

Dated: June 30, 2000



Aaron Horowitz

USPS/CSA-T1-39. On line 29, page 4 of your testimony, you state
Since costs in both types of "fixed" pools appear to
be affected by cube and weight, it is appropriate to
use a fixed CRA adjustment factor that is 70 percent
of the Special Standard fixed CRA adjustment factor.

- (a) Please explain what you were referring to as "both types."
- (b) For each of the fixed cost pools, please explain in detail how these cost pools will vary with weight and cube. Please quantify the relationships (how much will costs vary due to an "x" percent change in cube) and provide all evidence you have to support each quantification.

RESPONSE:

(a) By "both types," I mean cost pools for which Special Standard tallies appear anomalous and cost pools for which Special Standard tallies do not appear anomalous.

(b) Please see page 4 of my testimony.

USPS/CSA-T1-40.

- (a) Please confirm that BPRS enters the mailstream as single-piece parcels.
- (b) Please refer to USPS-T-26, Attachment T, pages 6 and 7. Please confirm that the costs at the origin AO are not modeled. If confirmed, please confirm that, all else equal, the greater the costs at the origin AO, the greater the fixed CRA adjustment factor. If not confirmed, please explain how costs at origin AOs are included the estimated costs and if costs at the origin AO have any impact on the fixed CRA adjustment factor.
- (d) Please refer to USPS-T-26, Attachment P, page 6, lines 1-3. Please confirm that 18.6 percent (17.8 percent + 0.8 percent) of Special Standard is entered in bulk.
- (e) Please refer to DMM § D602.2. Please confirm that bulk mail must be entered at business mail entry units (BMEU).
- (f) Please confirm that some BMEUs are located in SCFs and mailer's plants. If confirmed, please confirm that some bulk mail will avoid the destination AO. If not confirmed, please provide all evidence that all bulk mail will travel through the origin AO.
- (g) Please confirm that since 18.6 percent of Special Standard is entered in bulk, and 0.0 percent of BPRS is entered in bulk, that all else equal, BPRS would incur more costs at the origin AO.

RESPONSE:

- (a) Confirmed. It is also true that all BPRS parcels are machinable and delivered in bulk.
- (b) Confirmed. Confirmed.
- (c) No question.
- (d) Confirmed. It is also true that Special Standard mail outbound is delivered single piece.
- (e) Confirmed for bulk rate Standard Mail.
- (f) Confirmed. Confirmed.
- (g) Confirmed.

USPS/CSA-T1-41. Please refer to your response to USPS/CSA-T1-1. Please confirm that in your estimate of BPRS unit transportation costs, you rely on witness Eggleston's estimate of the transportation cost difference between inter-BMC and intra-BMC BPRS parcels (reference [4] in your response).

- (a) Please confirm that the estimate by witness Eggleston relies on witness Eggleston's assumption about the percentage of BPRS parcels in each zone.
- (b) Please confirm that you propose an alternative zone distribution, which leads to a lower inter-BMC BPRS transportation unit cost.
- (c) Please confirm that (b) would lead to a reduction in the cost difference between an inter-BMC BPRS parcel and an intra-BMC parcel.

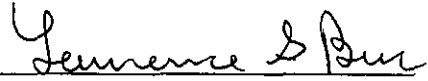
RESPONSE:

- (a) Confirmed.
- (b) Confirmed.
- (c) Confirmed.

DECLARATION

I, Lawrence G. Buc, do hereby declare under penalty of perjury that the answers to the foregoing Docket No. R2000-1 interrogatories are true to the best of my knowledge, information and belief.

Dated: June 28, 2000

A handwritten signature in cursive script that reads "Lawrence G. Buc". The signature is written in dark ink and is positioned above a horizontal line.

Lawrence G. Buc