

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0000

RECEIVED

JUL 28 4 04 PM '00

POSTAL RATE COMMISSION
OFFICE OF THE CLERK

POSTAL RATE AND FEE CHANGES, 2000

DOCKET NO. R2000-1

**FIRST INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION
TO UNITED STATES POSTAL SERVICE
WITNESS RICHARD PATELUNAS (USPS-ST-44)**

The Parcel Shippers Association (PSA) requests United States Postal Service to respond fully and completely to the following interrogatories and requests for production of documents pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure.

Respectfully submitted,



Timothy J. May, Esquire
Patton Boggs LLP
2550 M Street, NW
Washington, DC 20037-1350
Tel. 202/457-6050
Fax: 202/457-6315

Counsel for Parcel Shippers Association

Dated: July 28, 2000

**FIRST INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION
TO UNITED STATES POSTAL SERVICE
WITNESS RICHARD PATELUNAS (USPS-ST-44)**

PSA/USPS-ST-44-1

1. Please refer to Exhibit USPS-ST-44Z. In particular, please refer to the rows titled "Parcel Dropship Volume Shift." Please also refer to LR-I-126, pages 19 and 33.

a. Please confirm that the meaning of the "7,952" figure in the Parcel Dropship Volume Shift row in the Personnel Cost Reduction section implies that this cost reduction program will reduce cost by \$7.952 million less than was originally projected. If not confirmed, what does it mean?

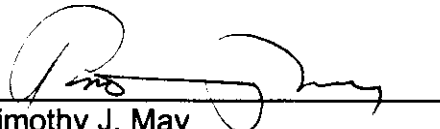
b. Please confirm that the meaning of the "44,206" figure in the Parcel Dropship Volume Shift row in the Non-personnel Cost Reduction section implies that this cost reduction program will reduce cost by \$44.206 million less than was originally projected. If not confirmed, what does it mean?

c. Please confirm that the changes identified in part (a) and (b) effectively cancel out all of the FY 2001 cost savings for these programs. If confirmed, please explain why the Postal Service no longer expects any cost savings to result from the Parcel Dropship Volume Shift cost reduction program.

d. Please confirm that these cost reduction programs take into account "...the change in the mix of parcel post resulting from the growth of the drop shift portion of the volume. The mail volume effect in the rollforward model does not take this shift into account; therefore, it is handled as a cost reduction adjustment." (LR-I-126, p. 33) If not confirmed, please provide an explanation of these cost reduction programs.

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the Postal Service by hand and by First-Class Mail upon all participants in this proceeding requesting such service.


Timothy J. May

Dated: July 28, 2000