

UNITED STATES OF AMERICA
Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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Postal Rate and Fee Changes, 2000)

Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE
FOLLOW-UP INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS PATELUNAS (OCA/USPS-ST44-48-50)
August 4, 2000

Pursuant to Sections 25(a), 26, and 27 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate ("OCA") hereby submits follow-up interrogatories and requests for production of documents for the purpose of developing changes to the OCA's direct case-in-chief incorporating revisions to test year forecasts and for the development of rebuttal testimony. Instructions included with OCA interrogatories OCA/USPS-1-14 dated January 24, 2000 are hereby incorporated by reference.

Respectfully submitted,



TED P. GERARDEN

Director

Office of the Consumer Advocate

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OCA/USPS-ST44-48. Please refer to your response to OCA/USPS-ST44-10(d)(iv) and (e)(iv) indicating that in updating non-personnel and personnel cost level factors, respectively, you used “the most recent DRI data available in time to incorporate in the update....”

- (a) Did you apply without modification the DRI indices utilized in your update?
- (b) If not, please explain which DRI indices were modified, the manner in which they were modified, and whether similar modifications were made to the same DRI indices in the Postal Service's initial request.

In responding to this interrogatory, please relate your response to the indices listed in the OCA cross-examination exhibit, OCA-XE-ST44-1 at Tr. 35/16818-21.

OCA/USPS-ST44-49. Please refer to your response to OCA/USPS-ST44-10(d)(iv) and (e)(iv) indicating that in updating non-personnel and personnel cost level factors, respectively, you used “the most recent DRI data available in time to incorporate in the update....”

- (a) Does DRI provide the Postal Service only one forecast estimate for a particular time period for each of the indices used in your update?
- (b) If DRI provides more than one estimate in recognition of differing economic scenarios for the indices used in your update, please indicate (1) which type of DRI estimate is used by the Postal Service and (2) whether the indices were uniformly utilized from the same scenario or whether indices from different DRI scenarios were used for the various applications.

- (c) If DRI indices were used based upon different scenarios, please explain the reasons for not utilizing indices based upon a uniform economic scenario for all of the applications.

Please relate your response to the indices listed in the OCA cross-examination exhibit, OCA-XE-ST44-1 at Tr. 35/16818-21.

OCA/USPS-ST44-50. Please refer to your response to OCA/USPS-ST44-31.

- (a) On the second page you state, "I have also been advised that this assumption is consistent with the proposed FY01 Operating Budget which did not exist when the case was originally filed." Is the assumption referred to in that sentence to use the ECI ("Employment Cost Index for Wages and Salaries for Private Industry") estimate of wages rather than the ECI minus 1 as applied by witness Tayman? If not, please provide the assumption.
- (b) The response also indicates the effective test year change in wages is "equal to the one year lagged forecast for the ECI." Please explain your understanding of the phrase "one year lagged forecast for the ECI."
- (c) What is the date of the original ECI estimate used by witness Tayman and the date of the ECI estimate used in your update?

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.


Stephanie S. Wallace

Washington, D.C. 20268-0001
August 4, 2000