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

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POSTAL WATE COMPANIONS OFFICE OF THE COOR, TARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE MAJOR MAILERS ASSOCIATION, REDIRECTED FROM WITNESS THRESS (MMA/USPS-ST46-1)

The United States Postal Service hereby provides its response to the following interrogatory of MMA: MMA/USPS-ST46-1, filed on July 24, 2000, and redirected from witness Thress.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

Eric P. Koetting

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2992 Fax –5402 August 7, 2000

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY OF MAJOR MAILERS ASSOCIATION (REDIRECTED FROM WITNESS THRESS)

MMA/USPS-ST46-1. Please refer to USPS-LR-I-439, page 1. The volume figures shown there for Priority Mail and Express Mail for the test year after rates differ from those shown in USPS witness Mayes response to POIR No. 1, Question 4, page 2. Please fully explain the reasons for these changes.

RESPONSE:

We assume that the citation in the first sentence of the question should be to USPS-LR-429 (Order No. 1294/PRC Version/Development of Rollforward Final Adjustments), page 3.

The TYAR Priority Mail and Express Mail volumes shown in witness Mayes' response to POIR No. 1, Item 4, page 2, (which are also those shown in her response to POIR No. 16, Attachment page 5), are correct for her purposes. The Priority Mail volume she shows there is the volume after adjustments by witness Robinson for the volume effects of Delivery Confirmation, which are detailed in witness Robinson's testimony (USPS-T-34) at pages 19-20 and in her Attachment J. This adjustment properly causes witness Mayes' Priority Mail volume to be different from that shown in the testimony of witness Musgrave (USPS-T-8, pg. 6). The Express Mail volume shown by witness Mayes, however, is that forecast by witness Musgrave and shown in his testimony.

The TYAR Priority Mail and Express Mail volumes shown on page 3 of USPS-LR-I-429 are incorrect. (That library reference relates to the PRC version of the updated Rollforward Final Adjustments; the same conclusion holds true for the updated Postal Service version shown in USPS-LR-I-419.) They properly should match the

Priority Mail and Express Mail volumes shown by witness Musgrave in USPS-T-8. (The Delivery Confirmation adjustments originally made by witness Robinson for Priority Mail play no role in the Rollforward Final Adjustment process documented in LR-I-419 and 429. Instead, in the context of the Order No. 1294 update, the Delivery Confirmation adjustments in the Postal Service version are shown in Section II of LR-I-420 and, in the PRC version, in Section 6 of LR-I-430.) It appears that the Priority Mail and Express Mail volumes shown in USPS-LR-I-429 and 419 reflect an earlier iteration of Dr. Musgrave's forecast. Although the volume numbers for Priority Mail and Express Mail shown in LR-I-429 and 419 are incorrect, this has no impact on the Rollforward Final Adjustment process, as the results of that process happen to be unaffected by changes in the volumes of those two particular subclasses (assuming that the correct volumes have been used in the rollforward itself, which is the case here).

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.

Eric P. Koetting

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