

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

RECEIVED

Nov 21 5 32 PM '01

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

**RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HOPE TO INTERROGATORIES OF NEWSPAPER ASSOCIATION
OF AMERICA
(NAA/USPS-T31—14-18)**

The United States Postal Service hereby provides the responses of witness Hope to the following interrogatories of the Newspaper Association of America: NAA/USPS-T31—14-18, filed on November 9, 2001.

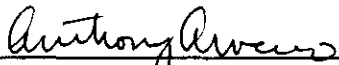
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Anthony Alverno
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2997; Fax -6187
November 21, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HOPE TO
INTERROGATORIES OF NEWSPAPER ASSOCIATION OF AMERICA**

NAA/USPS-T31-14:

Please refer to LR-J-131, work paper 1, page 0 (rate design formula):

- a. Please explain why test year before rates figures (especially volumes) are used, given that the pound rate input is the proposed rate and the outputs are the proposed rates
- b. Did you perform any calculations other than set forth in your testimony in determining the pound rate? If so, please provide those calculations.
- c. Please confirm that your proposed pound rate for Standard ECR mail was selected by you to be an input into the rate design formula. If you cannot confirm, please explain why not.

RESPONSE:

- a. The after rates volumes cannot be forecast until the new rates are determined.
- b. No.
- c. I selected the proposed pound rate in USPS-LR-J-131, WP1, page O ("ECR RD"), column H, Row 24. For a description of the pound rate as an input to the ECR rate design formula, see my testimony on page 6, line 11 to page 7, line 6.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HOPE TO
INTERROGATORIES OF NEWSPAPER ASSOCIATION OF AMERICA**

NAA/USPS-T31-15:

Please refer to page H (Cost) of LR-J-131 – WP1. For the Standard ECR delivery cost by density tier data, you cite LR-J-59. However, these data do not seem to be a part of LR-J-59. Please confirm that the source for these data is LR-J-117. If you do not confirm, please provide the correct source.

RESPONSE:

Confirmed.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HOPE TO
INTERROGATORIES OF NEWSPAPER ASSOCIATION OF AMERICA**

NAA/USPS-T31-16:

Please refer to page H (Cost) of LR-J-131-WP1. Please confirm that the Standard ECR delivery costs for flats presented at that page are different from the Standard ECR delivery costs presented in LR-J-117, Table 1. If the source you cite is LR-J-117, please explain the discrepancy between your delivery cost figures for ECR flats and those in LR-J-117.

RESPONSE:

Confirmed. The delivery costs for "flats" presented in Table 1 of LR-J-117 are for flat-shaped pieces only. The delivery costs for "flats" presented in USPS-LR-J-131, WP1, page H ("COST") are for nonletter-shaped pieces (flats and parcels). The delivery costs for nonletter-shaped Standard Mail ECR pieces provided in LR-J-117 are in Workbook LR-J-117.xls, Worksheet "Summary TY," cells O101 to O103, which is the source for the delivery costs provided in USPS-LR-J-131, WP1, page H ("COST").

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HOPE TO
INTERROGATORIES OF NEWSPAPER ASSOCIATION OF AMERICA**

NAA/USPS-T31-17:

If the source for page H (Cost) of LR-J-131-WP1 is not LRJ-117, please provide develop passthrough amounts, passthrough percentages, rates by density tier and destination entry, and TYAR revenue figures for the ECR subclass using the delivery cost figures for ECR flats in LR-J-117.

RESPONSE:

Not applicable.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HOPE TO
INTERROGATORIES OF NEWSPAPER ASSOCIATION OF AMERICA**

NAA/USPS-T31-18:

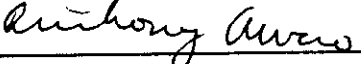
Please provide a ECR presort tree including current rate differences, calculated cost differences, and proposed rate differences based on your results from the previous question.

RESPONSE:

The presort tree in Appendix #1 of my testimony contains the information requested.

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.



Anthony Alverno

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2997; Fax -6187
November 21, 2001