

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

RECEIVED
Nov 27 4 54 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 MOELLER TO INTERROGATORIES OF THE RECORDING
INDUSTRY OF AMERICA
(RIAA/USPS-T32—4-5)**

The United States Postal Service hereby provides the responses of witness Moeller to the following interrogatories of the Recording Industry of America: RIAA/USPS-T32—4-5, filed on November 9, 2001.

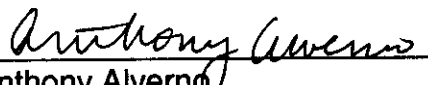
Each interrogatory is stated verbatim and is followed by the response.

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 27, 2001

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MOELLER
TO INTERROGATORIES OF
THE RECORDING INDUSTRY ASSOCIATION OF AMERICA

RIAA/USPS-T32-4. In your answer to RIAA/USPS-T32-2 you say "in absence of a specific forecast, the most reasonable course is to follow the established method...." Please supply a citation to the document or documents that established that method and to documents reflecting the use of that method prior to your invocation of it.

RESPONSE:

Please see the workpapers for Standard Mail accompanying the Governors' Docket No. R2000-1 modification decision, GOVS-LR-11, page 14 of WP1, which replicate the Commission's workpapers from Docket No. R2000-1 (WP1 page 13 of PRC LR-15). The same percentage of nonletters subject to the residual shape surcharge was used before and after rates.

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MOELLER
TO INTERROGATORIES OF
THE RECORDING INDUSTRY ASSOCIATION OF AMERICA**

RIAA/USPS-T32-5. Your answer to RIAA/USPS-T32-3 concludes by saying "using the fixed percentage implies that RSS and non-RSS pieces were affected similarly by the rate increase."

- (a) Were the two categories of pieces (RSS and non-RSS) subject to the same percentage increase in rates as a result of the January rate increase?
- (b) If not, please explain why you believe them to have been "affected similarly by the rate increase."

RESPONSE:

- a.) No.
- b.) My statement was merely explaining the theoretical implication of applying the "fixed percentage" assumption. My statement was not intended to imply that indeed RSS and non-RSS pieces were affected similarly by the rate increase. In any event, the assumption is reasonable for the purpose of estimating revenue from the surcharge in the Test Year.

DECLARATION

I, Joseph D. Moeller, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


JOSEPH D. MOELLER

Dated: 11-27-01

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 27, 2001