

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

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OFFICE OF THE SECRETARY

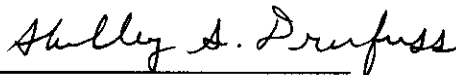
Postal Rate and Fee Changes, 2001)

Docket No. R2001-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS: THOMAS M. SCHERER (OCA/USPS-T30-5-11)
December 5, 2001

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-1-21 dated September 28, 2001, are hereby incorporated by reference.

Respectfully submitted,



SHELLEY S. DREIFUSS
Acting Director
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OCA/USPS-T30-5. Please confirm that for GFY 2000, the unzoned 2- to 5-pound volumes represent approximately 56 percent (677,864,390 / 1,222,454,421) of the total Priority Mail volume. If you are unable to confirm, please explain and provide the derivation of the correct amount, and include specific cites to your source documents.

OCA/USPS-6. At page 17 of your testimony, you state that, "All rate impacts over 5 pounds are [] constrained to a maximum of +18.5%, 5 percentage points above the subclass average rate increase of 13.5%[]."

- (a) Please confirm that for GFY 2000 the amount of Priority Mail weighing over 5 pounds is approximately 5 percent (63,962,394 / 1,222,454,421) of the total Priority Mail volume. If you are unable to confirm, please explain and provide the derivation of the correct amount and include specific cites to source documents referenced.
- (b) Who made the decision that all rate impacts over 5 pounds would be constrained to a maximum of 18.5 percent?
- (c) Why was the decision made to limit the rate impacts to a maximum of 18.5 percent for those Priority Mail pieces weighing over 5 pounds?
- (d) Please explain why you decided it was acceptable to allow the prices for the previously unzoned Priority Mail pieces in the 2- to 5-pound category to increase to approximately 62 percent for a 3 pound zone 8 Priority Mail piece, and 56 percent for a 5 pound zone 8 Priority Mail piece.
- (e) For GFY 2000, of the 2 to 5 pound Priority Mail mailers, what volume represents:
 - (1) households to households;
 - (2) non-households to households;
 - (3)

households to non-households; (4) non-households to non-households. Please cite your source, show the derivation of all calculated numbers and provide a copy if one has not been previously filed in this docket.

OCA/USPS-7. At page 18 of your testimony, you state:

Customers will not have to pay as much for shorter hauls that cost less, but will be asked to pay more for longer hauls that cost more. Rate incentives will no longer favor any one zone over another.

Please explain the apparent discrepancy in the two sentences cited. (For example: Under your new zoned 2-5 pound Priority Mail pricing proposal, a customer who pays less for a shorter haul is “favored” over a customer who pays more for a longer haul.)

OCA/USPS-8. In your testimony at page 18, you indicate that the rate for a UPS Ground service 2-pound parcel to Zone 2 is \$3.18 and \$3.72 to Zone 4 with a \$1.05 per-piece surcharge for residential deliveries.

- (a) Please confirm that the rates quoted are the UPS published delivery rates.
- (b) Please confirm that the rates quoted are applicable to individual consumers or businesses who choose to mail a package with UPS, but are not reflective of UPS negotiated service agreements.

OCA/USPS-9. On page 18 of your testimony, you indicate that “[c]ompetitors are charging zoned rates that, compared to Priority Mail’s unzoned rates, are relatively more attractive to customers for shorter hauls and relatively less attractive for longer hauls.”

- (a) Who besides UPS are the competitors you are referring to?
- (b) Other than UPS, what competitor's rates have you compared USPS's rates to?

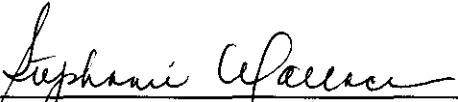
Please provide all rate charts consulted in making this comparison.

OCA/USPS-10. For those Priority Mail pieces weighing less than 5 pounds, please provide the ODIS statistics on the percentage that are (a) flats and (b) parcels.

OCA/USPS-11. In your testimony at pages 23-24, you discuss potential commercial mailers' responses. In preparing your testimony, did you consider the impact your proposal to zone rates for Priority Mail weighing 2-5 pounds would have on non-commercial mailers? If so, please discuss fully the considerations given to non-commercial mailers. If any documents reflect such consideration, please provide them. If you did not consider the impact on non-commercial mailers, then explain why not.

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 Rule 12 of the rules of practice.


Stephanie Wallace

Washington, D.C. 20268-0001
December 5, 2001