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

Postal Rate and Fee Changes, 2001   )   Docket No. R2001-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS MAURA ROBINSON
(OCA/USPS-T29-6)
December 18, 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,

Emmett Rand Costich

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OCA/USPS-T29-6. Please refer to your response to OCA/USPS-T29-1.

a.   Refer to your response to part d. Please confirm that in the test year, after rates

        (TYAR), you have assumed that 2.01136 percent of single-piece letter mail is

        subject to the nonmachinable surcharge. If you do not confirm, please explain.

b.   Refer to your response to part d. Please confirm that in the test year, before

        rates (TYBR), the implicit volume of single-piece letter mail subject to the

        nonmachinable surcharge would be 964,430 (47,899,389 * 0.0201136). If you do

        not confirm, please explain.

c.   Refer to your response to part d. Please confirm that the equation for computing

        the implicit own-price elasticity of demand for single-piece letters subject to the

        proposed nonmachinable surcharge is:

        $(49/45)^x * (0.0201136 * 47,899,389) = (0.0201136 * 46,865,402)$

        where solving for x results in the implicit own-price elasticity of demand for

        single-piece letters subject to the proposed nonmachinable surcharge. If you do

        not confirm, please explain and show the correct equation.

d.   Refer to your response to part d. Please confirm that the implicit own-price

        elasticity of demand for single-piece letters subject to nonmachinable surcharge

        would be -0.256 (see Table 1 below). If you do not confirm, please explain and

        show the correct implicit own-price elasticity of demand for single-piece letters

        subject to nonmachinable surcharge.

Table 1
IMPLICIT OWN-PRICE ELASTICITY OF DEMAND
FOR SINGLE-PIECE
NONMACHINABLE PIECES

TYAR Single-Piece Volume	46,865,402
TYBR Single-Piece Volume	47,899,389
TYAR Nonmachinable Pieces	942,633
TYBR Nonmachinable Pieces	963,430
TYAR NM Surcharge + SP Rate	$0.49
TYBR NS Surchrage + SP Rate	$0.45
Implicit Own-Price Elasticity for Nonmachinable Pieces	-0.256266015

e.   Please refer to your response to part h. Please confirm that in the TYAR, you

have assumed that 24.45 percent of nonautomation presort letter mail is subject

to the nonmachinable surcharge. If you do not confirm, please explain.

f.   Please refer to your response to part h. Please confirm that in the TYBR, the

implicit volume of nonautomation presort letter mail subject to the nonmachinable

surcharge would be 899,745 (3,679,940* 0.2445). If you do not confirm, please

explain.

g.   Please refer to your response to part h. Please confirm that the equation for

computing the implicit own-price elasticity of demand for nonautomation presort

letters subject to the proposed nonmachinable surcharge is:

$(40.7/37.2)^x * (0.2445* 3,679,940) = (0.2445* 3,579,306)$

where solving for x results in the implicit own-price elasticity of demand for

nonautomation presort letters subject to the proposed nonmachinable surcharge.

If you do not confirm, please explain and show the correct equation.

h.   Please refer to your response to part h. Please confirm that the implicit own-

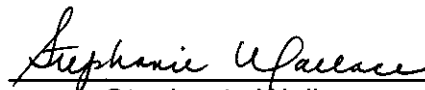price elasticity of demand for nonautomation presort letters subject to

nonmachinable surcharge would be –0.308 (see Table 2 below). If you do not

confirm, please explain and show the correct implicit own-price elasticity of

demand for nonautomation presort letters subject to nonmachinable surcharge.

Table 2
IMPLICIT OWN-PRICE ELASTICITY OF DEMAND
FOR NONAUTOMATION PRESORT
NONMACHINABLE PIECES

TYAR Presort Volume	3,579,306
TYBR Persort Volume	3,679,940
TYAR Nonmachinable Pieces	875,140
TYBR Nonmachinable Pieces	899,745
TYAR NM Surcharge + Presort Rate	$0.407
TYBR NS Surchrage + Presort Rate	$0.372
Implicit Own-Price Elasticity for Nonmachinable Pieces	-0.308358599

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 18, 2001