

DOCKET SECTION

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

OBJECTION OF UNITED STATES POSTAL SERVICE TO PARCEL SHIPPERS ASSOCIATION INTERROGATORY (PSA/USPS-T37-10(a) and (b)) (September 29, 1997)

The United States Postal Service hereby objects to Parcel Shippers Association interrogatory PSA/USPS-T37-10(a) and (b), filed on September 17, 1997. The information is not required by either the letter or the spirit of revised Rule 54(a)(1).

PSA/USPS-T37-10 states:

Your response to PSA/USPS-T37-8 states that the Test Year Alaska non-preferential air costs are \$106,437,000.00 both before and after-rates.

(a) Would it be correct, in order to replicate the Commission-approved treatment of these Alaska non-preferential air costs, to subtract \$106,437,000.00 from the total parcel posts costs as shown in the Test Year after-rates costs in witness Patelunas' testimony? If the response is anything other than an unqualified affirmative, please explain any qualification.

(b) Based on you response to this interrogatory, and your response to POIR 1(a)(2), that the calculation of the TYAR cost coverage, as shown at page 3 of WP1.1.C., uses as its base the total TYAR costs for Parcel Post with contingency, including intra-Alaska non-preferential air costs, please calculate and supply the TYAR cost coverage for parcel post after subtracting the \$106,437,000.00 of Alaska non-preferential air costs?

First, witness Mayes' response to PSA/USPS-T37-8 does not state that the "Test Year Alaska non-preferential air costa are \$106,437,000.00 both before and after-rates." Rather, her response to PSA/USPS-T37-8 states that "there is no separate

TYAR or TYBR distribution key in the rollforward model for Alaska non-pref air costs, to the TYAR *share* of total Domestic Airmail costs that is Alaska non-pref air is the same as the TYBR *share*, which in turn comes from the base year share."

(Emphasis added.)

In any event, the Postal Service objects to this interrogatory because responding clearly would require witness Mayes or the Postal Service (if it were redirected) to discuss details of the Commission's cost model. Subpart (a) basically asks how to make the Commission's Test Year Alaska adjustment and subpart (b) essentially asks the Postal Service to make that adjustment. The Postal Service, as it has stated repeatedly, has complied with both the letter and the spirit of revised Rule 54(a)(1). The reasons why the Postal Service should not have to respond to discovery on the Commission's costing methodology have been spelled out in detail in previous pleadings in this docket and will not be repeated here. *See Objection of the United States Postal Service to Major Mailers Association Interrogatories MMA/USPS-T5-1 and 6(b), MMA/USPS-T25-1(B) and (C), MMA/USPS-T30-3(A) through (D), 4(A) through (D), 6, 7(A)(2) and 8(C)(1) through (3), AND MMA/USPS-T32-15(b), August 25, 1997; Opposition of United States Postal Service to Major Mailers Association's Motion to Compel Answers to Certain Interrogatories and the Office of the Consumer Advocate Reply in Support Thereof, September 15, 1997; and Opposition of the United States Postal Service to Major Mailers Association Motion Requesting Leave to File a Reply or, in the alternative, Motion for Leave to Respond to the Reply, September 24, 1997.* For all of the reasons stated in those

pleadings, the Postal Service should not have to provide a response to the Parcel Shippers Association interrogatory.

With a substantial number of interrogatories still pending and with hearings fast approaching, the Postal Service should not be required to answer ever more questions about its Rule 54(a)(1) alternate cost presentation or the Commission's costing methodology , or to make calculations to its own proposals based upon Commission methodology.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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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.


Susan M. Duchek

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