

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY
OF MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS MILLER
(MMA/USPS-T22-76)

The United States Postal Service hereby provides its response to the following interrogatory of Major Mailers Association: MMA/USPS-T22-76, filed on January 9, 2002.

The interrogatory has been redirected from witness Miller to the Postal Service for response.

The 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

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
January 10, 2002

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS MILLER

MMA/USPS-T22-76

Please refer to Library Reference USPS-LR- J-84. The table below compares (in Column 1) First-Class Mail cost avoidances for certain rate categories determined by using a modified version of Library Reference USPS J-84 to (Column 2) the discounts proposed for such rate categories in the amended December 26, 2001 settlement proposal (“Settlement”). For purposes of this interrogatory, USPS LR J-84 is modified by reclassifying four “nonworksharing related fixed” cost pools (“1 MISC” -- cost pool no. 36; “1 SUPPORT” – cost pool no. 37; LD 48 OTH – cost pool no. 44; and LD 48_ ADM” – cost pool no. 45, as shown on page 8 of USPS-LR-J-84(attached hereto as part of Attachment A) to the “worksharing related fixed” classifications applied in Docket No. 2000-1. Library Reference UPSS-LR J-84 also is modified by the use of the aggregate Non-Automation Presort Letters Delivery unit cost estimate. The resulting cost avoidances are shown on page 1 of Library Reference USPS-LR-J-84, which is also attached as part of Attachment A to this interrogatory, and in Column 1 below.

- A. Please confirm that the aforementioned reclassification of the cost pools and the substitution of the delivery cost estimate indicated above would result in the USPS LR J-84 cost avoidance calculations as shown in Column 1 of the Table below. If not, please provide the correct figures as well as the derivation of those numbers.
- B. Please confirm that the cost avoidance calculations shown in Column 1 of the Table exceed the discounts in the proposed Settlement, as shown in Column 2 of the Table.

Comparison of Workshare Cost Savings
Using the Docket No. R00-1 Methodology
With USPS Proposed Workshare Discounts

Rate Category	Workshare Cost Savings Docket No. R00-1 Methodology	USPS Proposed Discounts
Mixed AADC	7.994	6.1
AADC	9.076	6.9
3-Digit	9.439	7.8
5-Digit	10.711	9.2

RESPONSE:

(A) Confirmed.

(B) Confirmed.

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.

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
January 10, 2002