

UNITED STATES OF AMERICA
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, 2000)

Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS JENNIFER L. EGGLESTON (OCA/USPS-T26-1-2)
February 10, 2000

Pursuant to sections 26 and 27 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-1-14 dated January 24, 2000, are hereby incorporated by reference.

Respectfully submitted,


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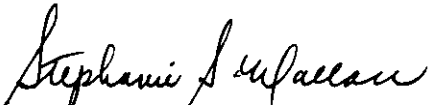
OCA/USPS-T26-1. A review of your testimony at pages 5 (bottom) and 6 suggests that the amount of the worksharing savings that you calculate is enlarged, to some extent, by your inclusion of costs that are "not worksharing-related" (page 6, line 4).

- (a) Is that interpretation correct? If not, please state your position with respect to nonworksharing fixed costs. If OCA's understanding is correct, then state your rationale for including nonworksharing fixed costs in a calculation of the cost savings resulting from worksharing.
- (b) Also explain whether your position is consistent with the Commission's opinion in Docket No. MC95-1 that inclusion of "cost differences unrelated to presorting and prebarcoding . . . are inconsistent with the Postal Service's, as well as the Commission's, intent that these workshare category differentials send accurate signals to potential producers of the costs that the Postal Service avoids as a result of worksharing."

OCA/USPS-T26-2. In the instant proceeding, the Postal Service appears to present an analysis of mail processing costs that leads the Service to conclude that the costs of some mail processing activities vary less than 100 percent with volume. In some cases, these proposed mail processing cost volume variabilities are significantly less than 100 percent. For the purpose of developing cost differentials for Parcel Post worksharing and dropship discounts, for the Parcel Post nonmachinable surcharge and oversize rates, and for Special Standard discounts, does your analysis reflect the differing and wide-ranging volume variabilities for different cost pools? If not, why not? (Explain fully.) If so, explain how your analysis takes these wide-ranging volume variabilities into account.

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 section 12 of the rules of practice.


Stephanie S. Wallace

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February 10, 2000