

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

**RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY  
OF MAJOR MAILERS ASSOCIATION  
REDIRECTED FROM WITNESS DANIEL  
(MMA/USPS-T28—13(B))**

The United States Postal Service hereby provides its response to the following interrogatory of Major Mailers Association redirected from witness Daniel: MMA/USPS-T28—13(b), filed on March 3, 2000.

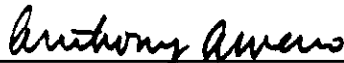
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
\_\_\_\_\_  
Anthony Alvemo  
Attorney

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March 21, 2000

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF MAJOR  
MAILERS ASSOCIATION REDIRECTED FROM WITNESS DANIEL**

**MMA/USPS-T28-13.**


- (a) Please indicate whether your study utilized the Commission-approved cost methodology, which assumes that labor costs vary 100% with volume, or the Postal Service's proposed cost methodology, which assumes that labor costs do not vary 100% with volume.
- (b) If your study did not utilize the Commission-approved cost methodology, please provide the study results utilizing the Commission-approved cost methodology.

**RESPONSE:**

- (a). Answered by witness Daniel.
- (b). It is assumed this question is referring to subclasses that have been referred to elsewhere in this set of interrogatories, namely, First-Class Mail Single-Piece, First-Class Mail Presort, and Standard Mail (A) Regular. As best as possible, the analyses in USPS LR-I-91 and Section 1 of USPS LR-I-92 have been conducted using the Commission-approved cost methodology. The results are presented in USPS LR-I-235. The assumptions made in reproducing the PRC version are noted below:
- "No Weight" costs are allocated in proportion to the costs by weight increment where weight is known because it is not known how such tallies would be allocated in the PRC version.
  - A PRC version of function specific TY piggyback factors has not been developed so USPS version piggybacks were used.
  - Street SCS Access costs were combined with 7.2 Access Costs and distributed in the same manner as the USPS version.
  - Street Single-Subclass Load costs were combined with 7.3 Elemental Load costs and distributed using the USPS distribution keys.

## 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.

  
\_\_\_\_\_  
Anthony Alverno

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