

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

RECEIVED  
May 4 4 46 PM '00  
POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO QUESTION POSED AT HEARINGS

The United States Postal Service hereby provides its response to a question  
raised at hearings on April 27, 2000.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



Scott L. Reiter

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2999 Fax -5402  
May 4, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO QUESTION POSED AT HEARINGS**

**Tr. 13/5255-57.** Counsel for Parcel Shippers Association requested that the Postal Service provide the impact on the final adjustments of applying CRA adjustment factors to the estimated cost savings of DSCF and DDU.

Witness Daniel develops the underlying unit costs for final adjustments in LR-I-98. Since Witness Daniel employed a bottoms-up cost analysis in her final adjustment calculation, she already has incorporated CRA adjustment factors in her analysis of Parcel Post. This includes costs for the DSCF and DDU rate categories. These calculations can be found in the hard copy of LR-I-98 on page 15. It is also available electronically in file "lr98sec4a.xls." Please note that the CRA adjustment factors employed by witness Daniel in LR-I-98 are different from the CRA adjustments in attachment A of USPS-T-26 (Witness Eggleston). This is because the final adjustments shown in LR-I-98 are calculated without the use of piggyback factors. Special final adjustment piggyback factors are then applied in LR-I-97.

## 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.



---

Scott L. Reiter

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
May 4, 2000