

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

NOTICE OF THE UNITED STATES POSTAL SERVICE
CONCERNING ERRATUM IN RESPONSE OF WITNESS ROBINSON TO
OFFICE OF THE CONSUMER ADVOCATE INTERROGATORIES: OCA/USPS-2(c,d)
(October 15, 2001)

On October 12, 2001, the United States Postal Service filed the response of witness Maura Robinson to Office of the Consumer Advocate interrogatories OCA/USPS-2(c) and (d). These institutional interrogatories were redirected from the Postal Service to witness Robinson for response. Nevertheless, the caption on the first page of the response is not a model of clarity. Accordingly, the Postal Service hereby files a revised copy of that response in which the caption on the first page makes clear that the interrogatories were re-directed to witness Robinson. Although there is a minor change in the format of the revised response, there is no change in the text of the original response. The revised response, dated today, supersedes the original.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux
Chief Counsel
Ratemaking

Michael T. Tidwell
Attorney

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OCA/USPS-2

...

- (c) Please confirm that shape should be recognized in the rate structure of First-Class Letters and Sealed Parcels, Regular. If you do not confirm, please explain.
- (d) Please confirm that a more complex rate design (different rates for each weight/shape cell) for pieces weighing over one ounce would more closely align costs with rates. If you do not confirm, please explain.

RESPONSE:

- (c) Confirmed that shape should be considered in evaluating the rate structure of First-Class Mail Letters and Sealed Parcels, Regular only to the extent indicated in the Postal Service's First-Class Mail rate proposal. At the same time, recognition of shape in rate design should be weighed with other factors. To a limited degree, shape is currently recognized in the First-Class Mail Letters and Sealed Parcels, Regular rate category through the proposed nonmachinable surcharge. This surcharge is applied to non-letter-shaped mail weighing one ounce or less, as defined in proposed DMCS §232.
- (d) Not confirmed. A more complex rate design (different rates for each weight/shape cell) for pieces weighing over one ounce would more closely align costs with rates only if sufficient data existed to accurately disaggregate costs by both weight and shape. As discussed in my testimony, "marginal cost estimates [prepared by the Postal Service and presented in USPS-LR-J-58] by ounce increments . . . provide only a

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RESPONSE TO OCA/USPS-2(d) continued:

general indication of the cost changes as weight increases,” and “use of the[se] cost differential[s] between any two ounce increments as a basis for rate design is problematic.”

USPS-T-29 at 25-26. Further disaggregations of this data by weight and shape are unlikely to result in sufficiently accurate information to use in rate design.

CERTIFICATE OF SERVICE

I hereby certify that, in accordance with section 12 of the Rules of Practice of the Postal Rate Commission, I have this day served the foregoing document upon all parties of record in Postal Rate Commission Docket No. R2001-1.

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October 15, 2001

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