

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MILLER
TO INTERROGATORY OF GREETING CARD ASSOCIATION
REDIRECTED FROM WITNESS ROBINSON

The United States Postal Service hereby provides the response of witness Miller (USPS-T-22) to the following interrogatory of Greeting Card Association: GCA/USPS-T29-16, filed on November 9, 2001.

The interrogatory has been redirected from witness Robinson to witness Miller 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
November 26, 2001

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GCA/USPS-T29-16

All else equal, would a reduction in the cost of non-workshared letters result in smaller cost differentials between workshared and non-workshared letters? If your answer is negative, please explain why.

RESPONSE:

Not necessarily. It depends on the specific cost reduction.

For example, a cost reduction related to Remote Computer Read (RCR) enhancements would affect the cost of non-workshared letters, but would not affect the cost of workshared letters. If increasing wage rates did not offset this cost reduction over time, the cost differential could decrease.

Other mail processing improvements, however, could affect the costs for both non-workshared letters and workshared letters. For example, the deployment of Delivery Bar Code Sorter (DBCS) expansion modules could reduce the average handlings per piece for both non-workshared letters and workshared letters. In this instance, a reduction in the costs for non-workshared letters would not necessarily result in a smaller cost differential between workshared letters and non-workshared letters.

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

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