

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS ROBINSON  
TO INTERROGATORY OF MAJOR MAILERS ASSOCIATION  
(MMA/USPS-T29-2) (ERRATA)

The United States Postal Service hereby provides the revised response of witness Robinson to the following interrogatory of Major Mailers Association:

MMA/USPS-T29-2.

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

This revised response supersedes the original response filed on November 9, 2001.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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Michael T. Tidwell

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November 29, 2001

## **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.

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Michael T. Tidwell

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
November 29, 2001

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TO INTERROGATORIES OF MAJOR MAILER'S ASSOCIATION

**MMA/USPS-T29-2** Please refer to your Direct Testimony on page 11 where you point out that notwithstanding USPS witness Miller's derived cost savings, you recommend that the workshare discounts be increased.

- A. Historically, has the Postal Service in rate cases recommended First-Class discounts that are higher than the alleged cost savings that its witnesses have estimated? Please explain your answer.
- B. Historically, has the Postal Service in rate cases predicted that the alleged cost savings that its witnesses have estimated would decrease in the future? Please explain your answer.
- C. Historically, has the Commission in rate cases found that the alleged cost savings that the Postal Service's witnesses have estimated were understated? Please explain your answer.

**RESPONSE:**

- A. Yes. See, for example, Docket No. R2000-1, USPS-T-33 Table 7 at 33 and Docket No. R97-1, USPS-T-32 at 27-28.
- B. No. It is my understanding that, in general, Postal Service costing witnesses project cost avoidances for the test year in any docket. However, in Docket No. R90-1, witness Callies did project estimated First-Class Mail cost avoidances beyond the test year. See Docket No. R90-1, PRC Op. at V-28, para. 5073. Witness Callies projected that, as a result of future automation plans, additional cost savings would occur "soon after the 1992 test year."  
Docket No. R90-1, USPS-T-14 at 26-28.
- C. Yes, differences between the Postal Service's costing methodology and the Postal Rate Commission's costing methodology have resulted in differing cost

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avoidance estimates. Compare, for example, Docket No. R2000-1, USPS-T-33 at 33 (revised 4/14/00) and Docket No. R2000-1, PRC Op. at Table 5-3. My rate proposal balances the estimated cost avoidances, with the increase in the implicit cost coverage for workshared letters by increasing the discounts by 0.5 cents above their current levels.