

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, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF UNITED PARCEL SERVICE
REDIRECTED FROM WITNESS MEEHAN
(UPS/USPS-T11-15)

The United States Postal Service hereby provides its response to the following interrogatory of United Parcel Service: UPS/USPS-T11-15, filed on November 26, 2001, and redirected from witness Meehan.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys

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December 10, 2001

Response of United States Postal Service
to
Interrogatories of United Parcel Service
(Redirected from witness Meehan, USPS-T-11)

UPS/USPS-T11-15. Refer to library reference USPS-LR-J-74.

- (a) Provide in hard-copy form the entire Cost and Revenue Analysis ("CRA") under PRC Costing for Base Year 2000 that supports the figures contained in the file prccosts.xls.
- (b) Provide in hard-copy form the entire Cost Segments and Component Report under PRC Costing for Base Year 2000 underlying the figures contained in the file prccosts.xls.
- (c) Provide the total specific fixed costs and total volume variable costs by cost segment for each subclass of mail under PRC Costing for Base Year 2000 underlying the attributable cost figures contained in the file prccosts.xls.
- (d) For each cost segment, explain what type of costs are treated as specific fixed costs under PRC Costing and to which subclass of mail these costs are assigned.

Response:

- (a) The PRC version of the Base Year CRA that the Postal Service files in response to Rule 54 (a)(1) is filed in hardcopy in USPS-LR-J-74 Section 8.
- (b) The PRC version of the Base Year Cost Segments and Components report that the Postal Service files in response to Rule 54 (a)(1) is filed in hardcopy in USPS-LR-J-74 Section 6.
- (c) The Postal Rate Commission uses the term "attributable" rather than "volume variable" or "incremental", so the PRC costs shown in USPS-LR-J-74 are attributable, rather than "volume variable." The separation between "volume variable," "product specific," "incremental" or "specific fixed" is not part of the cost presentation of the PRC CRA that the Postal Service files in response to Rule 54 (a)(1). All attributable costs, whether "fixed" or "variable" are shown in hardcopy in USPS-LR-J-74, Section 8. However, the "specific fixed" costs under

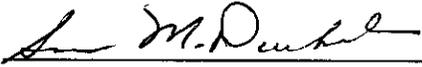
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the PRC model can be seen in the manual inputs contained in Section 2 of
USPS-LR-J-74.

(d) See the response to UPS/USPS-T11-15 (c) above.

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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