

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
WITNESS MEEHAN TO INTERROGATORY OF
UNITED PARCEL SERVICE
(UPS/USPS-T11-16)

The United States Postal Service hereby provides the response of witness Meehan to the following interrogatory of United Parcel Service: UPS/USPS-T11-16, filed on November 30, 2001.

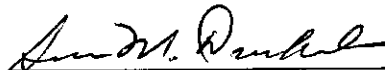
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking:



Susan M. Duchek

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December 12, 2001

Response of United States Postal Service Witness Meehan
to
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UPS/USPS-T11-16. Refer to your response to interrogatory UPS/USPS-T11-5, where you estimate the costs of the Postal Service's call centers to be \$116 million in BY2000.

(a) Provide a single table that shows the attribution of these costs to Postal Service products.

(b) What proportion of the \$116 million in costs was considered institutional in BY 2000?

Response:

(a) The base year costs for the call centers were not, per se, identified as volume variable to any product or set of products. Rather, in the base year, those costs were included within the costs of the components listed in the table provided in response to UPS/USPS-T11-6. Therefore, the call center costs were not treated separately. The table in UPS/USPS-T11-6 shows the attribution of the cost components that the call center costs are included in. For example, the amount \$558,898 (000) shown in Cost Segment 20, Component 236 (which includes \$112,952 of call center costs, as shown in the table provided in response to UPS/USPS-T11-6), has its attribution/distribution shown in Workpaper A-4, pages 31-32.1.

(b) The base year costs for the call centers were not, per se, identified as institutional. Rather, in the base year, those costs were included within the costs of the components listed in the table provided in UPS/USPS-T11-6. Therefore, the call center costs were not treated separately as institutional or otherwise. The table in UPS/USPS-T11-6 shows the attribution (or non-attribution) of the cost

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components in which these costs are included, including any cost components that are non-volume variable. For example, the amount \$261,349 (000) (which includes \$61,969,376 of call center costs, as shown in the table provided in response to UPS/USPS-T11-6) shown in Cost Segment 18, Component 210, shows no attribution to products in Workpaper A-1 page 88, as this component is non-volume variable.

DECLARATION

I, Karen Meehan, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Karen Meehan

Dated: 12/12/01

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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