

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

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POSTAL RATE COMMISSION
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POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF UNITED PARCEL SERVICE
UPS/USPS-T1-1(e), REDIRECTED FROM WITNESS SHAW
(December 13, 2001)

The United States Postal Service hereby provides its responses to the following
interrogatory of United Parcel Service: UPS/USPS-T1-1(e), filed on November 9, 2001.

This interrogatory was redirected from witness Shaw.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:



Kenneth N. Hollies

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UPS/USPS-T1-1: Refer to page 7 of your testimony where you discuss the replacement of the old City Carrier In-Office Cost Attributable ("LIOCATT") system reports with an In-Office Cost System ("IOCS")-based Carrier Mixed Mail ("CARMM") report for the purposes of distributing city carrier in-office labor costs associated with mixed mail to classes and subclasses of mail.

...


- e. Has the Postal Service considered or is the Postal Service considering implementing the improved mixed mail cost distribution methodology now used for Cost Segment 3.1 for Cost Segment 6.1? If not, why not?

RESPONSE:

- e. Implementation of an improved cost distribution methodology for Cost Segment 6.1 would require serious study of the cost segment. Among other things, the Postal Service would need to determine operationally meaningful cost pools and to analyze the variability of costs with respect to volume. As of yet, the Postal Service has not studied these complex issues.

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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