

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

RECEIVED  
DEC 26 5 05 PM '01

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 AMERICAN BUSINESS MEDIA AND THE MCGRAW-HILL COMPANIES  
(ABM-MH/USPS-T34-13)

The United States Postal Service hereby provides its response to the following interrogatory of American Business Media and the McGraw-Hill Companies: ABM-MH/USPS-T34-13, filed on December 5, 2001.

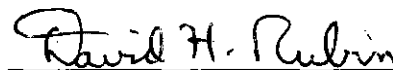
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2986; Fax -6187  
December 26, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF  
AMERICAN BUSINESS MEDIA AND THE MCGRAW-HILL COMPANIES,  
REDIRECTED FROM WITNESS TAUFIQUE

**ABM-MH/USPS-T34-13.** If as a result of the proposals more Periodicals are drop shipped, how will that affect the unit attributable costs of those that are not? As part of your answer, please describe the effect on non-drop shipped Standard A attributable costs when drop ship discounts for Standard A mail were first introduced.

**RESPONSE:**

There is no expectation of any change to the attributable cost of individual non-dropshipped pieces simply due to an increase in volume of dropshipped Periodicals. To the extent that there is a change in mail mix of the non-dropshipped pieces (e.g., the average length of haul increases), then that may affect the average cost of all non-dropshipped pieces. That does not necessarily imply a push up on individual rate cells for all nondropshipped pieces, however, since the average revenue for these pieces would be affected in a similar fashion as the rates are zoned. The resulting "average" non-dropshipped piece might be in a higher zone.

As far as Standard Mail is concerned, total attributable costs are not calculated by entry location. However, cost studies, such as provided in USPS-LR-J-68, have been provided since 1990 that measure workshare-related costs by destination entry tier and include estimates of the unit transportation and non-transportation costs associated with transporting non-dropshipped containers from origin to destination delivery unit. While those studies may provide some insight, any changes in the costs by tier could be caused by a number of variables, not simply changes in relative volume among the tiers.

**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.

*David H. Rubin*

---

David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
December 26, 2001