

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

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POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

REPORT OF UNITED STATES POSTAL SERVICE
ON STATUS OF RESPONSE TO QUESTIONS RAISED AT THE CLOSE
OF ORAL CROSS-EXAMINATION OF WITNESS SCHENK
(January 25, 2002)

At the close of witness Schenk's oral cross-examination, the Chairman read into the record several requests directed to Ms. Schenk that related to material produced in Library References USPS-LR-J-59, 117, and 183. Tr. V5/951, line 7 through 952, line 9. In short, the request focused upon a cost methodology developed by witness Schenk that relied upon mainframe FORTRAN programs, and the request sought identification of a means for replicating that analysis using just a personal computer.

Counsel for the Postal Service related to the Chairman that witness Schenk's professional colleagues were expressing some doubt whether the analysis could be made PC-compatible, but that further investigation would be made and reported upon. This document constitutes the Postal Service report.

Our investigation indicates that it may be possible to translate the cost methodology to a PC-compatible format, although the success of that effort is not assured.¹ Any attempted translation will be difficult, expensive, and time-consuming (on the order of six weeks); spending the \$20,000 to \$30,000 necessary to make the attempt would still be no guarantee of success.

¹The Postal Service is exploring whether any future use of the cost methodology involved can be PC-compatible.

The substantive and procedural context of this docket, wherein the only substantive barrier to concluding the docket via a settlement agreement relates to First-Class Mail, is also instructive. Since witness Schenk's cost methodology applies only to Standard Mail, it appears that a PC-compatible version of the methodology may not be useful in resolving substantive or procedural issues.

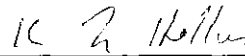
Accordingly, absent further indication from the Commission that the translation effort is important for this case, the Postal Service proposes not to undertake it.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Kenneth N. Hollies

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.



Kenneth N. Hollies

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3083; Fax -3084
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