

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF VALPAK. (VP/USPS-T47-1 - 2),
REDIRECTED FROM WITNESS DAVIS
(May 26, 2006)

The United States Postal Service hereby provides its response to the following interrogatories of ValPak, Inc., filed on May 12, 2006: VP/USPS-T47-1 – 2, redirected from witness Davis.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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May 26, 2006

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VP/USPS-T47-1.

Please refer to USPS-T-47, Attachment 1, page 8, Table 6, R2006-1 USPS Library References.

- a. Please identify the authors, as well as others who have materially contributed to substantive aspects of the preparation or development, of Appendix H (Calculating Postal Product Costs: Marginal Costs) and Appendix I (Calculating Postal Product Costs: Incremental Costs) of USPS-LR-L-1, Summary Description of USPS Development of Costs by Segments and Components, Fiscal Year 2005.
- b. Please identify any witness or witnesses sponsoring Appendix H (Calculating Postal Product Costs: Marginal Costs) and Appendix I (Calculating Postal Product Costs: Incremental Costs) of USPS-LR-L-1, Summary Description of USPS Development of Costs by Segments and Components, Fiscal Year 2005.
- c. If your response to preceding part b identifies more than one witness as sponsoring Appendix H (Calculating Postal Product Costs: Marginal Costs) and Appendix I (Calculating Postal Product Costs: Incremental Costs) of USPS-LR-L-1, please indicate the part sponsored by each witness.
- d. Please identify each witness who relies on any part of Appendix H (Calculating Postal Product Costs: Marginal Costs) and Appendix I (Calculating Postal Product Costs: Incremental Costs) of USPS-LR-L-1, Summary Description of USPS Development of Costs by Segments and Components, Fiscal Year 2005.

RESPONSE:

Information regarding the Master List of Library References included within Attachment 1 to USPS-T-47 is reproduced there solely for the convenience of the reader, in order to make the roadmap document a more useful reference tool.

- a. USPS-LR-L-1 is a Category 1 library reference, relating to the Postal Service's ongoing data collection and reporting systems. One reason why that category was created was for documents, such as the Summary Description (which has been LR-1 in a long list of rate cases), which contain information that may be created at one point in time and may remain unchanged (in successive editions) over many years, or may be continually evolving over many years, with input from a wide variety of sources. Either way, the nature of that process and the fact that the original versions of these documents were created many years

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ago make the identification of specific authors untenable. With respect to the particular Appendices addressed in this question, however, the fundamental source documents upon which these presentations are grounded are clearly set forth in the footnotes, as are the authors of those documents.

b. As a Category 1 library reference, there are no witnesses that will be sponsoring these materials.

c. Not applicable.

d. These appendices provide background for the costing process employed by the Postal Service, both in years in which omnibus rate cases are filed, and in years in which they are not. Therefore, while these appendices may provide useful background for a variety of costing witnesses in this case, there are no witnesses who rely, per se, on those appendices.

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VP/USPS-T47-2.

Please refer to USPS-T-47, Attachment 1, page 9, Table 6, R2006-1 USPS Library References.

- a. Please identify the authors, as well as others who have materially contributed to substantive aspects of the preparation or development, of USPS-LR-L-77, FY2005 Billing Determinants.
- b. Please identify any witness or witnesses sponsoring USPS-LR-L-77, FY2005 Billing Determinants.
- c. If your response to preceding part b identifies more than one witness as sponsoring USPS-LR-L-77, please indicate the part sponsored by each witness.
- d. Please identify each witness who relies on any part of USPS-LR-L-77, FY2005 Billing Determinants.

RESPONSE:

Information regarding the Master List of Library References included within Attachment 1 to USPS-T-47 is reproduced there solely for the convenience of the reader, in order to make the roadmap document a more useful reference tool.

- a. USPS-LR-L-77 is a Category 1 library reference, relating to the Postal Service's ongoing data collection and reporting systems. One reason why that category was created for documents such as the Billing Determinants is that they can reflect the work product of personnel throughout the organization who collect the raw data that are the primary inputs into statistical reporting systems, other personnel who process that data through a variety of intermediate steps, as well as those who organize the presentation of the material appearing in the finished document. As indicated within LR-L-77, it is ultimately compiled for presentation by the Pricing organization within the Marketing Department, which is done on an annual basis (i.e., with or without a rate case). In practical terms, when there is a rate case, most of the final work on base year billing determinants relating to individual classes and services is performed by the same individuals who conduct and present the rate design for those classes and services.

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- b. As a Category 1 library reference, there are no witnesses that will be sponsoring these materials.
- c. Not applicable.
- d. The primary users of the Billing Determinants are the rate policy and design witnesses, and witness Thress (for use in volume forecasting). The types of information contained with the Billing Determinants have so many applications, however, there could be small parts or individual data elements used by almost any quantitative witness. Among the more likely candidates are the cost study witnesses (e.g. witnesses Mayes, Miller, Abdirahman, Page, etc.). Where a witness relies on material from USPS-LR-L-77, the source citations of that witness should so indicate.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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