

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, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS DEGEN TO INTERROGATORIES OF  
THE ASSOCIATION OF AMERICAN PUBLISHERS  
(AAP/USPS-T16-10 - 11)

The United States Postal Service hereby provides the responses of witness Degen to the following interrogatories of the Association of American Publishers: AAP/USPS-T16-10 - 11, filed on April 7, 2000.

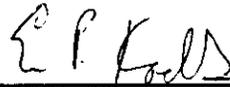
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



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April 21, 2000

Response of United States Postal Service Witness Degen  
To Interrogatories of Association of American Publishers

AAP/USPS–T16–10. Please refer to your response to subpart (c) of AAP/USPS-T17-9, (Redirected from Witness Van-Ty-Smith, USPS-T-17). With respect to the original interrogatory directed to Witness Van-Ty-Smith and your subsequent response to that interrogatory:

- a. Please provide a revised and detailed response which describes how the Postal Service made the determination that distribution of not-handled tallies to the BPM subclass (as opposed to other subclasses or all subclasses as whole) was based on a “reasonable inference.” Please provide all documents which show how this distribution was made and which support the “reasonable inference” made by the Postal Service.
- b. Please provide a detailed explanation and definition of the term “reasonable inference” as it pertains to the determination of the distribution of mixed tallies and not-handled tallies by the Postal Service.

AAP/USPS–T16–10 Response.

- a. For further discussion of the basis for witness Van-Ty-Smith’s treatment of not-handling tallies, please see the response to AAP/USPS-T16-11.
- b. Note that the exact term “reasonable inference” is not witness Van-Ty-Smith’s term. The relevant statement, quoted in interrogatory AAP/USPS-T17-9, is, “operational associations, *from which* the subclass or mail class distribution mix can be reasonably inferred” (USPS-T-17 at page 14, lines 5-6; emphasis added. In addition to the material cited in the response to AAP/USPS-T17-9(a), the operational associations I discuss in the response to AAP/USPS-T17-9(b) are the basis for the mixed-mail distribution procedures described by witness Van-Ty-Smith. I am aware of no other meaning of “reasonable inference” in this context. See also PRC Op., Docket No. R97-1, Vol. 1, ¶3143-3144. For further discussion of not-handling tallies, please see the response to AAP/USPS-T16-11.

Response of United States Postal Service Witness Degen  
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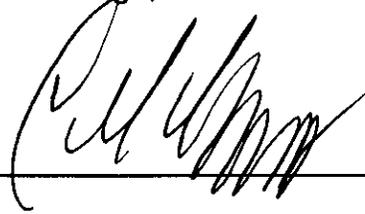
AAP/USPS-T16-11. Please refer to your response to AAP/USPS-T17-12. Please confirm that no studies, reports, data, documents or other evidence support the statement on page 16 (lines 2-4) of USPS witness Van-Ty-Smith's testimony that "the not-handling tallies for non-allied cost pools are proposed by the USPS to be distributed to subclasses using the direct and distributed mixed tallies within the same cost pool." If you do not confirm this statement, please identify, in detail, all documents which support witness Van-Ty-Smith's statement on page 16 (lines 2-4) of her testimony and provide all such documents with your response.

AAP/USPS-T16-11 Response.

Not confirmed. The key statement is in the response to AAP/USPS-T17-9(b), which I cite in response to AAP/USPS-T17-12, is, "Please note that witness Van-Ty-Smith's treatment of not-handling tallies in non-allied labor cost pools is such that they do not affect the subclass distribution key shares. See also my testimony, USPS-T-16, at pages 73-74, and my response to ANM/USPS-T2-8." In other words, witness Van-Ty-Smith's treatment of the not-handling tallies is equivalent to ignoring the not-handling tallies and basing the distribution key subclass shares on the handling tallies (both direct tallies and distributed mixed-mail tallies). This approach was justified in the evidence from Docket No. R97-1 cited in the response to AAP/USPS-T17-1(c), which I also referenced in the response to AAP/USPS-T17-9(a).

**DECLARATION**

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



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Date: 4-20-00

## 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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