

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 KASHANI TO INTERROGATORIES OF
THE DIRECT MARKETING ASSOCIATION, INC.
REDIRECTED FROM WITNESS TAYMAN)
(DMA/USPS-T9-32-33)

The United States Postal Service hereby provides the responses of witness Kashani to the following interrogatories of the Direct Marketing Association, Inc.: DMA/USPS-T9-32-33, filed on February 14, 2000, and redirected from witness Tayman.

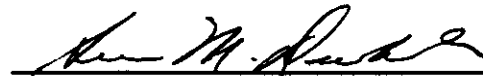
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

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February 28, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KASHANI
TO INTERROGATORIES OF
DIRECT MARKETING ASSOCIATION, INC.
(Redirected from Witness Tayman, USPS-T-9)

DMA/USPS-T9-32 Please refer to page 14 of your testimony (USPS-T-9), which discusses cost reductions for FY1999, FY2000, and the Test Year. Exhibit E of LR-I-127 provides details of these cost reductions by program and by cost segment. For each program in cost segments 2 and 3, please provide its component within the segment.

RESPONSE

Assuming that the second sentence in your question refers to LR-I-126, Exhibit

E.

For Cost Segment 2:

- The only cost reduction program pertaining to Cost Segment 2 is FY 2000 Local Management Initiative which is distributed to components 4, 7, 9, 13, 14, 16, 17, 18, 25, 26, 29, 30, 31, 32, 33, 600, 601, 674, 675, 676, 677, and 678.

For Cost Segment 3:

- All cost reduction programs for cost segment 3, as listed in LR-I-127, Chapter V, Section a, are distributed to component 35.

Except:

- FY 1999 Base Year Adjustment and the Local Management Initiative in FY 2000 are distributed to components 35, 40, 66, 421, 422, 423, 467, 468, 469, 470, 471, 41 227, and 228, and
- Corporate Call Management program in the Test Year is distributed to component 66.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KASHANI
TO INTERROGATORIES OF
DIRECT MARKETING ASSOCIATION, INC.
(Redirected from Witness Tayman, USPS-T-9)**

DMA/USPS-T9-33 Please refer to page 54 of your testimony (USPS-T-9), which discusses changes in costs for other programs for FY1999, FY2000, and the Test Year. Exhibit E of LR-I-127 provides details of these changes in costs for other programs by program and by cost segment. For each program in cost segments 2 and 3, please provide its component within the segment.

RESPONSE

Assuming that the second sentence in your question refers to LR-I-126, Exhibits A, B, and C.

For Cost Segment 2:

- Route Inspection is distributed to components 13, 14, 16, 17, and 18.
- Cost Study Support and Environmental Program are distributed to components 29, 30, 31, 32, 33, 600, 601, 674, 675, 676, 677, and 678.
- International Service Centers in FY 2000 is distributed to component 4.

For Cost Segment 3:

- All programs are distributed to component 35, as shown in LR-I-127, Chapter V, Section a.

Except:

- FY 99 Data Collection Diagnostic, Ease of Use Measures, BMEU Proficiency Training, Revenue and Volume Modification, Driver Trainers, and TACS, are distributed to components 35, 40, 66, 421, 422, 423, 467, 468, 469, 470, 471, 41 227, and 228.

DECLARATION

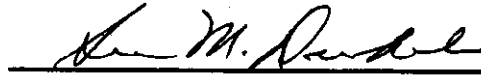
I, Cameron Kashani, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Cameron Kashani

Dated: 2/28/2000

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.

A handwritten signature in black ink, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

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