

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, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TAYMAN TO INTERROGATORY OF
THE DIRECT MARKETING ASSOCIATION, INC.
(DMA/USPS-T9-15)

The United States Postal Service hereby provides the response of witness Tayman to the following interrogatory of the Direct Marketing Association, Inc.: DMA/USPS-T9-15, filed on August 13, 1997. Interrogatories DMA/USPS-T9-11, 13, 14, were redirected to witness Patelunas and interrogatory DMA/USPS-T9-12 was redirected to witness Alexandrovich.

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



Scott L. Reiter

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August 27, 1997

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF
THE DIRECT MARKETING ASSOCIATION

DMA/USPS-T9-15. Please refer to page 13, lines 23-25, of your direct testimony (USPS-T-9) where you state "[s]ome programs generally satisfy a one-time need and are not intended to continue indefinitely, while others will add additional costs that continue indefinitely."

- a. Please confirm that once a program satisfies the one-time need for which it was intended to address, it is terminated and no longer accrues costs. If not confirmed, please explain.
- b. Please provide a list of Other Programs in Docket No. R94-1 and the costs of each program.
- c. For each program listed in sub-part (b), please indicate whether it addressed a "one-time need" and was not repeated.
- d. For each program that addressed a "one-time need" in R94-1, please indicate whether the program was still funded in FY 1996.

RESPONSE:

a. As I discuss on pages 13 and 14 of my testimony, some of the items included in the other program category generally satisfy one time needs and are not intended to continue indefinitely. Some amount of costs associated with most of the items listed as other programs will continue indefinitely. Programs typically are the way the Postal Service introduces change. While the costs of implementing a program eventually end, ongoing operational costs often remain after a transition period. For those items that totally relate to a one time event, the costs associated with the program eventually terminate.

b. For a list of other programs and the estimated cost of each program included in the Docket No. R94-1 rate case please see the workpapers of John. H. Ward, (USPS-

T-8) pages 48-50. For additional details also see Docket No. R94-1 Library Reference 121.

c. The following programs included in the Docket R94-1 rate case involved a one-time cost impact: debt refinancing, extraordinary OBRA, Postal Service Restructuring,

d. None of the items listed in part c. were funded in FY 1996.

DECLARATION

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

William P. Tayman

Dated: 8-27-97

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 cursive script, appearing to read "Scott L. Reiter", written above a horizontal line.

Scott L. Reiter

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