

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

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SHAW
TO INTERROGATORY OF MAJOR MAILERS ASSOCIATION
(MMA/USPS-T2-2(D))
(June 3, 2005)

The United States Postal Service hereby files the response of witness Shaw to interrogatory MMA/USPS-T2-2(D) of Major Mailers Association, filed on May 20, 2005. Parts (A-C, E) of this interrogatory were redirected to witness Van-Ty-Smith for response.

The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,
UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Kenneth N. Hollies

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

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MMA/USPS-T2-2. In response to Interrogatory MMA/USPS-T21-30E, USPS witness Abdirahman indicates that former cost pool 1CANCMMP has been separated into two new cost pools: 1CANCEL and 1MTRPREP.

- A. Please explain exactly what each of these two new cost pools encompasses.
- B. Please state when cost pool 1CANCMMP was separated into the two new cost pools.
- C. Please explain exactly why this change was implemented and provide copies of all documents that discuss the reasons for this change.
- D. Does the IOCS collect similar costs separately for single piece metered mail? If your answer is yes, please indicate where in the R2005-1 record this information is located. If this information is not already in the record, please provide it for BY 2004 and TY 2006.
- E. Please provide a list of any other changes in cost pool definitions that affect First-Class letters, along with a description of each cost pool, when the change was made, why the change was implemented and provide copies of all documents that discuss the reasons for this change.

RESPONSE:

A-C, E. Redirected to witness Van-Ty-Smith.

- D. Yes. Appendix A in USPS-LR-K-9/R2005-1, page 75 displays the position and description of variable F136 which is defined as "Postage or Indicia." The specific values for metered (private) and metered (official) are "D" and "E" respectively. Single piece mail is identified using activity codes. To identify single piece activity codes, please see USPS-LR-K-1/R2005-1, Table B-2. My understanding is that IOCS activity code variables F9805 and F9806 are used to identify single piece mail in USPS-LR-K-55/R2005-1. The IOCS variables F9805 and F9806 are described in appendix A of USPS-LR-K-9/R2005-1, page 84. For further information on base year and test year processing costs involving letter shape single piece meter mail please see USPS-LR-K-53/R2005-1.