

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 VAN-TY-SMITH
TO INTERROGATORY OF MAJOR MAILERS ASSOCIATION,
REDIRECTED FROM WITNESS SHAW
(MMA/USPS-T2-2(a-c, e)
(June 3, 2005)

The United States Postal Service hereby files the response of witness Van-Ty-Smith to interrogatory MMA/USPS-T2-2(a-c, e) of Major Mailers Association, filed on May 20, 2005.

The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,
UNITED STATES POSTAL SERVICE

By its attorneys:

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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. The MODS operation codes included in the two cost pools 1CANCEL and 1MTRPREP are shown in LR-K-55 , Part I, Table I-2B, pages I-17 and I-18.
- B. The 1CANCMMP cost pool was separated into two cost pools In FY 2001.
- C. See the testimony of witness Bozzo, USPS-T-14 in Docket R2001-1, pages 8-9 regarding the motivation for disaggregating the 1CANCMMP cost pool into the two cost pools 1CANCEL and 1MTRPREP.
- D. [Not redirected.]
- E. For a list of changes in cost pools, the background for those changes, and a description of the changed cost pools, see the testimony of witness Van-Ty-Smith, USPS-T-11, pages.4 to 7, the response to part 2(c), above, the responses of witness Van-Ty-Smith and witness McCrery, USPS-T-29, to Time Warner interrogatories TW/USPS-T11- 5-9, and LR-K-55, Part I, Table I-2B.
For a listing of when the change was made, see the response of witness Van-Ty-Smith to interrogatory TW/USPS-T11-1.