

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 POSTAL SERVICE WITNESS TAYMAN
TO INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND
VALPAK DEALERS' ASSOCIATION, INC.
REDIRECTED FROM WITNESS ROBINSON
(OCA/USPS-T27-16)

The United States Postal Service hereby provides the response of witness Tayman to the following interrogatory of Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc., filed on June 10, 2005, and redirected from witness Robinson: OCA/USPS-T27-16.

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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June 23, 2005

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND
VALPAK DEALERS' ASSOCIATION, INC.
REDIRECTED FROM WITNESS ROBINSON

VP/USPS-T27-16.

Please refer to your testimony at page 12 (ll. 11-13) where you state:

the Postal Service cannot simply ignore its [the escrow requirement's] existence. To do so would be a breach of the financial management responsibilities established under the Postal Reorganization Act.

If the Postal Service cannot afford to ignore the existence of the escrow requirement without breaching the financial management responsibilities established under the Postal Reorganization Act, please explain how the Postal Service can afford to ignore its future unfunded health care liabilities (discussed at page 27 of the 2004 Annual Report of the U.S. Postal Service) which far exceed the FY 2006 escrow requirement of \$3.1 billion, without breaching its financial management responsibilities.

Response

The Postal Service has not ignored this responsibility. The Postal Service follows Generally Accepted Accounting Principles and accounts for retiree health benefit costs as a participant in a multi-employer plan.

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.

Scott L. Reiter

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