

DOCKET SECTION

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R97-1

POSTAL RATE AND FEE CHANGES, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS DEGEN TO INTERROGATORY OF
THE DIRECT MARKETING ASSOCIATION, INC.
(DMA/USPS-T12-12)

The United States Postal Service hereby provides the response of witness Degen to the following interrogatory of the Direct Marketing Association, Inc.: DMA/USPS-T12-12, filed on October 1, 1997.

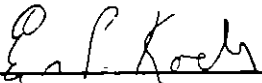
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
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October 15, 1997

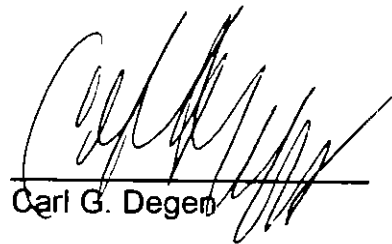
**Response of United States Postal Service Witness Degen
to Interrogatories of the Direct Marketing Association, Inc.**

DMA/USPS-T12-12. Please refer to your response to MPA/USPS-T12-8e and LR-H-277, spreadsheet mpa8e.xls, where you show the distribution of costs for "migrated" IOCS tallies. Please provide the distribution to subclass of the costs for these tallies if they had remained in the window service and administrative/support cost components (C/S 3.2 and 3.3). Please provide this information in an electronic spreadsheet format.

DMA/USPS-T12-12 Response.

The exercise most closely corresponding to that performed in response to MPA/USPS-T12-8e for the given scenario is to determine the change in the output of program ADMWIN that results from adding the "migrated" tallies to the MODS administrative/window service tally set. The cost pool weighting factors (see LR-H-146, p. IV-2) were also modified to reflect the IOCS costs and estimated cost pool costs associated with the migrated tallies. The results of this exercise will be filed in LR-H-296 as spreadsheet DMA-12.xls. Procedures for the distribution to subclass of costs associated with activity codes that are not redistributed within program ADMWIN are described in LR-H-1, section 3.3.4.

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

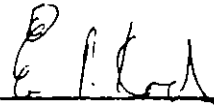


Carl G. Degen

10-15-97
Date

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 "Eric P. Koetting", is written over a horizontal line.

Eric P. Koetting

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