

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
SAMUEL T. CUTTING TO INTERROGATORY OF VALPAK DIRECT MARKETING
SYSTEMS, INC., AND VALPAK DEALERS' ASSOCIATION, INC., REDIRECTED
FROM WITNESS SHAW (VP/USPS-T2-5(a))
(April 29, 2005)

The United States Postal Service hereby provides the response of witness Samuel T. Cutting to interrogatory VP/USPS-T2-5(a), filed on April 15, 2005. The interrogatory was redirected from witness Shaw.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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VALPAK DIRECT MARKETING SYSTEMS, INC., AND VALPAK DEALERS'
ASSOCIATION, INC., REDIRECTED FROM WITNESS SHAW

VP/USPS-T2-5. Certain library references in this docket contain cost estimates for ECR letters and non-letters that are subdivided further, for example, into cost estimates for Saturation letters and Saturation non-letters.

- a) When the Postal Service develops cost estimates for ECR Saturation letters and Saturation non-letters, are the mail processing costs (Segment 3.1) and city carrier in-office costs (Segment 6.1) contained in those cost estimates based solely on IOCS data? Unless your answer is an unqualified affirmative, please indicate all other data and information used to estimate Segments 3.1 and 6.1 costs at this level of disaggregation, and explain the source or sources of such other information and data.

RESPONSE:

(a) The division of the total ECR processing costs into Saturation letters and Saturation non-letters, for each mail processing labor cost pool, relies only on IOCS data. See the testimony of witness Van-Ty-Smith, USPS-T-11, for an explanation of the calculation of mail processing costs by class and subclass for each cost pool.

It is my understanding that the division of Segment 6.1 city carrier in-office direct-labor costs for ECR into Saturation letters and Saturation non-letters is based solely on IOCS data.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Keith E. Weidner

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April 29, 2005