

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 THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF MAJOR MAILERS ASSOCIATION,
REDIRECTED FROM WITNESS SAMUEL T. CUTTING
(MMA/USPS-T26-1(c)-(d))
(May 16, 2005)

The United States Postal Service hereby files its institutional response to interrogatory MMA/USPS-T26-1(c)-(d), submitted on May 2, 2005 and redirected from witness Cutting.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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MMA/USPS-T26-1. In Table 1 on page 4 of your testimony, you indicate that First-Class presorted letters incur \$28.911 million in window service costs.

- (c) Explain what specific functions window service clerks perform that causes costs to be attributed to First-Class workshare letters.
- (d) Please provide all documents and other information you relied upon in reaching your conclusion that First-Class presort letters incur window service costs.

RESPONSE:

(c) In addition to accepting and rating mail, window clerks perform activities that may involve all classes and subclasses of mail. Those activities include responding to customer inquiries; delivery-related activities involving customer hold mail, caller service, non-boxholder firms, and general delivery; and selling stamps of all varieties (including precanceled stamps) and setting postage meters. For more details on the activities of window clerks, see USPS-LR-K-1, *Summary Description of USPS Development of Costs by Segments and Components, FY 2004*, Section 3.2. Overall, the amount of base year window service costs attributed to First-Class Presort is \$21.235 million, which is less than 2 percent of all volume variable window service costs.

(d) Please see USPS-LR-K-1, *Summary Description of USPS Development of Costs by Segments and Components, FY 2004*, Section 3.2 (document CS03.2-04.doc).