

DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION
Docket No. R97-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS SMITH
TO INTERROGATORIES OF ABA & EEI & NAPM
(ABA & EEI & NAPM/USPS-ST45-1 - 4)**

The United States Postal Service hereby files the responses of witness Marc Smith to the following interrogatories of American Bankers Association, Edison Electric Institute & National Association of Presort Mailers, dated November 14, 1997: ABA&EEI&NAPM/USPS-ST45-1 through 4.

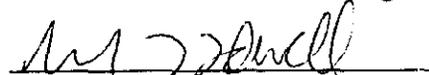
Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
November 25, 1997

RESPONSE OF U.S. POSTAL SERVICE WITNESS SMITH TO
INTERROGATORIES OF ABA, EEI AND NAPM

ABA&EEI&NAPM/USPS-ST45-1. (a) Describe your responsibilities with respect to the preparation of, including the data collection for, LR-H-106.

(b) When was LR-H-106 prepared?

Response:

a. I prepared LR-H-106. There was no data collection associated with LR-H-106.

The sources for the data used are indicated in LR-H-106.

b. It was prepared during March to July of this year. Much of the methodology or procedures for the calculations were developed in the Fall of 1996.

RESPONSE OF U.S. POSTAL SERVICE WITNESS SMITH TO
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ABA&EEI&NAPM/USPS-ST45-2. Re LR-H-106 page II-5. Identify the MODS operations 010 to 028 for MODS cost pool "ICancMMP" which reflect the (a) culling, (b) facing, (c) cancelling, and (d) trayng costs for the following first-class letter mail: (i) stamped , (ii) permit imprint, and (iii) metered. As reflected in LR-H-106, provide the unit costs for each of the foregoing operations for each of the foregoing first-class letter mail.

Response:

MODS operations 010 to 028 are defined in LR-H-147, Appendix A, pages 2 and 3.

Unit costs are not available for each of these operations. An analysis would be required to determine to what extent and if this cost pool can be disaggregated into the operations you list above. Since MODS operations are not divided according to the operations and indicia you list, this is probably not feasible. The unit costs associated with this cost pool are .392 and .683 cents per piece for metered and non-metered First-Class single-piece letters as indicated in my response to Presiding Officer's Information Request No. 5, Question 19.

RESPONSE OF U.S. POSTAL SERVICE WITNESS SMITH TO
INTERROGATORIES OF ABA, EEI AND NAPM

ABA&EEI&NAPM/USPS-ST45-3. Describe each of the MODS operations which are included in the following MODS cost pools:

- (a) "bcs/"
- (b) "manl"
- (b) "LD15"
- (c) "LD49"
- (d) "LD79"

Response:

The MODS operations associated with each of these cost pools is shown in LR-H-146, pages I-12 to I-26. These operations are listed in the exhibit USPS-T-14A of witness Bradley, USPS-T-14.

RESPONSE OF U.S. POSTAL SERVICE WITNESS SMITH TO
INTERROGATORIES OF ABA, EEI AND NAPM

ABA&EEI&NAPM/USPS-ST45-4. Re LR-H-106 page II-5. Under the heading "cost pool" there is a line for "Non MODS". With respect to this line, (a) please explain in detail what Non MODS represents, identify all operations encompassed;

(b) identify the source(s) used to collect this data; and

(c) provide all workpapers and other supporting documentation.

Response:

a. Non-Mods represents all mail processing operations at facilities that are not MODS facilities and are not BMCs. See witness Degen discussion of MODS and non-MODS facilities at TR12/6469.

b. The costs shown on page II-5 are calculated as indicated in pages II-1 to II-6 of LR-H-106. See also the summary in pages I-1 and I-2. The source of the data on page II-1 is described in part III of LR-H-146.

c. See LR-H-146, part III.

DECLARATION

I, Marc A. Smith, hereby declare, under penalty of perjury, that the foregoing Docket No. R97-1 interrogatory responses are true to the best of my knowledge, information, and belief.

11/24/97
Date

Marc A. Smith
Marc A. Smith

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



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