

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO INTERROGATORY OF PARCEL SHIPPERS ASSOCIATION
(PSA/USPS-T32-21)

The United States Postal Service hereby files the response of witness
Altaf H. Taufique to the following interrogatory of Parcel Shippers Association:
PSA/USPS-T32-21, filed on July 14, 2006.

The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO INTERROGATORY OF THE PARCEL SHIPPERS ASSOCIATION**

PSA/USPS- T32-21. Please refer to your responses to PSA/USPS-T32-4 and PSA/USPS-T32-5 where you show a TYBR average unit postage estimate of \$1.45 for both First-Class Mail single-piece parcels and for First-Class Mail Business Parcels. Please also refer to your response to PSA/USPS- T32-5 where you show a TYAR unit postage for First-Class Mail Business Parcels of \$1.55.

(a) Please explain why the TYBR average unit postage is the same for First-Class Mail single-piece parcels and First-Class Mail Business Parcels.

(b) Please confirm that the TYBR and TYAR average unit postage estimates for First-Class Mail Business Parcels are calculated based upon different “mail mix” assumptions and list all differences in “mail mix” assumptions used to develop these estimates.

RESPONSE

(a) Please see the attached spreadsheet for the calculations of the TYAR and TYBR average unit postage estimates for both single-piece and First-Class Mail Business or Presort parcels. The TYBR numbers are the same because a majority of First-Class Mail Business or Presort parcels in the test year before rates environment are single-piece parcels. Only a small portion of First-Class Mail Business or Presort parcels are from the nonautomation presort rate category.

(b) The “mail mix” assumptions are the same as used in LR-L-129. Please see the attached spreadsheet for the calculations and the “mail mix” used. Also, please see my response to PSA/USPS-T32-20 for the changes in TYAR “mail mix” for the purpose of calculating FCM Letters and Sealed Parcels subclass in the test year.

Attachment to the response PSA/USPS-T32-21

TYBR Parcels

TYAR Parcels

	Pieces	Rate	Postage				
Single-Piece	428,247,139	\$ 0.39	\$ 167,016,384	267,217,725	\$ 1.00	\$ 267,217,725	
Additional Ounces	1,891,881,095	\$ 0.24	\$ 454,051,463	1,180,496,296	\$ 0.20	\$ 236,099,259	
Nonmachinable Surcharge @ 3%	12,847,414	\$ 0.13	\$ 1,670,164			\$ 503,316,984	
			\$ 622,738,011				
Per-Piece Postage*		\$ 1.45			\$ 1.88		

* Not including fees or the revenue adjustment factor

TYAR FCM Business Parcels

Nonauto Presort	4,293,815	\$ 0.371	\$ 1,593,006	ADC	22,974,619	0.727	\$ 16,702,548
Additional Ounces	6,265,746	\$ 0.237	\$ 1,484,982	3-Digit	57,877,964	0.717	\$ 41,498,500
Nonmachinable Surcharge @ 58 %	2,490,413	\$ 0.058	\$ 144,444	5-Digit	73,511,179	0.643	\$ 47,267,688
			\$ 3,222,431	Add. Ozs.	669,944,658	0.200	\$ 133,988,932
				Srchrg.	6,860,498	0.050	\$ 343,025
Per-Piece Postage*		\$ 0.75			154,363,762		\$ 239,800,693

* Not including fees or the revenue adjustment factor

Weighted Average	\$ 1.45	\$ 1.55
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