

UNITED STATES OF AMERICA
Before The
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Rate and Service Changes to Implement)
Functionally Equivalent Negotiated)
Service Agreement with Bradford Group)

Docket No. MC2007-4

OFFICE OF THE CONSUMER ADVOCATE INTERROGATORIES
TO UNITED STATES POSTAL SERVICE
WITNESS BRODERICK A. PARR
(OCA/USPS-T1-17-26)
(September 6, 2007)

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-T1-1-4, dated August 10, 2007, are hereby incorporated by reference

Respectfully submitted,

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OCA/USPS-T1-17. Please refer to your testimony at page 12, lines 14-17, where it states:

To the extent that the after-rates volume forecasts underestimate Bradford Group's volume response to the price incentives, the benefits to the Postal Service will exceed those presented in this case.

Please confirm that to the extent any of the Bradford Group's volume response is caused by non-price factors, the benefits to the Postal Service will be less than those presented in this case. If you do not confirm, please explain.

OCA/USPS-T1-18. Please refer to your testimony at page 13, line 12, and the phrase "reduces the risk of discount exposure."

- a. Please explain the meaning of "discount exposure" as used in this phrase.
- b. Please explain and give one or more examples of what would trigger the Postal Service's unconditional right to terminate the agreement so as to "reduce[] the risk of discount exposure."

OCA/USPS-T1-19. Please refer to your testimony, Appendix A, page 3, and the column entitled "Revenue per piece (1)." Also, please refer to Appendix B, page B-2, where it states, "the revenue calculations use prices which took effect May 14, 2007."

- a. Please confirm that the "prices [rates] which took effect May 14, 2007," for Standard Mail letters in the Regular Automation Categories (Rate Schedule 321B) are \$0.252, \$0.238, \$0.233, and \$0.218 for Mixed AADC, AADC, 3-Digit, and 5-Digit, respectively. If you do not confirm, please explain.

- b. Please confirm that the “Revenue per piece” figures shown in column (1) include Destination Entry Discounts. If you do not confirm, please explain.
- c. Please show all calculations used to derive the “Revenue per piece” figures shown in column (1), and provide citations to all figures used in such calculations.

OCA/USPS-T1-20. Please refer to your testimony, Appendix A, page 3, which presents the volumes for the Bradford Group’s Standard Mail Regular letters in the column entitled “Volume (2).” Please provide electronic workpapers showing the development of the “Volume” figures for letters shown in column (2). Also, please provide citations to all figures used.

OCA/USPS-T1-21. Please refer to your testimony, Appendix A, page 5, and the column entitled “Revenue per piece (1).” Also, please refer to Appendix B, page B-2, where it states, “the revenue calculations use prices which took effect May 14, 2007.”

- a. Please confirm that the “prices [rates] which took effect May 14, 2007,” for Standard Mail flats in the Regular Nonautomation Categories (Rate Schedule 321A) are \$0.515, \$0.461, \$0.427, and \$0.363 for Mixed AADC, AADC, 3-Digit, and 5-Digit, respectively. If you do not confirm, please explain.
- b. Please confirm that the “Revenue per piece” figures shown in column (1) for nonautomation flats include Destination Entry Discounts. If you do not confirm, please explain.

- c. Please provide electronic workpapers showing the development of the “Revenue per piece” figures for nonautomation flats shown in column (1). Also, please provide citations to all figures used.
- d. Please confirm that the “prices [rates] which took effect May 14, 2007,” for Standard Mail flats in the Regular Automation Categories (Rate Schedule 321B) are \$0.477, \$0.424, \$0.392, and \$0.335 for Mixed AADC, AADC, 3-Digit, and 5-Digit, respectively. If you do not confirm, please explain.
- e. Please confirm that the “Revenue per piece” figures shown in column (1) for automation flats include Destination Entry Discounts. If you do not confirm, please explain.
- f. Please provide electronic workpapers showing the development of the “Revenue per piece” figures for automation flats shown in column (1). Also, please provide citations to all figures used.
- g. Please confirm that the “prices [rates] which took effect May 14, 2007,” for Standard Mail Enhanced Carrier Route flats (Rate Schedule 322) is \$0.249, for Basic. If you do not confirm, please explain.
- h. Please confirm that the “Revenue per piece” figure shown in column (1) for Enhanced Carrier Route flats includes Destination Entry Discounts. If you do not confirm, please explain.
- i. Please provide electronic workpapers showing the development of the “Revenue per piece” figure for Enhanced Carrier Route flats shown in column (1). Also, please provide citations to all figures used.

OCA/USPS-T1-22. Please refer to your testimony, Appendix A, page 5, which presents the volumes for the Bradford Group's Standard Mail Regular and ECR flats in the column entitled "Volume (2)." Please provide electronic workpapers showing the development of the "Volume" figures for flats shown in column (2). Also, please provide citations to all figures used.

OCA/USPS-T1-23. Please refer to your testimony, Appendix A, page 4, which presents the Bradford Group's Standard Mail Regular Letter Unit Cost in the column entitled "TYAR 2008 Total Unit Cost (Dollars) (1)." Please provide electronic workpapers showing the development of the "TYAR 2008 Total Unit Cost" figures for Standard Mail Regular letters shown in column (1). Also, please provide citations to all figures used.

OCA/USPS-T1-24. Please refer to your testimony, Appendix A, page 4, which presents the Bradford Group's Standard Mail Regular Letter Unit Cost in the column entitled "TYAR 2008 Total Unit Cost (Dollars) (1)." Also, please refer to the testimony of witness Yorgey (USPS-T-1), Appendix A, page 4, in Docket No. MC2005-3, and the response of witness Yorgey to POIR No 1, Question 2 in Docket No. MC2005-3, which shows the development of Bookspan's Standard Mail Regular total unit cost for letters. Please provide electronic workpapers showing the development of the "TYAR 2008 Total Unit Cost" figures for the Bradford Group's Standard Mail Regular letters in the same manner as provided in response to POIR No. 1, Question 2 in Docket No. MC2005-3. Provide citations to all figures used.

OCA/USPS-T1-25. Please refer to your testimony, Appendix A, page 6, which presents the Bradford Group's Standard Mail Regular and ECR Flats unit costs in columns (1) and (5), both entitled "TYAR 2008 Total Unit Cost (Dollars)." Please provide electronic workpapers showing the development of the "TYAR 2008 Total Unit Cost" figures for Standard Mail Regular and ECR flats shown in columns (1) and (5). Also, please provide citations to all figures used.

OCA/USPS-T1-26. Please refer to your testimony, Appendix A, page 6, which presents the Bradford Group's Standard Mail Regular and ECR flats unit costs in the column entitled "TYAR 2008 Total Unit Cost (Dollars) (1)." Also, please refer to the testimony of witness Yorgey (USPS-T-1), Appendix A, page 6, in Docket No. MC2005-3, and the response of witness Yorgey to POIR No 1, Question 2 in Docket No. MC2005-3, which shows the development of Bookspan's Standard Mail Regular and ECR total unit cost for flats. Please provide electronic workpapers showing the development of the "TYAR 2008 Total Unit Cost" figures for the Bradford Group's Standard Mail Regular and ECR flats in the same manner as provided in response to POIR No. 1, Question 2 in Docket No. MC2005-3. Provide citations to all figures used.