

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES  
OF THE OFFICE OF THE CONSUMER ADVOCATE (OCA/USPS-23-26)  
(July 24, 2006)

The United States Postal Service hereby provides its institutional responses to the following interrogatories of the Office of the Consumer Advocate, which were filed on July 10, 2006:

OCA/USPS-23-26

The interrogatories are stated verbatim and are followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**OCA/USPS-23.** Please provide the following FY 2005 volume information.

a. Total First-Class Volumes for:

|                             | 0-4 oz. | 4-8 oz. | 8-12 oz | Total |
|-----------------------------|---------|---------|---------|-------|
| Machinable Letter-shape     |         |         |         |       |
| Non-Machinable Letter-shape |         |         |         |       |
| Flat shaped mail            |         |         |         |       |
| Parcel shaped mail          |         |         |         |       |
| Total Volumes               |         |         |         |       |

b. Single-Piece First-Class Volumes for:

|                             | 0-4 oz. | 4-8 oz. | 8-12 oz | Total |
|-----------------------------|---------|---------|---------|-------|
| Machinable Letter-shape     |         |         |         |       |
| Non-Machinable Letter-shape |         |         |         |       |
| Flat shaped mail            |         |         |         |       |
| Parcel shaped mail          |         |         |         |       |
| Total Single-Piece Volumes  |         |         |         |       |

c. First-Class Presort Volumes for:

|                             | 0-4 oz. | 4-8 oz. | 8-12 oz | Total |
|-----------------------------|---------|---------|---------|-------|
| Machinable Letter-shape     |         |         |         |       |
| Non-Machinable Letter-shape |         |         |         |       |
| Flat shaped mail            |         |         |         |       |
| Parcel shaped mail          |         |         |         |       |
| Total Presort Volumes       |         |         |         |       |

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**RESPONSE TO OCA/USPS-23 (continued):**

**RESPONSE:**

Letter-shape data cannot be separated between machinable and non-machinable mail. All volumes are in thousands of pieces.

a. Total FY 2005 First-Class Volumes

|                    | 0 - 4 oz   | 4 - 8 oz  | 8 - 12 oz | 12-13 oz | Total      |
|--------------------|------------|-----------|-----------|----------|------------|
| Letter-shaped mail | 87,434,513 | 27,271    | 2,597     | 183      | 87,464,564 |
| Flat-shaped mail   | 3,384,229  | 828,843   | 239,489   | 29,260   | 4,481,821  |
| Parcel-shaped mail | 238,155    | 157,646   | 86,270    | 13,084   | 495,156    |
| Total Volume       | 91,056,897 | 1,013,760 | 328,357   | 42,527   | 92,441,540 |

b. FY 2005 First-Class Single-Piece Volumes

|                           | 0 - 4 oz   | 4 - 8 oz | 8 - 12 oz | 12-13 oz | Total      |
|---------------------------|------------|----------|-----------|----------|------------|
| Letter-shaped mail        | 39,287,861 | 26,496   | 2,495     | 179      | 39,317,031 |
| Flat-shaped mail          | 2,545,774  | 770,755  | 227,912   | 27,753   | 3,572,195  |
| Parcel-shaped mail        | 230,985    | 156,959  | 85,771    | 13,047   | 486,762    |
| Total Single Piece Volume | 42,064,621 | 954,210  | 316,178   | 40,979   | 43,375,988 |

c. FY 2005 First-Class Presort Volumes

|                      | 0 - 4 oz   | 4 - 8 oz | 8 - 12 oz | 12-13 oz | Total      |
|----------------------|------------|----------|-----------|----------|------------|
| Letter-shaped mail   | 48,146,652 | 775      | 102       | 4        | 48,147,533 |
| Flat-shaped mail     | 838,455    | 58,088   | 11,577    | 1,506    | 909,626    |
| Parcel-shaped mail   | 7,170      | 687      | 500       | 37       | 8,394      |
| Total Presort Volume | 48,992,276 | 59,550   | 12,179    | 1,548    | 49,065,552 |

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**OCA/USPS-24.** Please provide the following Test Year After Rate volume information.

a. Total First-Class Volumes for:

|                             | 0-4 oz. | 4-8 oz. | 8-12 oz | Total |
|-----------------------------|---------|---------|---------|-------|
| Machinable Letter-shape     |         |         |         |       |
| Non-Machinable Letter-shape |         |         |         |       |
| Flat shaped mail            |         |         |         |       |
| Parcel shaped mail          |         |         |         |       |
| Total Volumes               |         |         |         |       |

b. Single-Piece First-Class Volumes for:

|                             | 0-4 oz. | 4-8 oz. | 8-12 oz | Total |
|-----------------------------|---------|---------|---------|-------|
| Machinable Letter-shape     |         |         |         |       |
| Non-Machinable Letter-shape |         |         |         |       |
| Flat shaped mail            |         |         |         |       |
| Parcel shaped mail          |         |         |         |       |
| Total Single-Piece Volumes  |         |         |         |       |

c. First-Class Presort Volumes for:

|                             | 0-4 oz. | 4-8 oz. | 8-12 oz | Total |
|-----------------------------|---------|---------|---------|-------|
| Machinable Letter-shape     |         |         |         |       |
| Non-Machinable Letter-shape |         |         |         |       |
| Flat shaped mail            |         |         |         |       |
| Parcel shaped mail          |         |         |         |       |
| Total Presort Volumes       |         |         |         |       |

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**RESPONSE TO OCA/USPS-24 (continued):**

**RESPONSE:**

Letter-shape data cannot be separated between machinable and non-machinable mail, and the available volumes by ounce increment are before rates.

All volumes are in thousands of pieces.

a. Total TY 2008 First-Class Volumes

|                    | 0 - 4 oz   | 4 - 8 oz | 8 - 12 oz | 12-13 oz | Total      |
|--------------------|------------|----------|-----------|----------|------------|
| Letter-shaped mail | 82,046,973 | 24,076   | 2,296     | 161      | 82,073,505 |
| Flat-shaped mail   | 3,066,621  | 735,387  | 211,932   | 25,903   | 4,039,842  |
| Parcel-shaped mail | 210,289    | 138,768  | 75,953    | 11,515   | 436,525    |
| Total Volume       | 85,323,883 | 898,230  | 290,180   | 37,579   | 86,549,872 |

b. TY 2008 First-Class Single-Piece Volumes

|                           | 0 - 4 oz   | 4 - 8 oz | 8 - 12 oz | 12-13 oz | Total      |
|---------------------------|------------|----------|-----------|----------|------------|
| Letter-shaped mail        | 34,564,978 | 23,311   | 2,195     | 157      | 34,590,641 |
| Flat-shaped mail          | 2,239,741  | 678,101  | 200,514   | 24,417   | 3,142,774  |
| Parcel-shaped mail        | 203,218    | 138,091  | 75,460    | 11,478   | 428,247    |
| Total Single Piece Volume | 37,007,937 | 839,503  | 278,169   | 36,053   | 38,161,662 |

c. TY 2008 First-Class Presort Volumes

|                      | 0 - 4 oz   | 4 - 8 oz | 8 - 12 oz | 12-13 oz | Total      |
|----------------------|------------|----------|-----------|----------|------------|
| Letter-shaped mail   | 47,481,995 | 764      | 101       | 4        | 47,482,864 |
| Flat-shaped mail     | 826,880    | 57,286   | 11,417    | 1,486    | 897,069    |
| Parcel-shaped mail   | 7,071      | 677      | 493       | 37       | 8,278      |
| Total Presort Volume | 48,315,945 | 58,728   | 12,011    | 1,527    | 48,388,210 |

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**OCA/USPS-25.** Please provide the FY 2005 unit costs for the following:

a. Total First-Class Unit Costs for:

|                             | 0-4 oz. | 4-8 oz. | 8-12 oz | Total |
|-----------------------------|---------|---------|---------|-------|
| Machinable Letter-shape     |         |         |         |       |
| Non-Machinable Letter-shape |         |         |         |       |
| Flat shaped mail            |         |         |         |       |
| Parcel shaped mail          |         |         |         |       |
| Total Unit Cost             |         |         |         |       |

b. Single-Piece FY 2005 First-Class Unit Costs for:

|                             | 0-4 oz. | 4-8 oz. | 8-12 oz | Total |
|-----------------------------|---------|---------|---------|-------|
| Machinable Letter-shape     |         |         |         |       |
| Non-Machinable Letter-shape |         |         |         |       |
| Flat shaped mail            |         |         |         |       |
| Parcel shaped mail          |         |         |         |       |
| Total Unit Cost             |         |         |         |       |

c. FY 2005 Presort Unit Costs for:

|                             | 0-4 oz. | 4-8 oz. | 8-12 oz | Total |
|-----------------------------|---------|---------|---------|-------|
| Machinable Letter-shape     |         |         |         |       |
| Non-Machinable Letter-shape |         |         |         |       |
| Flat shaped mail            |         |         |         |       |
| Parcel shaped mail          |         |         |         |       |
| Total Unit Cost             |         |         |         |       |

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**RESPONSE TO OCA/USPS-25 (continued):**

**Response:**

Letter-shape data cannot be separated between machinable and non-machinable mail. Note that individual weight increments' unit costs may be subject to substantial sampling variability, particularly for higher weight increments in the letter shape category and for all presorted First-Class IPPs and parcels. For additional discussion of the appropriate use of the data, please see Docket No. R2000-1, USPS-T-28 at 3-5; Tr. 44/19470-19474; Tr. 44/19481-19482. All unit costs are in cents per piece.

a. Total FY 2005 First-Class Unit Costs

|                    | 0 - 4 oz | 4 - 8 oz | 8 - 12 oz | 12-13 oz | Total |
|--------------------|----------|----------|-----------|----------|-------|
| Letter-shaped mail | 14.7     | 109.5    | 145.6     | 36.2     | 14.7  |
| Flat-shaped mail   | 57.9     | 67.4     | 89.6      | 83.0     | 61.6  |
| Parcel-shaped mail | 146.2    | 165.2    | 200.9     | 195.1    | 162.8 |
| Total Unit Cost    | 16.6     | 83.7     | 119.3     | 117.3    | 17.8  |

b. FY 2005 First-Class Single-Piece Unit Costs

|                              | 0 - 4<br>oz | 4 - 8 oz | 8 - 12 oz | 12-13 oz | Total |
|------------------------------|-------------|----------|-----------|----------|-------|
| Letter-shaped mail           | 21.0        | 90.2     | 117.3     | 36.4     | 21.1  |
| Flat-shaped mail             | 64.8        | 65.9     | 88.2      | 83.8     | 66.7  |
| Parcel-shaped mail           | 145.3       | 160.1    | 193.7     | 191.6    | 159.9 |
| Total Single Piece Unit Cost | 24.4        | 82.1     | 117.0     | 117.9    | 26.4  |

c. FY 2005 First-Class Presort Unit Costs

|                         | 0 - 4 oz | 4 - 8 oz | 8 - 12 oz | 12-13 oz | Total |
|-------------------------|----------|----------|-----------|----------|-------|
| Letter-shaped mail      | 9.5      | 769.9    | 840.4     | 28.4     | 9.5   |
| Flat-shaped mail        | 37.2     | 86.0     | 117.1     | 68.9     | 41.5  |
| Parcel-shaped mail      | 172.4    | 1,329.0  | 1,441.9   | 1,413.8  | 335.0 |
| Total Presort Unit Cost | 10.0     | 109.3    | 177.5     | 101.2    | 10.1  |

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**OCA/USPS-26.** Please provide the Test Year After Rate unit costs for the

following:

a. Total First-Class Unit Costs for:

|                             | 0-4 oz. | 4-8 oz. | 8-12 oz | Total |
|-----------------------------|---------|---------|---------|-------|
| Machinable Letter-shape     |         |         |         |       |
| Non-Machinable Letter-shape |         |         |         |       |
| Flat shaped mail            |         |         |         |       |
| Parcel shaped mail          |         |         |         |       |
| Total Unit Cost             |         |         |         |       |

b. Single-Piece First-Class Unit Costs for:

|                             | 0-4 oz. | 4-8 oz. | 8-12 oz | Total |
|-----------------------------|---------|---------|---------|-------|
| Machinable Letter-shape     |         |         |         |       |
| Non-Machinable Letter-shape |         |         |         |       |
| Flat shaped mail            |         |         |         |       |
| Parcel shaped mail          |         |         |         |       |
| Total Unit Cost             |         |         |         |       |

c. First-Class Presort Unit Costs for:

|                             | 0-4 oz. | 4-8 oz. | 8-12 oz | Total |
|-----------------------------|---------|---------|---------|-------|
| Machinable Letter-shape     |         |         |         |       |
| Non-Machinable Letter-shape |         |         |         |       |
| Flat shaped mail            |         |         |         |       |
| Parcel shaped mail          |         |         |         |       |
| Total Unit Cost             |         |         |         |       |

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**RESPONSE TO OCA/USPS-26 (continued):**

**RESPONSE:**

Letter-shape data cannot be separated between machinable and non-machinable mail. The available test year costs are before rates. Note that individual weight increments' unit costs may be subject to substantial sampling variability, particularly for higher weight increments in the letter shape category and for all presorted First-Class IPPs and parcels. All unit costs are in cents per piece.

a. Total TY 2008 First-Class Unit Costs

|                    | 0 - 4 oz | 4 - 8 oz | 8 - 12 oz | 12-13 oz | Total |
|--------------------|----------|----------|-----------|----------|-------|
| Letter-shaped mail | 15.2     | 115.2    | 155.2     | 38.7     | 15.2  |
| Flat-shaped mail   | 59.5     | 70.0     | 93.3      | 87.5     | 63.4  |
| Parcel-shaped mail | 152.4    | 174.9    | 213.4     | 208.7    | 171.6 |
| Total Unit Cost    | 17.1     | 87.4     | 125.2     | 124.4    | 18.2  |

b. TY 2008 First-Class Single-Piece Unit Costs

|                             | 0 - 4 oz | 4 - 8 oz | 8 - 12 oz | 12-13 oz | Total |
|-----------------------------|----------|----------|-----------|----------|-------|
| Letter-shaped mail          | 22.2     | 93.0     | 120.6     | 38.9     | 22.2  |
| Flat-shaped mail            | 67.0     | 68.4     | 91.6      | 88.4     | 69.1  |
| Parcel-shaped mail          | 151.8    | 169.3    | 205.1     | 204.3    | 168.2 |
| Total Single Piece UnitCost | 25.6     | 85.7     | 122.6     | 125.1    | 27.7  |

c. TY 2008 First-Class Presort Unit Costs

|                         | 0 - 4 oz | 4 - 8 oz | 8 - 12 oz | 12-13 oz | Total |
|-------------------------|----------|----------|-----------|----------|-------|
| Letter-shaped mail      | 10.1     | 790.9    | 911.1     | 29.4     | 10.1  |
| Flat-shaped mail        | 39.2     | 89.0     | 122.7     | 72.8     | 43.5  |
| Parcel-shaped mail      | 169.9    | 1,317.3  | 1,486.0   | 1,572.4  | 348.4 |
| Total Presort Unit Cost | 10.6     | 112.7    | 185.0     | 108.8    | 10.8  |

## **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.

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