

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T32-19 AND 20)

The United States Postal Service hereby files the responses of witness
Altaf H. Taufique to the following interrogatories of the Office of the Consumer
Advocate: OCA/USPS-T32-19 and 20, filed on July 12, 2006.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 31, 2006

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

OCA/USPS-T32-19. In the rate design you propose, have you reflected the following cost differences by shape, i.e., letters, flats and parcels?

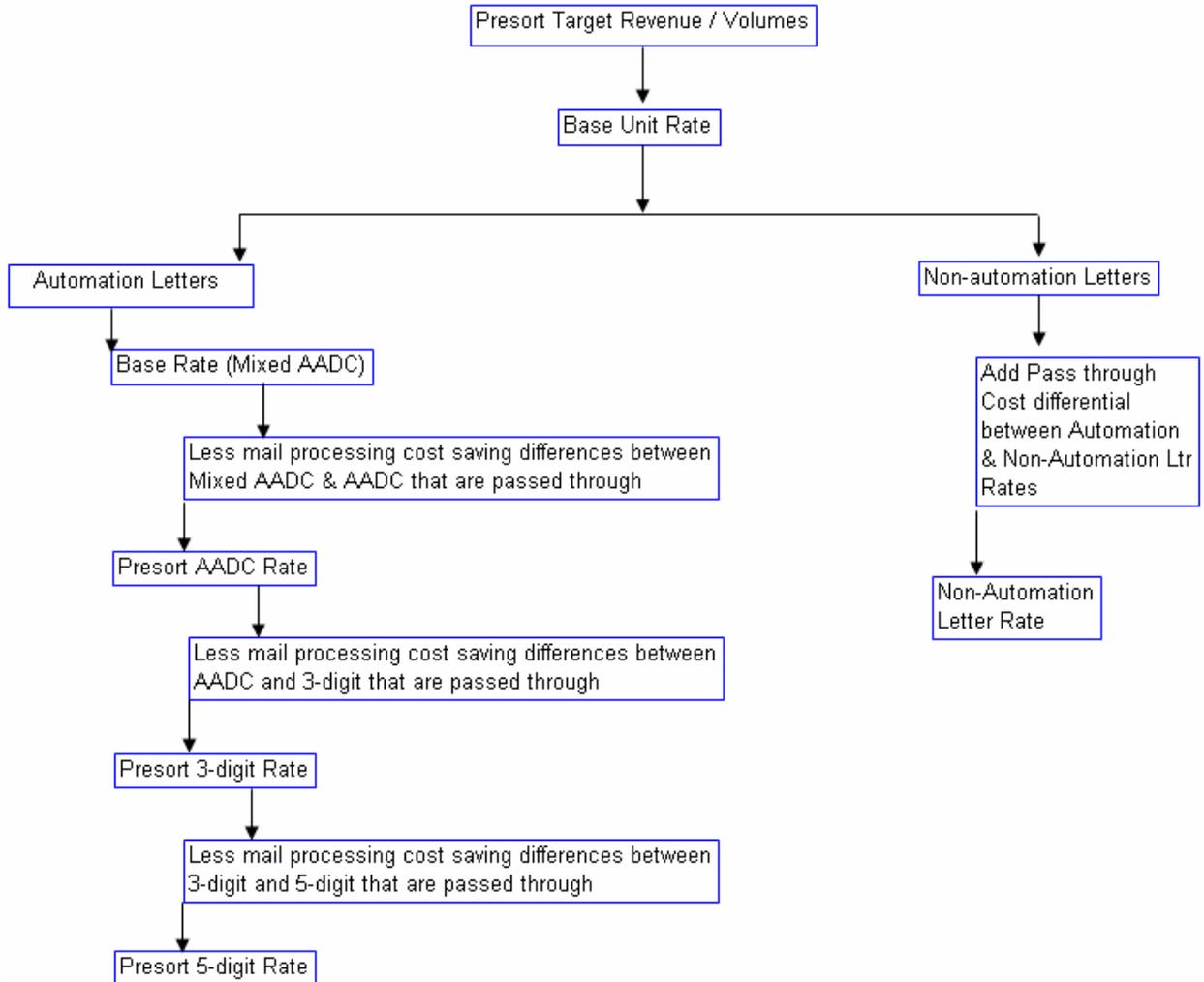
- a. The city carrier street time delivery costs, if not please explain.
- b. The in-office city carrier costs, if not please explain.
- c. The rural carrier segment 10 costs, if not please explain.
- d. Please provide the specific cites to your testimony and the relevant library references used to develop the information in parts a, b and c of this interrogatory.

RESPONSE

a.-d. I use an aggregate unit delivery cost estimate from witness Kelley, so I do not explicitly use the disaggregated components to which your question refers. Implicitly, I believe that they are reflected in the aggregate estimate, and therefore in my rate design, but questions about the components of the aggregate estimate would have to be directed to witness Kelley. The aggregate unit delivery cost estimates I use in my rate design are shown in my spreadsheets at WP-FCM-18 cells rows [w], [x], and [y] and column [I] in LR-L-129.

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

OCA/USPS-T32-20. Please confirm that the following flow chart provides a correct overview of the methodology you use in developing First-Class Presort Letter rates. If you are unable to confirm, please explain and indicate what changes need to be made to correct the chart.



RESPONSE

Generally, the flow chart accurately depicts the estimation of automation letter rates, except that the base unit rate is the same as the Mixed AADC rate. Also, this rate continually changes due to a leakage (discount) or an additional charge such as additional revenue due to shapes.