

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS JAMES M. KIEFER TO INTERROGATORY OF
THE ASSOCIATION FOR POSTAL COMMERCE
(POSTCOM/USPS-T33-15)

The United States Postal Service hereby files the response of witness James M. Kiefer to the following interrogatory of the Association for Postal Commerce:
POSTCOM/USPS-T33-15, filed on November 13, 2001.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999 Fax -5402
November 28, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIEFER
TO INTEROGATORIES OF ASSOCIATION OF POSTAL COMMERCE**

POSTCOM/USPS-T33-15. Please refer to USPS-LR-J-106, BPMWP.xls. In particular, please refer to workpaper WP-BPM-28. Please complete Table 1 below and describe how you calculated each figure in it with reference to USPS-LR-J-106, BPMWP.xls.

Table 1. Test Year After Rates Bound Printed Matter Financial Summary

Category	Volume	Total Cost	Total Revenue
Single-Piece			
Presort (Non-Dropshipped)			
Presort (Dropshipped)			
Total			

RESPONSE

Table 1. Test Year After Rates Bound Printed Matter Financial Summary

Category	Volume	Total Cost	Total Revenue
Single-Piece	28,625,887 [1]	[5]	\$64,409,090 [9]
Presort (Non-Dropshipped)	242,842,057 [2]	[6]	[10]
Presort (Dropshipped)	317,088,903 [3]	[7]	[11]
Total	588,556,847 [4]	\$526,408,000 [8]	\$630,470,564 [12]

Notes

- [1] This volume was taken from workpaper WP-BPM-26, item [Ba]; the notes accompanying the workpaper describe in detail how this item was calculated.
- [2] This volume was taken from workpaper WP-BPM-27, item [Ajj]; the notes accompanying the workpaper describe in detail how this item was calculated.
- [3] This volume was taken from workpaper WP-BPM-27, item [Ass]; the notes accompanying the workpaper describe in detail how this item was calculated.
- [4] This volume was taken from workpaper WP-BPM-26, item [Aa]; the notes accompanying the workpaper describe in detail how this item was calculated.
- [5] I have not calculated the total TYAR costs separately for Single Piece BPM, although it may be possible to make an approximation from my workpapers using the following procedure. On workpaper WP-BPM-1, change Input [2] to 100% and Input [3] to 0%. On workpaper WP-BPM-12 (Revenue Leakages), change the passthrough percentages for all items to 100%. On workpaper WP-BPM-14 (Rate Adjustments), change all rate adjustments to \$0. Then on

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- workpaper WP-BPM-27 (TYAR Revenue Summary) the total revenue figure for Single Piece BPM (item [Caa]) should approximate total costs. This figure does not contain an allowance for contingency.
- [6],[7] It is not possible to split total Presort BPM TYAR costs into drop-shipped and non-drop-shipped components since my workpapers do not apportion flats/parcels, carrier route and barcoded pieces between drop-shipped and non-drop-shipped mail.
- [8] Taken from Inputs workpaper (WP-BPM-1), Input [15]. This figure does not contain an allowance for contingency.
- [9] This revenue was taken from workpaper WP-BPM-27, item [Caa]; the notes accompanying the workpaper describe in detail how this item was calculated. This revenue figure does not include fees, which are not apportioned.
- [10],[11] It is not possible to split total Presort BPM TYAR revenue into drop-shipped and non-drop-shipped components since my workpapers do not apportion flats/parcels, carrier route and barcoded pieces between drop-shipped and non-drop-shipped mail.
- [12] This revenue was taken from workpaper WP-BPM-27, item [Czz]; the notes accompanying the workpaper describe in detail how this item was calculated. This revenue figure does not include fees.

CERTIFICATE OF SERVICE

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

Scott L. Reiter

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