

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

EXPERIMENTAL PREMIUM
FORWARDING SERVICE

Docket No. MC2005-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS SAMUEL J. KOROMA
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T4-3)
(December 21, 2004)

The United States Postal Service hereby provides the response of witness
Koroma to the following interrogatory of the Office of the Consumer Advocate:

OCA/USPS-T4-3, filed on November 29, 2004.

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

/s/
David H. Rubin

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

OCA/USPS-T4-3. Please refer to your testimony at page 8 where you propose an overall PFS cost coverage of 118 percent which "does not include any contribution from new Priority Mail volume." Please calculate the cost coverage if you include the contribution from the new Priority Mail, assuming the volumes and weight per piece which you have assumed in your studies.

RESPONSE:

If one were to combine the revenue from Priority Mail postage (assuming all Priority Mail volume is new) and PFS total charges, and combine the revised costs of PFS¹ with a cost estimate for Priority Mail pieces from Docket No. R2001-1, USPS-T-30, Attachment F for the zone 6, 3 pound rate cell, the ratio of revenue to cost would be 151 percent. I was aware that a cost coverage estimated by this method would be significantly higher than the cost coverage specific to the fees for PFS, which is one reason why the otherwise relatively low PFS-specific cost coverage is proposed. This PFS-specific cost coverage has been revised to 121 percent. See errata to my testimony, filed December 21, 2004.

¹ See United States Postal Service Notice of Errata to Direct Testimony of Abdulkadir M. Abdirahman (USPS-T-3), filed December 20, 2004.

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.

/s/ _____
David H. Rubin

475 L'Enfant Plaza West, S.W.
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December 21, 2004