

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

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

:
:
:
:
:
Docket No. R2005-1

REQUEST OF THE UNITED STATES POSTAL SERVICE
FOR A RECOMMENDED DECISION ON CHANGES IN
RATES OF POSTAGE AND FEES FOR POSTAL SERVICES

UNITED STATES POSTAL SERVICE

By:

Daniel J. Foucheaux, Jr.
Chief Counsel

Richard T. Cooper
Kenneth N. Hollies
Eric P. Koetting
Nan K. McKenzie
Sheela A. Portonovo
Brian M. Reimer
Scott L. Reiter
David H. Rubin
Michael T. Tidwell
Keith E. Weidner

Its Attorneys

April 8, 2005
475 L'Enfant Plaza West, S.W.
Room 6536
Washington, D.C. 20260-1137

Documents relating to this request may be served upon Mr. Foucheaux at the above address or as otherwise provided by Rule 12 (39 C.F.R. §3001.12).

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

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

:
:
:
:
:

Docket No. R2005-1

REQUEST OF THE UNITED STATES POSTAL SERVICE FOR A
RECOMMENDED DECISION ON CHANGES IN RATES
OF POSTAGE AND FEES FOR POSTAL SERVICES

Pursuant to chapter 36 of title 39, United States Code, the United States Postal Service has determined that changes in rates of postage and fees for postal services would be in the public interest and in accordance with the policies of that title. Accordingly, the Postal Service requests that the Postal Rate Commission make and submit to the Governors of the Postal Service a recommended decision on changes in rates of postage and fees for postal services.¹

In accordance with the Commission's rules of practice and procedure, the Postal Service submits herewith information and data which explain the nature and scope, significance, and impact of the proposed rate and fee changes.

Without rate and fee changes, the Postal Service would incur a substantial revenue deficiency in the proposed test year, in contravention of 39 U.S.C. § 3621.

¹ The proposals encompassed by the Postal Service's Request include changes in rates and fees for all classes of mail and special services, with the exception of the Special Service, Confirm. For reasons expressed in the Notice of Intent to Address Rates and Fees for Confirm in a Separate Proceeding, filed today, the Postal Service intends to file a separate proceeding in the future to address the rates, fees, and classification for Confirm.

The rate and fee changes shown on the series of schedules in Attachment B are suggested to the Commission as a basis for providing sufficient revenues² in the test year to cover the projected revenue deficiency. "After rates" financial results are shown in the following table.

FINANCIAL RESULTS WITH
PROPOSED RATE AND FEE CHANGES
TEST YEAR 2006
(\$000)

| <u>Present Rates</u> | <u>Test Year</u> |
|---|------------------|
| Total Revenue Requirement | 73,237,070 |
| Less: Total Revenues | 70,195,210 |
| Total Revenue Deficiency | 3,041,860 |
| <u>Proposed Rates</u> | |
| Total Increase in Revenue | 2,527,964 |
| Total Decrease in Costs (Revenue Requirement) | 625,919 |
| Decrease in Revenue Deficiency | 3,153,883 |
| Total Revenue Surplus (Deficiency) | 112,023 |

In accordance with the Commission's rules of practice and procedure, the Postal Service with this Request files the prepared direct evidence on which it proposes to rely, as well as other information pertaining to matters described in the Commission's rules. These materials consist of testimony and exhibits of 31 witnesses (33 testimonies). The testimony and exhibits have been marked for identification as shown on Attachment E. Following the practice established in prior proceedings, each witness's proposed testimony has been given a number, which is shown on the prepared evidence in the upper right

² Together with income from other sources not within the Commission's jurisdiction under title 39, United

hand corner of the cover page. Further data submitted for informational purposes or in response to sections of the rules of practice are included in other attachments.

Finally, the Board of Governors has directed that this Request include a specific request that the Commission's proceeding to consider the Postal Service's proposals be conducted with all possible expedition, consistent with the Commission's responsibilities and the requirements of due process. The Postal Service elaborates on this goal in an accompanying document.³

WHEREFORE, the Postal Service Requests that the Commission recommend a decision in accordance with this Request.

UNITED STATES POSTAL SERVICE

By:

Daniel J. Foucheaux, Jr.
Chief Counsel

Richard T. Cooper
Kenneth N. Hollies
Eric P. Koetting
Nan K. McKenzie
Sheela A. Portonovo
Brian M. Reimer
Scott L. Reiter
David H. Rubin
Michael T. Tidwell
Keith E. Weidner

Its Attorneys

April 8, 2005
475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137

States Code.

³ United States Postal Service Request for Expedition, filed this date.