

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

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORY OF THE OCA
REDIRECTED FROM WITNESS POTTER (OCA/USPS-T1-3)

The United States Postal Service hereby provides the response of witness Robinson to the following interrogatory of the OCA, filed on April 14, 2005: OCA/USPS-T1-3. The interrogatory has been redirected from witness Potter to witness Robinson for response. 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

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998, Fax -5402
michael.t.tidwell@usps.gov
April 28, 2005

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.

Michael T. Tidwell

**RESPONSE OF USPS WITNESS ROBINSON
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS POTTER**

OCA/USPS-T1-3. Please refer to your testimony at page 7, lines 6-9, concerning Registered Mail service. Assuming the Commission recommends the Registered Mail service fee increases proposed by the Postal Service, please confirm that, based upon current projections, Registered Mail service will not cover its costs, at least until such time as the recommended rates are implemented. If you do not confirm, please explain.

RESPONSE:

Confirmed that, based on the roll-forward of Registered Mail costs (USPS-T-10, WP B), Registered Mail service will not cover its costs in the test-year under the current fees. Exhibit USPS-27A. However, witness Potter has “directed postal management to organize a cross-functional team to thoroughly review Registered Mail service, including its operations, costs, customer needs and fee structure.” USPS-T-1 at 7. This review may identify changes that would result in Registered Mail covering its costs at some point prior to the implementation of the Docket R2005-1 Registered Mail fees. To the extent possible, the Postal Service would prefer to fully evaluate the situation prior to increasing Registered Mail fees by the 70 percent suggested by the existing cost data. In the event appropriate steps can be taken to address this issue, a deferred implementation strategy will guard against the potential of substantial changes in Registered Mail fees that may later be found to be inappropriate.