

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

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS THRESS
(OCA/USPS-T7-1-5)

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-T7-1-5, filed on April 26, 2005, and redirected from witness Thress.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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May 10, 2005

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TAUFIQUE TO INTERROGATORIES OF THE
OFFICE OF THE CONSUMER ADVOCATE REDIRECTED FROM WITNESS THRESS

OCA/USPS-T7-1. Please refer to USPS-LR-K-77, worksheet "A-2 Nonautomated Presort," and the line "NSA Adjustment." Please explain and show all calculations used to derive the NSA Adjustment of -\$116 for Nonautomated Presorted Letters, Flats and IPPs.

Response:

Please refer to my response to your interrogatory OCA/USPS-T28-2, which discussed the FY2004 (October 2003 to September 2004) data for Capital One. The attached Excel spreadsheet provides the FY 2004 volume data and the derivation of the NSA adjustments for the rate categories about which you have inquired.

Attachment to Response
to OCA/USPS-T7-1

CAPITAL ONE - OCTOBER 2003 TO SEPTEMBER 2004

Actual	1,293,384,779			
Threshold	1,225,000,000			
	68,384,779			
	1,275,000,000			
	1,225,000,001			
	49,999,999	\$ 0.030	\$	1,500,000
	1,293,384,779			
	1,275,000,001			
	18,384,778	\$ 0.035	\$	643,467
Total	68,384,777			2,143,467
Nonauto Presort Letters	69,950,056	5.4%	\$	115,925
Mixed AADC Letters	91,377,213	7.1%	\$	151,435
AADC Letters	93,753,920	7.2%	\$	155,374
3-Digit Letters	570,184,237	44.1%	\$	944,940
5-Digit Letters	396,187,666	30.6%	\$	656,584
Mixed ADC Flats	67,409	0.0%	\$	112
ADC Flats	30,302	0.0%	\$	50
3-Digit Flats	361,777	0.0%	\$	600
5-Digit Flats	5,521	0.0%	\$	9
Automation Carrier Route Letters	71,466,678	5.5%	\$	118,438
	1,293,384,779			2,143,467

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OCA/USPS-T7-2. Please refer to USPS-LR-K-77, worksheet "A-3-pg 1 Auto Presort Letters," and the line "NSA Adjustment." Please explain and show all calculations used to derive the NSA Adjustment of -\$151, -\$155, -\$945, and -\$657 for Mixed AADC Automation, AADC Automation, 3-Digit Automation, and 5-digit Automation, respectively.

Response:

Please see my response to interrogatory OCA/USPS-T7-1.

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OCA/USPS-T7-3. Please refer to USPS-LR-K-77, worksheet "A-3-pg 2 Auto Presort Flats," and the line "NSA Adjustment." Please explain and show all calculations used to derive the NSA Adjustment of -\$1 for 3-Digit Automation flats.

Response:

Please see my response to interrogatory OCA/USPS-T7-1.

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OCA/USPS-T7-4. Please refer to USPS-LR-K-77, worksheet "A-4 Carrier Route Letters," and the line "NSA Adjustment." Please explain and show all calculations used to derive the NSA Adjustment of -\$118 for Automated Carrier Route Letters.

Response:

Please see my response to interrogatory OCA/USPS-T7-1.

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OCA/USPS-T7-5. Please refer to USPS-LR-K-77, worksheet "A-9 NSA Discounts," and the line "Pieces."

- a. Please explain and show all calculations used to derive the volume of NSA pieces of 68,385.
- b. Please confirm that during the base year (FY 2004), the only NSA in effect was the NSA with Capital One. If you do not confirm, please explain.
- c. Please confirm that Capital One's estimated annual volume on which discounts were paid in FY2004 was 63,862,895 (69,184,803 / 13 * 12). See Docket No. MC2002-2, Data Collection Report, January 31, 2005, at Appendix A: page 1. If you do not confirm, please explain.

Response

- a. Please see my response to interrogatory OCA/USPS-T7-1.
- b. Confirmed.
- c. Not confirmed. Please see my responses to interrogatory OCA/USPS-T28-2(c) and interrogatory OCA/USPS-T7-1.