

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 2005)

Docket No. R2005-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS LILLIAN WATERBURY
(OCA/USPS-T10-1-5)
(May 19, 2005)

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatory OCA/USPS-T1-1, dated April 12, 2005, are hereby incorporated by reference.

Respectfully submitted,

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OCA/USPS-T10-1. Please refer to USPS-LR-K-5, and the file "ExA_BY04.CRpt.xls," showing the Development of Cost by Segment and Component – Base Year 2004. Also, please refer to the table below, which presents the FY 2000 and FY 2004 unit costs for Registered Mail by cost segment and component, and the unit cost change and percent change during the period. The table also shows for each cost segment the percent distribution that each unit cost increase bears to the sum of all cost segments experiencing unit cost increases.

- a. For Column [1], please confirm the unit costs by cost segment for FY 2000. If you do not confirm, please explain and provide the correct unit costs.
- b. For Column [2], please confirm the unit costs by cost segment for FY 2004. If you do not confirm, please explain and provide the correct unit costs.
- c. For Column [3], please confirm the change in unit costs by cost segment between FY 2000 and FY 2004. If you do not confirm, please explain and provide the correct change in unit costs.
- d. For Column [4], please confirm the percent change in unit costs by cost segment between FY 2000 and FY 2004. If you do not confirm, please explain and provide the correct percent change in unit costs.
- e. For Column [5], please confirm the percent distribution of unit cost increases by cost segment. If you do not confirm, please explain and provide the correct percent distribution of unit cost increases.

REGISTERED MAIL					
FY2000-FY2004					
	FY2000	FY2004	Unit Cost	%	% Dist. of
	Unit Cost	Unit Cost	Change	Change	Increase
	[1]	[2]	[3]	[4]	[5]
C/S 1	\$0.04	\$0.06	\$0.0185	44.1%	0.3%
CS/2	\$0.48	\$0.87	\$0.3853	80.1%	5.7%
CS/3	\$4.93	\$9.38	\$4.4475	90.2%	66.2%
C/S 4	\$0.01	\$0.01	\$0.0038	59.5%	0.1%
C/S 6	\$0.12	\$0.29	\$0.1741	148.5%	2.6%
C/S 7	\$0.77	\$1.14	\$0.3654	47.4%	5.4%
C/S 10	\$0.28	\$0.97	\$0.6901	242.2%	10.3%
C/S 11	\$0.53	\$0.70	\$0.1646	30.9%	2.4%
C/S 12	\$0.02	\$0.06	\$0.0432	241.0%	0.6%
C/S 13	\$0.00	\$0.00	(\$0.0010)	-61.8%	
C/S 15	\$0.56	\$0.70	\$0.1477	26.5%	2.2%
C/S 16	\$0.23	\$0.43	\$0.1956	83.7%	2.9%
C/S 18	\$0.60	\$0.68	\$0.0854	14.4%	1.3%
C/S 20	\$1.21	\$0.93	(\$0.2706)	-22.5%	
TOTAL	\$9.78	\$16.23	\$6.4496	66.0%	100.0%
Notes and Sources					
[1]	Docket No. R2001-1, USPS-LR-J-110, worksheet "Registered Mail;" Cost Segments and Components, FY 2000.				
[2]	USPS-LR-K-115, File: USPST28Cspreadsheets.xls; USPS-LR-K-5, File: ExA_BY04.CRpt.xls				
[3]	[2] - [1]				
[4]	[3] / [1]				
[5]	Distribution in percent of unit cost increases from Column [3].				

OCA/USPS-T10-2. Please refer to USPS-LR-K-5, file "ExA_BY04.CRpt.xls," and the table accompanying OCA/USPS-T10-1, above.

- a. Refer to C/S 3, Clerks and Mailhandlers – CAG A-J Offices. Please explain the 90.2 percent increase in unit costs between FY 2000 and FY 2004, which constitutes 66.2 percent of the total unit cost increases for those cost segments experiencing increases.

- b. Please identify and explain any changes in postal operations that may have caused the 90.2 percent increase in C/S 3 unit costs between FY 2000 and FY 2004.
- c. Refer to C/S 10, Rural Carriers. Please explain the 242.2 percent increase in C/S 10 unit costs between FY 2000 and FY 2004, which constitutes 10.3 percent of the total unit cost increases for those cost segments experiencing increases.
- d. Please identify and explain any changes in postal operations that may have caused the 242.2 percent increase in C/S 10 unit costs between FY 2000 and FY 2004.

OCA/USPS-T10-3. Please refer to USPS-LR-K-5, file "ExA_BY04.CRpt.xls," and the table accompanying OCA/USPS-T10-1, above. For all cost segments other than C/S 3, C/S 10, C/S13, and C/S 20, please identify and explain any changes in postal operations between FY 2000 and FY 2004 that may have caused the percent increase in unit costs shown in column [4].

OCA/USPS-T10-4. Please refer to USPS-LR-K-5, file "ExA_BY04.CRpt.xls," and the table accompanying OCA/USPS-T10-1, above.

- a. For cost segments C/S 2, Supervisors and Technicians, C/S 3, Clerks and Mailhandlers – CAG A-J Offices, C/S 4, Clerks-CAG K Offices, and C/S 6, City Delivery Carriers – Office Activities, please identify and explain all changes in the In-Office Cost System (IOCS) statistical sampling system between FY 2000 and FY 2004 that affected the estimation of costs for

Registered Mail. Describe the effect of those changes on the cost estimates for the referenced cost segments.

- b. For cost segments C/S 7, City Delivery Carriers – Street Activity, and C/S 10, Rural Carriers, please identify and explain all changes in the Carrier Cost System statistical sampling system between FY 2000 and FY 2004 that affected the estimation of costs for Registered Mail. Describe the effect of those changes on the cost estimates for the referenced cost segments.

OCA/USPS-T10-5.

- a. Please confirm that the cost of Registered Mail pieces used by the Postal Service are treated as institutional costs of the Postal Service.
- b. If you do not confirm subpart a. of this interrogatory, please provide the cost of Registered Mail pieces used by the Postal Service by cost segment and component for FY 2000 through FY 2004, and for the TYBR and TYAR.
- c. If you do confirm subpart a. of this interrogatory, please provide the institutional cost of Registered Mail pieces used by the Postal Service for FY 2000 through FY 2004, and for the TYBR and TYAR.