

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 THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF ABA AND NAPM (ABA&NAPM/USPS-1)
(May 25, 2005)

The United States Postal Service hereby provides its response to the following interrogatory of ABA and NAPM, filed on May 11, 2005: ABA&NAPM/USPS-1. A partial objection to this question was filed on May 23, 2005.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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May 25, 2005

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ABA&NAPM/USPS-1. A number of testimonies appear to rely on forecasts of certain economic variables made by Global Insight, including USPS-T-7 (Thress), USPS-T-8 (Bernstein), and USPS-T-10 (Waterbury).

- a. Please identify: (i) each piece of testimony submitted by the United States Postal Service in this proceeding that relies upon or reflects economic forecasts made by Global Insight; (ii) each witness providing testimony submitted by the United States Postal Service who (a) received or (b) had access to economic forecasts by Global Insight.

- b. With respect to each testimony submitted by the United States Postal Service in this proceeding that relies upon, reflects or was influenced by forecasts made by Global Insight state: (i) What Global Insight forecasts were available to the USPS witness, (ii) the workpaper(s) or library reference in which the data produced by Global Insight is set forth and the place (e.g., page number or spread sheet and cell number(s)) where the data provided by Global Insight is located in each workpaper or Library Reference, and (iii) the date on which such data was produced by Global Insight.

- c. Please provide all the forecasts made by Global Insight since those used in the USPS rate filing for this case for each of the specific variables used in a testimony, workpaper or library reference.

- d. Did any witness rely on, consult, or read any other forecasts other than those made by Global Insight in the preparation of the USPS case? If not, why not? If so, please list the forecasting service, the forecasting variables at issue, and the date(s) of such forecasts together with the values of each variable.

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RESPONSE:

a. In the following table of external forecasting sources, all but the two items discussed in response to subpart d below were obtained from Global Insight.

| Testimony | Witness | Indices | Location | Date Produced/ |
|------------------|----------------|---|--|------------------------------|
| USPS-T-6 | Tayman | Global Insights CISSIM/Trendlong 11/04 USSIM/Control 1/05 | LR-K-50 Chapter Vc, pages 189-192 | 11/04/2004 01/03/2005 |
| USPS-T-6 | Tayman | USSIM/Control 1/05 | LR-K-50 Chapter VIIj, page 372 | 01/03/2005 |
| USPS-T-6 | Tayman | Global Insights, The U.S. Economy, Winter 2004 | LR-K-51, pages 148-149 | Winter 2004 |
| USPS-T-6 | Tayman | 2004 Medicare Trustees Report | LR-K-51, pages 148-149 | March 2004 |
| USPS-T-7 | Thress | Global Insights USSIM/Control 1/05 | LR-K-63 Macroeconomic.xls, Ctrl0105 | 01/03/2005 |
| USPS-T-7 | Thress | "Insider's Report" by Robert Coen of Universal McCann-Erickson | LR-K-63, Macroeconomic.xls, "Advertising" worksheet, cells B375-B376 | December 2004 |
| USPS-T-13 | Smith | CISSIM/Trendlong 11/04 USSIM/Control 1/05 | LR-K-62, pg. 53 LR-K-54, pgs. I-4, and I-23 | 11/04/2004 01/03/2005 |
| USPS-T-13 | Smith | Global Insights, CISSIM/Trendlong 11/04 USSIM/Control 1/05 | USPS-T-13, pgs. 32-33 and 43. | 11/04/2005 1/03/2005 |

b. The indices identified in item a., above are used as a base for the revenue requirement cost estimates, volume projections, and indirectly the revenue estimates in this

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rate filing. Therefore, essentially all witnesses who used test year volume, revenue, or cost data rely indirectly on the forecasts identified in item a., above.

c. Objection filed.

d. Please see the second item under witness Thress in the table provided in response to part a, which identifies his use of the Universal McCann-Erickson advertising expenditure forecast, discussed in his testimony (USPS-T-7) at 286-289. Also, please see the fourth item for witness Tayman in the response to part a., the 2004 Medicare Trustees Report, which is used at LR-K-51, page 149.

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.

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