

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 KAREN  
MEEHAN (USPS-T-9) TO INTERROGATORIES OF THE OCA  
(OCA/USPS-T10-1, 5(a), and 5(b)), REDIRECTED FROM  
WITNESS WATERBURY (USPS-T-10) (June 2, 2005)

The United States Postal Service hereby provides the response of witness Karen Meehan (USPS-T-9) to the following interrogatories of the OCA, filed on May 19, 2005:

OCA/USPS-T10-1, 5(a), and 5 (b)

These interrogatories have been redirected to witness Meehan from witness Waterbury (USPS-T-10) for response. Each 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

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June 2, 2005

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KAREN  
MEEHAN (USPS-T-9) TO INTERROGATORY OF  
THE OFFICE OF THE CONSUMER ADVOCATE**

**OCA/USPS-T-10-1.** 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.

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**Response to OCA/USPS-T-10-1 (continued).**

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	<b>90.2%</b>	<b>66.2%</b>
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	<b>242.2%</b>	<b>10.3%</b>
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%	
<b>TOTAL</b>	<b>\$9.78</b>	<b>\$16.23</b>	<b>\$6.4496</b>	<b>66.0%</b>	<b>100.0%</b>
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].				

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**Response to OCA/USPS-T-10-1 (continued).**

**Response:**

(a) Not confirmed, however the orders of magnitude are similar. The corrected source is Docket No. R2001-1, USPS-T-11, Exhibit USPS-11A and Exhibit USPS-11C. A table with the corrected figures is provided.

(b) Confirmed.

(c) - (e) Not confirmed, however the orders of magnitude are similar. A table with corrected figures is provided.

<b>REGISTERED MAIL</b>					
BY2000-FY2004					
	<b>BY2000</b>	<b>FY2004</b>	<b>Unit Cost Change</b>	<b>% Change</b>	<b>% Dist. of Increase</b>
	Unit Cost [1]	Unit Cost [2]	[3]	[4]	[5]
C/S 1	\$0.04	\$0.06	\$0.0184	43.8%	0.3%
C/S 2	\$0.46	\$0.87	\$0.4029	86.9%	6.0%
C/S 3	\$4.89	\$9.38	\$4.4915	91.9%	66.7%
C/S 4	\$0.01	\$0.01	\$0.0039	62.1%	0.1%
C/S 6	\$0.12	\$0.29	\$0.1736	147.8%	2.6%
C/S 7	\$0.60	\$1.14	\$0.5376	89.8%	8.0%
C/S 10	\$0.28	\$0.97	\$0.6959	249.5%	10.3%
C/S 11	\$0.53	\$0.70	\$0.1668	31.5%	2.5%
C/S 12	\$0.02	\$0.06	\$0.0451	284.9%	0.7%
C/S 13	\$0.00	\$0.00	-\$0.0007	-55.5%	0.0%
C/S 15	\$0.55	\$0.70	\$0.1492	26.9%	2.2%
C/S 16	\$0.23	\$0.43	\$0.2012	88.3%	3.0%
C/S 18	\$0.58	\$0.68	\$0.1046	18.2%	1.6%
C/S 20	<u>\$1.19</u>	<u>\$0.93</u>	<u>-\$0.2600</u>	<u>-21.8%</u>	<u>-3.9%</u>
<b>TOTAL</b>	<b>\$9.49</b>	<b>\$16.22</b>	<b>\$6.7299</b>	<b>70.9%</b>	<b>100.0%</b>

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MEEHAN (USPS-T-9) TO INTERROGATORY OF  
THE OFFICE OF THE CONSUMER ADVOCATE**

**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.

**Response:**

a. Confirmed, as it is the intent of our procedures to separate the costs of Registry that are used by the public from the Postal Service's own internal use.

b. See response to a. above.

c. Redirected to the United States Postal Service.

## **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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