

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 THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-61-66)
(June 7, 2005)

The United States Postal Service hereby provides its institutional responses to interrogatories OCA/USPS-61-66, filed on May 24, 2005. Responses to interrogatories OCA/USPS-67-73 are forthcoming.

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

Keith E. Weidner

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-6252, Fax -3084

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY

OCA/USPS-61. Please refer to the response to DBP/USPS-48, regarding Registered Mail, where it states, in part, "The number of claims, the number of claims paid, and the dollar amount paid for claims do not exactly match the numbers provided in response to DFC/USPS-23 because the response to this interrogatory [DBP/USPS-48] is based on data relating to claims accepted in a fiscal year while the earlier response [to DFC/USPS-23] used data that tracked claims resolved in a fiscal year."

- (a) Please confirm that for FY2004, the total number of "Claims Filed" for Registered Mail was 1012, as shown on Page 1 of the Attachment to DBP/USPS-48. If you do not confirm, please explain.
- (b) Please confirm that for FY2004, the total number of "Claims Paid" (i.e., "resolved") for Registered Mail was 612, as shown on Page 1 of the Attachment to DFC/USPS-23. If you do not confirm, please explain.
- (c) Please confirm that for FY2004, the total value of "Claims Paid" for Registered Mail was \$1,766,268, as shown on Page 1 of the Attachment to DFC/USPS-23. If you do not confirm, please explain.
- (d) Please confirm that for FY2004, the total value of Registered Mail Claims Paid of \$1,766,268 is reported in C/S 20 of the Cost Segments and Components Report, FY 2004. If you do not confirm, please explain and provide the correct amount and cost segment.
- (e) Please refer to Page 1 of the Attachment to DBP/USPS-48. For the columns "Claims Paid" and "Value of Claims," please provide the number of claims paid (i.e., "resolved") for each value level that equals 612, and the value of claims paid for each value level that equals \$1,766,268, respectively.

RESPONSE:

- (a) Confirmed
- (b) Confirmed
- (c) Confirmed
- (d) The amount shown in C/S 20 for FY 2004 is \$1.878 million (see Exhibit USPS-9A, page A-25). The amount reported in C/S 20 is different from the value reported in the response to DFC/USPS-23 because of the distribution of unallocated indemnity costs from the general ledger, as well as the timing of the recording of the claims. For example, if a claim is adjudicated on September 25, 2004 and is paid on October 3, 2004, the claim would be reported in FY 2004 in the St. Louis Accounting Service

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY

Center report, but would be reported in C/S 20 of the FY 2005 Cost Segments and Components Report.

(e) Those data are not available. Please see the response to DBP/USPS-76, filed May 31, 2005.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY**

OCA/USPS-62. Please refer to the response to DBP/USPS-48, and Pages 2 and 3 of the Attachment to DBP/USPS-48. Please provide "Registered Mail Volume and Claims Data by Value Category" for FY 2000 through FY 2001.

RESPONSE:

FY 2001 and 2000 Registered Mail Volume and Claims by Value Category

Value Up To No Value	2001			2000		
	Volume	Claims Paid	Value of Claims	Volume	Claims Paid	Value of Claims
	2,375,278	N/A	N/A	3,101,198	N/A	N/A
100	713,493	101	\$7,895	721,403	129	\$10,406
500	1,133,735	238	69,048	1,297,793	289	86,773
1,000	871,551	222	141,362	853,593	275	178,763
2,000	690,531	188	233,916	727,155	263	334,841
3,000	410,428	104	227,161	442,106	130	271,374
4,000	251,628	34	93,102	246,977	70	205,595
5,000	306,231	65	196,009	268,626	73	251,672
6,000	123,062	27	130,412	137,063	31	119,667
7,000	83,816	21	94,541	126,925	14	72,280
8,000	102,363	15	100,147	85,161	17	123,365
9,000	61,117	13	89,075	50,504	5	38,092
10,000	132,604	33	231,772	149,845	25	151,778
11,000	50,125	11	90,901	39,088	7	56,345
12,000	46,719	10	106,747	37,822	9	84,163
13,000	25,292	4	38,244	56,660	6	61,702
14,000	34,212	9	81,058	34,130	7	73,355
15,000	54,261	4	31,696	41,695	9	99,939
16,000	19,653	5	43,428	17,674	3	39,410
17,000	17,701	3	49,730	25,429	1	16,901
18,000	14,536	1	17,912	27,306	8	125,757
19,000	14,203	2	36,605	16,747	2	21,049
20,000	41,615	10	164,956	50,253	9	112,909
21,000	12,877	1	20,104	39,257	3	59,720
22,000	18,714	4	65,734	14,876	1	11,728
23,000	8,440	1	23,001	10,791	4	26,434
24,000	18,691	2	48,005	15,619	2	43,841
25,000	93,939	43	779,585	177,503	42	774,977
TOTAL	7,726,815	1,171	3,212,147	8,813,199	1,434	3,452,838

Source: Registered Mail volume from the FY 2000 and FY 2001 Billing Determinants.
Claims paid and value of claims data from Accounting
Service Center in St. Louis.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY

OCA/USPS-63. Please refer to the response to DBP/USPS-25.

- (a) For FY 2004, please confirm that the total Post Office to Address [sic] Express Mail volume is 54,383,250. If you do not confirm, please explain.
- (b) For FY 2004, please confirm that the percent of delivery failures of 2,329,666 to the total Post Office to Address Express Mail volume of 54,383,250 is 4.28 percent ($2,329,666 / 54,383,250$). If you do not confirm, please explain.

RESPONSE:

(a) The Express Mail Billing Determinants (located in USPS-LR-K-77) list 54,383,250 as the total Post Office to Addressee volume for FY 2004.

(b) The calculation is confirmed. The percent noted in the response to DBP/USPS-25 was calculated using a Post Office to Addressee volume figure derived from the Product Tracking System (PTS).

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY

OCA/USPS-64. Please refer to the response to DBPUSPS-43, regarding Express Mail on-time delivery failures, which states, in part, “The Postal Service continues to work with the airlines to improve transportation.”

- (a) To what extent are the delivery failures for Next Day and Second Day Express Mail caused by the Postal Service’s use of commercial airlines to transport Express Mail? Please explain.
- (b) Please rank order and discuss the most important factors causing the 1,742,209 delivery failures for Next Day Express Mail, and the 587,457 delivery failures for Second Day Express Mail.

RESPONSE:

(a)-(b) The Postal Service does not maintain information regarding the cause of particular Express Mail delivery failures.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY

OCA/USPS-65. Please refer to the response to DBP/USPS-43.

- (a) For FY 2002 and FY 2003, please provide the total number of delivery failures for Post Office to Addressee Express Mail, and the number of delivery failures separately for Next Day and Second Day Post Office to Addressee Express Mail. Also, for FY 2002 and FY 2003, please provide the total volume of Postal Office to Addressee Express Mail.
- (b) For FY 2002 and FY 2003, please provide the percent of delivery failures to the total volume of Post Office to Addressee Express Mail, and the percent of delivery failures to total delivery failures separately for Next Day and Second Day Post Office to Addressee Express Mail.

RESPONSE:

(a) In 2002, there was a change in the reporting system which resulted in a partial year of data being reported for FY 2002. From late August 2002 to September 30, 2002, there were 271,285 delivery failures for Post Office to Addressee Express Mail service. Next Day Service accounted for 210,809 of the delivery failures, and Second Day Service accounted for 60,576 of the delivery failures.

In FY 2003, there were 2,776,522 delivery failures for Post Office to Addressee Express Mail service. Next Day Service accounted for 2,009,154 of the delivery failures, and Second Day Service accounted for 767,368 of the delivery failures.

(b) In 2002, there was a change in the reporting system which resulted in a partial year of data being reported for FY 2002. From late August 2002 to September 30, 2002, the percent of total Post Office to Addressee delivery failures to total Post Office to Addressee Express Mail volume was 5.4%, with Next Day Service accounting for 4.2% and Second Day Service accounting for 1.2%.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY

For FY 2003, the percent of total Post Office to Addressee delivery failures to total Post Office to Addressee Express Mail volume was 5.3%, with Next Day Service accounting for 3.8% and Second Day Service accounting for 1.5%.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORY

OCA/USPS-66. Please refer to the response to DBPUSPS-44(b).

- (a) For FY 2004, please provide the total amount of the Postal Service's potential monetary exposure if all customers who experienced delivery failures requested refunds because of the failure to deliver Express Mail by the guaranteed delivery time.
- (b) Please provide the total amount of Express Mail refunds for FY2002 and FY2003, and the total amount of Postal Service's potential monetary exposure if all customers who experienced delivery failures requested refunds because of the failure to deliver Express Mail by the guaranteed delivery time.

RESPONSE:

(a) Around \$37.6 million.

(b) For FY 2003, around \$ 46.8 million. For FY 2002, around \$49.2 million.