

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

REVISED RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO VALPAK INTERROGATORY (VP/USPS-T16-29.b) --ERRATA
(June 13, 2005)

The United States Postal Service hereby provides the revised response of witness Kelley to the following interrogatories of ValPak: VP/USPS-T16-29.b, filed on May 24, 2005. This response replaces the entire response to question 29 previously filed on June 9, but the only changes are to correct the response to subpart b.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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June 13, 2005

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Valpak Dealer's Association, Inc.

VP/USPS-T16-29.

Please refer to library reference USPS-LR-K-67, file CASING04.xls, tab 'ECR Breakout,' with worksheet title (in cells A1 and D1): "Fiscal Year 2004 – Distribution of Standard Mail – Enhanced Carrier Route."

- a. Please reconcile the ECR Saturation letters cost of \$25,600,000 shown in cell K31 for "City Carrier – In-Office (All Routes) Casing Only" with the \$24,349,000 cost for casing Saturation letters referred to in VP/USPS-T16-23, and describe the activities responsible for the difference in the two cost figures. If the volumes of mail associated with these two cost figures differ, please specify what the difference in volume is and explain how much of the \$1,251,000 cost difference is accounted for by the difference in volumes.
- b. Do either of the two cost figures cited in preceding part a for casing of ECR Saturation letters include any costs for casing DALs? Please explain.
- c. Please reconcile the ECR Saturation flats cost of \$28,573,000 shown in cell K32 for "City Carrier – In-Office (All Routes) Casing Only" with the \$27,239,000 cost for Saturation flats referred to in VP/USPS-T16-24, and describe the activities responsible for the difference in the two cost figures. If the volumes of mail associated with these two cost figures differ, please specify what the difference in volume is and explain how much of the \$1,334,000 cost difference is accounted for by the difference in volumes.

Response

- a. Both cost figures reflect direct casing costs of ECR Saturation letters. However, the larger figure \$25,600,000 includes \$121,000 casing costs from special purpose routes as well as regular letter routes. The \$25,439,000 cost only includes casing costs incurred on city letter routes. (please refer to cell B12 in worksheet 'EstimatesOfCased.Sat.Ltrs.Flts' which is part of the workbook CASING04_Revised.xls). I do not know the volume difference between the two figures, but reason that it is minor due to the small differences between the cost figures.
- b. No. It is my understanding that the costs reported by IOCS assign the costs of DALs to the host category (e.g., flats), thereby removing them from the ECR Saturation Letters costs referred to in part a.

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c. The \$28,573,000 includes costs incurred on special purpose routes as well as regular letter routes. The \$28,452,000 cost only includes casing costs incurred on city letter routes (please refer to cell B13 in worksheet 'EstimatesOfCased.Sat.Ltrs.Flts' which is part of the workbook CASING04_Revised.xls). I do not know the volume difference between the two figures, but reason that it is minor due to the small differences between the cost figures.

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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