

**BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001**

**POSTAL RATE AND FEE CHANGES**

**Docket No. R2005-1**

**Major Mailers Association's  
Follow-up Interrogatories And Document Production Requests To  
United States Postal Service Witness John Kelley (MMA/USPS-T16-30-31)  
(June 21, 2005)**

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, Major Mailers Association submits the following follow-up interrogatories and document production requests to United States Postal Service Witness John Kelley (MMA/USPS-T16-30-31).

Respectfully submitted,

**Major Mailers Association**

By: \_\_\_\_\_

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**Dated: Middleburg, Virginia  
June 21, 2005**

MMA/USPS-T16-30

Please refer to your further revised response to Interrogatory MMA/USPS-T16-13 (Errata) filed June 17, 2005. There you provided the collection costs that were included in your First-Class single piece delivery costs as part of your analysis provided in Library Reference LR-USPS-K-67. Please also refer to USPS witness Schenk's response to Interrogatory MMA/USPS-T43-6 in R2001-1.

- A. Please confirm that the unit collection cost that you derive for single piece letters for TY 2006 is 2.335 cents, which represents the difference between 7.189 cents (unit cost with collection costs) and 4.854 cents (unit cost without collection costs). If you cannot confirm, please provide the TY 2006 unit city carrier collection cost for First-Class letters.
- B. Please confirm that according to USPS witness Schenk, the R2001-1 unit city carrier collection cost that she derived for single piece letters for BY 2000 is .65 cents, the difference between 10.22 cents (unit cost with collection costs) and 9.57 cents (unit cost without collection costs). If you cannot confirm, please explain.
- C. Please confirm that, according to USPS witness Schenk, the R2001-1 unit rural collection cost that she derived for single piece letters for BY 2000 is .64 cents, the difference between 3.71 cents (unit cost with collection costs) and 3.07 cents (unit cost without collection costs). If you cannot confirm, please explain.
- D. Please confirm that, between BY 2000 in R2001-1 and TY 2006 in R2005-1, the unit cost for collecting First-Class letters, as estimated by the Postal Service, increased approximately 260 %, from .65 cents to 2.335 cents.
- E. Please confirm that, between BY 2000 in R2001-1 and TY 2006 in R2005-1, the average wage rate has increased 32% from \$27.745 to \$36.716, as shown in Library References LR-USPS-J-117 (R2001-1) and LR-USPS-K-101 (R2005-1). If you cannot confirm, please provide the correct average wage rates for BY 2000 and TY 2006.
- F. Please explain exactly why the collection costs have increased by 260% whereas labor costs have increased by only 32%.

MMA/USPS-T16-31

Please refer to your further revised response to Interrogatory MMA/USPS-T16-13 (Errata) filed June 17, 2005. where you provided the collection costs that were included in your single piece letter delivery costs as part of your analysis provided in Library Reference LR-USPS-K-67. Please also refer to your responses to MMA/USPS-T-16-19 and 22 where you explain the discrepancy between the rural route volumes shown in Library References LR-UPSP-K-67 and those shown in LR-USPS-K-101.

- A. Please confirm that collection costs are included in the derivation of unit delivery costs for First-Class letters in both library references. If not, please explain.
- B. Please confirm that LR-USPS-K-67 uses 6,955,698 for the First-Class rural route letter volume and LR-USPS-K-101 uses 10,635,376 for the First-Class rural route letter volume. If you cannot confirm, please provide the two correct volume figures.
- C. Please confirm that the difference (3,679,678) in the two First-Class rural route letter volume figures (shown in Library References LR-USPS-K-67 and LR-USPS-K-101) reflects rural route volumes that are collected. If you cannot confirm, please explain exactly what this difference represents.
- D. Please confirm that, according to your delivery cost study, it costs the Postal Service a total of \$67.7 million to collect 3.680 billion pieces, or about 1.84 cents per piece. If you cannot confirm, please provide the correct unit collection cost for rural carriers and explain your calculations.
- E. Using the Postal Service's delivery cost methodology, please provide the comparable unit collection cost for First-Class letters collected by city carriers and provide the total collection cost and volumes used in that computation.