

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 MMA (MMA/USPS-12 - 13)
(July 5, 2005)

The United States Postal Service hereby provides its responses to the following interrogatories of MMA, filed on June 21, 2005: MMA/USPS-12 - 13.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 5, 2005

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF MMA**

MMA/USPS-12

Please refer to USPS witness Kelley's response to Interrogatory MMA/USPS-T16-19 where he indicates that the rural route volumes shown in Library Reference LR-USPS-K-101, on worksheet "Delivery Volumes", include collected volumes in addition to delivered volumes. Why has the Postal Service computed the "Implicit PO Box Volume" (14,461,233), as shown on that same page by subtracting from total RPW volumes (45,161,746) the sum of (1) city carrier volume delivered (19,503,687), (2) rural route volume delivered (7,714,656) **and** (3) rural route volume collected (3,482,171)?

Response

The established methodology from PRC-LR-7 does this computation. The Postal Service's LR-K-67 methodology does not compute Implicit PO Box Volume.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF MMA**

MMA/USPS-13

Please refer to USPS witness Kelley's response to Interrogatory MMA/USPST16-22 C where he explains how he estimated the First-Class metered mail letter volumes that were delivered by city carriers and rural carriers and the First-Class metered mail letter volume delivered to post office boxes. If the rural carrier volume that he used in his computation, 10,276,825, includes collected volumes, then isn't the "BY P.O. Box Volume" figure of 13,106,846 incorrect? If the figure of 13,106,846 is not correct, please provide the correct figure for the implicit volume delivered to post office boxes. If that is the correct figure, please explain why the volume of letters collected, which is included in the rural carrier volume figure of 10,276,825, should be subtracted from total letters delivered in order to compute the implicit volume delivered to post office boxes.

Response

In calculating the ratios of .0429 for city, 0.251 for rural, and 0.320 for P.O. Box, the response to MMA/USPS-T-16-22C assumed that these ratios apply to both total delivered volume only as well as to total delivered plus collected volume.

Thus, it was implicitly assumed that the ratio of delivered volume to delivered plus collected volume is likewise the same for city, rural, and P.O. Boxes. Note that a problem inherent to all such allocations of national level volumes to individual modes is that the only available volume data that can be used to derive such allocations, CCCS and RCCS, provide incomplete counts of city and rural volumes. CCCS excludes all mail volumes collected from city letter-route collection boxes, and it excludes all special-purpose-route delivered as well as collected mail. RCCS likewise excludes all mail collected from USPS collection boxes at rural post offices or other locations. Thus, any set of proportions used to allocate national-level volumes across delivery modes must be viewed as tentative and uncertain.

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.

Eric P. Koetting

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