

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

RESPONSE OF POSTAL SERVICE WITNESS KELLEY
TO ORAL QUESTION FROM VALPAK
(July 15, 2005)

The United States Postal Service hereby provides the response of witness Kelley to an oral request posed by Valpak at the July 8 hearing on his testimony.

Each question is paraphrased 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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July 15, 2005

**RESPONSE OF POSTAL SERVICE WITNESS JOHN KELLEY TO
ORAL REQUEST OF VALPAK**

Q. Tr. 7/3014-17. Please provide a DPS and NonDPS unit delivery cost for Standard Regular letters and ECR Saturation letters.

Response

Please refer to the attached sheets (and the attached electronic Excel file) for the requested information for Standard and ECR.

BY04 COSTS AND VOLUMES	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(000s)			(\$0.000)
Mail Category	6.1 IN-OFFICE DIRECT LABOR, CASING	6.1 IN-OFFICE DIRECT LABOR, NON-CASING	6.2 IN-OFFICE OVERHEAD, PLUS THE PORTION OF IN- OFFICE DELIVERY PREP THAT IS BURDENED ON OFFICE DIRECT	STREET DELIVERY ACTIVITIES	10 RURAL CARRIERS	TOTAL PIGGYBACKED CITY CARRIER COSTS	TOTAL PIGGYBACKED RURAL CARRIER COSTS	GRAND TOTAL PIGGYBACKED COSTS	PERMIT VOLUME	UNIT CITY DELIVERY COST	UNIT RURAL DELIVERY COST	UNIT TOTAL DELIVERY COST
Regular Standard - Non DPS Letter Pieces	350,557	6,378	97,511	114,268	156,479	708,178	183,899	892,077	8,559,745	\$0.0827	\$0.0215	\$0.1042
Regular Standard Letters Subclass - DPS Letter Pieces	0	29,474	8,052	528,076	132,729	704,304	155,987	860,291	39,557,969	\$0.0178	\$0.0039	\$0.0217
Regular Standard Letters Subclass - All Lettter Pieces	350,557	35,852	105,563	642,344	289,207	1,412,481	339,886	1,752,367	48,117,714	\$0.0294	\$0.0071	\$0.0364

BY04 COSTS AND VOLUMES	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(000s)		(\$0.000)
Mail Category	6.1 IN-OFFICE DIRECT LABOR, CASING	6.1 IN-OFFICE DIRECT LABOR, NON-CASING	6.2 IN-OFFICE OVERHEAD, PLUS THE PORTION OF IN-OFFICE DELIVERY PREP THAT IS BURDENED ON OFFICE DIRECT	STREET DELIVERY ACTIVITIES	10 RURAL CARRIERS	TOTAL PIGGYBACK ED CITY CARRIER COSTS	TOTAL PIGGYBACK ED RURAL CARRIER COSTS	GRAND TOTAL PIGGYBACK ED COSTS	PERMIT VOLUME	UNIT CITY DELIVERY COST	UNIT RURAL DELIVERY COST	UNIT TOTAL DELIVERY COST
ECR Saturation Letters Subclass - NonDPS Letter Pieces	\$ 25,600	\$ 1,383	\$ 7,376	\$ 34,704	\$ 20,445	\$ 86,375	\$ 24,028	\$ 110,403	2,774,792	\$ 0.0311	\$ 0.0087	\$ 0.0398
ECR Saturation Letters Subclass - DPS Letter Pieces	\$ -	\$ 542	\$ 148	\$ 26,202	\$ 4,571	\$ 33,632	\$ 5,372	\$ 39,004	1,051,452	\$ 0.0320	\$ 0.0051	\$ 0.0371
ECR Saturation Letters Subclass - All Letter Pieces	\$ 25,600	\$ 1,925	\$ 7,524	\$ 60,906	\$ 25,017	\$ 120,007	\$ 29,400	\$ 149,407	3,826,244	\$ 0.0314	\$ 0.0077	\$ 0.0390

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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