

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate Commission
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Postal Rate and Fee Changes

Docket No. R2005-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 11

(July 18, 2005)

The United States Postal Service is requested to provide the information described below to assist in developing a record for the consideration of the Postal Service's request for changes in rates and fees. In order to facilitate inclusion of this material in the evidentiary record, the Postal Service is to have a witness attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers. The answers are to be provided within 14 days.

1. Please refer to USPS-LR-K-63, file Prices.xls, sheet "Standard", cells AZ175, AZ193, AZ221, AZ241, AZ271, AZ292 and AZ313. Please provide the source of the following "proposed" Standard Mail rates: (a) Nonprofit BMC destination entry pound rate of \$0.510 in cells AZ175, AZ193, AZ221 and AZ241; and (b) Nonprofit ECR DDU destination entry pound rate of \$0.225 in cells AZ271, AZ292 and AZ313.
2. Based on USPS-LR-K-115 and the response to POIR 7, question 15, it appears that the revenues from Merchandise Return and Bulk Parcel Return Service (BPRS) are double counted.
 - a. Please refer to USPS-LR-K-115, file "USPS-T-28Cspreadsheets," to the sheet entitled "SS-7 Bulk Parcel Accounting Fee." Cell M27 shows base year revenue for Account 43341.155 as \$408,218.14, of which 94 percent is assumed to be from Merchandise Return and five percent from BPRS. This figure also appears in the itemized list of the components of other income

attached to the response to POIR no. 7, question 15. In the same workbook, please refer to sheet "SS-20 Merchandise Return Permits," cell Y17, which lists the revenue of Account 43333 as \$179,059. As with Account 43341.155, this figure is in the list of miscellaneous income that is included in other income in the attachment provided in POIR No. 7, question 15. Please confirm that Table 1 below shows the correct breakdown, by service, of the \$8.566 million in test year after rates Special Service Fees that are subtracted from Other Income as described in the response to POIR No. 7, question 15.

Table 1

<u>Service</u>	<u>TYAR Rev.</u>
Address Change to Election Boards	\$149,102
Correction of Mailing Lists	99,997
Meter Service	564,847
Permit Imprint Permit Fees 1/	7,723,715
Shipping Paid Forwarding	4,261
ZIP Coding of Mailing Lists 2/	24,378
Total Special Service Fees in Misc. Income	\$8,566,300

1/ This figure was revised to \$6,681,294 in the response to POIR 8, question 12.

2/ This figure was revised to \$8,146 in the response to POIR 7, question 16.

- b. In the same workbook, please refer to the sheet entitled "SS-40 Fee Summary TYAR." This sheet shows the revenue for Merchandise Return (both fees and permit revenue) and BPRS distributed to classes of mail. However, the attachment included with the response to POIR No. 7, question 15, list accounts 43341.155 and 43333.141 as included in Other Income, and based on Table 1 above, it appears that Merchandise Return and BPRS revenue are not subtracted from the Other Income shown in Exhibit USPS-27B.

- (i) Please confirm that Merchandise Return and BPRS fees are included in Other Income and are also distributed to the underlying classes of mail, as shown in "SS-40 Fee Summary TYAR."
 - (ii) If so, please revise the Special Service Fees adjustment by adding Merchandise Return and BPRS to Table 1. If not, please explain.
 - (iii) Please revise the Special Service Fees adjustment (see Table 1) if necessary to correct for the apparent double counting of revenue from accounts 43341.155 and 43333.141.
3. Please refer to USPS-LR-K-115, file "USPS-T-28Bspreadsheet," sheet "WC-6 Test Year 2006 AR." Please explain why the revenues for Basic Automation Letter, 3-Digit Automation Letter, and Carrier Route Basic are calculated with rates containing five digits to the right of the decimal point rather than three as with the other rates. The use of five digits compared with three results in additional revenue of \$130,415.

George Omas
Presiding Officer