

Before the
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Parcel Return Service

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Docket No. MC2006-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS SAMUEL J. KOROMA (OCA/USPS-T3-7-9)
November 16, 2005

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-1-6, dated October 31, 2005, are hereby incorporated by reference.

Respectfully submitted,

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OCA/USPS-T3-7. Your testimony at page 8 indicates that, based upon the proposed rates, the implicit savings passthroughs are 47 percent for RDU and 51 percent for RBMC. Your footnote 4 on the same page states the rate design approach underlying the current rates is used “to verify that the proposed prices are reasonable in light of the costs reported by witness Miller in this case.”

- a. Inasmuch as you do not specifically so state in your testimony, please indicate whether you believe the proposed prices are reasonable in light of the costs presented by witness Miller. Please explain.
- b. Please indicate whether you believe the proposed prices are reasonable assuming costs as revised by witness Miller to conform to Commission methodology applied in the Docket No. R2005-1 opinion. Please explain.
- c. Inasmuch as you do not specifically so state in your testimony, please indicate whether you believe the implicit savings passthroughs of 47 percent for RDU and 51 percent for RBMC are reasonable. Please explain.
- d. Please indicate whether you believe reasonable the implicit passthroughs as they may have been revised due to a revision of costs by witness Miller to conform to the Commission methodology applied in the Docket No. R2005-1 opinion. Please explain.
- e. Please indicate the range of percentages of implicit passthroughs you believe would be reasonable for this parcel return service.
- f. If recalculation of the cost savings causes the implicit passthrough percentages to be outside of the range of percentages you consider to be

reasonable, would you recommend a modification of the rates proposed in this docket? Please explain.

OCA/USPS-T3-8. In your testimony at page 9, you calculate the savings passthrough percentage based upon the cost savings calculated by witness Miller and the “revenue differential” which your footnote 3, on page 8, indicates is the “difference between the Intra-BMC rates and the proposed PRS rates.” Interrogatory OCA/USPS-T2-18 asks witness Miller to calculate the delivery cost savings. Please recalculate the savings passthrough as a result of adding to the total cost savings the delivery cost savings calculated by witness Miller.

OCA/USPS-T3-9. Please provide the cost coverage of the proposed rates for both RDU and RBMC service assuming:

- a. Witness Miller’s cost savings analysis using the Commission’s costing methodology in Docket No. R20005-1.
- b. Witness Miller’s costs savings analysis using the Commission’s costing methodology in Docket No. R20005-1 and including carrier cost savings.