

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

PARCEL RETURN SERVICE

Docket No. MC2006-1

**RESPONSES OF POSTAL SERVICE WITNESS MILLER
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T2-12-15)**

The United States Postal Service hereby provides the responses of witness Miller to the following interrogatories the Office of the Consumer Advocate, filed on November 8, 2005: OCA/USPS-T2-12-15.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 22, 2005

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MILLER
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T2-12. The following refers to your testimony at 2. Both you and USPS witness Eggleston (Docket MC2003-2, USPS-T-2 at 3) make an assumption that the PRS acceptance costs for the RBMC and the RDU are identical because it was assumed that most PRS packages would be entered back into the mail stream via window service. Please provide the percent of total PRS parcels that were returned via: (1) window service, (2) left for carrier to pick-up, and (3) placed in a USPS collection box. If you are unable to provide this information, please fully explain and include in your response the rationale for continuing to assume that only window service costs need to be incorporated into your cost analysis as opposed to incorporating all three of the PRS parcel return options.

RESPONSE:

I think a better way to express what is in the cost study is to say that the only acceptance costs that have been provided are those associated with accepting a PRS mail piece through window service channels. The cost savings could vary by method, but I am not aware of any data which might be available and could be used to quantify the costs for the other methods. As far as the percentage distribution by channel, it is my understanding that those data are not available. It should be noted that acceptance cost savings are only a small component of the total PRS cost savings as indicated below:

RBMC Machinable	2.38 %	RDU Machinable	1.49 %
RBMC Non-Machinable	0.47 %	RDU Non-Machinable	0.30 %
RBMC Oversize	0.18 %	RDU Oversize	0.11 %

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OCA/USPS-T2-13. Please refer to your testimony Attachment B, pages 2 and 3 of 4. You use a variability of 56.37% in calculating the Weight/Rate and Acceptance retail transaction time, respectively, and cite for support Docket No. R2005-1. Does the variability you use conform to the variability utilized by the Commission in establishing the rates recommended in the recent opinion in Docket No. R2005-1? If not, please, explain and provide the variability figure used by the Commission. Please include a citation to the Commission's opinion or workpapers.

RESPONSE:

The Postal Service is developing a PRS cost model that relies on the data contained in Docket No. R2005-1, PRC-LR-9. The cost model will be filed once it is completed.

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OCA/USPS-T2-14. The following refers to return PRS parcels.

- a. At the PRS pick-up locations, is the original Third-Party vendor who entered the package into the USPS mail stream the one who retrieves the returned PRS parcel?
- b. At the PRS pick-up locations, is it the originating merchant, who originally shipped the PRC parcel through a third-party, the one who retrieves the returned PRS parcel?
- c. If both originating merchants and third-party vendors retrieve returned PRS parcels, please identify the percent of the total each picks up and the rationale for when and who picks up PRS parcels.

RESPONSE:

Redirected to witness Daniel.

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OCA/USPS-T2-15. Please update all exhibits, attachments and tables in your testimony to reflect the costs determined by the Postal Rate Commission in the Docket No. R2005-1 Opinion and Recommended Decision.

RESPONSE:

The Postal Service is developing a PRS cost model that relies on the data contained in Docket No. R2005-1, PRC-LR-9. The cost model will be filed once it is completed.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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