

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

PARCEL RETURN SERVICE

Docket No. MC2006-1

**RESPONSES OF POSTAL SERVICE WITNESS DANIEL  
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T1-7-9)**

The United States Postal Service hereby provides the responses of witness Daniel to the following interrogatories the Office of the Consumer Advocate, filed on November 8, 2005: OCA/USPS-T1-7-9.

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 DANIEL  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**OCA/USPS-T1-7.** On page 7 of your testimony, you forecast 12.8 million Parcel Select Parcel Returns for FY 2006. One-quarter, or 3.2 million pieces, are forecast to be RDU returns. In light of the Postal Rate Commission's recent R2005-1, Opinion and Recommended Decision, please specifically identify what, if any, changes should be made to your volume forecast. If the Commission's recent Decision has no impact upon your volume forecast, please so state and provide an explanation.

**RESPONSE:**

The Commission's recent Decision has no impact upon my volume forecast. As witness Koroma responds in OCA/USPS-T3-6, the R2005-1 forecast reflected a "simplifying assumption." Please see Section III of my testimony for a detailed explanation of my Fiscal Year 2006 volume projection.

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**OCA/USPS-T1-8.** You indicate in your testimony on page 8, footnote 9, that insurance is not offered for return service because the Postal Service does not have custody of the returned mail for the entire trip back to the merchant.

- a. You state that some customers “may also seek insurance.” Have there been any requests or inquiries for insurance from the current participants or merchants using the service? Please discuss.
- b. Have consumers requested that insurance be added to the available special services?
- c. If damage occurs to returned parcels while in the custody of the Postal Service, which party is responsible or must absorb the loss – the consumer, the participants, the merchant, or the Postal Service? Please explain.

**RESPONSE:**

- a. My understanding is that most merchants are self-insured and I am not aware of any merchants wishing to use postal insurance. One current participant has inquired about exploring the option of USPS offering postal insurance to consumers, but the USPS has not pursued this option.
- b. Yes, some unknown number of consumers have requested that insurance be added to the available special services and, in response, some merchants include the cost of insurance in the return handling fee and explain this in the instructions.
- c. Responsibility would have to be sorted out between the consumer, participant and merchant, based on the policy of the merchant and participant. The Postal Service does not assume responsibility for the loss, but can work with mailers to identify systemic loss issues.

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**OCA/USPS-T1-9.** In the Postal Rate Commissions' Docket No. R2005-1 Opinion and Recommended Decision, Appendix G, page 17, shows PRS Test Year revenue of \$11,219, 443. Please provide the RDU and RBMC volumes associated with the Commission's projected PRS Test Year revenue. Include citations to the Commission's workpapers.

**RESPONSE:**

I could not find this figure in the Commission's workpapers, but I did find it in USPS-LR-K-115, "USPST28BSpreadsheets.xls" on the tab named "PP-14 Adjusted TYAR Revenue" in row [s]. This revenue figure was derived from volumes found on the tab named "PP-12 TYAR Volumes." The associated volume is 0 RDU and 3,604,796 RBMC.

## **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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