

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

Rate and Service Changes to Implement )  
Baseline Negotiated Service Agreement )  
with Washington Mutual Bank )

Docket No. MC2006-3

OFFICE OF CONSUMER ADVOCATE  
INTERROGATORIES TO UNITED STATES POSTAL SERVICE  
WITNESS ALI AYUB (OCA/USPS-T1-7-8)  
(April 10, 2006)

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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-T1-1-5 are hereby incorporated by reference.

Respectfully submitted,

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OCA/USPS-T1-6. This interrogatory seeks information that could be used to improve data collection reporting for the Washington Mutual Bank (WMB) NSA. Please refer to your testimony at page 3, Footnote 2, which references the first Data Collection Report (herein “first DCR”) for the Capital One NSA, filed with the Commission on January 31, 2005. Also, please refer to the attached Excel file “Jan05\_Cap1-DCR-AppA\_OCA Revised,” which contains Appendix A from the first Data Collection Report, as revised by OCA (herein “Appendix A (OCA Revised)”).

- a. In the first DCR, refer to Appendix A, page 1, column 1, line (4), which shows a “Projected Volume” of 1,310,833,333. Please confirm that the projected volume should be 1,311,103,757. See Appendix A (OCA Revised), page 1, “Corrected” column, line (4). If you do not confirm, please explain and show all calculations.
- b. In the first DCR, refer to Appendix A, page 1, column 1, line (6), which shows “Incremental Pieces” of 85,434,803. Please confirm that the incremental pieces should be 85,164,379. See Appendix A (OCA Revised), page 1, “Corrected” column, line (6). If you do not confirm, please explain and show all calculations.
- c. In the first DCR, refer to Appendix A, page 1, column 2 (“SPLY”), line (11), which shows a “Capital One Cost per Piece” of \$0.121. Please confirm that the cost per piece should be \$0.131. See Appendix A (OCA Revised), page 1, “Corrected” column, line (11). If you do not confirm, please explain and show all calculations.

- d. In the first DCR, refer to Appendix A, page 1, column 2 (“SPLY”), line (12), which shows a “Capital One Contribution per Piece” of \$0.171. Please confirm that the contribution per piece should be \$0.161. See Appendix A (OCA Revised), page 1, “Corrected” column, line (12). If you do not confirm, please explain and show all calculations.
- e. In the first DCR, refer to Appendix A, page 1, column 2 (“SPLY”), line (13), which shows “Capital One Contribution” of \$14,596,491. Please confirm that the Capital One contribution should be \$13,676,102. See Appendix A (OCA Revised), page 1, “Corrected” column, line (13). If you do not confirm, please explain and show all calculations.
- f. In the first DCR, refer to Appendix A, page 1, column 2 (“SPLY”), line (14), which shows “Discount on Volume” of \$2,173,613. Please confirm that the discount on volume should be \$2,171,468. See Appendix A (OCA Revised), page 1, “Corrected” column, line (14). If you do not confirm, please explain and show all calculations.
- g. In the first DCR, refer to Appendix A, page 1, column 2 (“SPLY”), line (15), which shows “New Mail Contribution (net discounts)” of \$12,422,878. Please confirm that the New Mail Contribution (net discounts) should be \$11,504,634. See Appendix A (OCA Revised), page 1, “Corrected” column, line (15). If you do not confirm, please explain and show all calculations.
- h. In the first DCR, refer to Appendix A, page 1, column 2 (“SPLY”), line (18), which shows a “Manual Return Cost” of \$0.535. Please confirm that the Manual Return Cost should be \$0.534714349346096. See Appendix A (OCA

- Revised), page 1, "Corrected" column, line (18). If you do not confirm, please explain and show all calculations.
- i. In the first DCR, refer to Appendix A, page 1, column 2 ("SPLY"), line (19), which shows an "Electronic Return Cost" of \$0.332. Please confirm that the Electronic Return Cost should be \$0.332145349598503. See Appendix A (OCA Revised), page 1, "Corrected" column, line (19). If you do not confirm, please explain and show all calculations.
  - j. In the first DCR, refer to Appendix A, page 1, column 2 ("SPLY"), line (20), which shows a "Return Cost Savings" of \$0.203. Please confirm that the Return Cost Savings should be \$0.202569. See Appendix A (OCA Revised), page 1, "Corrected" column, line (20). If you do not confirm, please explain and show all calculations.
  - k. In the first DCR, refer to Appendix A, page 1, column 2 ("SPLY"), line (21), which shows "# of ACS Returns" of 46,073,291. Please confirm that the number of ACS Returns should be 45,926,662. See Appendix A (OCA Revised), page 1, "Corrected" column, line (21). If you do not confirm, please explain and show all calculations.
  - l. In the first DCR, refer to Appendix A, page 1, column 2 ("SPLY"), line (22), which shows "ACS Savings" of \$9,352,878. Please confirm that ACS savings should be \$9,303,318. See Appendix A (OCA Revised), page 1, "Corrected" column, line (22). If you do not confirm, please explain and show all calculations.

- m. In the first DCR, refer to Appendix A, page 1, column 2 (“SPLY”), lines (15), “New Mail Contribution (net discounts),” and (22) “ACS Savings,” which when summed equals \$21,775,756. Please confirm that the sum of lines (15) and (22) should be \$20,807,952. See Appendix A (OCA Revised), page 1, “Corrected” column, line (26). If you do not confirm, please explain and show all calculations.

OCA/USPS-T1-7. This interrogatory seeks information that could be used to improve data collection reporting for the Washington Mutual Bank (WMB) NSA. Please refer to your testimony at page 3, Footnote 2, which references the second Data Collection Report for the Capital One NSA, filed with the Commission on February 7, 2006. Refer to the second Data Collection Report, Appendix A.

- a. In Appendix A, at page 1, refer to the column “MC2002 Filing,” and line (4) “Projected Volume,” which shows the figure 1,210,000,000. Please confirm that the projected volume should be 1,210,249,622. See Docket No. MC2002-2, COS-LR-4, Exhibit 3, Line (4) plus Line (5). If you do not confirm, please explain.
- b. In Appendix A, at page 1, refer to the column “Actual,” and line (4) “Projected Volume,” which shows the figure 1,238,132,943. Please confirm that the projected volume should be 1,210,249,622. See Docket No. MC2002-2, COS-LR-4, Exhibit 3, Line (4) plus Line (5). If you do not confirm, please explain, provide citations to all supporting documents, and show all calculations.

- c. In Appendix A, at page 1, refer to the column "Actual," and line (6) "Incremental Volume," which shows the figure 67,327,334. Please confirm that the incremental volume should be 95,210,655 (1,305,460,277 - 1,210,249,622). If you do not confirm, please explain, provide citations to all supporting documents, and show all calculations.

		Rate Case Projection (Sept 2003- Sept 2004)		Corrected	Difference
(1)	Total Actual Volume	1,396,268,136			
(2)	Threshold	1,327,083,333	(Rate Case forecast adjusted)		
(3)	Volume Above Threshold	69,184,803			
(4)	Projected Volume	1,310,833,333	(Rate Case forecast adjusted)	(4) 1,311,103,757	270,424
(5)	Leakage Volume	0			
(6)	Incremental Pieces	85,434,803		(6) 85,164,379	-270,424
(7)	Standard Mail Volume	1,057,749,027			
(8)	Standard Mail Volume	1,037,444,407	(SPLY)		
(Sept 03- Sept 04)					
		MC2002-2 Based Valuation	MC2002-2 Adjusted Valuations		
<b>New Mail Contribution</b>					
(9)	Increased Volume	85,434,803	85,434,803	(9) 85,164,379	-270,424
(10)	Capital One Revenue per Piece	\$0.291	\$0.292		
(11)	Capital One Cost per Piece	\$0.120	\$0.121	(11) \$0.131	\$0.010265
(12)	Capital One Contribution per Piece	\$0.171	\$0.171	(12) \$0.161	-\$0.010265
(13)	Capital One Contribution	\$14,585,125	\$14,596,491	(13) \$13,676,102	-\$920,389
(14)	Discount on Volume	\$2,173,613	\$2,173,613	(14) \$2,171,468	-\$2,145
(15)	<b>New Mail Contribution (net discounts)</b>	<b>\$12,411,512</b>	<b>\$12,422,878</b>	(15) <b>\$11,504,634</b>	-\$918,244
<b>Discount Leakage</b>					
(16)	Leakage Volume	0	0		
(17)	<b>Total Discount Leakage</b>	<b>\$0</b>	<b>\$0</b>		
<b>Return Cost Savings</b>					
(18)	Manual Return Cost	\$0.535	\$0.535	(18) \$0.534714	-\$0.000286
(19)	Electronic Return Cost	\$0.332	\$0.332	(19) \$0.332145	\$0.000145
(20)	Return Cost Savings	\$0.203	\$0.203	(20) \$0.202569	-\$0.000431
(21)	# of ACS Returns	46,073,291	46,073,291	(21) 45,926,662	-146,629
(22)	<b>ACS Savings</b>	<b>\$9,352,878</b>	<b>\$9,352,878</b>	(22) <b>\$9,303,318</b>	-\$49,560
<b>Forwarded Cost Savings</b>					
(23)	Cost of Providing ACS notices for forwards	\$0.061	\$0.061		
(24)	Number of ACS notices provided	22,374,630	22,374,630		
(25)	<b>Total Forwarding Costs</b>	<b>\$1,355,902.59</b>	<b>\$1,355,902.59</b>		
(26)	<b>Total USPS Value</b>	<b>\$20,408,487.31</b>	<b>\$20,419,853.73</b>	(26) <b>\$20,807,952</b>	-\$967,804

\*The MC2002-2 Based valuation is developed assuming costs and revenues based on a mail profile of Capital One that did not change from the original filing in MC2002-2. The MC2002-2 Adjusted valuation is based on the actual costs and revenues associated with the actual mail profile for Capital One.

Notes & Sources for Above:

1	USPS Permit System				
2	MC2002-2 Threshold of 1.225 billion adjusted for 13 months (1.225 / 12 * 13)				
3	(1) - (2)				
4	MC2002-2 forecast of 1.21 billion adjusted for 13 months (1.21 / 12 * 13)			(4) MC2002-2, COS-LR-4, Exh. 3, Ln 4+5	
5	If Projected volume (4) greater than threshold (3) = (4) - (3). If threshold is greater than projected volume 0.				
6	(1) - (4)			(6) = (1) - Corrected (4)	
7	USPS Permit System				
8	USPS Permit System				
9	(6)			(9) = Corrected (6)	
10	MC2002-2 Valuation is from COS Rate Case Unit Cost worksheet. For actual from COS Actual Unit Cost				
11	MC2002-2 Valuation is COS from Rate Case Rev worksheet Revenue per piece. For Actual from COS Actual Rev			(11) App. A (OCA Revised): page 5, Col. (21)	
12	(10) - (11)			(12) = (10) - Corrected (11)	
13	(12) * (9)			(13) = Corrected (12) * Corrected (9)	
14	Discount Calculation Worksheet			(14) Internal Cell Calculation	
15	(13) - (14)			(15) = Corrected (13) - Corrected (14)	
16	(5)				
17	Discount leakage value				
18	USPS-LR-1/MC2002-2, page 1			(18) Unrounded, same source	
19	USPS-LR-1/MC2002-2, page 2			(19) Unrounded, same source	
20	(18) - (19)			(20) = Corrected (18) - Corrected (19)	
21	USPS Memphis ACS Records / Capital One Records			(21) App. A (OCA Revised): page 6, "Electronic Returns	
22	(20) * (21)			(22) = Corrected (20) * Corrected (21)	
23	MC2002-2				
24	USPS Memphis ACS Records / Capital One Records				
25	(23) * (24)				
26	(15) + (22) - (17) - (25)			(26) = Corrected (15) + Corrected (22)	

**CGPR Capital One SCA September 03-September 04**

September 3, 2004  
 September 03-September 04

	2004	2003	2002
<b>Assets</b>	<b>10,112,000</b>	<b>10,112,000</b>	<b>10,112,000</b>
Cash	1,000,000	1,000,000	1,000,000
Securities	8,000,000	8,000,000	8,000,000
Other	1,112,000	1,112,000	1,112,000
<b>Liabilities</b>	<b>10,112,000</b>	<b>10,112,000</b>	<b>10,112,000</b>
Accounts Payable	1,000,000	1,000,000	1,000,000
Other	9,112,000	9,112,000	9,112,000
<b>Equity</b>	<b>0</b>	<b>0</b>	<b>0</b>
Common Stock	0	0	0
Retained Earnings	0	0	0
Other	0	0	0

CGPR Capital One SCA September 03-September 04  
 September 3, 2004  
 September 03-September 04

CAPITAL ONE FIRST-CLASS MAIL PRESORT LETTERS/FLATS UNIT COST ESTIMATES

Capital One Solicitation Return Percentage =	7.2%	(1) Adjusted for Actuals CORRECTED
Capital One Statement Return Percentage =	1.2%	(2)
Average Presort Letters Return Percentage =	1.23%	(3)
Before Rates Customer Mail Volume =	553,311,393	(4) Adjusted for Actuals CORRECTED
Before Rates Solicitation Mail Volume =	842,956,743	(5) Adjusted for Actuals CORRECTED
Manual Returns Unit Cost =	\$0.535	(6)
Electronic Returns Unit Cost =	\$0.332	(7)
Address Change Service (ACS) Success Rate =	76.0%	(8) Adjusted for Actuals CORRECTED
Contingency Factor =	1.030	(9)

Rate Category	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
	DOCKET NO. R2001-1 PRC FIGURES - NATIONWIDE MAIL MIX							DOCKET NO. R2001-1 PRC FIGURES - CAPITAL ONE MAIL MIX						
	TY 2003 Total Unit Cost (Dollars)	TY 2003 Mail Proc Unit Cost (Dollars)	TY 2003 Delivery Unit Cost (Dollars)	TY 2003 Other Unit Cost (Dollars)	TY 2003 Total Unit Cost (Dollars)	FY 2001 Mail Volume (Pieces)	FY 2001 Mail Volume (Percent)	TY 2003 Total Unit Cost (Dollars)	FY 2001 Mail Volume (Pieces)	FY 2001 Mail Volume (Percent)	Current Returns Adjustment Unit Cost (Dollars)	Current w/Rets Adj Total Unit Cost (Dollars)	After Rates Returns Adjustment Unit Cost (Dollars)	After Rates w/Rets Adj Total Unit Cost (Dollars)
<b>FIRST-CLASS MAIL LETTERS</b>														
Nonautomation Presort Letters		\$0.163	\$0.063	\$0.018	\$0.244	3,702,479,000	7.84%	\$0.244	57,664,168	5.01%				
<b>Automation Presort Letters</b>														
Automation Mixed AADC		\$0.055	\$0.045	\$0.018	\$0.118	2,634,662,000	5.58%	\$0.118	58,754,928	5.10%				
Automation AADC		\$0.046	\$0.044	\$0.018	\$0.107	2,820,125,000	5.97%	\$0.107	62,890,886	5.46%				
Automation 3-Digit		\$0.042	\$0.043	\$0.018	\$0.104	22,474,263,000	47.60%	\$0.104	538,406,052	46.78%				
Automation 5-Digit		\$0.032	\$0.041	\$0.018	\$0.091	14,038,959,000	29.73%	\$0.091	369,430,336	32.10%				
Automation Carrier Route		\$0.021	\$0.064	\$0.018	\$0.103	1,020,856,000	2.16%	\$0.103	63,511,973	5.52%				
<b>Automation Presort Flats</b>														
Automation Mixed ADC		\$0.448	\$0.095	\$0.018	\$0.562	52,631,000	0.11%	\$0.562	31,247	0.00%				
Automation ADC		\$0.348	\$0.095	\$0.018	\$0.461	28,190,000	0.06%	\$0.461	16,737	0.00%				
Automation 3-Digit		\$0.348	\$0.095	\$0.018	\$0.461	187,788,000	0.40%	\$0.461	318,683	0.03%				
Automation 5-Digit		\$0.235	\$0.095	\$0.018	\$0.348	254,253,000	0.54%	\$0.348	5,376	0.00%				
<b>WEIGHTED AVERAGE / TOTAL</b>	<b>\$0.115</b>	<b>\$0.052</b>	<b>\$0.045</b>	<b>\$0.018</b>	<b>\$0.115</b>	<b>47,214,206,000</b>	<b>100.00%</b>	<b>\$0.108</b>	<b>1,151,030,386</b>	<b>100.00%</b>	<b>\$0.0191</b>	<b>\$0.1267</b>	<b>\$0.0125</b>	<b>\$0.1201</b>
Total Unit Cost Estimates, Including Contingency =												<b>\$0.1305</b>	<b>\$0.1237</b>	
												Current (24)	After Rates (25)	

(1) Capital One witness Jean  
 (2) Capital One witness Jean  
 (3) USPS-LR-J-69 (FCM UAA % from Table 4.2 allocated by Return to Sender % from Table 4.3.3)  
 (4) COS-T-2, Exhibit 6  
 (5) COS-T-2, Exhibit 6  
 (6) "MANUAL RETURNS UNIT COST" Spreadsheet  
 (7) "ELECTRONIC RETURNS UNIT COST" Spreadsheet  
 (8) USPS witness Wilson  
 (9) Docket No. R2001-1  
 (10) Docket No. R2001-1, PRC LR-2, Volume 4, "TYBR", page 3  
 (11) Letters: Docket No. R2001-1, PRC LR-4, "FCLETSPRCFA.XLS", page 1  
 Flats: Docket No. R2001-1, PRC LR-4, "FCFLATSPRCFA.XLS", page 1  
 (12) Docket No. R2001-1, PRC LR-7, Page 2  
 (13) (10) - Weighted Average(11) - Weighted Average(12)  
 (14) (11) + (12) + (13)

(15) FY 2001 Billing Determinants  
 (16) (15) / [Sum (15)]  
 (17) Line Item (14), Total - Allocated by (19)  
 (18) Attachment A, Page 1  
 (19) (18) / [Sum (18)]  
 (20) (6) \* [ (4) \* [ (2) - (3) ] + (5) \* [ (1) - (3) ] ] / [ (4) + (5) ]  
 (21) Sum (17) + (20)  
 (22) [ [ (8) \* (7) + [ 1 - (8) ] \* (6) ] \* (5) \* [ (1) - (3) ] ] + (6) \* (4) \* [ (2) - (3) ] / [ (4) + (5) ] - (3) \* ((6) - (7)) \* (8) \* (5) / ((4) + (5))  
 (23) Sum (17) + (22)  
 (24) (21) \* (9)  
 (25) (23) \* (9)

**USPS Capital One NSA September 03-September 04**

**Appendix A: page 4**

*Capital One Sept 03- Sept 04 unit revenue per piece*

Capital One First-Class Mail  
By Rate Category  
FY 2004 Presorted Letter Volumes

	(1) FY 2004 Volume	(2) Current Rates	(3) = (1) * (2) Revenue	
<b>Nonautomated Presorted Letters</b>				
First Ounce	69,950,056	\$ 0.352	\$ 24,622,420	5%
Additional Ounces	68,882	\$ 0.225	\$ 15,498	0%
Nonmachinable Pieces (a)	15,032	\$ 0.055	\$ 827	0%
Heavy Piece Deduction	7,842	\$ 0.041	\$ 322	0%
<b>Total Nonautomated Presorted Letters</b>	<b>69,950,056</b>		<b>\$ 24,639,066</b>	
<b>Revenue Adjustment Factor (1)</b>			<b>0.985164</b>	
<b>Total Nonautomated Presorted Letters Revenue</b>			<b>\$ 24,273,527</b>	
<b>Automation Presort Letters and Flats</b>				
<b>Letters</b>	<b>1,248,804,477</b>			
Mixed AADC Letters (b)	91,773,213	\$ 0.309	\$ 28,357,923	7%
AADC Letters (b)	93,290,375	\$ 0.301	\$ 28,080,403	7%
3-Digit Letters	667,318,478	\$ 0.292	\$ 194,856,996	48%
5-Digit Letters	396,422,411	\$ 0.278	\$ 110,205,430	28%
Additional Ounces	689,468	\$ 0.225	\$ 155,130	0%
Heavy Piece Deduction	16,591	\$ 0.041	\$ 680	0%
<b>Flats</b>	<b>469,813</b>			
Mixed ADC Flats (b)	67,409	\$ 0.341	\$ 22,986	0%
ADC Flats (b)	30,302	\$ 0.333	\$ 10,091	0%
3-Digit Flats (c)	366,581	\$ 0.322	\$ 118,039	0%
5-Digit Flats (c)	5,521	\$ 0.302	\$ 1,667	0%
Additional Ounces	164,866	\$ 0.225	\$ 37,095	0%
Heavy Piece Deduction	30,261	\$ 0.041	\$ 1,241	0%
Nonmachinable Pieces (a)	366,705	\$ 0.055	\$ 20,169	0%
<b>Total Automation Presort Letters and Flats</b>	<b>1,249,274,290</b>		<b>\$ 361,867,850</b>	
<b>Revenue Adjustment Factor</b>			<b>1.000542</b>	
<b>Total Automation Presort Letters and Flats Revenue</b>			<b>\$ 362,064,002</b>	
<b>Automation Carrier Route Letters</b>				
First Ounce	77,043,790	\$ 0.275	\$ 21,187,042	6%
Additional Ounces	26,293	\$ 0.225	\$ 5,916	0%
Heavy Piece Deduction	378	\$ 0.041	\$ 15	0%
<b>Automation Carrier Route Letters</b>	<b>77,043,790</b>		<b>\$ 21,192,974</b>	
<b>Revenue Adjustment Factor</b>			<b>1.000972</b>	
<b>Automation Carrier Route Letters Revenue</b>			<b>\$ 21,213,569</b>	
<b>Total Capital One First-Class Presort Letters</b>	<b>1,396,268,136</b>		<b>\$ 407,551,098</b>	100%
	<b>Revenue per Piece</b>		<b>\$ 0.2919</b>	

(1) Revenue adjustment factors increase (or decrease) revenue calculated by multiplying rate category volumes times rates to match booked revenues.

**Notes:**

Capital One volume based on postage statement data from the PERMIT system.

a. Following the implementation of Docket No. R2001-1, the nonstandard surcharge was expanded and renamed to include nonmachinable mail. No additional Capital One volume is assumed to be subject to the nonmachinable surcharge.

CAPITAL ONE FIRST-CLASS MAIL PRESORT LETTERS/FLATS UNIT COST ESTIMATES

Capital One Solicitation Return Percentage =	7.2%	(1) Adjusted for Actuals CORRECTED
Capital One Statement Return Percentage =	1.2%	(2)
Average Presort Letters Return Percentage =	1.23%	(3)
Before Rates Customer Mail Volume =	553,311,393	(4) Adjusted for Actuals CORRECTED
Before Rates Solicitation Mail Volume =	842,956,743	(5) Adjusted for Actuals CORRECTED
Manual Returns Unit Cost =	\$0.535	(6)
Electronic Returns Unit Cost =	\$0.332	(7)
Address Change Service (ACS) Success Rate =	76.0%	(8) Adjusted for Actuals CORRECTED
Contingency Factor =	1.030	(9)

Rate Category	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
	DOCKET NO. R2001-1 PRC FIGURES - NATIONWIDE MAIL MIX							DOCKET NO. R2001-1 PRC FIGURES - CAPITAL ONE MAIL MIX						
	TY 2003 Total Unit Cost (Dollars)	TY 2003 Mail Proc Unit Cost (Dollars)	TY 2003 Delivery Unit Cost (Dollars)	TY 2003 Other Unit Cost (Dollars)	TY 2003 Total Unit Cost (Dollars)	FY 2001 Mail Volume (Pieces)	FY 2001 Mail Volume (Percent)	TY 2003 Total Unit Cost (Dollars)	FY 2001 Mail Volume (Pieces)	FY 2001 Mail Volume (Percent)	Current Returns Adjustment Unit Cost (Dollars)	Current w/Rets Adj Total Unit Cost (Dollars)	After Rates Returns Adjustment Unit Cost (Dollars)	After Rates w/Rets Adj Total Unit Cost (Dollars)
<b>FIRST-CLASS MAIL LETTERS</b>														
Nonautomation Presort Letters		\$0.163	\$0.063	\$0.018	\$0.244	3,702,479,000	7.84%	\$0.244	69,950,056	5.01%				
<b>Automation Presort Letters</b>														
Automation Mixed AADC		\$0.055	\$0.045	\$0.018	\$0.118	2,634,662,000	5.58%	\$0.118	91,773,213	6.57%				
Automation AADC		\$0.046	\$0.044	\$0.018	\$0.107	2,820,125,000	5.97%	\$0.107	93,290,375	6.68%				
Automation 3-Digit		\$0.042	\$0.043	\$0.018	\$0.104	22,474,263,000	47.60%	\$0.104	667,318,478	47.79%				
Automation 5-Digit		\$0.032	\$0.041	\$0.018	\$0.091	14,038,959,000	29.73%	\$0.091	396,422,411	28.39%				
Automation Carrier Route		\$0.021	\$0.064	\$0.018	\$0.103	1,020,856,000	2.16%	\$0.103	77,043,790	5.52%				
<b>Automation Presort Flats</b>														
Automation Mixed ADC		\$0.448	\$0.095	\$0.018	\$0.562	52,631,000	0.11%	\$0.562	67,409	0.00%				
Automation ADC		\$0.348	\$0.095	\$0.018	\$0.461	28,190,000	0.06%	\$0.461	30,302	0.00%				
Automation 3-Digit		\$0.348	\$0.095	\$0.018	\$0.461	187,788,000	0.40%	\$0.461	366,581	0.03%				
Automation 5-Digit		\$0.235	\$0.095	\$0.018	\$0.348	254,253,000	0.54%	\$0.348	5,521	0.00%				
<b>WEIGHTED AVERAGE / TOTAL</b>	<b>\$0.115</b>	<b>\$0.052</b>	<b>\$0.045</b>	<b>\$0.018</b>	<b>\$0.115</b>	<b>47,214,206,000</b>	<b>100.00%</b>	<b>\$0.108</b>	<b>1,396,268,136</b>	<b>100.00%</b>	<b>\$0.0191</b>	<b>\$0.1275</b>	<b>\$0.0125</b>	<b>\$0.1208</b>
Total Unit Cost Estimates, Including Contingency =												<b>\$0.1313</b>	<b>\$0.1244</b>	
												Current (24)	After Rates (25)	

(1) Capital One witness Jean  
 (2) Capital One witness Jean  
 (3) USPS-LR-J-69 (FCM UAA % from Table 4.2 allocated by Return to Sender % from Table 4.3.3)  
 (4) COS-T-2, Exhibit 6  
 (5) COS-T-2, Exhibit 6  
 (6) "MANUAL RETURNS UNIT COST" Spreadsheet  
 (7) "ELECTRONIC RETURNS UNIT COST" Spreadsheet  
 (8) USPS witness Wilson  
 (9) Docket No. R2001-1  
 (10) Docket No. R2001-1, PRC LR-2, Volume 4, "TYBR", page 3  
 (11) Letters: Docket No. R2001-1, PRC LR-4, "FCLETSPRCFA.XLS", page 1  
 Flats: Docket No. R2001-1, PRC LR-4, "FCFLATSPRCFA.XLS", page 1  
 (12) Docket No. R2001-1, PRC LR-7, Page 2  
 (13) (10) - Weighted Average(11) - Weighted Average(12)  
 (14) (11) + (12) + (13)

(15) FY 2001 Billing Determinants  
 (16) (15) / [Sum (15)]  
 (17) Line Item (14), Total - Allocated by (19)  
 (18) Attachment A, Page 1  
 (19) (18) / [Sum (18)]  
 (20) (6) \* [ (4) \* [ (2) - (3) ] + (5) \* [ (1) - (3) ] ] / [ (4) + (5) ]  
 (21) Sum (17) + (20)  
 (22) [ [ (8) \* (7) + [ 1 - (8) ] \* (6) ] \* (5) \* [ (1) - (3) ] ] + (6) \* (4) \* [ (2) - (3) ] / [ (4) + (5) ] - (3) \* ((6) - (7)) \* (8) \* (5) / ((4) + (5))  
 (23) Sum (17) + (22)  
 (24) (21) \* (9)  
 (25) (23) \* (9)

**USPS Capital One NSA September 03-September 04****Appendix A: page 6***Capital One UAA volumes*

Period	First-Class Mail Marketing Volume	Physical Returns	Electronic Returns	% of Electronic Returns	Return Rate
September-03	54.44	1.45	2.010000	58.06%	6.36%
October-03	89.92	2.77	4.703402	62.94%	8.31%
November-03	89.23	2.10	5.076125	70.73%	8.04%
December-03	84.32	2.43	6.500000	72.77%	10.59%
January-04	57.32	0.67	3.430700	83.60%	7.16%
February-04	59.70	0.40	2.865525	87.64%	5.48%
March-04	55.14	1.46	4.493997	75.54%	10.79%
April-04	37.66	0.397	1.599939	80.12%	5.30%
May-04	56.15	0.572	2.773862	82.90%	5.96%
June-04	50.40	0.426	2.636252	86.09%	6.08%
July-04	62.53	0.679	2.733451	80.10%	5.46%
August-04	43.99	0.425	3.507099	89.19%	8.94%
September-04	102.09	0.747	3.596310	82.80%	4.25%
<b>Totals</b>	<b>842.89</b>	<b>14.53</b>	<b>45.926662</b>	<b>75.96%</b>	<b>7.17%</b>

**USPS Capital One NSA September 03-September 04**

Appendix A: page 7

*ACS notices breakdown*

	COAS	NIXIES	TOTAL	% COAS	% Nixies
Sep 2003	1,231,046	1,573,517	2,804,563	43.89%	56.11%
Oct 2003	2,367,958	4,703,402	7,071,360	33.49%	66.51%
Nov 2003	2,856,390	5,076,125	7,932,515	36.01%	63.99%
Dec 2003	3,329,424	7,083,112	10,412,536	31.98%	68.02%
Jan 2004	1,551,734	3,430,700	4,982,434	31.14%	68.86%
Feb 2004	1,189,574	2,865,525	4,055,099	29.34%	70.66%
Mar 2004	1,652,023	4,493,997	6,146,020	26.88%	73.12%
Apr 2004	730,869	1,599,939	2,330,808	31.36%	68.64%
May 2004	1,286,676	2,773,862	4,060,538	31.69%	68.31%
Jun 2004	1,161,288	2,636,252	3,797,540	30.58%	69.42%
Jul 2004	1,195,615	2,733,451	3,929,066	30.43%	69.57%
Aug 2004	1,793,836	3,507,099	5,300,935	33.84%	66.16%
Sep 2004	2,028,197	3,596,310	5,624,507	36.06%	63.94%
<b>TOTALS</b>	<b>22,374,630</b>	<b>46,073,291</b>	<b>68,447,921</b>	<b>32.69%</b>	<b>67.31%</b>