

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
MARTIN CZIGLER TO INTERROGATORY OF PARCEL SHIPPERS ASSOCIATION,
PSA/USPS-T13-1(b), REDIRECTED FROM WITNESS MARC SMITH
(May 30, 2006)

The United States Postal Service hereby provides the response of witness Martin Czigler to the following interrogatory of Parcel Shippers Association: PSA/USPS-T13-1(b), filed on May 15, 2006, and redirected from witness Marc Smith.

The interrogatory is stated verbatim and followed by the response:

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**RESPONSE OF POSTAL SERVICE WITNESS MARTIN CZIGLER
TO INTERROGATORY OF PARCEL SHIPPERS ASSOCIATION,
REDIRECTED FROM WITNESS MARC SMITH**

PSA/USPS-T13-1. Please refer to Attachment 14 of your testimony, which contains Test Year mail processing unit costs by shape and Table 1 below.

Table 1. Test Year Mail Processing Unit Costs for Parcels

Mail Category	Unit Costs (in Cents)
First-Class Single Piece Letters	102.49
First-Class Presort Letters	303.81
Periodicals Within-County	304.70
Periodicals Outside County	2,610.44
Standard Mail Enhanced Carrier Route	2,450.04
Standard Mail Regular	59.60
Parcel Post	125.92
Bound Printed Matter	62.28
Media Mail	111.67

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(b) Please provide the coefficient of variation for every figure in Table 1.

RESPONSE:

Approximate CVs are available for the mail processing labor costs in the base year, estimated using the Generalized Variance Function approach. These are a lower bound for the CVs for test year mail processing unit costs.

Mail Category	Approx. CV for Mail Processing
First-Class Single Piece Letters	2.6%
First-Class Presort Letters	11.4%
Periodicals Within-County	128.7%
Periodicals Out side County	8.2%
Standard Mail Enhanced Carrier Route	13.4%
Standard Mail Regular	2.8%
Parcel Post	2.7%
Bound Printed Matter	4.4%
Media Mail	4.6%