

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

Postal Rate and Fee Changes, 2006)

Docket No. R2006-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS JAMES W. PAGE (OCA/USPS-T23-5-20)
(July 5, 2006)

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-T32-1-7, dated June 2, 2006, are hereby incorporated by reference.

Respectfully submitted,

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OCA/USPS-T23-5. This interrogatory requests information on the costs of Confirm service. Please refer to Table 14A: "Confirm Cost Analysis Summary (\$000)" of your testimony, and the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. Please provide a table that shows a crosswalk between the "FPR," "FPR Description," "Account," and "Account Description" in the spreadsheet "Confirm.xls" and the categories and subcategories in Table 14A.
- b. Explain the acronym "FPR."

OCA/USPS-T23-6. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the increase in costs from \$820,000 to \$1,159,000 for FPR description "5 Retail Products, 43360 Philatelic Mail Order – Service Fee."
- b. For FY 2008, please explain the factors causing the absence of any costs for FPR description "5 Retail Products, 43360 Philatelic Mail Order – Service Fee."

OCA/USPS-T23-7. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the decrease in costs from \$44,000 to \$4,908 for FPR descriptions "31 Supplies" and "33 Supplies – Issued From Inven."

- b. For FY 2008, please explain the factors causing the absence of any costs for FPR descriptions “31 Supplies” and “33 Supplies – Issued From Inven.”

OCA/USPS-T23-8. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet “Confirm.xls” in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the increase in costs from \$479,282 to \$643,134 for FPR description “34 Services.”
- b. For FY 2008, please explain the factors causing the decrease in costs for FPR description “34 Services” as compared to the Base Year FY 2005.

OCA/USPS-T23-9. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet “Confirm.xls” in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the decrease in costs from \$178,938 to \$119,303 for FPR description “36 Consulting Services.”
- b. For FY 2008, please explain the factors causing the increase in costs for FPR description “36 Consulting Services” as compared to the Base Year FY 2005.

OCA/USPS-T23-10. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet “Confirm.xls” in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the increase in costs from \$0 to \$2,321 for FPR description “39 Advertising.”
- b. For FY 2008, please explain the factors causing the absence of any costs for FPR description “39 Advertising.”

OCA/USPS-T23-11. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the increase in costs from \$1,370 to \$28,295 for FPR description "3D Travel Other Than Training."
- b. For FY 2008, please explain the factors causing the decrease in costs for FPR description "3D Travel Other Than Training" as compared to the Base Year FY 2005.

OCA/USPS-T23-12. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the increase in costs from \$0 to \$2,002 for FPR description "3E Training."
- b. For FY 2008, please explain the factors causing the absence of any costs for FPR description "3E Training."

OCA/USPS-T23-13. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the decrease in costs from 10,903 to \$32 for FPR description "3U Printing."
- b. For FY 2008, please explain the factors causing the increase in costs for FPR description "3U Printing" as compared to the Base Year FY 2005.

OCA/USPS-T23-14. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the increase in costs from \$773,021 to \$2,145,391 for FPR description "3V IRM Chargeback."
- b. For FY 2008, please explain the factors causing the decrease in costs for FPR description "3V IRM Chargeback" as compared to the Base Year FY 2005.

OCA/USPS-T23-15. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the decrease in costs from \$1,685,898 to \$1,491,661 for FPR description "43 Depreciation."
- b. For FY 2008, please explain the factors causing the decrease in costs for FPR description "43 Depreciation" as compared to the Base Year FY 2005.

OCA/USPS-T23-16. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the decrease in costs from \$1,567 to \$1,327 for FPR description "44 Miscellaneous Expense."
- b. For FY 2008, please explain the factors causing the increase in costs for FPR description "44 Miscellaneous Expense" as compared to the Base Year FY 2005.

OCA/USPS-T23-17. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the decrease in costs from \$3,298 to \$599 for FPR description "45 Communications."
- b. For FY 2008, please explain the factors causing the absence of any costs for FPR description "45 Communications."

OCA/USPS-T23-18. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the decrease in costs from \$538,736 to \$40,033 for FPR description "46 Information Technology."
- b. For FY 2008, please explain the factors causing the absence of any costs for FPR description "46 Information Technology."

OCA/USPS-T23-19. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For FY 2003 – 2005, please explain the changes in costs for "6W ADP Equipment."
- b. For FY 2008, please explain the factors causing the absence of any costs for FPR description "6W ADP Equipment."

OCA/USPS-T23-20. This interrogatory requests information on the costs of Confirm service. Please refer to the spreadsheet "Confirm.xls" in USPS-LR-L-59 (Attachment 17, Page 1 of 1).

- a. For Fiscal Years 2003, 2004, and 2005, please confirm that the volume variable costs equaled 12.8 ($\$480,652 / \$3,753,604$) percent, 13.6 ($\$476,480 / \$3,515,711$) percent, and 15.0 ($\$671,429 / \$4,479,006$) percent, respectively, of the total costs of Confirm service. If you do not confirm, please explain, show all calculations and provide citations to all sources used.
- b. For Fiscal Years 2006, 2007, and 2008, please confirm that the volume variable costs equaled 19.0 ($\$445,122 / \$2,343,900$) percent, 40.4 ($\$460,000 / \$1,138,000$) percent, and 40.5 ($\$482,000 / \$1,189,000$) percent, respectively, of the total costs of Confirm service. If you do not confirm, please explain, show all calculations and provide citations to all sources used.
- c. Please explain why the percentage of volume variable costs more than doubled from the Base Year FY 2005 to the TYAR 2008.
- d. For Fiscal Years 2003, 2004, and 2005, please explain why the percentages of volume variable costs were so low as compared to the TYAR 2008 volume variable costs.