

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 KELLEY
(USPS-T-30) TO INTERROGATORIES OF NAA (NAA/USPS-T30-8 - 10)
(July 27, 2006)

The United States Postal Service hereby provides the response of witness Kelley to the following interrogatories of NAA, filed on July 13, 2006: NAA/USPS-T30-8 – 10.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 27, 2006

Response of Postal Service Witness Kelley to Interrogatories Posed by the
Newspaper Association of America

NAA/USPS-T30-8:

Please refer to your response to NAA/USPS-T30-6(f), and to city and rural delivery costs as provided in USPS-LR-L-67, UDCModel.USPS, tab "2.summary TY". In your response to NAA/USPS-T-30-6(f) you provided deaveraged unit delivery costs for ECR Basic flats and ECR High Density flats. Please provide delivery costs for ECR Basic, High Density, and Saturation letters and flats that are disaggregated between city and rural delivery.

Response

The two tables below have the requested information.

ECR Letters	TY Volume (000)	TY City Costs (000)	TY Rural Costs (000)	TY Unit City Cost (Cents)	TY Unit Rural Costs (Cents)	TY Unit Delivery Cost (Cents)
Basic	4,143,769	\$149,959	\$65,279	3.619	1.575	5.194
High Density	660,947	\$ 20,191	\$ 6,900	3.055	1.044	4.099
Saturation	4,488,066	\$115,329	\$28,497	2.570	0.635	3.205

ECR Flats	TY Volume (000)	TY City Costs (000)	TY Rural Costs (000)	TY Unit City Cost (Cents)	TY Unit Rural Costs (Cents)	Unit Delivery Cost (Cents)
Basic	13,893,961	\$687,805	\$329,933	4.950	2.375	7.325
High Density	1,886,024	\$67,134	\$ 32,882	3.560	1.743	5.303
Saturation	10,926,055	\$334,231	\$235,311	3.059	2.154	5.213

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NAA/USPS-T30-9:

Please provide separate city and rural volume data for each of the rate categories of ECR flats mail.

Response

The table below has the requested information

ECR Flats	BY CCCS Volume¹ (000)	BY RCCS Volume¹ (000)
Basic	8,187,589	4,473,693
High Density	1,092,988	452,715
Saturation	6,101,575	1,518,533

¹Volumes in this table reflect the base year estimates from the respective carrier cost systems. However, the delivery costs for ECR Flats in USPS-LR-L-67 are derived using the costs from these delivered volumes along with the costs from the crosswalked parcels (discussed in direct testimony USPS-T-30 page 15) and distributing rural boxholder volume (not included in table) to flats which is done using the RPW proportions.

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NAA/USPS-T30-10:

Please refer to USPS-LR-L-67, workbook UDCInputs.USPS.xls, tab "TYVol".

- a. Please confirm that the source of Column D, "TY 2008 BR Pieces" can be found in USPS-LR-L-66, workbook vf_ar.xls, tab "Attachment A". If you do not confirm, please advise on the source of the data.
- b. Please confirm that the source of cell D11 in "TYVol" is cell T7 in "Attachment A". If you do not confirm, please advise on the source of the data.
- c. Please confirm that the source of cell D12 in "TYVol" is cell T8 in "Attachment A". If you do not confirm, please advise on the source of the data.
- d. Please confirm that the source of cell D15 in "TYVol" is cell T41 in "Attachment A". If you do not confirm, please advise on the source of the data.
- e. Please confirm that the source of cell D17 in "TYVol" is cell T58 in "Attachment A". If you do not confirm, please advise on the source of the data.
- f. Please confirm that the source of cell D18 in "TYVol" is cell T45 in "Attachment A". If you do not confirm, please advise on the source of the data.

Response

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Confirmed.
- e. Not Confirmed. Cell D17 of "TYVol" includes commercial and non-profit ECR. Therefore, it equals the sum of cells T58 and T87 in workbook vf_ar.xls tab "Attachment A".
- f. Not confirmed. Not Confirmed. Cell D17 of "TYVol" includes commercial and non-profit Standard Regular. Therefore, it equals the sum of cells T45 and T74 in workbook vf_ar.xls tab "Attachment A".

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Eric P. Koetting

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