

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS PAGE
TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE
(POSTCOM/USPS-T23-1-2)
(July 28, 2006)

The United States Postal Service hereby provides the responses of witness Page to the above listed interrogatories of the Association for Postal Commerce, filed on July 14, 2006.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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RESPONSE OF POSTAL SERVICE WITNESS PAGE
TO INTERROGATORY OF THE ASSOCIATION FOR POSTAL COMMERCE

POSTCOM/USPS-T23-1. Please refer to LR-L59, Attachment 17, which provides costs for Confirm® service for FY 1999 through FY 2008.

- a. Please provide all data to show costs by scan associated with Confirm® service broken down by mail class for each subscription level (silver, gold, and platinum) for FY 2005.
- b. Please provide all data to show costs by scan associated with Confirm® service broken down by First-Class and Standard Mail for FY 2008.
- c. Please provide all data and supporting documentation to demonstrate all volume variable costs associated with additional scans broken down by First-Class and Standard Mail.
- d. Please describe all components included in “Services” (line item 34).
- e. Please explain the cause of the drop in the cost of “Services” (line item 34) from \$643,134 in FY 2005 to \$460,000 in FY 2008.

RESPONSE:

- a. It is my understanding that the volume breakdown needed to develop the requested cost analysis does not exist.
- b. As indicated in witness Mitchum’s response to PB/USPS-T40-24.

Using Percentages from Response OCA/USPS-T40-24

Product	Scans	Volume	Scans per Pc.	Percent of Total	Total Cost	Cost Per Scan
First-Class	5,870,700,558	2,490,092,620	2.36	53.14%	\$631,816	\$0.00011
Standard	5,177,233,229	2,183,749,517	2.37	46.86%	\$557,184	\$0.00011
Total	11,047,933,787	4,673,842,137	2.36	100.00%	\$1,189,000	

- c. The costs (money already spent) I provided are from the USPS accounting system up to FY 2005. From FY 2006 through FY 2008 the costs are management projections of money that is to be spent. I cannot determine from these data the cost of an additional scan.
- d-e. “Services” refers to the help desk. See my response to OCA/USPS-T23-8.

RESPONSE OF POSTAL SERVICE WITNESS PAGE
TO INTERROGATORY OF THE ASSOCIATION FOR POSTAL COMMERCE

POSTCOM/USPS-T23-2. Please provide a breakdown of costs by Origin Confirm versus Destination Confirm.

RESPONSE:

Based on the data in witness Mitchum's response to OCA/USPS-T40-24:

Product	Scans	Volume	Scans per Pc.	Percent of Total	Total Cost	Cost Per Scan
Origin	2,039,135,314	1,100,695,721	1.85	18.46%	219,456	\$0.00011
Destination	9,008,798,473	3,573,146,416	2.52	81.54%	969,544	\$0.00011
Total	11,047,933,787	4,673,842,137	2.36	100.00%	1,189,000	\$0.00011