

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

FURTHER REVISED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
KELLEY (USPS-T-30) TO INTERROGATORY OF MMA (MMA/USPS-T30-2)--  
ERRATA  
(August 15, 2006)

The United States Postal Service hereby provides the revised response of witness Kelley to the following interrogatory of the Major Mailers Association., filed on June 12, 2006: MMM/USPS-T30-2. This answer replaces the first revision filed on July 12, 2006. The text of the answer is unchanged, the only changes are in the table. Corrections to related responses will be filed today or tomorrow.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

---

Eric P. Koetting

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2992, FAX -5402  
August 15, 2006

**REVISED RESPONSE OF POSTAL SERVICE WITNESS KELLEY  
TO INTERROGATORIES OF MMA**

**MMA/USPS-T30-2**

On page 5 of your testimony you provide an equation that you employ for deriving unit delivery costs.

- A. Please confirm that the unit delivery costs you derive are not the volume variable cost to deliver a piece of mail, but are the average volume variable delivery cost per originating piece. If you cannot confirm, please explain.
- B. Assuming that you confirm part A, is it possible to derive the unit delivery cost for mail that is actually delivered by rural or city carriers? If not, why not? If so, please provide the volume variable unit cost to deliver a First-Class (1) single piece letter, (2) metered letter, (3) Nonautomation letter, and (4) Automation letter.
- C. If you can provide unit delivery costs as requested in part B, please provide the volume variable unit delivery cost for Automation letters presorted to (1) Mixed AADC, (2) AADC, (3) 3-digits and (4) 5-digits. If you cannot do so, please explain.

Response

A. The unit delivery costs in Table 1 are derived by taking the ratio of total test year volume variable costs from cost segments 6, 7, and 10 to the test year originating volume.

B. and C. The requested unit delivery costs per delivered letter by city or rural carriers are provided in the table.

First Class Letters	TY Costs (000)	TY Unit Delivery Costs per (CCCS+RCCS) Piece (Cents)
Single Piece	\$2,675,500	12.640
Metered	\$995,455	13.008
Non-automation	\$70,482	4.586
Automation	\$1,906,671	4.650
Mixed AADC	\$120,699	4.751
AADC	\$101,383	4.589
3 Digits	\$914,110	4.516
5 Digits	\$731,415	4.744

## 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

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2992, FAX: -5402  
August 15, 2006