

UNITED STATES OF AMERICA  
Before The  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 2006

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Docket No. R2006-1

NOTICE OF OFFICE OF THE CONSUMER ADVOCATE  
CONCERNING ERRATA TO THE RESPONSE OF  
OCA WITNESS: PAMELA A. THOMPSON TO  
ABA-NAPM-OCA-T4-1  
(NOVEMBER 8, 2006)

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The Office of the Consumer Advocate hereby gives notice of the filing of the following revision to the response of Pamela A. Thompson to ABA-NAPM/OCA-T4-1, filed on October 18, 2006. The change to the responses is set forth below and was provided during the October 24, 2006 hearing. Tr. 20/7357. Revised response to ABA-NAPM/OCA-T4-1 is attached hereto.

Respectfully submitted,

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<u>Interrogatory Response</u>	<u>Table Column to be Corrected</u>	<u>Correction</u>
ABA-NAPM/OCA- T4-1(a)	TYAR USPS Revenue (\$000), line "Total Single-Piece Postage Revenue"	Delete "18,666,661" and insert "18,934,871"
ABA-NAPM/OCA- T4-1(a)	Difference (\$000) OCA Over/(Under), line "Total Single- Piece Postage Revenue"	Delete "(87,285 )" and insert "(355,495)"

**ABA-NAPM/OCA-T4-1.** This question refers to the following statement on pages 3-4 of your testimony (OCA-T-4):

The letter monopoly exists to hold down rates for the more costly pieces of mail and provide mail service to all. If the monopoly did not exist, people would pay at least what the mail piece costs to process and rates would be set to reflect those costs. However, the monopoly's existence is such that one does not have to give large discounts to those mailers of cleaner mail (automation compatible) and shift more of the cost of the universal service to those mailers who are unable to provide discounted mail. Under the monopoly, those mailers that might otherwise be eligible for large discounts should not be given deeper discounts because First-Class mail exists to provide a reasonably priced mail stream in support of universal service.

- (a) Please confirm that the OCA's rate proposals for First-Class Mail would increase the total expected revenue [sic] First-Class Presort letter mail by an amount equal to the expected reduction in revenue from First-Class Single-Piece letter mail. If you do not confirm, please explain fully.
- (b) How much would your proposal save the average American consumer in First-Class Single-Piece postage?
- (c) How much of the offsetting increase in First-Class Presort postage would be recovered by business mailers from consumers through higher fees (e.g., for credit card and checking accounts) or lower interest rates (e.g., for savings accounts and other investment accounts)?
- (d) What would be the net financial effect on the average American consumer from adopting the OCA's rate proposals for First-Class letter mail rather than the proposals of the USPS?
- (e) What would be the net financial effect on the average American consumer from adopting the OCA's rate proposals for First-Class mail of all shapes, rather than adopting the proposals of the USPS?
- (f) What would be the net financial effect on the average American consumer from the OCA's rate proposals for all classes of mail, rather than adopting the proposals of the USPS?
- (g) Please produce all data, studies and analyses underlying your answers to the previous parts of this question.

ANSWERS OF OCA WITNESS PAMELA A. THOMPSON  
TO INTERROGATORIES ABA-NAPM/OCA-T4-1-6

Revised 11/8/2006

RESPONSES TO ABA-NAPM/OCA-T4-1.

a. Not confirmed. See USPS-LR-L-129 and OCA-LR-L-5, worksheets labeled "Rev FY08BR&FY08AR. The numbers shown in the table below do not sum to Total First-Class calculated revenue. However, the data is provided to be responsive to your interrogatory.

Rate Category	TYAR OCA Revenue (\$000)	TYAR USPS Revenue (\$000)	Difference (\$000) OCA Over/(Under)
<b>First-Class Single-Piece</b>			
Letter-Shaped	\$14,018,253	\$14,028,762	(\$ 10,509)
Total Single-Piece Postage Revenue	18,579,376	18,934,871	( 355,495)
<b>Presort</b>			
Non-automation Letter-Shaped	335,839	336,000	( 161)
Automation Presort Letter-Shaped	15,929,480	15,751,622	177,858
Automation Flat-Shaped	466,271	426,190	40,081
Presort Parcel-Shaped	184,920	239,801	( 54,881)
Total First-Class Calculated Revenue	\$35,548,391	\$35,545,505	\$ 2,886

b - f. I do not know; but I note that the Postal Service failed to provide evidence for the matters raised by these questions when it introduced its new approach to ratemaking.

g. N/A