

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

ADDITION TO THE COMPETITIVE PRODUCT LIST COMPETITIVE ANCILLARY SERVICES	Docket No. MC2011-23
COMPETITIVE PRODUCT PRICES COMPETITIVE ANCILLARY SERVICES (MC2011-23) ADULT SIGNATURE SERVICE	Docket No. CP2011-62

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO REQUEST
FOR SUPPLEMENTAL INFORMATION IN ORDER NO. 683**
(March 4, 2011)

The United States Postal Service hereby provides its response to the Commission's request for supplemental information in Order No. 683, issued February 25, 2011. Responses were due today, March 4, 2011. The Commission's request for supplemental information is attached verbatim, and is followed by the Postal Service's response to Question 2. A response to Question 1 is forthcoming.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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March 4, 2011

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The Analysis of Competitive Ancillary Services Product with Price Category for Adult Signature Service attached to Governors' Decision No. 11-1 indicates that the total revenue potential of Adult Signature Service is estimated at nearly \$12.3 million and new package revenues are estimated at \$7.7 million. This attachment also states that the fully allocated cost coverage for Adult Signature Service is estimated to be 135 percent, and that the attributable cost coverage is estimated to be 228 percent.

1. Please explain how the estimated revenue for Adult Signature Service and "new package revenues" were derived, including all underlying calculations and assumptions.
2. Please provide the underlying worksheets that support the cost coverage figures of 135 percent and 228 percent.

RESPONSE:

2. Please see the attached files, filed under seal, for the underlying worksheets that support the attributable cost coverage estimate for Adult Signature Required/Adult Signature Restricted Delivery services. The updated cost coverage for Adult Signature Required/Adult Signature Restricted Delivery services using FY10 costs is 220 percent. The fully allocated cost coverage estimate of 135 percent, using FY09 costs, while presented to the Board of Governors, was provided by management as a matter of general interest, was not supported by documentation, and does not address any regulatory requirements.