Postal Rate Commission
Submitted 8/2/2004 3:20 pm
Filing ID: 41188
Accepted 8/2/2004

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Rate and Service Changes to Implement Functionally Equivalent Negotiated Service Agreement with Bank One Corporation	)))	Docket No. MC2004-3

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS MICHAEL K. PLUNKETT (OCA/USPS-T1-35)
August 2, 2004

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits an interrogatory and request for production of documents. Instructions included with OCA interrogatories OCA/BOC-T1-1-10, dated June 28, 2004, are hereby incorporated by reference.

Respectfully submitted,

SHELLEY S. DREIFUSS
Director
Office of the Consumer Advocate

EMMETT RAND COSTICH
Attorney

1333 H Street, N.W.
Washington, D.C. 20268-0001
(202) 789-6830; Fax (202) 789-6819
email: costicher@prc.gov

OCA/USPS-T1-35. Please refer to the table in your response to POIR No. 1, Question 7, and to Table 4 below. (An Excel file, containing Table 4 and Tables 1 – 3, has been filed on-line to accompany this interrogatory.) Please explain the differences between the "downside" risk presented in the table to your response to Question 7, and Table 4 below.

BANK ONE NSA

TABLE 4
Net Gain (Loss) at Various Assumed Before Rates Volumes

Scenario	Year	Total Volume [1]	Discount Leakage [2]	Return Cost Savings [3]	Net Gain (Loss) [4] = [3] - [2]
Plunkett	Year 1	590,135,000	$1,554,725	$2,474,276	$919,551
Plunkett	Year 2	670,135,000	$4,781,075	$2,573,247	($2,207,828)
Plunkett	Year 3	670,135,000	$4,781,075	$2,676,177	($2,104,898)
					($3,393,175)
Equilibrium	Year 1	616,600,577	$2,514,023	$2,514,023	$0
Equilibrium	Year 2	619,172,944	$2,616,918	$2,616,918	$0
Equilibrium	Year 3	621,853,081	$2,724,123	$2,724,123	$0
					$0
1	Year 1	645,000,000	$3,650,000	$2,538,797	($1,111,203)
1	Year 2	645,000,000	$3,650,000	$2,640,349	($1,009,651)
1	Year 3	645,000,000	$3,650,000	$2,745,963	($904,037)
					($3,024,891)
2	Year 1	680,000,000	$5,225,000	$2,569,329	($2,655,671)
2	Year 2	680,000,000	$5,225,000	$2,672,102	($2,552,898)
2	Year 3	680,000,000	$5,225,000	$2,778,986	($2,446,014)
					($7,654,583)
3	Year 1	715,000,000	$6,975,000	$2,599,861	($4,375,139)
3	Year 2	715,000,000	$6,975,000	$2,703,855	($4,271,145)
3	Year 3	715,000,000	$6,975,000	$2,812,009	($4,162,990)
					($12,809,274)
4	Year 1	750,000,000	$8,725,000	$2,630,393	($6,094,607)
4	Year 2	750,000,000	$8,725,000	$2,735,608	($5,989,392)
4	Year 3	750,000,000	$8,725,000	$2,845,033	($5,879,967)
					($17,963,966)