

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

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

RESPONSE OF POSTAL SERVICE WITNESS TAUFIQUE TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 2, QUESTION 15
(May 26, 2005)

The United States Postal Service hereby provides the response of witness Taufique to Presiding Officer's Information Request No. 2, Question 15, issued April 22, 2005.

The question is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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POIR NO. 2, QUESTION 15

15. Refer to USPS LR-K-115, USPST28Cspreadsheets.xls, sheet SS-22 Money Orders. The volume and revenue of APO-FPO Money Orders are shown to be zero. Please explain why no APO-FPO Money Orders were sold in the base year, and why none are forecast to be sold in the test year. If APO-FPO Money Orders were sold in the base year, please provide the volume sold and the revenue from these sales. Please also provide the forecast volumes and revenues for the test year.

RESPONSE:

The reporting of the revenue for APO/FPO money orders was recently changed. Effective September, 2004, all APO/FPO money order revenues were included in the revenue account previously used for domestic money order revenues only. This change was not discovered until researching the answer for this question, when it was discovered that there were APO/FPO money orders sold in the Base Year.

The newly discovered data indicate that 367,301 APO/FPO money orders were sold in the Base Year, FY 2004 with an associated revenue of \$91,825. Because the Base Year billing determinant volume was adjusted to match the forecast volume (see Footnote 1 of LR-K-115, page 314, sheet SS-22), an adjusted Base Year volume of 376,929 was used to produce the forecast volume. Following are the forecast volumes and revenues for the Test Year, FY 2006.

	Test Year Before Rates	Test Year After Rates
APO/FPO Volume	365,566	362,288
APO/FPO Revenue	\$91,391	\$90,572

Errata to the referenced spreadsheet will be filed shortly.