

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

REVISED RESPONSES OF
UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION
(PSA/USPS-T32-4 AND 5) [ERRATA]

The United States Postal Service hereby files the revised responses of witness Altaf H. Taufique to the following interrogatories of Parcel Shippers Association: PSA/USPS-T32-4 and 5. These revised responses supersede the original responses filed on June 2, 2006. The interrogatories are stated verbatim and are followed by the revised responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Michael T. Tidwell
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
michael.t.tidwell@usps.gov
July 24, 2006

**REVISED RESPONSE OF POSTAL SERVICE WITNESS TAUFIQUE
TO PARCEL SHIPPERS ASSOCIATION INTERROGATORY
Revised: July 24, 2006**

PSA/USPS-T32-4. Please provide unit TYBR postage, unit TYAR postage, and unit Test Year costs for single-piece First-Class Mail single-piece parcels.

RESPONSE

TYBR average unit postage is \$ 1.45, and TYAR average unit postage is \$ 1.88.

After the filing of the Postal Service institutional response to interrogatory DBP/USPS-40 and USPS Library Reference LR-L-139), it became apparent that some data regarding Single-Piece costs by shape was available in a different configuration than I used in my rate design. (I used the combination of mail processing and delivery costs provided by witnesses Smith and Kelly). Also, in response to interrogatory OCA/USPS-26, the Postal Service plans to file similar data for First-Class presort mail. I did not utilize the data in USPS LR-L139 or that which is being provided in response to OCA/USPS-26 for average total costs by shape for either shape based rate design or the additional ounce rate. It is my understanding that mail processing and delivery are the largest components of the costs for First-Class Mail and are the only two that seem to differ by shape in a pronounced way. It was the mail processing and delivery cost data that I have used in my rate design work. It is my understanding that there are a number of issues related to cost estimates by weight increment and shape. However, these cost by shape data, in the aggregate, provide reasonable estimates of costs by shape for both presort and single-piece First-Class Mail, except where the target population is small, such as parcels in the Presort category. The attached Excel spreadsheet provides the per-unit cost and

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RESPONSE to PSA/USPS-T32-4 (continued):

revenue estimates for letters, flats and parcels both within single-piece and presort.

**REVISED RESPONSE OF POSTAL SERVICE WITNESS TAUFIQUE
TO PARCEL SHIPPERS ASSOCIATION INTERROGATORY**

Revised: July 24, 2006

PSA/USPS-T32-5. Please provide unit TYBR postage, unit TYAR postage, and unit Test Year costs for First-Class Mail Business Parcels.

RESPONSE

TYBR unit postage is \$ 1.45, and TYAR unit postage is \$ 1.87 (based on the assumption change discussed in PSA/USPS-T32-20). Please see my revised response to PSA/USPS-T32-4.