

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAGE  
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T23-1-2, 4)  
(June 16, 2006)

The United States Postal Service hereby provides the responses of witness Page (USPS-T-23) to the above listed interrogatories of the Office of the Consumer Advocate, filed on June 2, 2006. Interrogatory OCA/USPS-T23-3 has been redirected to witness Mitchum.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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RESPONSE OF POSTAL SERVICE WITNESS PAGE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**OCA/USPS-T23-1.** Please confirm that on Table 14C of your testimony, the volume variable cost should be \$482,000 rather than \$482, and total incremental costs should be \$1,189,000 rather than \$1,189. If you do not confirm, please explain.

**RESPONSE:**

Confirmed.

RESPONSE OF POSTAL SERVICE WITNESS PAGE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**OCA/USPS-T23-2.** This interrogatory seeks to clarify the number of Confirm subscribers estimated for the test year after rates. Please refer to Table 14C of your testimony. Please reconcile your test year after rates total number of subscribers of 200 with the test year after rates total number of subscribers of 180 estimated by witness Drew Mitchum (USPS-T-40), as shown in LR-L-124, spreadsheet tab “WP-4 Confirm.”

**RESPONSE:**

The test year number of subscribers that I was provided was 200, which was prior to completion of the FY 2005 Billing Determinants. Due to an oversight I was not provided with the final numbers used by witness Mitchum. These numbers do not affect my cost results.

RESPONSE OF POSTAL SERVICE WITNESS PAGE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**OCA/USPS-T23-4.** This interrogatory seeks information about the development of costs for Confirm service. Please refer to LR-L-59, and the Excel file "Confirm.xls."

- a. Please show the development of the cost figures in column FY 2006 (the base year), and explain the relationship between the cost figures in column FY 2006 and the cost figures in the "ACTUAL COST" columns, FY 1999 to FY 2005.
- b. Please show the development of the cost figures in column FY 2007, and explain the relationship between the cost figures in column FY 2007 and the cost figures in column FY 2006.
- c. Please show the development of the cost figures in column FY 2008 (the test year after rates), and explain the relationship between the cost figures in column FY 2008 (the test year after rates) and the cost figures in columns FY 2006 and FY 2007.

**RESPONSE:**

- a. FY 2005 is the base Year. FY 1999 thru FY 2005 is the actual money spent on Confirm. The years FY 2006 thru FY 2008 are budget projections.

b-c. The numbers in the columns for FY 2006, FY 2007, and FY 2008 are all budget projections. These are educated estimates from the project manager about what is planned to happen. These numbers are used to estimate future postal costs.