

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF NAA (NAA/USPS-1 - 4)
(July 5, 2006)

The United States Postal Service hereby provides its response to the following interrogatories of NAA, filed on June 21, 2006: NAA/USPS-1 - 4.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992, FAX -5402
July 5, 2006

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF NAA**

NAA/USPS-1: Please provide data showing the unit cost of Standard Enhanced Carrier Route mail on an ounce-by-ounce basis, preferably in a format comparable to Library Reference LR-L-139.

Response:

The TY08 unit cost estimates are presented in the table below. An Excel spreadsheet is attached electronically which provides further detail. Note that individual ounce increments' unit costs may be subject to substantial sampling variability, particularly higher ounce increments for letters and flats, and for parcels generally. Please see also Witness Smith's response to PSA/USPS-T13-1. For additional discussion of the appropriate use of the data, please see Docket No. R2000-1, USPS-T-28 at 3-5; Tr. 44/19470-19474; Tr. 44/19481-19482.

Increment	TY08 Unit Cost (Cents/Piece)			
	All shapes	Letters	Flats	Parcels
0 oz - 1 oz	8.4	6.8	11.6	5733.7
1 oz - 2 oz	8.7	7.2	9.0	1227.6
2 oz - 3 oz	8.0	6.3	8.1	847.1
3 oz - 4 oz	8.7	9.1	8.6	9656.9
4 oz - 5 oz	8.3	5.9	8.2	2572.6
5 oz - 6 oz	8.5	8.3	8.4	5563.0
6 oz - 7 oz	9.0	15.2	8.9	1492.6
7 oz - 8 oz	11.4	19.4	11.2	1937.3
8 oz - 9 oz	11.0	18.9	11.0	101.7
9 oz - 10 oz	16.0	8.3	16.1	88.9
10 oz - 11 oz	13.6	19.6	13.5	104.0
11 oz - 12 oz	12.2	55.0	12.0	1942.8
12 oz - 13 oz	16.5	35.3	15.3	8901.6
13 oz - 14 oz	15.8	174.7	14.3	5531.3
14 oz - 15 oz	15.9	106.0	15.8	64.4
15 oz - 16 oz	64.7	248.8	49.4	6813.9
Total	8.6	6.8	9.2	2491.4

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF NAA**

NAA/USPS-2: Please provide a summary description of the payment system for rural carriers.

RESPONSE:

Please see the description of rural carrier costs in the Summary Description, USPS-LR-L-1. Also, please see the Postal Service's response to VP/USPS-1. Rural carriers receive a fixed time allowance for each of several specific mail categories and special services they deliver. Compensation is calculated by multiplying the time allowance times the pay rate times the number of pieces of each mail category and special services that are enumerated during the rural mail count. Additionally there are other allowances for non volume related expenses. The compensation is then fixed based on this calculation for the year or until another mail count. Adjustments might be made to the salary during the Christmas period.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF NAA**

NAA/USPS-3: In an institutional response to VP/USPS-4(f) in Docket No. R2005-1, the Postal Service stated as follows:

The payment system for rural carriers does not determine payments based on differences across mail subclass, or across rate categories within subclass. Therefore, it does not distinguish between High Density and Saturation mailings and Basic mailings within the ECR subclass. Payments per piece vary only according to mail shape, and according to whether the mail piece is delivered or collected, whether the delivered piece is a boxholder or a nonboxholder piece, and whether the delivered piece has postage due.

Is this statement still accurate?

RESPONSE:

Yes. Please see the Postal Service's response to VP/USPS-1 for the entire listing of applicable mail categories and special services.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF NAA**

NAA/USPS-4: Are payments to rural carriers affected by the presence of detached address labels in mailings to rural delivery points?

RESPONSE:

Please see the Postal Service's response to VP/USPS-1. Payments to rural carriers for all mail categories and special services, including detached addressed labels, are affected only to the degree of the incidence of each category and or special service during the mail count period.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992, FAX: -5402
July 5, 2006