

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 THE OCA (OCA/USPS-27 – 33, 46, 52-53, 56-61)
(July 25, 2006)

The United States Postal Service hereby provides its response to the following interrogatories of the OCA, filed on July 11, 2006: OCA/USPS-27-33, 46, 52 – 53, 56-61. Responses to other questions in this set (27-65) are still being prepared.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 25, 2006

**RESPONSE OF THE POSTAL SERVICE TO INTERROGATORIES
OF THE OCA**

OCA/USPS-27. Please refer to USPS-T-38 at 6, n. 2. Witness Yeh states that: “the Postal Service intends to amend its regulations to require that Bound Printed Matter be paid either by customer generated postage meter or by permit imprint.”

- a. Does this mean that the Postal Service will deny consumers and small businesses the right to use adhesive stamps to pay for Bound Printed Matter (BPM) mail? Explain in full.
- b. Please confirm that §541 of the Domestic Mail Classification Schedule (DMCS) provides that: “Postage must be paid as set forth in section 3000.” If this is not confirmed, then explain in full.
- c. Please confirm that §3040 of the DMCS provides that: “All mail may be prepaid with postage meter indicia, adhesive stamps, permit imprint, or other payment methods specified by the Postal Service.” If this is not confirmed, then explain in full.
- d. Please confirm that denying stamp-using mailers of BPM the opportunity to pay postage by means of stamps is a violation of §3040. If this is not confirmed, then explain in full.
- e. Please refer to witness Yeh’s response to interrogatory DBP/USPS-T38-9 that “ancillary services such as, but not limited to, Certificate of Mailing, Delivery Confirmation, Signature Confirmation, Insurance, and COD” will be denied to retail customers of BPM. Confirm that such a denial violates §560 of the DMCS which explicitly allows BPM mailers the right to add these ancillary services to a BPM mailing. If this is not confirmed, then explain in full.

RESPONSE:

- a. Not confirmed. The change will require that ALL mailers use customer-generated postage meter, PC postage, or permit imprint to mail Bound Printed Matter. No mailers will be permitted to use postage stamps. No distinction is made as to the status of the customer. The permissible postage payment methods include methods that are available to consumers and small businesses.
- b. Confirmed.
- c. Confirmed.
- d. Not confirmed. DMCS § 3040 lists postage payment options. It cannot be read to require that all methods listed be available for all categories of mail. Doing so would be inconsistent with longstanding interpretation and accepted practice. Please see

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DMM § 707.16.4, which states: “Postage for Periodicals may not be paid with permit imprint, meter stamp, postage stamp, or precanceled stamps.” Please see also DMM § 444.1.1, which does not allow the use of regular postage stamps for Standard Mail: “Postage for Standard Mail must be paid with meter (604.4.0), permit imprint (604.5.0), or precanceled stamps (604.3.0).”

e. Not confirmed. These services remain generally available to BPM mailers. It would be contrary to longstanding interpretation and accepted practice to interpret DMCS provisions regarding the general availability of services to mean that such services must be made available without limitation of method of payment or place of entry.

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OCA/USPS-28. Please provide ODIS quarterly reports for FY 2006.

RESPONSE :

The requested reports are already posted on the Postal Rate Commission's website.

The most recent reports, for example, were filed on July 11, 2006. For future reference, note that the ODIS-RPW Quarterly Statistics Reports are also available at

<http://www.usps.com/financials/qsr/welcome.htm>

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INSTITUTIONAL
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OCA/USPS-29. Please provide volume estimates of single-piece First-Class Mail broken down into the three service standards for First-Class Mail, i.e., volume of mail with an Overnight service standard; volume of mail with a 2-day standard; and volume of mail with a 3-day standard. The three volume figures should sum to the total volume of single-piece First-Class Mail. If precise figures are unavailable, then ball park estimates are acceptable. Please cite the sources used to answer this interrogatory.

RESPONSE:

First-Class Single Piece Volume Under the Given Service Standard
for FY05

1	19,433,457,100
2	11,423,092,440
3	12,519,438,460

These data were constructed by deriving the FY 05 ODIS-RPW sample volume of First-Class under the given standards and applying the distribution of this mail to the FY 05 RPW Summary Report estimate of First-Class Single-Piece volume.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INSTITUTIONAL
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OCA/USPS-30. For FY 2005, please provide an aggregate Table 4 from ODIS that shows the 4 quarters (i.e., Q1, Q2, Q3, and Q4) combined into annual figures.

- a. Also provide the volumes (for each cell) underlying the percentage figures.
- b. For each row of Table 4, provide the total volume figure that is used to compute the percentage set forth in each cell.

RESPONSE:

For the FY 05 Table 4 Delivery Days and Percentage Days to Delivery see the attached

EXCEL workbook titled "fy05all days_del.xls". For parts (a) and (b) of this

interrogatory, all relevant volume figures used in the calculations can be found in the

attached EXCEL workbook titled "fy05all num-den.xls".

PERCENTAGE OF MAIL DELIVERED WITHIN	SPECIFIED NUMBER OF KNOWN ALL OF	DAYS FOR POSTMARK FY-2005	STAMP AND DATE	METER	MAIL	AVG											
						GROUP	DAYS TO DELIVERY	1 DAY	2 DAYS	3 DAYS	4 DAYS	5 DAYS	6 DAYS	7 DAYS	8 DAYS	9 DAYS	10 DAYS
						All First-class Single Piece	1.7	56.0	82.4	95.1	97.7	98.8	99.3	99.5	99.7	99.8	99.8
						Letters	1.7	57.1	83.5	95.9	98.1	99.0	99.4	99.6	99.7	99.8	99.9
						Cards	1.5	71.1	87.3	94.9	97.4	98.5	99.0	99.3	99.5	99.7	99.7
						Flats	2.2	37.3	68.3	87.1	93.9	96.7	98.1	98.8	99.2	99.5	99.6
						Parcels/IPPS	2.6	22.9	57.9	79.9	90.2	94.8	97.1	98.2	98.9	99.3	99.5
						All First-class Presort/Auto	2.3	24.8	62.7	87.7	95.5	98.1	99.0	99.5	99.7	99.8	99.9
						Letters	2.3	24.9	62.9	87.9	95.6	98.1	99.1	99.5	99.7	99.8	99.9
						Cards	2.2	35.8	68.1	89.3	94.5	96.7	97.8	98.8	99.2	99.5	99.6
						Flats	2.8	17.3	49.9	77.8	89.9	95.1	97.3	98.5	99.2	99.5	99.6
						Parcels/IPPS	2.5	22.8	58.3	83.4	92.1	96.0	98.1	98.9	99.6	99.8	99.9
						All First-class Combined	1.9	45.1	75.5	92.5	97.0	98.5	99.2	99.5	99.7	99.8	99.8
						Letters	1.9	45.0	75.8	92.9	97.2	98.7	99.3	99.6	99.7	99.8	99.9
						Cards	1.6	70.2	86.8	94.8	97.3	98.4	99.0	99.3	99.5	99.7	99.7
						Flats	2.3	35.1	66.3	86.0	93.5	96.6	98.0	98.7	99.2	99.5	99.6
						Parcels/IPPS	2.6	22.9	57.9	80.0	90.2	94.8	97.1	98.2	98.9	99.3	99.5
						All Priority	2.2	24.4	78.2	91.6	96.1	98.0	98.8	99.3	99.5	99.7	99.8
						Identified	2.2	21.4	78.9	92.3	96.5	98.2	99.0	99.4	99.6	99.7	99.8
						Nonidentified	2.2	37.8	74.8	88.5	94.2	96.7	98.0	98.7	99.1	99.4	99.5
						All Package Services	4.8	9.1	24.7	39.4	55.4	68.5	78.1	84.2	89.4	93.0	95.0
						Parcel Post	4.6	9.2	25.6	40.2	57.0	70.5	80.0	85.9	91.1	94.3	96.0
						Bound Printed Matter	4.2	16.4	39.1	55.9	67.5	76.1	82.0	86.4	89.9	92.7	94.4
						Media Mail	5.1	6.8	20.1	34.6	50.9	64.9	75.5	82.0	87.8	92.0	94.3
						Library	4.0	18.8	40.6	55.7	68.9	77.8	84.2	88.6	91.8	94.2	95.7

VOLUME OF MAIL DELIVERED	WITHIN SPECIFIED	NUMBER OF DELIVERY	DAYS FOR STAMP AND ALL OF	METERED MAIL -- FY 2005	KNOWN POSTMARK DATE								
GROUP OF MAIL	NUMERATOR VOLUME DELIV-DAYS	DENOMINATOR TOTAL VOLUME	NUMERATOR 1 DAY DELIVERY	NUMERATOR 2 DAY DELIVERY	NUMERATOR 3 DAY DELIVERY	NUMERATOR 4 DAY DELIVERY	NUMERATOR 5 DAY DELIVERY	NUMERATOR 6 DAY DELIVERY	NUMERATOR 7 DAY DELIVERY	NUMERATOR 8 DAY DELIVERY	NUMERATOR 9 DAY DELIVERY	NUMERATOR 10 DAY DELIVERY	
All First-class Single Piece	74,925,806,953	43,579,597,183	24,408,219,369	35,898,432,296	41,426,325,780	42,587,831,864	43,054,491,431	43,270,083,461	43,373,491,202	43,444,958,371	43,485,411,909	43,508,939,815	
Letters	63,989,787,663	38,145,706,472	21,786,340,923	31,858,328,294	36,568,590,808	37,429,765,430	37,771,425,769	37,926,111,824	37,997,834,021	38,048,968,305	38,077,225,462	38,094,680,828	
Cards	2,893,225,643	1,875,867,644	1,333,867,980	1,638,306,846	1,780,309,544	1,826,617,655	1,846,810,307	1,857,268,071	1,863,087,393	1,867,064,391	1,869,747,385	1,870,999,984	
Flats	7,298,782,007	3,275,278,267	1,223,180,029	2,238,105,434	2,851,407,164	3,076,436,386	3,169,288,735	3,212,229,095	3,234,872,012	3,249,281,614	3,257,728,914	3,261,991,460	
Parcels/PPS	744,011,640	282,744,800	64,830,437	163,691,722	226,018,264	255,012,393	267,966,620	274,474,471	277,697,776	279,644,061	280,710,148	281,267,543	
All First-class Presort/Auto	54,770,008,794	23,469,097,016	5,815,082,655	14,722,554,800	20,588,922,332	22,421,161,672	23,012,876,094	23,243,863,115	23,343,870,453	23,395,410,500	23,424,599,491	23,436,917,282	
Letters	53,523,490,393	23,008,273,882	5,725,983,436	14,483,296,453	20,224,533,971	22,004,332,162	22,573,938,678	22,795,120,667	22,889,620,303	22,938,388,738	22,966,067,458	22,977,787,810	
Cards	107,518,946	48,598,136	17,381,074	33,071,847	43,403,916	45,901,957	46,974,320	47,524,950	47,997,555	48,216,380	48,359,502	48,398,516	
Flats	1,119,964,094	404,663,260	69,990,335	201,778,158	314,675,567	363,963,745	384,702,192	393,799,278	398,774,808	401,274,869	402,622,795	403,179,865	
Parcels/PPS	19,035,361	7,561,738	1,727,810	4,408,342	6,308,878	6,963,808	7,260,904	7,418,220	7,477,787	7,530,513	7,549,736	7,551,091	
All First-class Combined	129,695,815,747	67,048,694,199	30,223,302,024	50,620,987,096	62,015,248,112	65,008,993,536	66,067,367,525	66,513,946,576	66,717,361,655	66,840,368,871	66,910,011,400	66,945,857,097	
Letters	117,513,278,056	61,153,980,354	27,512,324,359	46,341,624,747	56,793,124,779	59,434,097,592	60,345,364,447	60,721,232,491	60,887,454,324	60,987,357,043	61,043,292,920	61,072,468,638	
Cards	3,000,744,589	1,924,465,780	1,351,249,054	1,671,376,693	1,823,713,460	1,872,519,612	1,893,784,627	1,904,793,021	1,911,084,948	1,915,280,771	1,918,106,387	1,919,398,500	
Flats	8,418,746,101	3,679,941,527	1,293,170,364	2,439,883,592	3,166,082,731	3,440,400,131	3,552,990,927	3,608,028,373	3,633,646,820	3,650,556,483	3,660,351,709	3,665,171,325	
Parcels/PPS	763,047,001	290,306,538	66,558,247	168,100,064	232,327,142	261,976,201	275,227,524	281,892,691	285,175,563	287,174,574	288,259,884	288,818,634	
All Priority	1,588,301,622	736,730,084	179,437,357	576,079,657	675,145,322	708,246,041	721,743,753	727,800,972	731,213,070	733,192,979	734,263,388	734,938,796	
Identified	1,305,942,785	605,551,402	129,790,689	477,961,318	559,066,977	584,647,050	594,889,893	599,269,773	601,776,423	603,189,484	603,932,507	604,404,157	
Nonidentified	282,358,837	131,178,682	49,646,668	98,118,339	116,078,345	123,598,991	126,853,860	128,531,199	129,436,647	130,003,495	130,330,881	130,534,639	
All Package Services	1,113,912,302	232,039,051	21,027,303	57,273,733	91,474,568	128,526,194	158,954,897	181,312,028	195,300,416	207,450,080	215,896,350	220,495,971	
Parcel Post	404,334,412	87,372,228	8,028,396	22,399,434	35,098,683	49,806,413	61,599,295	69,935,292	75,094,018	79,578,806	82,367,589	83,888,699	
Bound Printed Matter	78,427,518	18,467,909	3,022,057	7,225,442	10,323,012	12,459,851	14,047,594	15,149,344	15,962,862	16,594,093	17,430,267	17,827,267	
Media Mail	586,323,446	115,018,049	7,869,493	23,108,829	39,624,707	58,554,793	74,606,154	86,810,084	94,341,803	101,017,677	105,871,874	108,477,061	
Library	44,826,926	11,180,865	2,107,357	4,540,028	6,228,166	7,705,137	8,701,854	9,417,308	9,901,733	10,259,504	10,531,263	10,699,944	

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OCA/USPS-31. For FY 2006 please provide an aggregate Table 4 from ODIS that shows all quarters available (i.e., Q1, Q2, and Q3) combined into total year-to-date figures.

- a. Also provide the volumes (for each cell) underlying the percentage figures.
- b. For each row of Table 4, provide the total volume figure that is used to compute the percentage set forth in each cell.

RESPONSE:

For the Q3 FY 06 Table 4 Delivery Days and Percentage Days to Delivery see the attached EXCEL workbook titled "pq123f06 days_del.xls". For parts (a) and (b) of this interrogatory, all relevant volume figures used in the calculations can be found in the attached EXCEL workbook titled "pq123f06 num_den.xls".

PERCENTAGE OF MAIL DELIVERED	WITHIN	SPECIFIED NUMBER OF DAYS FOR STAMP AND METER MAIL										
		KNOWN POSTMARK DATE										
GROUP	AVG	DAYS TO DELIVERY	QTR-1/2/3 FY-2006									
			1 DAY	2 DAYS	3 DAYS	4 DAYS	5 DAYS	6 DAYS	7 DAYS	8 DAYS	9 DAYS	10 DAYS
All First-class Single Piece		1.7	55.4	82.0	94.7	97.5	98.7	99.2	99.5	99.7	99.8	99.8
Letters		1.7	56.5	83.2	95.6	98.0	99.0	99.4	99.6	99.7	99.8	99.9
Cards		1.6	70.5	87.3	94.7	97.2	98.4	99.0	99.3	99.5	99.6	99.7
Flats		2.3	35.9	66.2	85.4	92.8	96.0	97.6	98.4	98.9	99.3	99.4
Parcels/IPPS		2.7	21.7	56.6	78.1	88.6	93.8	96.3	97.6	98.5	99.0	99.3
All First-class Presort/Auto		2.4	23.3	61.5	87.1	95.1	97.9	99.0	99.4	99.7	99.8	99.8
Letters		2.4	23.4	61.8	87.3	95.3	97.9	99.0	99.5	99.7	99.8	99.8
Cards		2.3	32.7	63.6	85.2	93.6	96.9	98.2	98.9	99.1	99.4	99.5
Flats		2.9	15.6	45.4	74.0	87.4	93.5	96.4	97.9	98.7	99.2	99.5
Parcels/IPPS		2.4	21.7	63.0	86.8	95.2	97.5	98.5	98.9	99.2	99.4	99.5
All First-class Combined		2.0	44.3	74.9	92.1	96.7	98.4	99.1	99.5	99.7	99.8	99.8
Letters		1.9	44.3	75.3	92.5	97.0	98.6	99.3	99.5	99.7	99.8	99.8
Cards		1.6	69.6	86.8	94.5	97.1	98.4	99.0	99.3	99.5	99.6	99.7
Flats		2.4	33.5	63.7	84.1	92.2	95.7	97.5	98.4	98.9	99.3	99.4
Parcels/IPPS		2.7	21.7	56.8	78.3	88.8	93.8	96.4	97.6	98.5	99.0	99.3
All Priority		2.3	22.0	72.5	88.4	94.5	97.2	98.4	99.0	99.3	99.6	99.7
Identified		2.3	19.5	72.7	88.9	94.9	97.5	98.6	99.1	99.4	99.6	99.7
Nonidentified		2.3	35.1	71.3	86.0	92.5	95.8	97.5	98.3	98.9	99.2	99.3
All Package Services		5.0	8.2	23.4	37.2	52.7	66.1	76.3	82.8	88.3	92.1	94.3
Parcel Post		4.8	8.6	24.4	38.2	54.3	67.9	78.3	84.6	90.2	93.4	95.4
Bound Printed Matter		4.3	15.0	37.8	53.8	66.4	75.2	81.4	85.7	89.0	91.9	93.8
Media Mail		5.3	5.7	18.7	32.0	47.7	62.1	72.9	80.2	86.1	90.7	93.3
Library		4.0	18.4	39.5	55.6	67.1	76.4	84.1	88.9	92.4	94.5	95.8

VOLUME OF MAIL DELIVERED	WITHIN SPECIFIED	NUMBER OF DELIVERY	DAYS FOR STAMP AND QUARTERS 1/2/3	METERED MAIL -- FY 2006	KNOWN POSTMARK DATE								
GROUP OF MAIL	NUMERATOR VOLUME DELIV-DAYS	DENOMINATOR TOTAL VOLUME	NUMERATOR 1 DAY DELIVERY	NUMERATOR 2 DAY DELIVERY	NUMERATOR 3 DAY DELIVERY	NUMERATOR 4 DAY DELIVERY	NUMERATOR 5 DAY DELIVERY	NUMERATOR 6 DAY DELIVERY	NUMERATOR 7 DAY DELIVERY	NUMERATOR 8 DAY DELIVERY	NUMERATOR 9 DAY DELIVERY	NUMERATOR 10 DAY DELIVERY	
All First-class Single Piece	56,126,286,262	32,242,411,962	17,852,426,812	26,423,266,656	30,533,553,930	31,430,882,741	31,819,812,221	31,995,544,597	32,074,074,436	32,130,925,215	32,163,060,769	32,181,305,534	
Letters	48,131,190,997	28,411,873,796	16,065,554,119	23,638,186,032	27,158,173,612	27,829,435,483	28,116,690,877	28,241,508,579	28,294,705,391	28,335,201,669	28,356,361,190	28,369,342,241	
Cards	1,986,801,570	1,276,988,050	899,953,335	1,115,258,420	1,209,521,235	1,240,953,415	1,256,796,103	1,264,500,934	1,267,761,989	1,270,390,204	1,272,135,442	1,273,093,309	
Flats	5,419,551,702	2,337,720,674	840,166,668	1,547,583,225	1,997,203,795	2,169,212,724	2,243,969,329	2,281,621,981	2,300,912,446	2,312,764,612	2,320,865,035	2,324,603,142	
Parcels/IPPS	588,741,993	215,829,442	46,752,690	122,238,979	168,655,288	191,281,119	202,355,912	207,913,103	210,694,610	212,568,730	213,699,102	214,266,842	
All First-class Presort/Auto	40,414,064,400	17,003,743,632	3,958,739,522	10,461,768,054	14,804,811,985	16,177,580,306	16,639,898,683	16,829,142,625	16,909,824,122	16,948,650,788	16,968,155,458	16,976,742,402	
Letters	39,407,003,962	16,654,039,665	3,898,394,398	10,296,402,662	14,541,997,393	15,869,737,317	16,311,593,751	16,491,517,697	16,567,075,342	16,603,286,833	16,621,039,059	16,628,938,494	
Cards	73,838,038	31,486,533	10,306,092	20,026,791	26,817,888	29,459,489	30,513,233	30,923,024	31,138,661	31,188,916	31,284,498	31,324,559	
Flats	922,383,960	313,733,786	49,065,456	142,514,894	232,103,913	274,115,697	293,422,179	302,283,420	307,176,357	309,727,640	311,373,723	312,017,073	
Parcels/IPPS	10,838,440	4,483,648	973,576	2,823,707	3,892,791	4,267,803	4,369,520	4,418,484	4,433,762	4,447,399	4,458,178	4,462,276	
All First-class Combined	96,540,350,662	49,246,155,594	21,811,166,334	36,885,034,710	45,338,365,915	47,608,463,047	48,459,710,904	48,824,687,222	48,983,898,558	49,079,576,003	49,131,216,227	49,158,047,936	
Letters	87,538,194,959	45,065,913,461	19,963,948,517	33,934,588,694	41,700,171,005	43,699,172,800	44,428,284,628	44,733,026,276	44,861,780,733	44,938,488,502	44,977,400,249	44,998,280,735	
Cards	2,060,639,608	1,308,474,583	910,259,427	1,135,285,211	1,236,339,123	1,270,412,904	1,287,309,336	1,295,423,958	1,298,900,650	1,301,579,120	1,303,419,940	1,304,417,868	
Flats	6,341,935,662	2,651,454,460	889,232,124	1,690,098,119	2,229,307,708	2,443,328,421	2,537,391,508	2,583,905,401	2,608,089,803	2,622,492,252	2,632,238,758	2,636,620,215	
Parcels/IPPS	599,580,433	220,313,090	47,726,266	125,062,686	172,548,079	195,548,922	206,725,432	212,331,587	215,128,372	217,016,129	218,157,280	218,729,118	
All Priority	1,347,875,203	584,330,144	128,455,982	423,652,902	516,823,013	552,200,506	568,249,271	575,071,395	578,321,734	580,499,860	581,739,441	582,307,394	
Identified	1,132,267,251	490,182,103	95,436,468	356,502,843	435,837,937	465,157,895	478,015,278	483,291,113	485,798,991	487,430,093	488,339,136	488,801,646	
Nonidentified	215,607,952	94,148,041	33,019,514	67,150,059	80,985,076	87,042,611	90,233,993	91,780,282	92,522,743	93,069,767	93,400,305	93,505,748	
All Package Services	850,917,870	171,212,058	13,997,591	40,083,647	63,758,855	90,277,010	113,210,073	130,607,789	141,782,729	151,099,099	157,659,558	161,450,901	
Parcel Post	332,826,774	69,560,567	5,984,698	16,973,178	26,568,452	37,784,517	47,233,601	54,491,794	58,848,767	62,726,040	65,001,709	66,369,481	
Bound Printed Matter	57,384,654	13,265,481	1,993,823	5,011,329	7,137,885	8,809,140	9,972,589	10,794,997	11,365,639	11,803,254	12,186,966	12,446,069	
Media Mail	429,774,134	80,746,204	4,616,387	15,080,859	25,802,849	38,556,142	50,167,610	58,896,106	64,775,322	69,511,086	73,254,285	75,313,443	
Library	30,932,308	7,639,806	1,402,683	3,018,281	4,249,669	5,127,211	5,836,273	6,424,892	6,793,001	7,058,719	7,216,598	7,321,908	

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INSTITUTIONAL
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-32. For FY 2005:

- a. What is the percent of First-Class Mail volume that is single-piece?
- b. What is the volume of First-Class Mail that is single-piece?
- c. What is the percent of First-Class Mail volume that is paid by stamps?
- d. What is the volume of First-Class Mail that is paid by stamps?
- e. What is the percent of First-Class Mail volume that is paid by meters?
- f. What is the volume of First-Class Mail that is paid by meters?
- g. What is the percent of First-Class Mail volume that is paid by permit?
- h. What is the volume of First-Class Mail that is paid by permit?
- i. For parts a. – h. above, cite the source for the figures provided.

RESPONSE:

- a. 44 percent.
- b. 45,877,745,000 pieces
- c. 26.9 percent
- d. 26,372,351,000 pieces.
- e. 39.5 percent
- f. 40,512,004,000 pieces
- g. 41.3 percent
- h. 31,174,904,000 pieces.
- i. Items (a) and (c) through (h) are from the FY 05 RPW by Indicia reports found at the internet URL noted in the response to OCA/USPS-28. Item (b) is from the RPW Summary Report. Note that due to methodology constraints items (g) and (h) include small amounts of mail with non-permit imprint indicia such as Absentee Ballots, Forwarded and Returned, No Indicia Present, Unknown Indicia, and Free Mail for the Military.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INSTITUTIONAL
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-33. For FY 2006, year-to-date:

- a. What is the percent of First-Class Mail volume that is single-piece?
- b. What is the volume of First-Class Mail that is single-piece?
- c. What is the percent of First-Class Mail volume that is paid by stamps?
- d. What is the volume of First-Class Mail that is paid by stamps?
- e. What is the percent of First-Class Mail volume that is paid by meters?
- f. What is the volume of First-Class Mail that is paid by meters?
- g. What is the percent of First-Class Mail volume that is paid by permit?
- h. What is the volume of First-Class Mail that is paid by permit?
- i. For parts a. – h. above, cite the source for the figures provided.
- j.

RESPONSE:

- a. 44 percent.
- b. 23,402,107,000 pieces
- c. 27.1 percent
- d. 13,650,456,000 pieces.
- e. 39.5 percent
- f. 19,892,370,000 pieces
- g. 39.4 percent
- h. 16,890,000,000 pieces.
- i. Items (a) and (c) through (h) are from the specific RPW by Indicia reports noted in the above response to OCA/USPS-28. Item (b) is from the RPW Summary Report. Note that due to methodology constraints items (g) and (h) include small amounts of mail with non-permit imprint indicia such as Absentee Ballots, Forwarded and Returned, No Indicia Present, Unknown Indicia, and Free Mail for the Military.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-46. For FY 2005, please provide volume estimates of Express Mail broken down into the following categories: (1) Overnight, (2) Second Day with a 2-day commitment, (3) Second Day with a 3-day commitment, (4) Second Day with a 4-day commitment, and (5) Second Day with a 5-day commitment. The 5 volume figures should sum to the total volume of Express Mail. If precise figures are unavailable, then ball park estimates are acceptable. Please cite the sources used to answer this interrogatory.

RESPONSE:

Please see the response to DBP/USPS-26(b), which provides FY2005 volume data from the Product Tracking System by standard.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-52. For FY 2005, please provide:

- a. Total package services volumes
- b. Retail package services volumes
- c. Non-retail package services volumes
- d. Parcel select volumes

Please cite the source(s) used to answer this interrogatory.

RESPONSE:

- a. 1,165,534,000. From FY 05 RPW Summary Report
- b. 223,833,000. From FY 05 RPW extract.
- c. 941,701,000. From FY 05 RPW extract.
- d. 269,931,000. From FY 05 RPW extract.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-53. For FY 2006, year-to-date, please provide:

- a. Total package services volumes
- b. Retail package services volumes
- c. Non-retail package services volumes
- d. Parcel select volumes

Please cite the source(s) used to answer this interrogatory. Please specify the time period used to answer the interrogatory.

RESPONSE:

- a. 624,761,000. From Quarter 2 Year-to-Date FY 06 RPW Summary Report
- b. 513,681,000. From Quarter 1 and Quarter 2 FY 06 RPW RPW extract.
- c. 111,080,000. From Quarter 1 and Quarter 2 FY 06 RPW RPW extract.
- d. 142,332,000. From Quarter 1 and Quarter 2 FY 06 RPW RPW extract.

**RESPONSE OF THE POSTAL SERVICE TO INTERROGATORIES
OF THE OCA**

OCA/USPS-56. Please refer to Tr. 8D/4715-19 (Interrogatory OCA/USPS-43), Docket No. R2005-1. Please file a complete update for all questions posed (and answered, including the “expanded response”) beginning with the period immediately following the period covered by the R2005-1 answer through and including today’s date. Please state the dates covered by the answer provided to the instant (Docket No. R2006-1) interrogatory.

RESPONSE:

No new domestic retail services have been initiated since the period covered by the responses filed in the last case. With respect to updates on existing programs, please see the response to OCA/USPS-58.

**RESPONSE OF THE POSTAL SERVICE TO INTERROGATORIES
OF THE OCA**

OCA/USPS-57. Please refer to Tr. 8D/4720-24 (Interrogatory OCA/USPS-46), Docket No. R2005-1. Please file a complete update for all questions posed (and answered) beginning with the period immediately following the period covered by the R2005-1 answer through and including today's date. Please state the dates covered by the answer provided to the instant (Docket No. R2006-1) interrogatory.

RESPONSE:

No new pilot tests have been initiated since the period covered by the responses filed in the last case. With respect to updates on existing programs, please see the response to OCA/USPS-58.

**RESPONSE OF THE POSTAL SERVICE TO INTERROGATORIES
OF THE OCA**

OCA/USPS-58. Please refer to Tr. 8D/4730-42 (Interrogatory OCA/USPS-53), Docket No. R2005-1. Please file a complete update for all questions posed (and answered) beginning with the period immediately following the period covered by the R2005-1 answer through and including today's date. Please state the dates covered by the answer provided to the instant (Docket No. R2006-1) interrogatory.

RESPONSE:

Updating the information provided in Docket No. R2005-1 in response to part a. of OCA/USPS-53, to produce cost data for nonpostal and other services involving window clerk activity, these are the questions asked in the FY05 IOCS.

Q18G6 Other Product Type

What type of retail product does the work involve?

- A Domestic Money Orders
- B International Money Orders
- C Dinero Seguro / Sure Money
- D First-Class Phonecard
- E Other Products/Services (Specify)

Q18G9 Mailing Supplies

Which best describes the type of mailing supplies?

- A Priority Mail Packaging Supplies
- B Express Mail Packaging Supplies
- C International Product Packaging Supplies
- D Other Mailing Supplies

Q18G10 Money Order Activity

What is the specific activity being performed?

- A Selling
- B Cashing
- C Other (Specify)

Q18G11 Service for Other Government Agencies

What type of service is being performed?

- A US Passport Application
- B Migratory Bird Stamp
- C Alien Address Reporting
- D Selective Service Registration
- E Other (Specify)

The rest of the response to OCA/USPS-53.a remains unchanged.

**RESPONSE OF THE POSTAL SERVICE TO INTERROGATORIES
OF THE OCA**

Updating the information provided in Docket No. R2005-1 in response to part k. of OCA/USPS-53, in this case Test Year revenue for nonpostal products is included in Other Income on line 13 of Witness Loutsch's Exhibit USPS-6D. The explanation of how Other Income is forecasted is provided in Chapter X.e at pages 469-71 (as revised) of USPS-LR-L-50. As review of those pages shows, forecasts for nonpostal products are not made on a product-level basis, except for FedEx boxes, which are the only item included in the "Retail Alliances" line under Other Income. Essentially, in the aggregate, these revenues are forecasted as an average of previous aggregate revenues.

In terms of an update to Attachment One to the Response to OCA/USPS-53 in Docket No. R2005-1, the latest information (for FY05) has already been provided in this docket on page 17 of Attachment G to the Request.

In terms of an update to Attachment Two to the Response to OCA/USPS-53 in Docket No. R2005-1, the latest information was provided on June 1, 2006, in response to Order No. 1449 in Docket No. RM2004-1. It is reproduced as an attachment to this response for convenience.

The following list of programs corresponds to the programs for which the Postal Service has reported FY 2005 revenues and expenses as part of its filing in Docket No. R2006-1, in response to Commission Rule 54(h)(1). As indicated below, not all of these programs are necessarily active in FY 2006. Also included is information about two programs which have been terminated, but for which there was reported activity in FY 2005. In the opinion of the Postal Service, all of these programs fall outside the scope of the definition adopted by Order No. 1449. It is worth noting that while these programs fall outside that definition, they do either support the basic mail delivery function of the Postal Service, utilize assets developed by the Postal Service used for providing mail services, or support its role in providing fundamental governmental services.

Inter-Agency Agreement Programs:

These programs support the Postal Service's role as a provider of government services.

MIGRATORY BIRD STAMPS

An agreement with the United States Fish and Wildlife service provides for the distribution and sale of the Migratory Bird Hunting and Conservation (Duck) Stamp to the general public through Postal Service retail outlets.

PASSPORTS

The Postal Service receives a fee for processing Passport Applications. Currently, the Postal Service handles about two-thirds of all passport applications. A passport application is completed by a postal customer, the form is reviewed for completeness, an ID is verified, and then the completed application is sent to the State Department. In some retail locations, the Postal Service also offers customers the ability to obtain passport photos for an additional fee.

SELECTIVE SERVICE

The Postal Service has agreed with the Selective Service to make its brochures available in postal retail lobbies. Brochures are completed by the individual registering and presented to the retail associate for verification of identification. The brochure is then mailed to the Selective Service agency. There is no fee associated with this program.

Use of the Mails:

These programs support the use of the mails.

PHOTOCOPY SERVICE

The Postal Service permits the installation of coin-operated photocopying machines in the lobbies of offices for customer use in many areas. These machines facilitate the copying of written documents that may need to be mailed, and are maintained by commercial firms. A portion of the proceeds from these copiers is paid to the Postal Service, with its share based on the local agreement.

READYPOST®

ReadyPost® is a USPS-branded line of shipping supplies designed for sale in postal retail locations to support mailing needs of our customers. The program is based on a contract with Hallmark Custom Marketing, Inc.

IMAGITAS (MoverSource)

In 1995, the Postal Service and Imagitas formed a strategic alliance to improve the accessibility and convenience of change of address service, and to help defray the Postal Service's costs of annually processing 44 million change of address orders. The following programs are provided under the strategic alliance:

The Mover's Guide – A package that includes PS Form 3575, Change of Address Order, and PS Form 3576, Change of Address Request for Correspondents, Publishers, and Businesses; move-related tips; and advertisements for move-related products and services.

Welcome Kit – An envelope sent to movers that contains the official USPS Confirmation Notification Letter (CNL) sent to the new address of COA filers, along with information about the mover's new community and move-related advertising.

MoversGuide Online (MGO) - This site, located on www.usps.com, allows a mover to file an electronic COA order online. Similar to the hardcopy Mover's Guide, the online version provides move-related savings, tips and information.

HYBRID MAIL PROGRAMS

Hybrid mail programs offer alternate channels for the entry of mail that starts as an electronic file or an electronic order, but is converted to a hard-copy version for postal delivery. Service is not provided by the Postal Service, but is accessed through www.usps.com. Currently, there are three entities that provide hybrid mail programs. The services include:

NetPost Mailing Online is an electronic-to-hardcopy printing and mailing service. Services are provided by PosteDigital. Customers are able to create, print and access First-Class, Standard, Non-profit, and G-10 mailings.

NetPost Card Store allows customers to create personalized greeting cards that are printed and mailed the next business day. Customers may also choose to insert a retail gift card inside their greeting card and schedule the date and time they would like it to be printed and mailed. Services are provided by Touchpoint Inc.

Premium Post Cards are full-color glossy cards that can feature images selected from an available gallery of images, or digital images provided by the customer. Both sides of the card can be personalized with digital images. The service is provided by Amazing Mail.

Utilization of Postal Assets

These programs more fully utilize assets developed for providing mail services.

OFFICIALLY LICENSED RETAIL PRODUCTS (OLRP)

This program provides for the sale of licensed retail merchandise in post offices. Licensees utilize postal trademarks and stamp images to develop products that can be sold in post offices. Postmasters/station managers select OLRP products

for resale in their offices. They are usually gift items that represent convenience purchases.

DINERO SEGURO®/SURE MONEY™

Sure Money™ or Dinero Seguro® is the Postal Service's international funds transfer program offered through 2,800 postal retail units with high concentration of Hispanic immigrants. The program, which provides service to 10 countries in Latin America and the Caribbean, operates through a strategic alliance with Bancomer Transfer Service. The Postal Service collects the name of the recipient and sender, the amount of funds to be sent; the funds and service fee (shared between the Postal Service and Bancomer); and provides the data to Bancomer to complete the transaction.

FEDEX DROPBOXES

As part of a non-exclusive contract between FedEx and the Postal Service, FedEx pays fees to the Postal Service to allow it to locate its express drop boxes outside or in proximity to post offices. The Postal Service provides no services in connection with these drop boxes, currently installed at about 5,000 post offices. All responsibilities related to installation, maintenance, collection, and removal are FedEx's.

METER MANUFACTURERS MARKETING PROGRAM

Pitney Bowes and the Postal Service entered into a non-exclusive test-marketing relationship whereby the Postal Service would make space available in selected retail lobbies for exhibits promoting the use of PB postage meters and scales. The purpose of the test is to determine the economic and practical feasibility of a longer term marketing relationship for the marketing of PB products in Post Office retail lobbies.

AFFILIATES

Affiliate relationships are generally established for the purposes of generating visitor traffic, making purchases, or completing transactions between two websites. The revenue-generating agreements are usually based on a pay-for-performance model, which is measured by number of clicks, registrations, sales or any combination of the above. Affiliates that do not generate revenue are referred to as linking agreements. The Postal Service has numerous linking agreements with companies, such as the PC Postage Vendors and other government agencies.

PHONE CARDS

Pre-paid phone cards bearing philatelic images are sold at post office retail counters. They enable users to place domestic and international phone calls up to the value of the card. The Postal Service and its long-distance telephone service alliance partner (AT&T) share revenue.

COLLOBORATIVE LOGISTICS

Under a program called Collaborative Logistics, the Postal Service has sold underutilized longhaul space on purchased highway transportation to shippers desiring to move non-mail items (i.e., items which will not subsequently enter the mailstream) on specific lanes in direct trips over 4 hours. There are currently no lanes being sold, no active agreements, and no strategic alliances.

ELECTRONIC POSTMARK (EPM)

The USPS Electronic Postmark (EPM) is currently an out-sourced all-electronic service giving customers a way to time-stamp electronic files. The EPM provides evidence that a document or file existed at a specific time and date and detects changes made to the postmarked document. Since January of 2003, the service has been performed as a strategic alliance with an outside vendor, Authentidate, under postal direction, policies, and branding. The Postal Service shares a portion of the EPM fees collected. The service is sold over the internet via online sales, or via a hardcopy sales agreement.

LICENSING PROGRAMS

This program licenses use of intellectual property either wholly or jointly owned by the Postal Service, including stamp images, copyrighted material, the Postal Service corporate signature, other trademarks, service marks and trade dress. Licensees can pay specific fees for usage, but in most cases pay a royalty for each item that contains Postal Service intellectual property. The licensed items are sold in various marketplaces and territories, including post offices and through the Postal Store on www.usps.com. In most cases, the Postal Service receives a royalty payment regardless of where or how the product is sold, and separately receives compensation for products sold through the OLRP program at Postal Service retail locations.

Programs Terminated (After Activity in FY05):**AOL CD PROGRAM**

Until March, 2006, the Postal Service allowed America Online (AOL) to place one take-one CD display in up to 13,842 lobbies. In exchange for marketing through postal retail outlets, AOL paid the Postal Service a fixed fee for retail space, and provided the Postal Service with up to 100MB of space on the registration CDs distributed through post offices. The AOL agreement expired under its own terms on February 28, 2006.

MAGAZINE SUBSCRIPTIONS

This was a program provided by Affiliate Agreement with Magazine Mall. Through it, consumers and small to medium sized businesses are able to access and order magazine subscriptions at a discount. Service were sold and accessed through www.usps.com. The program was terminated in early FY05.

**RESPONSE OF THE POSTAL SERVICE TO INTERROGATORIES
OF THE OCA**

OCA/USPS-59. What was the total volume of mail collected from mail collection boxes in FY 2005?

- a. Please break down this total into separate volume figures for the classes and subclasses of mail collected.
- b. If a precise answer cannot be provided, then a ballpark estimate will suffice. Please state the source(s) for the answer provided.

RESPONSE:

The Postal Service has no actual data on the volume of mail collected from mail collection boxes, in total or by subclass, and no reasonable means to provide a ballpark estimate of such volume.

**RESPONSE OF THE POSTAL SERVICE TO INTERROGATORIES
OF THE OCA**

OCA/USPS-60. What is the total volume of mail collected from mail collection boxes in FY 2006, year-to-date?

- a. Please break down this total into separate volume figures for the classes and subclasses of mail collected.
- b. If a precise answer cannot be provided, then a ballpark estimate will suffice. Please state the source(s) for the answer provided. Also state the time period used in the answer.

RESPONSE:

The Postal Service has no actual data on the volume of mail collected from mail collection boxes, in total or by subclass, and no reasonable means to provide a ballpark estimate of such volume.

**RESPONSE OF THE POSTAL SERVICE TO INTERROGATORIES
OF THE OCA**

OCA/USPS-61. Please refer to Tr. 10C/3455 (Interrogatory OCA/USPS-225), Docket No. R2001-1. Please provide equivalent figures for the years FY2002, FY 2003, FY2004, FY2005, and FY2006 (year-to-date).

RESPONSE:

Comparable collection box figures for 2002-2004 were provided in response to DBP/USPS-1 in Docket No. R2005-1, Tr. 8C/3945. Figures for 2005 and 2006 were already provided in this case in response to DFC/USPS-18, except that the 2006 figure provided in that response excludes Express Mail boxes. The corresponding 2006 figure with Express Mail boxes included is 273,117.

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

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July 25, 2006