

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

**RESPONSES OF POSTAL SERVICE WITNESS KIEFER  
TO INTERROGATORY OF THE PARCEL SHIPPERS ASSOCIATION  
(PSA/USPS-T37-13)**

The United States Postal Service hereby provides the response of witness Kiefer to the following interrogatory of the Parcel Shippers Association, filed on August 4, 2005: PSA/USPS-T37-6-13.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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August 7, 2006

RESPONSE OF POSTAL SERVICE WITNESS KIEFER  
TO INTERROGATORY OF THE PARCEL SHIPPERS ASSOCIATION

**PSA/USPS-T37-13.** Please refer to your response to PSA/USPS-T36-8 and your workpaper WP-PP-29. Please confirm that in your calculation of the average revenue of PRS pieces if mailed as Intra-BMC parcels, the denominator should have used the PRS TYBR volume.

**RESPONSE:**

Confirmed. Since the calculation of total “benchmark revenue” used PRS TYBR volumes, the divisor used to produce the average revenue should have been PRS TYBR total volume, not PRS TYAR volume as shown in WP-PP-29. Correcting this error reduces the estimated unit revenue of PRS pieces if mailed at Intra-BMC rates from \$4.79 to \$3.93. To maintain the proposed price of \$2.32 per piece the “Adjustment Factor” (i.e. passthrough) shown in WP-PP-29 would have to be 51.5 percent, rather than 78.5 percent. Despite this change in the reference revenue and the resulting effective passthrough, I believe that my original proposal is still a reasonable rate for RDU pieces.