

**BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0111**

POSTAL RATE AND FEES CHANGES, 2006

Docket No. R2006-1

**FOURTH INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION
TO
UNITED STATES POSTAL SERVICE
WITNESS MARC A. SMITH (PSA/USPS-T13-14)**

The Parcel Shippers Association (PSA) REQUESTS United States Postal Service to respond fully and completely to the following interrogatories and requests for production of documents pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure.

Respectfully submitted,

Timothy J. May
Patton Boggs, LLP
2550 M Street, NW
Washington, DC 20037
Tel: 202 457 6050
Fax: 202 457 6315
tmay@pattonboggs.com

Counsel for Parcel Shippers Association

Dated: July 14, 2006

PSAIUSPS- T13-14. Please refer to your response to PSA/USPS- T13-10(a) which states,

"The determination that 9 and 11-digit Postnet barcodes show up on parcel-rated Standard Regular pieces often enough to undermine the approach of using Postnet barcodes as an indicator of automation flats rates was based on observations at a BMC and calls to check on this at other BMCs. Postal Service personnel observed operations at BMCs and ascertained the presence or absence of Postnet barcodes on pieces that are clearly "parcels", Le., on pieces that exceed the 1 1/4 inch thickness or are containerized at entry such that they are clearly "parcels" and paid the RSS. Numerous instances of Standard Regular parcel shaped pieces with Postnet barcodes were observed. Other BMCs were contacted to verify these observations for other sites. Based on this brief examination, Postnet barcodes show up on parcel-rated pieces often enough to obviate using Postnet barcodes as indicators of Flats Automation rate pieces."

Please refer further to your response to PSA/USPS-T13-10(f) which states,

"An approximate estimate of the share of the Standard Regular mail processing parcel costs for pieces with Postnet barcodes for FY 2005 is 43 percent. This percentage estimate is based on using the cost weighted clerk and mail handler tallies for Standard Regular parcels and IPPS. As indicated in part a. of this response, pieces with Postnet barcodes will include both parcel rated and flats automation rate pieces."

Finally, please refer to Attachment 13 of your testimony where you adjust Standard Mail Regular parcel unit costs downward by 23.4% (1-.766) using the RPW/RPW-ODIS volume ratio.

(a) How often did "Postnet barcodes show up on parcel-rated pieces"? In particular, based upon the "brief examination" described in PSA/USPS-T13-10(a), what percentage of Standard Mail parcel-rated pieces had Postnet barcodes on them? Please explain fully.

(b) Do you believe that the difference between the 43 percent specified in PSA/USPS-T13-10(f) and the 23.4 percent adjustment made to Standard Regular parcel costs on Attachment 13 is entirely because there are Postnet barcodes on some pieces that exceed 1 W' in thickness? If so, please provide all data that support this conclusion. If not, please explain all other factors that may contribute to the discrepancy.