

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MAYES TO
INTERROGATORIES OF THE UNITED PARCEL SERVICE
(UPS/USPS-T25-1-5)

The United States Postal Service hereby files the responses of Witness Mayes to the above-listed interrogatories, filed on June 13, 2006.

The interrogatories are stated verbatim and followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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June 27, 2006

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MAYES TO
INTERROGATORY OF UNITED PARCEL SERVICE

UPS/USPS-T25-1. Refer to library reference USPS-LR-L-89, page 9.

- (a) Confirm that Intra-BMC parcels are assumed to incur 1.95 legs of local transportation. If not confirmed, explain in detail.
- (b) Confirm that Inter-BMC parcels are assumed to incur 1.85 legs of local transportation. If not confirmed, explain in detail.
- (c) Confirm that “local transportation” represents transportation from the origin AO to the origin SCF and from the destination SCF to the destination DU. If not confirmed, explain in detail.

Response:

(a) Confirmed

(b) Confirmed

(c) As I described “local” costs in my testimony at page 10, lines 22 through 25:

Local: Costs associated with the transportation of parcels between facilities that are within the service area of a Processing and Distribution Center (P&DC), primarily between Associate Offices (AOs) and P&DCs. Local costs include the costs of postal-owned vehicles (cost segment 8).

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UPS/USPS-T25-2 Provide and describe in detail any studies regarding the volume of Inter-BMC and Intra-BMC parcels that are entered at the origin SCF.

Response:

Because there are no rate implications associated with entry at the origin SCF, I have not been able to locate any information responsive to this request.

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UPS/USPS-T25-3. Refer to library reference USPS-LR-L-46, page 7.

- (a) Confirm that 5.3% of Inter-BMC parcels and 3.8% of Intra-BMC parcels are “retail”. If not confirmed, explain in detail.
- (b) Define what is meant by “retail” in this context.

Response:

Please refer to the response to UPS/USPS-T21-4.

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UPS/USPS-T25-4. Refer to library reference USPS-LR-L-88, Appendix A, Table 1. Confirm that for Standard Mail, 15.15% of the volume (measured by weight) is entered at the origin SCF, 4.0% at the origin BMC, and .26% at the origin AO. If not confirmed, explain in detail.

Response:

Confirmed.

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UPS/USPS-T25-5 Explain in detail why it would not be more appropriate to assume that only 5.3% of Inter-BMC parcels and 3.8% of Intra-BMC parcels incur a local leg of transportation from the origin AO to the origin SCF.

Response:

The percents of Inter-BMC and Intra-BMC parcels that are considered to be retail (please refer to the response to UPS/USPS-T21-4) are not necessarily the percents of those Parcel Post rate categories that are entered at the origin AO. I am not aware of a source that would identify the actual percents of Inter-BMC and Intra-BMC volumes that are entered at the origin AO. The transportation model did not incorporate this assumption because, while commercial mail entered at the origin AO may avoid some mail processing costs compared to its retail counterpart, both will incur similar transportation costs. In addition, the Postal Service picks up mail at some mailers facilities, leading to postal transportation costs that will be similar to the transportation from the origin AO to the origin SCF.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Nan K. McKenzie

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