

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF
UNITED PARCEL SERVICE REDIRECTED FROM WITNESS KIEFER
(UPS/USPS-T36-1b)

The United States Postal Service hereby files its response to above-listed interrogatory part, filed on July 14, 2006 and redirected from witness Kiefer.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 28, 2006

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF
UNITED PARCEL SERVICE REDIRECTED FROM WITNESS KIEFER

UPS/USPS-T36-1.

- (a) Please confirm that, under the rates you have proposed, a Standard Mail Regular nonmachinable parcel that has been presorted to 3-digit ZIP Codes will receive a lower rate than a comparable machinable parcel sorted to BMCs.
- (b) If the rate relationship described in subpart (a) is confirmed, please indicate whether the Postal Service intends to adopt rules to prevent machinable parcels from being made nonmachinable in order to benefit from the lower rates.

RESPONSE:

- b. Certainly, the Postal Service would not want to encourage machinable pieces to be reconfigured as nonmachinable, nor does it want machinable pieces to be prepared according to nonmachinable standards just for the sake of qualifying for a lower price. While rules may be able to prevent machinable pieces from being prepared as nonmachinable parcels, they could not prevent reconfiguring machinable pieces to become nonmachinable parcels. Perhaps the most effective way to achieve the goal of encouraging machinability would be the establishment of rate relationships where the rates for 3-digit presorted nonmachinable parcels were equal to or greater than the proposed rates for BMC presorted machinable parcels.

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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