

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

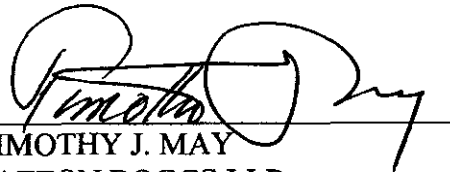
POSTAL RATE AND FEES CHANGES, 2001

Docket No. R2001-1

**FIRST INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION
TO UNITED STATES POSTAL SERVICE
WITNESS JAMES M. KIEFER (USPS-T33)**

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,



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Counsel for Parcel Shippers Association

Dated: October 25, 2001

PSA/USPS-T33-1. Please refer to USPS-LR-J-106, PPWP.xls, worksheets Proposed Priority Mail Rates and Preliminary Inter-BMC Rates.

- (a) Please confirm that, in many rate cells, proposed Priority Mail rates are less than preliminary inter-BMC Parcel Post rates. If not confirmed, please explain fully.
- (b) Please explain in detail why any proposed Priority Mail rates are less than the corresponding preliminary inter-BMC Parcel Post rate.
- (c) Are there any rate cells where the unit cost for a Priority Mail piece is less than the unit cost for an inter-BMC Parcel Post piece? If so, please explain fully why the unit cost for Priority Mail is less than the unit cost for inter-BMC Parcel Post.
- (d) How many inter-BMC Parcel Post pieces are in rate cells where the proposed Priority Mail rate is less than the preliminary inter-BMC Parcel Post rate?
- (e) Please confirm that your rate design constrains the rate for inter-BMC Parcel Post pieces to be no greater than the proposed Priority Mail rate less ten cents. If not confirmed, please explain fully.
- (f) If you eliminated the Priority Mail constraint, do you believe that some inter-BMC Parcel Post pieces would migrate to Priority mail? If so, how many inter-BMC pieces would you expect to migrate? If not, why not?

PSA/USPS-T33-2. Please refer to USPS-LR-J-106, PPWP.xls, worksheet TYAR Revenue Summary.

- (a) Please confirm that TYAR inter-BMC Parcel Post revenue is \$243 million. If not confirmed, what is it?
- (b) Please confirm that TYAR intra-BMC Parcel Post revenue is \$92 million. If not confirmed, what is it?
- (c) Please confirm that TYAR Parcel Select revenue is \$847 million. If not confirmed, what is it?
- (d) What is the total TYAR inter-BMC Parcel Post cost projected to be? Please also describe how you calculated this figure.
- (e) What is the total TYAR intra-BMC Parcel Post cost projected to be? Please also describe how you calculated this figure.
- (f) What is the total TYAR Parcel Select cost projected to be? Please also describe how you calculated this figure.

- (g) Please provide FY 2000 cost coverages individually for inter-BMC Parcel Post, intra-BMC Parcel Post, and Parcel Select and describe how you calculated each figure.

PSA/USPS-T33-3. Please refer to pages 20 - 21 of your testimony where you discuss rate change constraints.

- (a) Please confirm that the sole reason you imposed rate change constraints was to mitigate the impact of the rate increase on individual mailers. If you do not confirm, please explain fully.
- (b) Please explain in detail why you selected the rate change constraints that you did.

PSA/USPS-T33-4. Please refer to USPS-LR-J-106, PPWP.xls, worksheets Constrained Inter-BMC Rates, Constrained Intra-BMC Rates, and Constrained Parcel Select Rates.

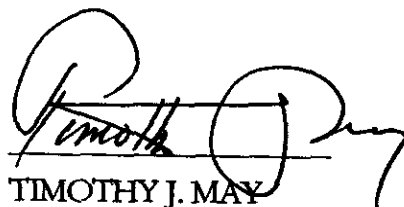
- (a) Have you calculated the effective passthrough of DBMC cost avoidances that underlies your proposed rates? If so, please provide your estimate and explain your calculations.
- (b) Have you calculated the effective passthrough of DSCF cost avoidances that underlies your proposed rates? If so, please provide your estimate and explain your calculations.
- (c) Have you calculated the effective passthrough of DDU cost avoidances that underlies your proposed rates? If so, please provide your estimate and explain your calculations.

PSA/USPS-T33-5. Please identify and describe all efforts that the Postal Service has undertaken since the beginning of IFY 2000 or is planning to undertake before the end of FY 2003 to reduce mail processing, transportation, or delivery costs for parcels (including efforts to reduce allied mail processing costs or to improve mail preparation) and provide a citation to where the cost savings from each initiative is included in the Postal Service's Docket No. R2001-1 rollforward.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served six (6) copies of the foregoing document upon the United States Postal Service by hand and by First Class Mail upon all participants in this proceeding requesting such service.

Dated: October 25, 2001


TIMOTHY J. MAY