

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Parcel Return Service

Docket No. MC2006-1

COMMISSION INFORMATION REQUEST NO. 1

(Issued December 12, 2005)

The Postal Service is requested to provide the information described below to assist in developing a record for the consideration of their request. In order to facilitate inclusion of the requested material in the evidentiary record, the Postal Service is to have a witness attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers. The answers are to be provided by December 22, 2005.

1. Please refer to USPS-T-2, attachment B, page 4. The value given for "Docket No. MC2003-2 Unit Cost Estimate" is \$0.014. However, in Docket MC2003-2, USPS-T-2, Attachment B, page 4, which is footnoted as the source for the above mentioned value, the unit cost estimate is listed as \$0.015. Please explain this difference and supply updated attachments if the unit cost should not have been listed as \$0.014.
2. Please refer to Excel file USPS-T-2_Attachments_FINAL, sheet "Convers_C6". Column [3] computes "Cubic Feet Per Container", using the measurements given in column [2]. Please confirm that cell G13 should contain the equation $=46.5/12*38.5/12*70/12$ (with 70 replacing 69), due to the measurements in column 2 being 46.5X38.5X70. If confirmed, please update the workpaper accordingly. If not confirmed, please explain the rationale for using 69.

3. Please refer to Excel workbook "USPS-T-3_Workpapers," sheet "RDU Savings Calculation." Cells H16 to H50 follow the same basic equation template: (Intra-BMC rate for that weight class) * (RDU volume associated with that weight class). Please confirm that the equation should have added the nonmachinable surcharge associated with Intra-BMC parcels that weigh 36 – 70 lbs. In other words, confirm that the equation for cells H16 to H50 should be: (Intra-BMC rate for that weight class + nonmachinable surcharge) * (RDU volume associated with that weight class). If you do not confirm, please explain why the nonmachinable surcharge is not added in, even though it is applied for all Intra-BMC mail that weighs 36 – 70 lbs. If you do confirm, please provide conforming worksheets.

4. Please refer to the response to OCA/USPS-T1-8c. The question asked which party is responsible when damage occurs to a returned parcel while in the custody of the Postal Service, to which witness Daniel responded, "The Postal Service does not assume responsibility for the loss, but can work with mailers to identify systemic loss issues."
 - (a) If the USPS is not responsible for the loss/damage, which party typically is responsible for it?
 - (b) What percentage of returned parcels was lost or damaged while in the custody of the USPS during the experiment?
 - (c) What work has been done with mailers to identify systemic loss issues?

5. Please refer to the Excel file that was provided with the answers to OCA/USPS-T2-9-10, sheet "Avg Storage Days." To calculate the storage days for each BMC, six (the number of delivery days per week) is divided by the number of participant 2's pickup days, taken from the sheet entitled, "Survey Results." Why were participant 1's data never used in the calculation of the average storage days?

6. Please refer to the cost sheets that were supplied with the supplemental responses to OCA/USPS-13 and 15, Attachment F, column [3] (piggyback factors.) The source for the piggyback factors is listed as PRC-LR-6, file "PRC MPPG TY06.XLS", worksheet A, cell M49, which is the piggyback factor for "LDC 43 – Unit Distribution – Manual." However, the USPS version of the cost sheets that was originally supplied with T-2 did not use this piggyback factor; it used the piggyback factor for "Parcels – Manual." Why was the piggyback factor used from PRC-LR-6 "LDC 43 – Unit Distribution - Manual" instead of "Parcels – Manual" in the cost sheets supplied for these supplemental responses?

7. Please refer to the cost sheets that were supplied with the supplemental response to OCA/USPS-13 and 15, attachment C, page 4. The value listed in cell C34 for the "Proportion sent from secondary to primary due to SSIU" is 3.0%. (SSIU = parcel singulators.) This percentage is calculated by taking the product of two assumptions, which are listed directly above it ("Probability that barcode on secondary will not be readable," and, "Proportion of parcel singulators (SSIU) being at secondary"). However, according to PRC-LR-9, "PPfinaladj.xls", sheet "Other Inputs", the proportion sent from the secondary to primary due to SSIU is 0.0%. Since these sheets are supposed to reflect PRC methodology, please confirm that 0.0% should have been used and revise the sheets accordingly. If

not confirmed, please explain why the value found in PRC-LR-9 should not be used.

By the Commission
(S E A L)

Steven W. Williams
Secretary