

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 2006)

Docket No. R2006-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS THOMAS M. SCHERER (OCA/USPS-T33-1-7)
(June 16, 2006)

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-T32-1-7, dated June 2, 2006, are hereby incorporated by reference.

Respectfully submitted,

Shelley S. Dreifuss
Director
Office of the Consumer Advocate

Kenneth E. Richardson
Attorney

901 New York Avenue, NW Suite 200
Washington, D.C. 20268-0001
(202) 789-6830; Fax (202) 789-6891
e-mail: richardsonke@prc.gov

OCA/USPS-T33-1. This interrogatory seeks information on the Priority Mail dim-weight pricing model. Please refer to USPS-LR-L-120, and the Word file "DWLibRefJPM.doc," which describes the Priority Mail Dim-Weight Pricing Model. Please provide copies of Exhibits I – V referenced in this Word file.

OCA/USPS-T33-2. This interrogatory seeks information on the Priority Mail dim-weight pricing model. Please refer to your testimony and the section entitled "U.S. Industry Standard," found at pages 13-15.

- a. Refer to page 14, lines 4-6. Please show the derivation of the "dim factor" of 194 cubic inches per pound. Please show all calculations and provide citations to all sources used.
- b. Refer to page 14, lines 4-6. Please confirm that the larger the "dim factor" the lower the density in terms of pounds per cubic foot. If you do not confirm, please explain.
- c. Refer to page 15, lines 4-9. Please confirm that FedEx and UPS use the "dim factor" of 194. If you do not confirm, please provide the "dim factor" used by FedEx and UPS, and explain what might have influenced the choice of a different "dim factor" by FedEx and UPS.
- d. Refer to page 15, lines 4-9. Did you give consideration to using a "dim factor" larger than that used by FedEx and UPS in order to compete more effectively in terms of price? Please explain.

OCA/USPS-T33-3. This interrogatory seeks information on the Priority Mail dim-weight pricing model. Please refer to your testimony and the section entitled "Benchmarking Foreign Posts," found at pages 15 and 16.

- a. Refer to page 16, lines 12-13. Please confirm that the Canada Post “dim factor” of 166 cubic inches per pound is the same factor propounded by the International Air Transport Association for international package shipments. If you do not confirm, please explain.
- b. Refer to page 16, lines 12-13. Please confirm that the Canada Post “dim factor” of 166 is used for both domestic and international package shipments. If you do not confirm, please explain.
- c. Refer to page 16, line 1. Please confirm that the Australia Post “dim factor” of 111 cubic inches per pound is also propounded by the International Air Transport Association.
- d. Refer to page 16, line 1. Please confirm that the Australia Post “dim factor” of 111 is used for both domestic and international package shipments. If you do not confirm, please explain.
- e. According to your testimony at page 15, lines 12-15, Australia Post and Canada Post “deliver mail across wide geographical expanses and therefore have similar transportation economics (e.g., the use of both surface and air transportation) to the U.S. Postal Service.” (footnote omitted). Given the acknowledged similarities between all three postal administrations, what factors, economic or otherwise, influence the use (or the proposed use) of differing “dim factors” by each?

Please explain.

OCA/USPS-T33-4. This interrogatory seeks information on the Priority Mail dim-weight pricing model. Please refer to your testimony at page 27, lines 13-14. Please provide the source for the 25 percent figure.

OCA/USPS-T33-5. This interrogatory seeks information on the Priority Mail dim-weight pricing model. Please refer to your testimony at page 28, line 6. Please provide the table reference and line number for the \$16.9 million in lost revenue.

OCA/USPS-T33-6. This interrogatory seeks information on the development of Priority Mail rates. Please refer to your testimony, Attachment A, Table 2 of 12, and the column "Zone 3 Share of Zones L, 1, 2 & 3." Please confirm that the "Special Weight Report from ODIS-RPW" cited as the source of the percentages in the referenced column has been provided as a library reference in this proceeding. If you do not confirm, please provide the cited "Special Weight Report from ODIS-RPW" in hardcopy and electronic form. If you do confirm, please provide the Library Reference number.

OCA/USPS-T33-7. This interrogatory seeks information on the development of Priority Mail rates. Please refer to your testimony, Attachment A, Table 9 of 12, and the statement "**Excludes 202,193 boxes for which the zone is unknown."

- a. Please confirm that the flat-rate boxes for which the zone is unknown equals 1.5 (202,193 / 13,517,489) percent of total flat-rate box volume. If you do not confirm, please explain.
- b. Please explain the factors that caused the existence of the unknown zone for these flat-rate boxes, and whether these boxes were delivered.