

**BEFORE THE
POSTAL RATE COMMISSION**

POSTAL RATE AND FEE CHANGES, 2006

DOCKET NO. R2006-1

**INTERROGATORIES OF UNITED PARCEL SERVICE TO
UNITED STATES POSTAL SERVICE WITNESS MILLER
(UPS/USPS-T21-9 through 13)
(July 7, 2006)**

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby files the following interrogatories directed to United States Postal Service witness Miller: UPS/USPS-T21-9 through 13.

Respectfully submitted,

John E. McKeever
Phillip E. Wilson, Jr.
Laura A. Biancke
Attorneys for United Parcel Service

DLA Piper Rudnick Gray Cary US LLP
One Liberty Place
1650 Market Street, Suite 4900
Philadelphia, PA 19103-7300
(215) 656-3310
(215) 656-3301 (FAX)
and
1200 Nineteenth Street, NW, 7th Floor
Washington, DC 20036-2412
(202) 861-3900

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UPS/USPS-T21-9. Refer to the Attachment to the response to UPS/USPS-T21-4 listing RPW volume data for inter-BMC and intra-BMC parcels in FY2005.

(a) Confirm that the number of non-machinable intra-BMC pieces in FY2005 was 6,146,976 (mail categories 4190, 510BEBAAM, and 510BFBAAM), representing 18% of the intra-BMC volume in FY2005 of 34,107,784. If not confirmed, explain in detail.

(b) Confirm that the number of non-machinable inter-BMC pieces in FY2005 was 10,175,287 (mail categories 4135, 4150, 4180, 510FEBAAM, 510FFBAAM, 510HEBAAM, 510HFBAAM, 510DEBAAM, and 510DFBAAM), representing 13% of the inter-BMC volume in FY2005 of 77,073,589. If not confirmed, explain in detail.

(c) Refer to library reference UPS-LR-L-82, WP-PP-4 and WP-PP-5, listing the FY2005 billing determinants for intra-BMC and inter-BMC Parcel Post. Confirm that 18.9% of intra-BMC pieces and 13.2% of inter-BMC pieces are listed as non-machinable. If not confirmed, explain in detail.

(d) Refer to library reference USPS-LR-L-46, page 7. Confirm that 94.7% of intra-BMC pieces and 94.7% of inter-BMC parcels are listed as machinable in FY2005 and the source is USPS-LR-L-47.

- i. If confirmed, explain the reason for the mismatch between the intra-BMC and inter-BMC machinable/non-machinable shares from the billing determinants and calculated from the RPW data discussed in parts (a)-(c) of this interrogatory above, in comparison to the estimates contained on page 7 of USPS-LR-L-46.

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- ii. If not confirmed, explain in detail.

UPS/USPS-T21-10. Refer to library reference USPS-LR-L-46, page 8.

- (a) Explain in detail the reasons for:

- i. The 27% increase in cubic feet per piece for machinable Parcel Post pieces from FY2004 (0.425 cubic feet/piece) to FY2005 (0.541 cubic feet/piece).
- ii. The 35% decrease in cubic feet per piece for non-machinable Parcel Post pieces from FY2004 (2.777 cubic feet per piece) to FY2005 (1.819 cubic feet per piece).

(b) Confirm that the source of the cubic feet per piece data for Parcel Post is library reference USPS-LR-L-47.

- i. If confirmed, could the changes from FY2004 to FY2005 be the result of a miscalculation in the volume split between machinable and non-machinable parcels in USPS-LR-L-47? Explain your answer in detail.
- ii. If not confirmed, explain in detail.

(c) Provide a hard-copy print-out (.pdf) of the output files in USPS-LR-L-47, and identify the specific pages/lines/columns that serve as the source of the volume and cubic foot data used in USPS-LR-L-46.

UPS/USPS-T21-11. Refer to your response to UPS/USPS-T21-1(b)(viii).

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(a) Confirm that non-BMC non-MODS facilities do not include SCFs. If not confirmed, explain in detail.

(b) Confirm that the costs for manual sortation of parcels at non-BMC non-MODS facilities would be comprised of sortation of parcels at the Destination Delivery Unit to carrier route. If not confirmed, explain in detail.

UPS/USPS-T21-12. Refer to your response to UPS/USPS-T21-7 and Docket No. R2005-1, USPS-LR-K-46, page 27.

(a) Confirm that the Postal Service's calculated DBMC window service cost savings were 20.0 cents per piece in Docket No. R2005-1 based on FY2004 data. If not confirmed, explain in detail.

(b) Confirm that the 30.1 cents per piece in DBMC window service cost savings in this docket is based on FY2005 data.

(c) Explain the reasons for the more than 50% increase in the window service cost savings from FY2004 to FY2005.

(d) Explain the reasons for the increase in Parcel Post Window Service Cost Segment 3.2 costs from \$15.7 million in FY2004 to \$27.2 million in FY2005.

UPS/USPS-T21-13. Refer to your response to UPS/USPS-T21-2(e), UPS/USPS-T21-5(d) and UPS/USPS-T21-7(b). What special studies do you believe would be most desirable to undertake to improve/refine the Parcel Post mail processing cost estimates in USPS-LR-L-46?