

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 WITNESS PAGE
TO INTERROGATORIES OF UNITED PARCEL SERVICE
(UPS/USPS-T23-5(a, b, c(i-ii, iv)), and 6)
(August 10, 2006)

The United States Postal Service hereby provides the responses of witness Page to the above listed interrogatories of United Parcel Service, filed on July 27, 2006. Interrogatory T23-5(c)(iii) has been redirected to the Postal Service.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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TO INTERROGATORY OF UNITED PARCEL SERVICE

UPS/USPS-T23-5. Refer to your response to UPS/USPS-T23-3.

(a) Confirm that per DMM § 507.11.1.4 RDU Parcel Return Service pieces can be deposited: a) at any post office, station or branch; b) in any collection box (except an Express Mail box); c) with any letter carrier; d) as part of a collection run for other mail; or e) at any place designated by the postmaster for the receipt of mail. If not fully confirmed, explain in detail.

(b) Confirm that RDU Parcel Return Service pieces will incur carrier costs if deposited in a collection box or with a letter carrier. If not fully confirmed, explain in detail.

(c) Refer to Docket No. MC2006-1 USPS-T-2, page 2 and Appendix B, page 3.

i. Confirm that PRS pieces were estimated to incur acceptance costs of \$0.237 per piece in TY06 in Docket No. MC2006-1. If not fully confirmed, explain in detail.

ii. Confirm that your final adjustment for the additional RDU pieces provided in UPS/USPS-T23-2(f) did not include any acceptance costs. If not fully confirmed, explain in detail.

iii. Provide a version of Attachment B, page 3 updated to the Test Year in this docket, including updating the wage rate, variability and piggyback factor.

iv. Provide an updated calculation of the PRS Final Adjustment Inputs presented in UPS/USPS-T23-2(f) that includes the PRS acceptance cost in part iii, above.

RESPONSE:

(a) Confirmed

(b) It can be confirmed that a PRS mail piece which is left with a carrier or deposited in a collection box would incur carrier costs.

(c) i. Confirmed.

ii. Confirmed.

iii. Redirected to the Postal Service.

iv. There is no update of PRS Final Adjustments because we have no way to weight the acceptance costs. See USPS-T-21, page 4.

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UPS/USPS-T23-6. Refer to the responses to UPS/USPS-T32-4 (redirected to Berkeley), PSA/USPS-T37-7(d) (redirected from Kiefer), and UPS/USPS-T37-11. Provide your recommended Parcel Post Delivery Confirmation Adjustment for the TYBR and TYAR.

RESPONSE:

I would still recommend today what I did for the adjustment that was needed. I used witness Thress' volume for Delivery Confirmation service (811.319 million). This number was distributed across the products using Delivery Confirmation in the billing determinants process, as explained in witness Berkeley's (USPS-T-39) response to UPS/USPS-T23-4. The Delivery Confirmation volume related to Parcel Select was 267.830 million. This number was multiplied by \$0.1467 (from USPS-LR-59, Attachment 4E, Page 12), resulting in \$39.302 million.