

**BEFORE THE
POSTAL RATE COMMISSION**

POSTAL RATE AND FEE CHANGES, 2006

DOCKET NO. R2006-1

**NOTICE BY UNITED PARCEL SERVICE OF FILING
A REVISED VERSION OF WORKPAPER UPS-T1-NEELS-WP-1
(September 20, 2006)**

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby gives notice of the filing today of a revised version of workpaper UPS-T1-NEELS-WP-1, "Workpaper in support of Dr. Neels' testimony (UPS-T-1), consisting of one (1) CD-Rom of the source data and programs for his data analysis on IOCS and mail processing variability." A revised index and description of the files, source data, and analysis is included on the CD, and is also being filed in hard copy.

The following revisions have been made:

- The cover page of the index and description of files has been revised on the CD-Rom to reflect the correct name of the workpaper, UPS-T1-NEELS-WP-1.
- A sentence was added to section 1 of the index to advise that the programs are listed in the order in which they should be run.
- A sentence was added to section 2.1.2 of the index to reflect that the dataset was included in USPS-LR-L-56.
- In section 2.4.4 of the index, dataset MANUAL14.dta was added to the list. The dataset was included on the original CD-Rom, but was not listed in the index.
- Section 3.4.1 was modified to clarify the explanation of the tests performed, and footnote 2 was added to describe the term "Chow Test."

- The intermediate data sets used in the Analysis of USPS Models, MODS Data Errors, Merged Datasets, and Plant Level Models analyses have been added.
- The code in the Logit Model has been edited to run without errors; the results remain unchanged.
- The Flag Errors.do file has been edited to include the variable “qtr” in datasets: plant_and_shape_level_data_w_error_flags_V1.dta and plant_and_shape_level_data_w_error_flags_V2.dta.
- The Modeling of Mail Processing Costs file has been modified to include LDC 15 costs as being “econometrically modeled.” Previously, LDC 15 costs were excluded from that category. This change does not have any substantive effect on Dr. Neels’ testimony.
- Lines 9, 11 and 12 were removed from the manual operations tabs in Cum. Data Error Counts.xls and Data Error Counts.xls found at MODS Data\Data Errors\output. This change does not have any substantive effect on Dr. Neels’ testimony.
- Two lines were added to the table on page 5 to show that operations 93 (AFSM Incoming) and 94 (AFSM Outgoing) are combined to form cost pool 39 (AFSM 100). This addition does not have any effect on Dr. Neels’ testimony.
- A number of minor typographical errors that do not in any way affect the substance of the workpaper or Dr. Neels’ testimony have been corrected.

UPS apologizes for any inconvenience that the filing of these revisions may cause.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have on September 19th sent two (2) copies of workpaper UPS-T1-NEELS-WP-1, by Express Mail, to counsel for the United States Postal Service in accordance with Section 92(l) of the Commission's Rules of Practice.

Laura A. Biancke
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Dated: September 20, 2006
Philadelphia, Pa.