

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE
TO UNITED PARCEL SERVICE WITNESS LUCIANI (USPS/UPS-T2-14-16)
(October 11, 2006)

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure, the United States Postal Service hereby directs the following follow-up interrogatories to United Parcel Service witness Luciani: USPS/UPS-T2-14-16.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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USPS/UPS-T2-14 In your response to USPS/UPS-T2-4 you state that the age of a given study raises "concerns that should be evaluated and addressed about the study's continued applicability." Please assume a hypothetical study that studies certain operations. Do you agree that the less those operational conditions have changed since the study, the greater is the study's "continued applicability," and the less need there is for updates to that study? If you do not agree, please explain.

USPS/UPS-T2-15 In your response to USPS/UPS-T2-7(b) you state that "it is likely there have been changes since 1982 in a number of factors that have changed the productivity of this operation from that of 24 years ago." You then proceed to list various factors that may have affected the productivity value.

(a) You specifically indicate that the average density and size of the parcels might affect the productivity value. Please indicate how the size and density of parcels have changed over time and explain how that change might have affected the productivity value.

(b) You specifically indicate that the extent to which 9-digit ZIP codes are used might affect the productivity value.

(i) Please confirm that the DDU operation is used to sort 5-digit groupings of parcels to the carrier route level. If not confirmed, please explain.

(ii) Please confirm that the delivery unit clerks who sort the parcels are "scheme-trained" such that they can look at the address on a mail piece for a given 5-digit ZIP Code and subsequently sort that mail piece to the appropriate carrier route and that no 9-digit ZIP Code is required to perform that task. If you do not confirm, please explain.

(iii) Please explain how 9-digit ZIP Codes could affect the productivity value for parcel sorting operations performed at delivery units.

(c) You specifically indicate that the types of containers that parcels are in prior to carrier-route sortation might affect the productivity value. Please describe the types of containers that are used now and indicate whether they were also used in 1982. For each container type change, please indicate how it might have impacted the productivity value.

(d) You specifically indicate that the number of carrier route hampers might affect the productivity value.

(i) Please describe how the productivity value would be affected if the number of carrier route hampers is greater now than it was in 1982.

(ii) Please describe how the productivity value would be affected if the number of carrier route hampers is less now than it was in 1982.

(iii) Please confirm that technology changes, such as delivery point sequencing, have resulted in a reduction in the number of carriers in some delivery units. If you do not confirm, please explain.

USPS/UPS-T2-16 Please refer to your response to USPS/UPS-T2-11.

(a) Please explain your statement that "a cost model could be more complex than the actual operation" and indicate which operation included in the USPS-LR-L-46 cost model might be more complex than the actual operation.

(b) Your response appears to indicate that there is not always an exact 1 to 1 correlation between the operations included in the cost model and the operations represented by the cost pools. Is this correct? If it is not correct, please describe your position.

(c) If part (b) does accurately describe your position to some extent, please indicate why the specific value of a CRA proportional adjustment factor should be used as a means to gauge the accuracy of a given cost model.