

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

INTERROGATORY OF THE UNITED STATES POSTAL SERVICE
TO UNITED PARCEL SERVICE WITNESS LUCIANI (USPS/UPS-T2-17)
(October 13, 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 interrogatory to United Parcel Service witness Luciani: USPS/UPS-T2-17.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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USPS/UPS-T2-17 Please refer to your response to PSA/UPS-T2-1(d), where you state that you can not conclude that DDU-entered mail would avoid incurring costs at MODS facilities. Specifically, you mention miscellaneous and support operations, such as verification activities, computerized forwarding, and the staging of empty equipment.

(a) Please refer to USPS-LR-L-46, page 3, and indicate which of the following fixed MODS cost pools on that page represent costs that would be incurred by DDU Parcel Post, and which represent costs that would not be incurred by DDU Parcel Post: 1-6, 8-9, 11-13, 15-23, 26, 28-40, and 42-49. For each cost pool that represents costs that you specify would be incurred by DDU Parcel Post, please explain in detail why DDU Parcel Post would incur those costs.

(b) Please provide the sum (in cents) of those cost pools in part (a) for which you indicate that DDU Parcel Post would not incur any costs.

(c) Please confirm that the summed value provided in response to part (b) was included in the rate category cost estimates for both DDU Parcel Post and the corresponding DBMC benchmarks. If you do not confirm, please explain.

(d) Please confirm that the savings estimates for DDU would have increased had the value you provided in response to part (b) been eliminated from the DDU rate category cost estimate in that analysis. If you do not confirm, please explain.