

**BEFOR THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0111**

POSTAL RATE AND FEES CHANGES, 2006

Docket No. R2006-1

**FIRST INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION
TO
UNITED STATES POSTAL SERVICE
WITNESS MARC A. SMITH (PSA/USPS-T13-1-5)**

The Parcel Shippers Association (PSA) requests United States Postal Service to respond fully and completely to the following interrogatories and requests for production of documents pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure.

Respectfully submitted,

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Dated: May 12, 2006

PSA/USPS-T13-1. Please refer to Attachment 14 of your testimony, which contains Test Year mail processing unit costs by shape and Table 1 below.

Table 1. Test Year Mail Processing Unit Costs for Parcels

Mail Category	Unit Costs (in Cents)
First-Class Single Piece Letters	102.49
First-Class Presort Letters	303.81
Periodicals Within-County	304.70
Periodicals Outside County	2,610.44
Standard Mail Enhanced Carrier Route	2,450.04
Standard Mail Regular	59.60
Parcel Post	125.92
Bound Printed Matter	62.28
Media Mail	111.67

- (a) Please confirm that Table 1 accurately reports the unit mail processing costs for parcels from Attachment 14 of your testimony. If not confirmed, please provide the correct figure.
- (b) Please provide the coefficient of variation for every figure in Table 1.
- (c) Do you believe that the unit mail processing cost of parcels in the First-Class Presort Letters category is actually larger than the unit cost of parcels in the First-Class Single Piece Letters category? If so, please explain fully. If not, please explain why your method generated this result.
- (d) Do you believe that the unit mail processing cost for Standard Mail Enhanced Carrier Route parcels is actually more than \$24 per piece? If so, please explain fully. If not, please explain why your method generated this result.
- (e) Do you believe that the unit mail processing cost for Periodicals Outside County parcels is actually more than \$26 per piece? If so, please explain fully. If not, please explain why your method generated this result.

PSA/USPS-T13-2. Please refer to Attachment 13 of your testimony, which shows the Standard Regular Flats-Parcel cost adjustment. Did the Postal Service consider any methods other than that shown in Attachment 13 for performing the Standard Regular Flat-Parcel Cost Adjustment? If so, please describe the other methods considered and provide the results of the other methods.

PSA/USPS-T13-3. Please refer to Attachment 14 of your testimony and lines 1-3 on page 35 of your testimony where you state, “An estimate of the inconsistency can be obtained by comparing RPW by Shape Report data (from USPS-LR-L-87) and ODIS-RPW sample based Standard Regular volumes by shape.” Please provide a comparison of RPW by Shape Report data and ODIS-RPW sample based volumes by shape for each subclass shown in Attachment 14.

PSA/USPS-T13-4. Please refer to lines 3-5 on page 35 of your testimony where you state, “ODIS-RPW volume reporting by shape is consistent with the reporting of cost by shape since both ODIS-RPW and cost systems are sample based and use the same methods to determine piece shape.”

- (a) Do ODIS-RPW and cost systems also use the exact same methods to determine mail subclass? If your response is no, please explain fully.
- (b) Please provide the definition of a flat used in ODIS-RPW.
- (c) Please provide the definition of an IPP used in ODIS-RPW.
- (d) Please provide the definition of a parcel used in ODIS-RPW.
- (e) Please provide the definition of a flat used in cost systems.
- (f) Please provide the definition of an IPP used in cost systems.
- (g) Please provide the definition of a parcel used in cost systems.
- (h) According to ODIS-RPW, what shape is a 5" x 5³/₄" x 1/2" cardboard box containing a CD or DVD in a rigid “jewel case”?
- (i) According to cost systems, what shape is the piece described in subpart (h) of this interrogatory?

PSA/USPS-T13-5. Please refer to lines 7-22 on page 34 of your testimony, which discusses the inconsistency between the cost and volume data that necessitates the Standard Regular flat-parcel adjustment.

- (a) Is the classification of cost and volume of pieces that are between $\frac{3}{4}$ " and $1\frac{1}{4}$ " thick and prepared as flats the only inconsistency between the cost and volume data? If not, please list all other pieces for which the cost and volume data have classification inconsistencies.
- (b) Are there any inconsistencies in how ODIS-RPW and cost systems classify the types of pieces listed in your response to subpart (a) of this interrogatory? If so, please explain fully.