

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 MICHAEL W. MILLER TO INTERROGATORY OF
UNITED PARCEL SERVICE (UPS/USPS-T21-20)
(August 2, 2006)

The United States Postal Service hereby provides the response of Postal Service witness Miller (USPS-T-21) to interrogatory UPS/USPS-T21-20, filed on July 26, 2006.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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UPS/USPS-T21-20. Refer to your response to UPS/USPS-T21-10, the section listed "DBMC Volume Percent Estimates (USPS-LR-L-46, page 7)," and Tables 7 and 8 in attachment f.pdf in USPS-LR-L-47. If any part below is not fully confirmed, explain in detail.

(a) Confirm that the FY2005 DBMC volumes listed (265,797,297 machinable pieces, 4,080,185 non-machinable pieces, and 51,785 oversize pieces) are the total for Parcel Select (DDU parcels, DSCF parcels and DBMC parcels).

(b) Confirm that there is not a non-machinable rate surcharge for DDU parcels.

(c) Confirm that the total of 4,080,185 non-machinable Parcel Select parcels includes only 439 non-machinable (non-oversize) DU parcels in the calculation.

(d) Confirm that in Tables 7 and 8:

i. There are only 439 non-machinable (non-oversize) DDU parcels listed out of a total volume of DDU parcels of 202,924,596 million, or a non-machinable share of 0.000216%; and

ii. There are no DDU parcel volumes listed for weight increments above 35 pounds.

iii. If confirmed in whole or in part, provide (1) a corrected version of Tables 7 and 8 with corrected DDU volumes; (2) a calculation of the FY 2005 share of machinable, non-machinable and oversize DDU parcels and Parcel Select parcels; and (3) a corrected version of Tables 20 through 24 showing the cubic feet data for non-machinable DDU parcels.

(e) Confirm that using the volumes listed in Tables 7 and 8:

i. The machinable share of DSCF parcels is 96.10 (1,934,807/2,013,251);

ii. The non-machinable (non-oversize) share of DSCF parcels is 3.87% (77,984/2,013,251);

iii. The oversize share of DSCF parcels is 0.023% (460/2,013,251);

iv. The machinable share of DBMC parcels is 93.77% (60,942,727/64,991,420);

v. The non-machinable (non-oversize) share of DBMC parcels is 6.16% (4,001,762/64,991,420);

vi. The oversize share of DBMC parcels is 0.072% (46,931/64,991,420);

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- vii. The combined machinable share of DBMC and DSCF parcels is 93.84% (62,877,534/67,004,671);
- viii. The combined non-machinable (non-oversize) share of DBMC and DSCF parcels is 6.09% (4,079,746/67,004,671); and
- ix. The combined oversize share of DBMC and DSCF parcels is 0.071% (47,391/67,004,671).
- (f) Confirm that the individual DBMC and DSCF machinable, non machinable and oversize shares listed in part (e) above should be used on page 7 of USPS-LR-L-46 for DBMC and DSCF parcels.
- (g) Confirm that for machinable, non-machinable and oversize shares DDU parcels on page 7 of USPS-LR-L-47 it would be best to use the combined DBMC and DSCF shares in the absence of further information regarding DDU parcels.

RESPONSE:

- (a) Confirmed.
- (b) Confirmed.
- (c) Confirmed.
- (d) i. Confirmed.
- ii. Confirmed.
- iii. No corrections can be made since the specified Tables accurately reflect the figures derived using the methodology employed by USPS-LR-L-47. ODIS-RPW provides two volume by weight per piece distributions for combined permit imprint DDU, DSCF, and Zone 1&2 Parcel Select. (ORPW cannot separate these three categories because of a lack of distinct markings.) One distribution for this aggregation of DDU, DSCF,

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and Zone 1&2 mail is for machinable volume, and the other is for nonmachinable volume, as determined by the physical characteristics (dimension and weight) reported in ODIS-RPW. These weight per piece distributions are applied, respectively, to permit imprint volume "control totals" from PostalOne for DSCF mach., DSCF nonmach., Zone 1&2 mach., and Zone 1&2 nonmach.. PostalOne does not, however, provide a total permit imprint volume of DDU mach. and DDU nonmach., respectively. It only provides volume for all DDU. Because of this, the USPS-LR-47 methodology assumes that all the PostalOne DDU volume is machinable, and only applies the weight per piece distribution for machinable volumes to the DDU volume total. Therefore no permit imprint DDU nonmachinable volume appears in Table 7 of LR-47. The Postal Service will likely review this methodology in the future.

- (e) i. Confirmed.
- ii. Confirmed.
- iii. Confirmed.
- iv. Confirmed.
- v. Confirmed.
- vi. Confirmed.
- vii. Confirmed.
- viii. Confirmed.
- ix. Confirmed.

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(f) Confirmed that using the suggested figures would be preferable to using the figures currently on USPS-LR-L-46, page 7. Errata to USPS-LR-L-46 will be filed.

(g) Confirmed that using the suggested figures would be preferable to using the figures currently on USPS-LR-L-46, page 7. Errata to USPS-LR-L-46 will be filed.