

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 PAGE
TO INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION,
REDIRECTED FROM WITNESS KIEFER (USPS-T-37)
(PSA/USPS-T37-7(A,B,D), 9(A))
(June 23, 2006)

The United States Postal Service hereby provides the responses of witness Page (USPS-T-23) to the above listed interrogatories of the Parcel Shippers Association, filed on June 9, 2006, and redirected from witness Kiefer (USPS-T-37).

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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RESPONSE OF POSTAL SERVICE WITNESS PAGE
TO INTERROGATORY OF THE PARCEL SHIPPERS ASSOCIATION,
REDIRECTED FROM WITNESS KIEFER

PSA/USPS-T37-7. Please refer to USPS-LR-L-59, Attachment 14A, "Shift Other Special Services Cost to Respective Subclass" and USPS-T-37, WP-PP-1.

(a) Please confirm that the Parcel Post Delivery Confirmation Final Adjustment increases TYAR Parcel Post costs by \$39.3 million. If not confirmed, please explain fully.

(b) Please confirm that the \$39.3 million was calculated by multiplying 267.83 million TYAR pieces by a unit cost of \$.1467 per piece. If not confirmed, please explain fully.

(c) In the test year, for how many TYAR Parcel Select pieces do you expect no-fee delivery confirmation to be used? Please explain your calculation.

(d) Taking into account your response to subpart (c) of this interrogatory, please provide your best estimate of how much the Parcel Post Delivery Confirmation Final Adjustment should increase TYAR Parcel Post costs. Please provide your underlying calculations.

RESPONSE:

(a) Confirmed.

(b) Confirmed.

(c) Retained by witness Kiefer.

(d) Using witness Kiefer's response to part (c), I estimate $195,291,269 \times .1467 =$
\$28,649,229.

RESPONSE OF POSTAL SERVICE WITNESS PAGE
TO INTERROGATORY OF THE PARCEL SHIPPERS ASSOCIATION,
REDIRECTED FROM WITNESS KIEFER

PSA/USPS-T37-9. Please refer to USPS-LR-L-59, 'Summary of Final Adjustments by Cost Segment (\$000s).'

(a) Please confirm that witness Page estimates that a change in the Parcel Post mail mix between the Base Year and TYAR will increase Parcel Post costs by \$32 million. If not confirmed, please provide the correct figure.

RESPONSE:

(a) Confirmed