

**BEFORE 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 MICHAEL W. MILLER (PSA/USPS-T20-1)**

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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PSA/USPS- T20-1. Please refer to your response to PSAIUSPS- T32-16 where you state, “I therefore view the mail processing unit cost estimates for parcels to be conservative, as it is my understanding that First-Class Mail presort parcels are more likely to be processed manually than are flats bundles. I also rely on flats CRA adjustment factors as proxies in my analysis. I do not attempt to compare the First-Class Mail presort parcels model cost estimates to the First-Class Mail presort parcels mail processing unit cost estimate by shape developed by witness Smith (USPS-T-13) because we do not have detailed mail characteristics data, including volumes by presort level, for First-Class Mail presort parcels. The usage of flats CRA adjustment factor proxies is also likely to result in conservative estimates.” Do you also believe that the estimates of the mail processing unit cost differences by presort level for parcels are also conservative? If not, please explain fully.³