

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

**RESPONSES OF POSTAL SERVICE WITNESS KIEFER
TO INTERROGATORIES OF UNITED PARCEL SERVICE
(UPS/USPS-T37-12 - 15)**

The United States Postal Service hereby provides the responses of witness Kiefer to the following interrogatories of United Parcel Service, filed on July 12, 2006: UPS/USPS-T37-12 - 15.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 26, 2006

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIEFER
TO INTERROGATORIES OF UNITED PARCEL SERVICE

UPS/USPS-T37-12. Refer to your response to UPS/USPS-T37-2.

- (a) What was the OMAS volume in FY2005?
- (b) What was the OMAS Parcel Post volume in FY2005?

RESPONSE

(a)-(b) I am informed that this information is no longer compiled.

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UPS/USPS-T37-13. Refer to your response to UPS/USPS-T37-7(d), which references your response to UPS/USPS-T33-17 subparts (d) and (h) in Docket No. R2001-1. Your response to UPS/USPS-T33-17(d) in Docket No. R2001-1 was:

“This statement cannot be confirmed in the absolute. The Commission has accepted a range of practices for handling worksharing transportation costs, including applying a markup to separately derived transportation costs for destination-entry rate categories.”

Your response to UPS/USPS-T33-17(h) in Docket No. R2001-1 was:

“The Commission has recently shown its willingness to accept the transportation cost markup approach for independently derived destination-entry transport costs, in addition to the discount approach. My use of the transportation cost markup approach in this docket follows the procedure adopted by the Commission in its own Parcel Post workpapers in Docket No. R2000-1.”

Do you continue to be unaware of any other instances (per your response to UPS/USPS-T33-28 in Docket No. R2001-1) in which the Commission has applied the same markup to separately derived transportation costs for non-destination entry categories and destination-entry rate categories other than “the procedure adopted by the Commission in its own Parcel Post workpapers in Docket No. R2000-1”?

RESPONSE

I am unaware of any other instances save the Docket No. R2000-1 rate case, which was the last omnibus case in which the Commission produced a set of Parcel Post workpapers in support of its recommended rates.

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UPS/USPS-T37-14. Refer to USPS-LR-L-82, page WP-PP-18 and WP-PP-21. Confirm that the excess weight-related costs of balloon mail are recovered in the preliminary pound charges assigned to 1 through 70 pound pieces. If not fully confirmed, explain in detail.

RESPONSE

Confirmed. The excess costs in question are the transportation and non-transportation weight-related costs in excess of the costs for a 15-pound parcel.

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UPS/USPS-T37-15. Refer to USPS-LR-L-82, WP-PP-19. Confirm that the pickup revenue in line [t] is the revenue received for the pickup by the Postal Service of intra-BMC and inter-BMC parcels. If not fully confirmed, explain in detail.

RESPONSE

I can confirm that this item is the revenue received for the use of the Postal Service's Pickup On-Demand[®] service which, in Parcel Post, is available only to Intra-BMC and Inter-BMC parcels.