

UNITED STATES OF AMERICA  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes

Docket No. R2006-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 15

(Issued September 12, 2006)

The United States Postal Service is requested to provide the information described below to assist in developing a record for the consideration of the Postal Service's request for a recommended decision on proposed rates, fees and classifications. To facilitate inclusion of the required material in the evidentiary record, the Postal Service is to have a witness attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers. The answers are to be provided by September 26, 2006.

1. The Postal Service recently entered into a three-year contract with United Parcel Service (UPS) to transport primarily First-Class and Priority Mail.<sup>1</sup>
  - a. Please describe the parties' duties under this contract, including, among other things, the time of day and the days service is provided by UPS.
  - b. When did the contract become effective and when does it expire?
  - c. By mode of transportation and, if applicable, by subclass, on what basis is the Postal Service charged by UPS, e.g., cubic feet, weight, and/or distance?
  - d. Will mail other than First-Class and Priority be transported by UPS? If so, please elaborate.

---

<sup>1</sup> USPS Press Release, June 28, 2006, *Postal Service and United Parcel Service Expand Business Relationship*.

- e. How are the costs incurred under the contract allocated (distributed) to the various subclasses of mail transported by UPS?
- f. Does this contract have a declining block structure? If so, please elaborate.
- g. Is there a minimum or maximum volume commitment by either party to the contract? If so, please elaborate.
- h. Please quantify the test year cost effects (by subclass) of the contract.
- i. Please identify all differences, if any, between mail transported by FedEx and UPS, including, for example, origin/destination pairs, distance transported, weight, shape.
- j. Does the Postal Service have the option of scheduling mail on either the FedEx or UPS network? If not, please elaborate. If so, on what basis does the Postal Service decide to schedule mail on a particular network?

George Omas  
Presiding Officer