

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

INTERROGATORIES FROM THE UNITED STATES POSTAL SERVICE TO
ASSOCIATION FOR POSTAL COMMERCE WITNESS GLICK (T-1)
(USPS/Postcom-T1-2-3)

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure, the United States Postal Service directs the following interrogatories to Association for Postal Commerce witness Glick: USPS/Postcom-T1-2-3.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Kenneth N. Hollies
Nan K. McKenzie

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3083, FAX -3084
khollies@usps.gov
September 27, 2006

INTERROGATORIES OF UNITED STATES POSTAL SERVICE TO
ASSOCIATION FOR POSTAL COMMERCE WITNESS GLICK

USPS/POSTCOM-T1-2. Please refer to your testimony at page 3, line 3 and footnote 3, where you state that “larger dropship discounts will encourage palletization” and refer the reader to USPS-LR-L-88 which notes that a larger proportion of destination-entered pounds are entered on pallets than are origin-entered pounds.

- a. Please explain the causal link between larger dropship discounts and increased palletization.
- b. Please compare the relative impacts of the size of a mailing and the size of a dropship discount on adoption of palletization.

USPS/POSTCOM-T1-3. Please refer to footnote 2 on page 3 of your testimony where you note that “requiring mailers to enter Standard Mail at a larger number of facilities to qualify for DBMC rates would be expected to at least reduce USPS transportation costs.”

- a. Please confirm that it is your understanding that the END initiative is expected to increase the number of DBMC-equivalent facilities to which mailers would dropship in order to qualify for DBMC discounts. If not confirmed, please explain.
- b. Please confirm that it is your testimony that requiring mailers to enter Standard Mail at a larger number of facilities in order to qualify for DBMC discounts would be expected to reduce postal transportation costs. If not confirmed, please explain.
- c. Please confirm that it is your understanding that the END initiative is expected to decrease the number of DSCF-equivalent facilities to which mailers would be expected to dropship in order to qualify for DSCF discounts. If not confirmed, please explain.
- d. If your response to part (c) is affirmative, please confirm that, by the logic expressed in your footnote 2, the impact of the smaller number of DSCFs to which mailers could qualify for DSCF rates would be expected to increase USPS transportation costs. If you do not confirm, please explain.
- e. If your response to part (d) is affirmative, please express your thoughts regarding the propriety of a decrease in the DSCF dropship incentives.