

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-T1-4-6)

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-T1-4-6.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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

USPS/Postcom-T1-4. Please refer to Postcom-LR-1, worksheet “Proposed Rates” which is based on a similar worksheet in USPS-LR-L-36 sponsored by witness Kiefer.

- (a) Please identify all differences between the input assumptions in your worksheet and the corresponding worksheet in USPS-LR-L-36. For the purposes of this question, the input assumptions include the figures in the box entitled “Commercial Rate Inputs”, the figures in column F headed “Differential”, and the figures in cells R18 to U20 that pertain to destination entry discounts.
- (b) Please identify all rate elements on the worksheet that differ between your worksheet and the corresponding worksheet in USPS-LR-L-36.

USPS/Postcom-T1-5. Please refer Postcom-LR-1, worksheet “Proposed Rates”.

- (a) Please confirm that the destination entry cost savings that you use are estimated on a per-pound basis and are therefore assumed to vary with the weight of the piece.
- (b) Please confirm that you estimated the destination entry discounts for all minimum-per-piece rated pieces (*i.e.*, those weighing less than 3.3 ounces) by multiplying your proposed discounts per pound by 3.3/16. If you do not confirm, please explain how you obtained the destination entry discounts for these pieces.
- (c) Please confirm that using the methodology described in part (b) of this question, all drop-shipped pieces that weigh less than 3.3 ounces will receive a discount that passes through more than 100% of the destination entry cost savings based on the weight of the piece. Please explain fully any failure to confirm.
- (d) Please confirm that using the methodology described in part (b) of this question, a one-ounce piece would receive a drop ship discount that is 3.3 times the discount that the piece would have received – and a two-ounce piece would receive a drop ship discount that is 1.65 times the discount that the piece would have received – if the savings were passed through in proportion to the piece’s weight (as is the case for pieces weighing over 3.3 ounces). Please explain fully any failure to confirm.

USPS/Postcom-T1-6. Please refer Postcom-LR-1, worksheet “Proposed Rates.”

- (a) Please confirm that your proposed changes to witness Kiefer’s destination entry discounts are intended to apply to Nonprofit Regular pieces as well as commercial Regular pieces. If you do not confirm, please explain why Nonprofit Regular pieces should have different destination entry discounts.
- (b) Please explain whether you verified that your proposed destination entry discounts, when applied to Nonprofit Regular volumes, would produce rates that were in compliance with the requirements of 39 U.S.C. § 3626(a)(6)(A).