

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

Postal Rate and Fee Changes)

Docket No. R2005-1

**INTERROGATORIES OF THE AMERICAN POSTAL WORKERS UNION, AFL-CIO
TO USPS WITNESS MAYES (T-25-1-6)
(June 10, 2005)**

Pursuant to Rules 25, 26, and 27 of the Rules of Practice, The American Postal Workers Union, AFL-CIO directs the following interrogatories to USPS Witness Virginia Mayes (T-25). If the witness is unable to respond to any interrogatory, APWU requests that a response be provided by an appropriate person capable of providing an answer.

Respectfully submitted,

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CERTIFICATION

I hereby certify that I have this date served the foregoing document in accordance with the rules of practice.

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June 10, 2005

APWU/USPS-T-25-1 In making its calculations of costs the Postal Service avoids by providing dropshipping discounts, what assumptions are made about the costs the Postal Service would have incurred in the absence of dropship discounts? Are Postal Service costs estimated for what it would cost the Postal Service to transport the mail that is currently being dropshipped by mailers? If so, what is the estimate of those costs?

APWU/USPS-T-25-2 Does the Postal Service have information or does it make an estimate about where mail that is currently being dropshipped would have entered the system if dropship discounts were not in place? If so, please describe the source of the information, describe the information, and state what estimates are made about where mail would have been shipped if there were no dropshipping discount.

APWU/USPS-T-25-3 Before dropship discounts for Standard A mail were introduced, what percentage of Standard A mail was dropshipped at the destinating delivery unit? What percentage of Standard A mail was dropshipped at the destinating BMC? What percentage of Standard A mail was dropshipped at the destinating SCF?

APWU/USPS-T-25-4 If the effect of dropship discounts is to cause some mail to be dropshipped at destinating locations that otherwise would have been shipped at the originating location, isn't one effect of this change in shipping patterns to decrease the volume of mail in the transportation system and thereby to cause an increase in the unit cost of transportation of mail not being dropshipped?

APWU/USPS-T-25-5 Is the cost avoided by dropshipping determined using actual current unit transportation cost data? If the answer to this question is yes, isn't one effect of each new larger dropship discount to increase the unit costs used to determine the amount of the dropship discounts in the succeeding rate case?

APWU/USPS-T-25-6 If only the costs that the Postal Service actually incurs are used in the estimates of costs avoided by dropshipping, wouldn't it be reasonable to assume that those overestimate the Postal Service's unit costs for transporting the mail that has already been removed from the system?