

BEFORE THE
POSTAL RATE COMMISSION

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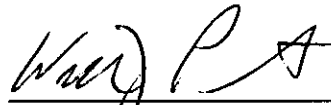
POSTAL RATE AND FEE CHANGES, 2000 :
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DOCKET NO. R2000-1

SECOND SET OF INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS FROM
UNITED PARCEL SERVICE TO UNITED STATES
POSTAL SERVICE WITNESS HUNTER
(UPS/USPS-T5-6 through 17)
(February 10, 2000)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby serves the following interrogatories and requests for production of documents directed to United States Postal Service witness Hunter: UPS/USPS-T5-6 through 17.

Respectfully submitted,



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Of Counsel.

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UPS/USPS-T5-6. Refer to your testimony on page 4, lines 1-2, where you state, "Each Postal Quarter (PQ), the BRPW panel postage statement data and the revenue account information are combined to produce the estimates of total revenue and volume." Describe how the postage statement data and the revenue account information are combined to produce estimates of total revenue and volume. As part of your description, provide a detailed description of each step in the process of combining postage statement data with revenue account information.

(a) Provide all supporting documents and records used in the process, indicating the source from which they were obtained.

(b) Explain and describe each step used to produce total revenue and volume for Parcel Post from the postage statement data and revenue account information.

UPS/USPS-T5-7. Refer to Library Reference USPS-LR-I-25, page 2. Confirm that the RPW totals are obtained by combining the VIP coded records with office and stratum level blow-up factors, and then adjusting the combined strata estimate to postage revenue account totals. If you do not confirm, explain why and describe this part of the process.

(a) Describe in detail how the stratum level blow-up factors are determined, and how they are then used in this process.

(b) Identify all source information that is blown-up.

(c) Explain the purpose of the blow-up factor step.

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(d) Describe in detail how the combined strata estimates are adjusted to postage revenue account totals.

(e) Explain in detail for each step how the Parcel Post data is integrated into the combined strata estimates.

UPS/USPS-T5-8. Refer to Library Reference USPS-LR-I-25, page 2, which states that "[u]pon input of the VIP Code revenue, volume, and weight data to the BRPW, the records are matched on VIP Code to a master rate file by rate date to obtain the appropriate piece rate, pound rate, and weight per piece type limits required for data verification."

(a) Provide a detailed explanation of this process.

(b) Provide detailed, step by step instructions on how the verification process is performed with respect to the Parcel Post records.

UPS/USPS-T5-9. Refer to Library Reference USPS-LR-I-25, page 2, which states that "[t]he second job performs data verification checks on the raw data source[s]."

(a) Provide in electronic format and in hard copy form the raw data used in this step, labeling each record by mail class and subclass.

(b) Explain in greater detail what the data verification checks are and how each verification check is performed.

(c) Provide a detailed explanation of how the Parcel Post data is used in the data verification check.

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(d) Does the second job contain postage statement data from the automated permit system? If so, why does data from the Permit System need to be blown up?

UPS/USPS-T5-10. Refer to Library Reference USPS-LR-I-25, page 2, which states that “[t]he third job inflates the second job’s output data using office and stratum based blowup and national trial balance factors.”

(a) Provide all of the blow-up factors used (the identity of individual offices may be coded).

(b) Describe in detail how each blow-up factor is used.

(c) Explain in detail the purpose of this step.

(d) Are the blow-up factors used on all sources of data? If not, for which ones are they used, and for which are they not used?

(e) Explain how the Parcel Post data is used in this step.

(f) What are the national trial balance factors?

(g) Explain how the national trial balance factors are used.

(h) For what source data are the national trial balance factors needed?

(i) Are all records affected by the national trial balance factors? If not, which ones are, and which are not?

(j) Explain in detail how the national trial balance factor is used with respect to Parcel Post records.

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(k) Provide a detailed explanation for each step in which the national trial balance factors are used.

UPS/USPS-T5-11. Refer to your testimony on page 3, lines 3-6, which states, "the BRPW also utilizes mailpiece information obtained from postage statements gathered from an ongoing panel of post offices comprised of automated bulk mail entry offices under the PERMIT SYSTEM and a supplemental stratified random sample of non-automated post offices."

(a) What proportion of the records are from the PERMIT SYSTEM, and what proportion are from non-automated post offices?

(b) For each class and subclass of mail, provide (i) for the base year in Docket No. R97-1 (1996) and, separately, for (ii) BY 1998, the proportion of records from the PERMIT SYSTEM, and the proportion from non-automated offices.

(c) Provide for BY 1998 the number of Parcel Post records which came from the PERMIT SYSTEM, and the number which came from non-automated offices.

(d) Provide the total number of non-automated records used for BY 1998, and the total number of records used from the PERMIT SYSTEM.

UPS/USPS-T5-12. Library Reference USPS-LR-I-25, page 4, refers to EFLAGS. Provide the output report in electronic and in hard copy format showing the EFLAG variable and number assigned to each record in jobs containing Parcel Post for BY 1998.

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- (a) For BY 1998, how many Parcel Post records were flagged?
- (b) For BY 1998, what proportion of the total Parcel Post records were flagged?
- (c) For BY 1998, what is the proportion of the total for all other mail classes that were flagged?
- (d) For BY 1998, provide by class and subclass the proportion of records that were flagged.
- (e) For BY 1998, for each subclass, provide for each EFLAG number the number of times it came up.

UPS/USPS-T5-13. Is revenue data obtained from the PERMIT SYSTEM? If so, explain why there was not a large increase in the total revenue from 1997 to 1998 for Parcel Post that corresponds with the large increase in volume, which is also obtained from the PERMIT SYSTEM.

UPS/USPS-T5-14. Refer to your testimony, at page 2, lines 2-3, which states, "[t]he Postal Service's postage revenue accounting system contains several accounts that are associated with specific classes or subclasses of mail." Provide a list of the specific classes and subclasses of mail to which you are referring.

- (a) Indicate whether the revenue accounts associated with specific classes or subclasses of mail are used in arriving at the final estimates of revenue, pieces, and weights. If they are not used, explain why; if they are used, explain in detail how they are used.

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(b) Provide revenue, piece, and weight totals for each class and subclass from this source.

UPS/USPS-T5-15. Refer to USPS-LR-I-2, page 5, which states, “[d]uring 1998, the Postal Service revised certain sampling procedures, which have decreased the difference between actual and extrapolated revenue.” Explain how the extrapolated sample revenue compares to actual Postal Service revenue and provide detailed figures supporting this explanation.

UPS/USPS-T5-16. Refer to Library Reference USPS-LR-I-25, page 7, “JOB 1-3 input and output” files. Provide in electronic format and in hard copy form the information contained on the disks for JOB 1-3 input and output files. The identity of individual facilities and the volume associated with each may be coded, redacted, or otherwise masked.

UPS/USPS-T5-17. Identify all instances in which you have relied on or used in your testimony in any way any FY 1999 cost, revenue, volume, or other data, and state in each such instance why you used FY 1999 data instead of data for BY 1998.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document by first class mail, postage prepaid, in accordance with Section 12 of the Commission's Rules of Practice.



William J. Pinamont
Attorney for United Parcel Service

Dated: February 10, 2000
Philadelphia, Pa.

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