

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

DOCKET NO. R2000-1

INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS FROM
UNITED PARCEL SERVICE TO UNITED STATES
POSTAL SERVICE WITNESS EGGLESTON
(UPS/USPS-T26-5 through 9)
(February 16, 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 Eggleston: UPS/USPS-T26-5 through 9.

Respectfully submitted,



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INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS EGGLESTON

UPS/USPS-T26-5. Refer to Exhibit USPS-T-26, Attachment F, page 3 of 3.

(a) Confirm that in row 2 of the Attachment the proportion of inter-BMC volume deposited at BMCs by mailers is listed as 0.13. If not confirmed, explain.

(b) Confirm that the source of this 0.13 figure is Docket No. R97-1, USPS-T-28, Exhibit B. If not confirmed, explain.

(c) Refer to Docket No. R97-1, USPS-T-28, Exhibit B. Confirm that the proportion of inter-BMC volume deposited at BMCs by mailers is listed as 0.043546. If confirmed, explain the apparent discrepancy. If not confirmed, explain in detail.

UPS/USPS-T26-6. Refer to USPS-T-26, Attachment A, pages 10, 11, 13, and 14.

(a) Confirm that the machinable non-presort intra-BMC modeled costs on page 10 are \$0.9218 per piece. If not confirmed, explain in detail.

(b) Confirm that the machinable DBMC modeled costs on page 13 are \$0.6731 per piece. If not confirmed, explain in detail.

(c) Confirm that the difference in modeled costs between machinable intra-BMC (\$0.9218) and machinable DBMC (\$0.6731) are \$0.2487 per piece. If not confirmed, explain in detail.

(d) Confirm that the non-machinable non-presort intra-BMC modeled costs on page 11 are \$1.9385 per piece. If not confirmed, explain in detail.

(e) Confirm that the non-machinable DBMC modeled costs on page 14 are \$1.7799 per piece. If not confirmed, explain in detail.

INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS EGGLESTON

(f) Confirm that the difference in modeled costs between non-machinable intra-BMC (\$1.9385) and non-machinable DBMC (\$1.7799) are \$0.1586 per piece. If not confirmed, explain in detail.

(g) Reconcile in detail the difference between the mail processing modeled cost savings for DBMC of \$0.593 per piece summarized on USPS-T-26, Attachment C, and the \$0.2487 per piece (see (c) above) and \$0.1586 per piece (see (f) above) derived above using USPS-T-26, Attachment A.

(h) Explain in detail all mail processing activities performed at origin Associate Offices with respect to Parcel Post mail.

(i) Explain in detail all mail processing activities performed at origin SCFs with respect to Parcel Post mail prior to the unloading of containers.

UPS/USPS-T26-7. Refer to USPS-T-26, Attachment J, page 1 of 1.

(a) Confirm that the costs avoided by DDU are assumed to include the costs of dumping sacks at the DDU. If not confirmed, explain.

(b) Confirm that the PRC in its Docket No. R97-1 decision (Chapter V: Rates and Rate Design, page 493) chose not to assume that the costs incurred in dumping sacks would be avoided by DDU entry. If not confirmed, explain.

(c) Explain why the Postal Service has chosen not to apply the Commission's R97-1 decision in this respect in its calculation of DDU entry cost avoidance.

INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS EGGLESTON

UPS/USPS-T26-8. Refer to USPS-T-26, Attachment F, pages 2 and 3, and Docket No. R97-1, USPS-T-28, Exhibits B and C.

(a) Confirm that total piece volume deposited upstream of a BMC/ASF was 97.7 million in FY 1998 (Row 6) and 112.7 million in FY 1996 (Exhibit B at 11). If not confirmed, explain in detail.

(b) Confirm outgoing mail processing costs incurred at non-BMC facilities avoided by DBMC was \$53.1 million in FY1998 (Row 1) and \$40.4 million in 1996 (Exhibit C at A.4.). If not confirmed, explain in detail.

(c) Explain in detail why the upstream volume decreased significantly from FY 1996 to FY 1998, but outgoing mail processing costs increased significantly from FY1996 to FY 1998.

UPS/USPS-T26-9. (a) Provide copies of the 1998 MTAC (Mailers Technical Advisory Committee) annual report, and of the 1999 MTAC annual report.

(b) Provide copies of all minutes of MTAC meetings from December 1997 to the present.

(c) Provide copies of all studies, reports, analyses, or other documents produced by or under the auspices of, or done at the request or on behalf of, the Mailers Technical Advisory Committee which discuss DBMC, DSCF, or DDU entry discounts for any class of mail.

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 16, 2000
Philadelphia, Pa.

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