

BEFORE THE  
POSTAL RATE COMMISSION

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OFFICE OF THE SECRETARY

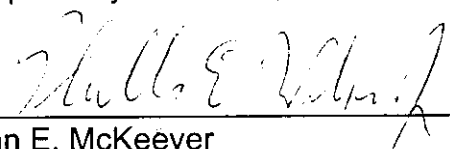
POSTAL RATE AND FEE CHANGES, 2000

DOCKET NO. R2000-1

INTERROGATORIES FROM  
UNITED PARCEL SERVICE TO UNITED STATES  
POSTAL SERVICE WITNESS PICKETT  
(UPS/USPS-T19-2 through 3)  
(February 16, 2000)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby  
serves the following interrogatories directed to United States Postal Service witness  
Pickett: UPS/USPS-T19-2 through 3.

Respectfully submitted,

  
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Of Counsel.

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

UPS/USPS-T19-2. Refer to page 4 of your testimony, where you state, "The Eagle contract has historically been used to operate an overnight hub and spoke network designed to meet Express Mail service commitments. Beginning in PQ 2 of FY 1998, the Postal Service began using certain Eagle planes during the daytime. These daytime Eagle 'turns' (as they are called by operations personnel) were designed to substitute for passenger air transportation, to better meet the service commitments of so-called two- and three-day mail (i.e., non-local First-Class and Priority Mail)."

- (a) How long have the present contracts for the Eagle and Western networks been in effect?
- (b) When do these contracts expire?
- (c) How many separate contracts have been in effect for the Eagle and Western networks during the period from FY 1996 through FY 2000? Identify the time periods of operation for each contract and the identities of the contractors for both networks during this period.
- (d) What percentage of total Eagle and Western network "turns" are expected to be daytime turns during the test year?

UPS/USPS-T19-3. Refer to pages 1-2 of your testimony, where you describe the calculation of the network premium for the Eagle network, the Western network, and the Christmas network, and to page 5, lines 12-15, of witness Plunkett's testimony, where he states that "implementation of the Eagle Network . . . enabled the Postal Service to provide much more reliable service for Express and Priority Mail between

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

major markets . . . ." Refer also to the Commission's decision in Docket No. R97-1, at volume 1, pages 221-22, where the Commission attributed the "fixed" costs of the Eagle network exclusively to Express Mail based on witness Takis' testimony that "if Express Mail were eliminated, then the Eagle Network would be shut down, and Priority and First-Class Mail would be diverted onto commercial flights with no degradation of service quality."

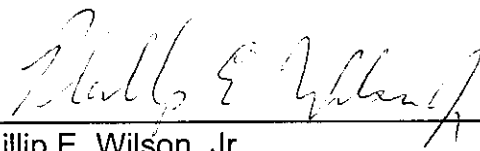
(a) In your calculation of the network premium, did you consider witness Plunkett's statement that the Eagle network "enabled the Postal Service to provide much more reliable service for Express and Priority Mail between major markets"?

(b) Do you agree with this statement by witness Plunkett?

(c) How did the Eagle network's benefit to Express Mail and Priority Mail affect, if at all, your calculation of the network premium?

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.

A handwritten signature in cursive script, appearing to read "Phillip E. Wilson, Jr.", written over a horizontal line.

Phillip E. Wilson, Jr.  
Attorney for United Parcel Service

Dated: February 16, 2000  
Philadelphia, Pa.