

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

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POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
UNITED PARCEL SERVICE REDIRECTED FROM WITNESS HUNTER
(UPS/USPS-T5-13)

The United States Postal Service hereby provides its response to the following interrogatory of United Parcel Service: UPS/USPS-T5-13, filed on February 10, 2000, and redirected from witness Hunter.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Chief Counsel, Ratemaking

K N Hollies

Kenneth N. Hollies

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

K N Hollies

Kenneth N. Hollies

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February 24, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY
OF UNITED PARCEL SERVICE REDIRECTED FROM WITNESS HUNTER**

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.

RESPONSE. Yes. Base year GFY 1998 Parcel Post data cannot be compared directly to GFY 1997 data because the GFY 1997 data have not been restated using postage statement data as a source for the Parcel Post estimates.

Nevertheless, given the nature of the restatement, one should not expect a percentage increase in restated Parcel Post revenue (relative to non-restated revenue) equal to the percentage increase in Parcel Post volume because the additional volume from the restatement had a lower revenue per piece than the average revenue per piece of the original (i.e., non-restated) Parcel Post item.