

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

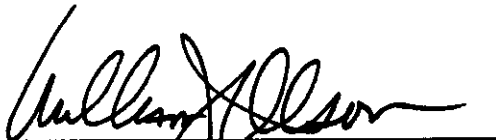
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POSTAL RATE COMMISSION
OFFICE OF THE CLERK
Docket No. R2000-1

POSTAL RATE AND FEE CHANGES, 2000)

ASSOCIATION OF PRIORITY MAIL USERS, INC.
FIRST INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO UNITED STATES POSTAL SERVICE
WITNESS MAURA ROBINSON (APMU/USPS-T34-1-15)
(February 28, 2000)

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Association of Priority Mail Users, Inc. hereby submits interrogatories and requests for production of documents. If necessary, please redirect any interrogatories and/or requests to a more appropriate Postal Service witness.

Respectfully submitted,

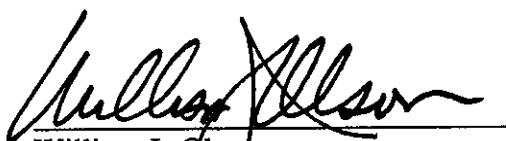


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CERTIFICATE OF SERVICE

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


William J. Olson

February 28, 2000

APMU/USPS-T34-1.

Under the contract currently in effect between the Postal Service and the commercial airlines:

- a. What is the non-distance-related per-pound terminal handling fee?
- b. What is the distance-related per-pound per-mile fee?
- c. What fuel surcharge (if any) does the Postal Service pay?
- d. When did the current contract begin and when does the contract expire? If the contract will expire prior to the end of TY 2001, what estimated rate(s) did you and the roll-forward model use?

APMU/USPS-T34-2.

Under the contract with Emery Worldwide Airlines ("Emery") referred to in your testimony at pages 12-13:

- a. How many planes are provided, and how much lift capacity is provided, by Emery?
- b. Is the lift capacity provided by Emery used solely to transport Priority Mail between PMPCs in the Northeast and Florida?
- c. Unless your answer to preceding part (b) is an unqualified affirmative, please describe fully how the lift capacity provided by Emery is used.
- d. When the PMPCs operated by Emery have Priority Mail destinating to cities or areas not served by Emery's own aircraft, please explain the following:

- i. When and under what conditions does Emery turn the mail over to the Postal Service at the nearest AMF for transportation under the Postal Service's contracts with the commercial air carriers?
 - ii. When and under what conditions does Emery contract with other third-party air carriers to transport the mail?
- e. Does the Postal Service pay Emery a fuel surcharge when oil prices increase? If so, how much is called for under the contract, and how did you adjust for this in the roll-forward model program for TY 2001?

APMU/USPS-T34-3.

Other than air transportation provided under the terms of the PMPC contract, does the Postal Service pay Emery separately for any air transportation provided by Emery? If so, please explain fully and state how much.

APMU/USPS-T34-4.

Within each of the two regions covered by the PMPC contract (*i.e.*, Florida and the Northeast), does the contractor transport all Priority Mail between the PMPCs?

- a. If your answer is affirmative, is the transportation within each region by ground, by air, or both?
- b. Regarding intra-regional PMPC transportation, are there any times or conditions under which the contractor carries any other class of mail? If so, please provide these times and conditions.

- c. Are there any times or conditions under which contractor-provided surface transportation can carry other non-mail loads, or are all of the contractor's vehicles used under the contract dedicated solely to mail?
- d. Does the Postal Service have any data or other information regarding the capacity utilization of contractor-provided trucks used to transport Priority Mail within Florida and the Northeast? If so, please provide all such information.

APMU/USPS-T34-5.

For Priority Mail that originates and destines in areas served by PMPCs in the following cities, please indicate whether the contractor provides transportation by ground or by air.

- a. Miami-Jacksonville
- b. Miami-Orlando
- c. Jacksonville-Orlando
- d. Nashua-Pittsburg
- e. Philadelphia-Rochester

APMU/USPS-T34-6.

Please explain how Priority Mail that originates in the following cities is transported to the PMPC, stating the route followed, the mode of transportation, and whether transportation is provided by the Postal Service or the contractor. Also, please indicate the PMPC to which the mail would be taken regarding each city. For purposes of your answer, assume that each

piece of Priority Mail is addressed to a city outside the two PMPC areas, and is west of the Mississippi River.

- a. Burlington, VT
- b. Pensacola, FL
- c. Ft. Myers, FL
- d. Albany, NY
- e. Providence, RI

APMU/USPS-T34-7.

Explain how Priority Mail that originates outside the areas served by the PMPCs (*e.g.*, west of Ohio) and addressed to each of the five cities listed in APMU/USPS-T34-6 would be transported. That is, to which PMPC would the mail flow, and, from the PMPC, how and by whom would the mail be transported to the destinating city?

APMU/USPS-T34-8.

- a. Testimony of witness Tayman (USPS-T-9), at page 9, Table 7, provides EXFC quarterly performance data for First-Class Mail having overnight, 2-day and 3-day delivery standards. For PQ 01 FY 1998 through PQ 04 FY 1999, please provide available EXFC data on the tail of the distribution separately for First-Class Mail with (i) an overnight delivery standard, (ii) a 2-day delivery standard, and (iii) a 3-day delivery standard. For example, for First-Class Mail

that failed to meet its delivery standard, how many days elapsed before it actually arrived?

- b. For Base Year 1998, please provide quarterly performance data for Priority Mail as developed from the independent PETE system.
- c. Please provide available data on the tail of the distribution for Priority Mail with (i) an overnight delivery standard, (ii) a 2-day delivery standard, and (iii) a 3-day delivery standard. For example, for Priority Mail that failed to meet its delivery standard, how many days elapsed before it actually arrived?

APMU/USPS-T34-9.

- a. Using all performance data in the possession of the Postal Service, please provide all available evidence which indicates that delivery performance of Priority Mail exceeds the delivery performance of First-Class Mail.
- b. Using all performance data possessed by the Postal Service, please provide all available evidence that delivery performance of First-Class Mail exceeds the delivery performance of Priority Mail.

APMU/USPS-T34-10.

Please refer to your Attachment J, page 1.

- a. For the volumes of Priority Mail shown in Attachment J, please indicate the number or percentage of pieces for which delivery was actually confirmed by scanning the piece.

- b. For those pieces for which delivery was actually confirmed, please indicate the percentage which received (i) overnight delivery, (ii) 2-day delivery, (iii) 3-day delivery, and (iv) delivery in more than three days.

APMU/USPS-T34-11.

Please refer to your testimony on page 6, lines 9-14. For Airborne, Federal Express, United Parcel Service, and any other competitors for which the Postal Service has information, please provide summary information showing which competitors offer guarantees (specify), free insurance (specify amount), free track-and-trace, and any "other services" (specify) referred to in your testimony which the Postal Service does not offer for Priority Mail, specifying in detail what those guarantees, insurance amounts and other services are.

APMU/USPS-T34-12.

Please refer to Attachment E, line (c) to your testimony. The increase in Emery contract costs from BY 98 to Test Year Before Rates is indicated to be \$209,006,000.

- a. How much of this increase is the result of increased volume of Priority Mail expected to be handled by Emery through the PMPC network?
- b. How much of this increase is the result of additional airlift supplied by Emery?
- c. How much of this increase is the result of higher per unit fees which the Postal Service will pay to Emery?
- d. If your answers to the preceding questions do not explain all of the \$209,006,000 increase, please provide a detailed explanation for the remainder.

APMU/USPS-T34-13.

Have any of the Postal Service's costs under the contract with Emery been capitalized in one year and written off over subsequent years? If so, please specify the amount, the purpose, and the period used for amortization.

APMU/USPS-T34-14.

Are any of the PMPCs equipped to sort Priority Mail flats on a mechanized basis (*e.g.*, with a flat sorting machine), or are flats sorted manually at every PMPC? Please specify which PMPCs use flat sorting equipment, and specify any other PMPCs for which such equipment is planned (including when).

APMU/USPS-T34-15.

In what month of what year did the first PMPC become operational? In what month of what year did the last (tenth) PMPC become operational?