

Before The  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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Postal Rate and Fee Changes

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Docket No. R2000-1

RESPONSE OF POSTAL SERVICE WITNESS ROBINSON  
TO INTERROGATORY UPS/USPS-T34-12  
(March 2, 2000)

The United States Postal Service hereby provides the response of Postal Service witness Robinson to the following interrogatory of the United Parcel Service: UPS/USPS-T34-12, filed on February 16, 2000. An objection was filed to interrogatory 11.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
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Washington, D.C. 20260-1137  
March 2, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON  
TO INTERROGATORIES OF UNITED PARCEL SERVICE**

**UPS/USPS-T34-12.** Refer to Attachment A, which is the Compensation attachment to Contract Postal Unit Contract No. 363199-99-U-0158, relating to a two-year contract beginning on November 7, 1998, to operate a Contract Postal Unit ("CPU") for the Postal Service. The Compensation attachment states that the CPU operator "will be paid 20% of the postal funds it receives and remits for the sale of domestic Priority Mail and domestic Express Mail," and "5% of the postal funds it receives and remits for the sale of all other postal products and services" that are subject to the contract.

(a) Are the full amounts paid by the Postal Service to the CPU operator under such contracts for the sale of Priority Mail attributed solely to Priority Mail? If so, indicate how and where this attribution is reflected in the Postal Service's presentation in this proceeding.

(b) Are the full amounts paid by the Postal Service to the CPU operator under such contracts for the sale of Express Mail attributed solely to Express Mail? If so, indicate how and where this attribution is reflected in the Postal Service's presentation in this proceeding.

(c) In what cost segment and component are the payments made by the Postal Service to CPU operators under such contracts recorded in the case of Priority Mail? Identify all accounts in which such payments on account of Priority Mail are recorded.

(d) In what cost segment and component are the payments made by the Postal Service to CPU operators under such contracts recorded in the case of Express Mail? Identify all accounts in which such payments on account of Express Mail are recorded.

(e) In what cost segment and component are the payments made by the Postal Service to the CPU operators under such contracts recorded in the case of other postal products? Identify all accounts in which such payments on account of other postal products are recorded.

(f) Provide separately for BY 1998 and FY 1999 the total amount of payments made by the Postal Service under such contracts for the sale of Priority Mail.

(g) Provide separately for FY 2000 and for the Test Year the Postal Service's estimates of the total payments it will make under such contracts for the sale of Priority Mail.

(h) Provide separately for BY 1998 and FY 1999 the total amount of payments made by the Postal Service for such contracts for the sale of Express Mail.

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- (i) Provide separately for FY 2000 and for the Test Year the Postal Service's estimates of the total payments it will make under such contracts for the sale of Express Mail.
- (j) Provide separately for BY 1998 and FY 1999 the total amount of payments made by the Postal Service under such contracts for the sale of all other postal products.
- (k) Provide separately for FY 2000 and for the Test Year the Postal Service's estimates of the total payments it will make under these contracts for the sale of all other postal products.
- (l) How many such contracts with a "Performance Payment Rate" structure (see the attachment) that is the same as or similar to that reflected in the attachment (i.e., where payments are made to the CPU operator on the basis of a stated percentage of the funds received for the sale of Priority Mail and/or Express Mail at a rate higher than for other postal products) are currently in effect?
- (m) Provide the total amount paid by the Postal Service under all such contracts since the inception of this program up to the present, separately for Priority Mail and for Express Mail.

**RESPONSE:**

- (a) I am not an expert on cost attribution; however, I am informed that the amounts paid by the Postal Service under such contracts for the sale of Priority Mail are not attributed to Priority Mail.
- (b) I am not an expert on cost attribution; however, I am informed that the amounts paid by the Postal Service under such contracts for the sale of Express Mail are not attributed to Express Mail.

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(c) I am not an expert on cost attribution; however I am informed that payments for Priority Mail under such contracts are recorded in account 52301, cost segment 13, component 111.

(d) I am not an expert on cost attribution; however I am informed that payments for Express Mail under such contracts are recorded in account 52301, cost segment 13, component 111.

(e) I am not an expert on cost attribution; however I am informed that payments for other postal products under such contracts are recorded in account 52301, cost segment 13, component 111.

(f)-(k) I understand that the data in the following table presents the Postal Service's expenditures under such contracts for the sale of Priority Mail, Express Mail, and all other postal products through AP 2, 2000. It is my understanding that the Postal Service has not prepared an official projection of the expected expenditures under this program.

<u>Fiscal Year</u>	<u>Priority Mail</u>	<u>Express Mail</u>	<u>All Other Postal Products</u>	<u>Total</u>
FY 1998	\$ 0	\$ 0	\$ 0	\$ 0
FY 1999	\$ 529,957	\$106,513	\$ 601,281	\$1,237,751
FY 2000 (thru AP2)	\$ 101,574	\$ 20,858	\$ 131,310	\$ 253,742

(l) I understand that there are 249 such contracts.

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(m) See response to UPS/USPS-T34-12(f)-(k).

**DECLARATION**

I, Maura Robinson, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
MAURA ROBINSON

Dated: 3.2.2002

## 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.

  
Richard T. Cooper

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