

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

RECEIVED
MAR 7 3 15 PM '00
POSTAL RATE COMMISSION
OFFICE OF THE CLERK

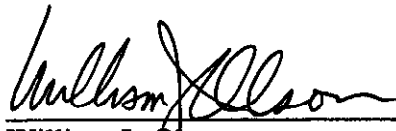
POSTAL RATE AND FEE CHANGES, 2000)

Docket No. R2000-1

ASSOCIATION OF PRIORITY MAIL USERS, INC.
THIRD INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS MAURA ROBINSON (APMU/USPS-T34-33-43)
(March 7, 2000)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, the Association of Priority Mail Users, Inc. ("APMU") hereby submits the following interrogatories and document production requests. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

Respectfully submitted,

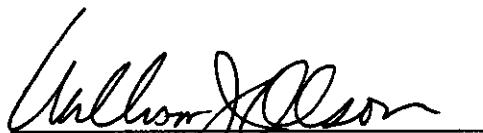


William J. Olson
John S. Miles
WILLIAM J. OLSON, P.C.
8180 Greensboro Drive, Suite 1070
McLean, Virginia 22102-3860
(703) 356-5070

Counsel for Association of Priority Mail Users, Inc.

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.


William J. Olson

March 7, 2000

APMU/USPS-T34-33.

For each quarter of FY 1999, for Priority Mail that originated and destined *within* the PMPC network, please provide the percentage meeting service standards, and indicate the source of the data used to compute the percentage.

APMU/USPS-T34-34.

For each quarter of FY 1999, for Priority Mail that originated and destined *outside* the PMPC network, please provide the percentage meeting service standards, and indicate the source of the data used to compute the percentage.

APMU/USPS-T34-35.

For each quarter of FY 1999, for Priority Mail that originated *outside* the PMPC network and destined *within* the PMPC network, please provide the percentage meeting service standards, and indicate the source of the data used to compute the percentage.

APMU/USPS-T34-36.

For each quarter of FY 1999, for Priority Mail that originated *within* the PMPC network and destined *outside* the PMPC network, please provide the percentage meeting service standards, and indicate the source of the data used to compute the percentage.

APMU/USPS-T34-37.

Please provide as a library reference a copy of the Inspector General's report, *Priority Mail Processing Center Network* (September 24, 1999) DA-AR-99-001.

APMU/USPS-T34-38.

Has the Postal Service negotiated a final calendar year 1999 network operations adjustment under the Supplemental Letter Agreement between the Postal Service and Emery? If so, please provide the amount of additional payment in excess of the original contract rate, and indicate separately the amount of the extra payment that arises from (i) increases in volume and (ii) changes in mail mix.

APMU/USPS-T34-39.

The Inspector General's report, *Priority Mail Processing Center Network* (September 24, 1999) DA-AR-99-001, states that the contractor paid commercial airlines a rate that was about \$0.03 per pound higher than the USPS air system contract rate, and "[t]he contracting officer for the Air System Contracts indicated it would not be in USPS best interests to modify the contract to allow the contractor to use USPS commercial air rates" (p. 8, fn. 5). Please provide a detailed explanation why the Postal Service finds it beneficial for the PMPC contractor to pay a (reimbursable) rate to commercial airlines for Priority Mail that exceeds the rate paid under the USPS air system contract.

APMU/USPS-T34-40.

The Inspector General's report, *Priority Mail Processing Center Network* (September 24, 1999) DA-AR-99-001, states that in FY 1998 the PMPC network incurred \$13.2 million of additional costs that included, *inter alia*, costs for track and trace services.

- a. Please indicate what track and trace services the PMPC network has acquired, and explain why the PMPC network requires track and trace services not available to Priority Mail that originates and destines outside the PMPC network.
- b. The report further states that all of these \$13.2 million of additional costs were included in the FY 1998 CRA Report, but "network personnel ... considered these to be start-up and non-recurring costs" (p. 7). Please indicate whether these start-up and non-recurring costs have been included in or excluded from the roll-forward projection to FY 2001. If your answer is to the effect that they are included, please explain the rationale for rolling forward start-up and non-recurring costs.
- c. Please identify and provide the amount of all other start-up and non-recurring costs of the PMPC network included in the FY 1998 CRA, and indicate whether these other start-up and non-recurring costs have been included in or excluded from the roll-forward projection to FY 2001.

APMU/USPS-T34-41.

The Inspector General's report, *Priority Mail Processing Center Network* (September 24, 1999) DA-AR-99-001, states that "When all attributable costs are considered, the USPS paid ... \$101 million more than if the same volume had been processed in-house without a network."

- a. Do you concur in this estimate of additional costs incurred by virtue of the PMPC network? Unless your answer is an unqualified affirmative, please explain why not, and provide your estimate of the additional costs incurred by virtue of having the PMPC network instead of doing the work in-house.
- b. Please provide an estimate of the additional costs that will be attributed to Priority Mail during Test Year 2001 in excess of what would be attributed if the same volume were to be processed in-house without a network.

APMU/USPS-T34-42.

Please provide as a library reference copies of any audits or reports on Priority Mail by the Inspector General, other than the *Priority Mail Processing Center Network* report requested in APMU/USPS-T34-37, including those already released and any that may be released before the record in this Docket is closed.

APMU/USPS-T34-43.

- a. Please explain when Priority Mail sacks dropshipped to DBMCs or DSCFs are scanned for delivery confirmation purposes. If they are not scanned at DBMCs or DSCFs, why not?
- b. Does the Postal Service maintain records on the percentage of Priority Mail dropshipped sacks that is scanned for delivery confirmation purposes? If so, please provide such data.