

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

RECEIVED  
MAR 8 4 50 PM '00  
POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS MEEHAN TO INTERROGATORIES OF  
UNITED PARCEL SERVICE  
(UPS/USPS-T11-4,5, AND 6(b))

The United States Postal Service hereby provides the responses of witness Meehan to the following interrogatories of United Parcel Service: UPS/USPS-T11-4,5, and 6(b), filed on February 22, 2000. Interrogatory UPS/USPS-6(a) was redirected to the Postal Service.

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



Susan M. Duchek

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2990 Fax -5402  
March 8, 2000

**Response of United States Postal Service Witness Meehan  
to  
Interrogatories of United Parcel Service**

**UPS/USPS-T11-4.** Refer to pages 8 of the Attachment to UPS/USPS-T11-4 which refers to the addition of Parcel post routes to handle packages and Priority mail in order to reduce the load on letter carriers.

- (a) Identify where the volumes carried on and the costs of these dedicated parcel routes are calculated in your workpapers.
- (b) Identify the data sources for information on the dedicated parcel routes.

**Response:**

- (a) As witness Kingsley responds in UPS/USPS-T10-6, the addition of parcel or priority routes is a local decision based on a variety of circumstances. She further states that the number of such routes is not tracked at the national level. However, in the In-Office Cost System, question 16B (USPS-LR-I-14, the F-45 p. 10-3) does record the route type for city carrier observations. This IOCS data underlies the costs for parcel combination and exclusive parcel routes that are shown in LR-I-80, workbook CS06&7.xls, Tab Input IOCS, line 7. The total accrued costs for these parcel route types were \$133,828,000, in BY 1998 shown in LR-I-80, CS06&7.xls, tab Input IOCS, line 7, columns 85 and 86.

Additionally, my B workpapers, W/S 7.0.5, contain an analysis of special purpose routes. These costs and methods were approved by the Commission in Docket No. R97-1 in the testimony of witness Nelson, USPS-T-19. This analysis has not been updated since that study.

**Response of United States Postal Service Witness Meehan  
to  
Interrogatories of United Parcel Service**

(b) The data sources for LR-I-80, workbook CS06&7.xls, are identified in the rows or columns titled Data Sources. The contents of the data source titled "ALB107C1" can be seen in LR-I-80, i\_forms.xls, tab CS07.1. Witness Nelson, USPS-T-19 in Docket No. R97-1, also includes workpapers with data sources that support his work for W/S 7.0.5. As mentioned in the response to subpart (a) above, LR-I-14 shows the route type data that are collected in IOCS. Additionally, LR-I-12 documents IOCS processing programs.

**Response of United States Postal Service Witness Meehan  
to  
Interrogatories of United Parcel Service**

**UPS/USPS-T11-5** Refer to witness Raymond's response to UPS/USPS-T13-5(d) which confirms that it is standard practice for a letter carrier on a park and loop route to deliver parcels only after all non-parcel mail is delivered on the loop (unless the carriers can take the parcels with them), and that the second trip around the loop is performed solely for parcels. Refer also to witness Raymond's response to UPS/USPS-T-13-5(b) which confirms that the Engineered Standards data collection instructions do not recognize that driving activities may be performed solely in support of a particular product or service or group of products or services. With those sources in mind, refer also to Table 3 on page 35 of witness Baron's testimony, USPS-T-12, which uses the Engineered Standards data to calculate new street-time percentages for each route type and activity, including driving time. Finally refer to USPS-LR-I-80, File Cs06&7.xls.

- (a) In your analyses of cost segment 6 and 7, provide by product or service all data related to instances where driving activities are performed solely in support of a particular product or service or group of products or services.
- (b) In USPS-LR-I-80, File Cs06&7.xls, Tab 7.0.4.1, you calculate driving time costs using driving time percentages contained in Table 3 on page 35 of witness Baron's testimony. After calculating the volume variable portion of driving time (or route time), you use distribution keys (unit is number of pieces) to distribute the route time variable costs to different classes of mail or groups of products or services in USPS-LR-I-80, File Cs06&7.xls, Tabs 7.0.6 and 7.0.9. Outside of this distribution of route time variable cost to different class of mail or products, do you consider driving activities that are performed solely in support of a particular product or service or group of products or services in any of your calculations? If so, do you assign the cost of these driving activities to the respective product or service or group of products or services? If not, why not?

**Response:**

- (a) Data relating to driving activities performed in support of particular mail products are shown in LR-I-80, File CS06&7, Tab 7.0.4.4, and in LR-I-80, i\_forms, tab CS07 DK. This analysis was presented in Docket No. R97-1 in the testimony of witness Nelson, USPS-T-19, and accepted by the Commission in its Recommended Decision. The analysis has not been

**Response of United States Postal Service Witness Meehan  
to  
Interrogatories of United Parcel Service**

updated since that study. Witness Nelson, USPS-T-19 in Docket No. R97-1, also includes workpapers with data sources that support his work.

(b) Yes, and yes. See part (a) above. Also, the testimony of witness Nelson, USPS-T-19 in Docket No. R97-1 dealt with instances where specific mail products or services caused a dedicated delivery run for those services. In those instances, the calculation of the volume variable portion of driving time of the dedicated run is shown on LR-I-80, File CS06&7, tab 7.0.5, column D. The distribution keys for these mail product dedicated runs (i.e. individual delivery) for special purpose routes were presented in USPS-T-19 and accepted by the Commission in Docket No. R97-1 and have not been updated for this case; they are shown in LR-I-80, i\_forms, tab CS07 DK, columns C and D.

Also, driving time costs on regular letter routes and special purpose routes are incremental (product specific) to Express Mail when driving for purposes of Express Mail facility drops and pick ups, as well as time to service Express Mail collection boxes. See LR-I-80, File CS06&7, W/S 7.0.4.4 for letter route detail and W/S 7.0.5 for special purpose routes.

**Response of United States Postal Service Witness Meehan  
to  
Interrogatories of United Parcel Service**

**UPS/USPS-T11-6 Refer to USPS-LR-I-80, File Cs06&7.xls, Tabs Input LR and 7.0.4.1.**

**(a) Line 5 represents "Vehicle Use Factor."**

- (i) What is the definition and source of the "Vehicle Use Factor"?**
- (ii) How is this factor used in your calculations?**

**(b) Lines 6 and 8 both represent "Route/Access (FAT)." The two lines are not equal. Line 6 appears to be the sum of line 7, "driving time", and line 8.**

- (i) Why do the lines both represent "Route/Access (FAT)"?**
- (ii) How is line 6 used in your calculations?**
- (iii) How is line 8 used in your calculations?**

**Response:**

**(a) Redirected to the Postal Service.**

**(b) (i) Both lines do not represent "Route/Access (FAT)". Only line 8 does.**

**Line 6 is not used.**

**(ii) Line 6 is not used in my calculations.**

**(iii) Line 8 represents Route/Access (FAT). This is the percentage of city carrier street time, by letter route type, that is spent traversing the route (route time) and deviating from the course of the route to make deliveries (access time) on foot and park and loop routes. City carrier street costs by letter route type, shown on W/S 7.0.4.1, line 7, are multiplied by the Route/Access (FAT) percentages to arrive at costs for Route/Access (FAT). Costs for Route/Access (FAT) are shown on line 19 of W/S 7.0.4.1**

**DECLARATION**

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

*Karen B Meehan*

3/8/00

## **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.

  
Susan M. Duchek

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2990 Fax -5402  
March 8, 2000