

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes

Docket No. R2000-1

**RESPONSE OF POSTAL SERVICE WITNESS ROBINSON
TO INTERROGATORIES UPS/USPS-T34-13-15**

The United States Postal Service hereby provides the responses of Postal Service witness Robinson to the following interrogatories of the United Parcel Service: UPS/USPS-T34-13-15, filed on February 23, 2000.

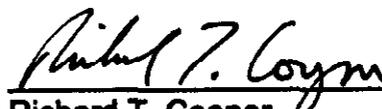
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Richard T. Cooper

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Washington, D.C. 20260-1137
March 8, 2000

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

UPS/USPS-T34-13. The Final Adjustment for Delivery Confirmation amounts for air Transportation and Surface Transportation listed in Attachment K to USPS-LR-I-165 are not contained in the source cited, USPS-LR-127, Chapter XV. Identify the source and provide the relevant source document if it has not already been provided.

RESPONSE:

The source is USPS-LR-I-127, Chapter XV, page 787.

The allocation of the Final Adjustment for Delivery Confirmation for air transportation and surface transportation in USPS-T34, Attachment K (electronic version USPS-LR-I-165) is incorrect. The allocation was changed following the completion of the rate design. The correct test year before rates totals (\$000) as shown in USPS-LR-I-127 are:

Air Transportation = \$9,877.451

Surface Transportation

= \$5799.686 = 5,702.056 (Highway) + 60.877 (Railroad) + 36.753 (Domestic Water)

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

UPS/USPS-T34-14. Provide the source of the assumptions used in Rate Design Assumptions – Target Cost Coverage of 184% in USPS-LR-I-165, Input Data worksheet.

RESPONSE:

The “target cost coverage” of 184% referenced in USPS-LR-I-165, Input Data worksheet is a rate design assumption whose use is described below.

Witness Mayes established the required test-year-after-rates cost coverage for Priority Mail of 180.9 percent (see USPS-32B, p. 1). The Priority Mail rate design is based on test-year-before-rates-costs (see USPS-T34, Attachments F and G). Priority Mail unit costs are greater in the test-year-after-rates than in the test-year-before-rates.

Therefore, if test-year-before-rates costs are marked up and rates designed using a “target cost coverage” of 180.9 percent, the resulting test-year-after-rates cost coverage will be less than the 180.9 percent cost coverage required. To address this problem, I increased the input or “target cost coverage” until the required test-year-after-rates cost coverage of 180.9% was achieved.

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

UPS/USPS-T34-15. Provide the Special Weight Report -- FY 1998 Priority Mail by Ounce referred to in USPS-LR-I-165, Input Data and Att B tabs.

RESPONSE:

See attached.

SPECIAL PRIORITY REPORT--PO 7 FY 1998
 VOLUMES BY OUNCE INCREMENT UP TO TWO POUNDS

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OZS	PRIORITY VOLUME	PRESORT PRIORITY VOLUME	FLAT RATE ENVELOPE PRIORITY VOLUME	PRESORT FLAT RATE ENVELOPE PRIORITY VOLU
.001- 1.000	4,961,478.73	8,902.93	3,262,444.69	4,971.79
OVER 2 POUNDS	250,675,229.34	644,496.49	5,431,849.39	43,581.77
1.001- 2.000	10,747,880.66	62,464.96	19,106,826.92	19,573.08
10.001-11.000	19,846,650.81	53,247.01	3,417,264.93	3,942.80
11.001-12.000	74,767,386.76	327,557.61	4,172,245.12	13,259.75
12.001-13.000	66,948,385.45	335,351.85	4,309,251.07	19,964.98
13.001-14.000	55,349,822.75	428,783.35	4,237,657.96	15,085.59
14.001-15.000	50,119,282.08	243,527.79	3,214,702.56	18,680.92
15.001-16.000	43,997,839.22	137,738.99	2,877,981.20	12,395.57
16.001-17.000	39,895,342.93	380,918.09	3,008,128.80	1,935.60
17.001-18.000	37,605,315.77	188,382.36	2,635,562.76	17,246.00
18.001-19.000	33,907,739.62	90,689.81	2,271,627.40	9,798.12
19.001-20.000	30,906,934.44	124,480.01	1,785,161.56	5,688.70
2.001- 3.000	9,253,462.13	14,691.66	11,905,151.55	25,662.11
20.001-21.000	27,822,960.92	150,367.24	1,656,818.29	3,311.98
21.001-22.000	26,370,314.04	66,053.51	1,445,748.98	
22.001-23.000	23,965,887.09	64,345.89	1,505,056.81	3,282.17
23.001-24.000	22,723,096.97	38,248.44	1,316,642.30	4,131.42
24.001-25.000	21,149,704.70	74,879.44	1,102,535.30	18,165.06
25.001-26.000	19,739,600.27	66,947.37	965,683.09	5,066.59
26.001-27.000	18,910,265.80	64,204.77	840,363.20	661.72
27.001-28.000	17,803,333.85	44,181.75	932,677.39	13,792.14
28.001-29.000	16,197,393.09	22,191.48	706,489.35	6,412.60
29.001-30.000	15,093,993.14	53,521.12	688,483.81	7,944.68
3.001- 4.000	8,110,306.40	17,640.86	8,188,164.95	39,294.59
30.001-31.000	13,745,226.21	49,414.20	585,369.68	152.16
31.001-32.000	13,336,090.77	26,278.93	542,124.36	24,568.11
4.001- 5.000	8,438,898.84	9,956.09	6,880,566.25	29,916.65
5.001- 6.000	9,092,784.37	25,190.87	5,257,133.37	10,229.71
6.001- 7.000	9,880,716.49	24,342.43	4,381,532.37	5,891.41
7.001- 8.000	11,402,682.16	43,345.83	3,697,970.22	13,215.56
8.001- 9.000	14,529,498.55	86,440.76	3,675,792.14	27,492.42
9.001-10.000	16,583,546.47	32,355.31	3,478,540.01	25,287.61
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	1,043,879,050.81	4,001,139.19	119,483,547.78	450,603.37

SPECIAL PRIORITY REPORT--PO 7 FY 1998
AVERAGE WEIGHT PER PIECE FOR FLAT RATE ENVELOPE PRIORITY

OZS_PP

10.2969

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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: 3.8.2000

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

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
March 8, 2000