

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 THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF ASSOCIATION OF PRIORITY MAIL USERS  
REDIRECTED FROM WITNESS ROBINSON  
(APMU/USPS-T34-1, 3, 8b and 9)

The United States Postal Service hereby provides response to the following interrogatories of the Association of Priority Mail Users: APMU/USPS-T34-4-1, 3, 8b and 9, filed on February 28, 2000. These interrogatories were redirected from witness Robinson.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Chief Counsel, Ratemaking

  
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March 13, 2000

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF THE ASSOCIATION OF PRIORITY MAIL USERS  
(REDIRECTED FROM WITNESS ROBINSON, USPS-T-34)

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?

RESPONSE

- a. The current terminal handling rate is \$0.20948519 per pound.
- b. The current linehaul rate is \$0.00008815 per pound mile.
- c. The Postal Service does not pay a fuel surcharge, *per se*. A portion of the linehaul rate is indexed (i.e., adjusted up or down) on a quarterly basis for changes in fuel prices. The linehaul charge on February 26, 2000 was composed of two components, a fuel component of \$0.00002713, and a non-fuel component of \$0.00006102. At the start of the contract on 9/12/98, the fuel component was \$0.00001843. The difference \$0.00000870 is the net fuel adjustment since the start of the contract.
- d. The contract began on September 12, 1998. It will terminate on September 8, 2000. Base Year 1998 Domestic Air (Component 142) costs are rolled-forward to Test Year 2001 using the DRI Air Freight index as a cost level factor. See USPS-LR-I-127, Chapter IX, Non-personnel Cost Level Factors.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF THE ASSOCIATION OF PRIORITY MAIL USERS  
(REDIRECTED FROM WITNESS ROBINSON, USPS-T-34)**

**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.**

**RESPONSE**

**Yes. Emery provides dedicated air service under contract to the Postal Service in four different operations. Emery is the contractor responsible for the aviation part of Eagle operations under the ANET contract. Emery provides dedicated air transportation using Eagle and non-Eagle planes as part of daytime dedicated air operations. During the Christmas season, Emery provides dedicated air transportation as part of the Postal Service's seasonal air transportation operations. Finally, Emery is an ASYS contractor, providing air service at system contract rates.**

**The following table summarizes Emery-related air expenses by operation and account.**

Attachment to Postal Service Response to APMU-T34-3, (Redirected from Witness Robinson,  
USPS-T-34)

Air System Contract Accounts	
53501	\$ 9,047,478.61
53503	\$ 51,929.06
53511	\$ 17,196,211.26
53513	\$ 145,690.04
53595	\$ 2,470,846.90
53591 and 53593	\$ (95,575.56)
<b>Subtotal</b>	<b>\$ 28,816,580.31</b>
Intermodal/Customer Perfect Accounts	
53521	\$ 1,663,606.80
53523	\$ 540,533.62
53525	\$ 753,951.32
53527	\$ 155,090.00
53529	\$ 3,360,929.88
53531	\$ 738,387.00
<b>Subtotal</b>	<b>\$ 7,212,498.62</b>
Network Air Accounts	
53541	\$ 105,620,712.00
53543	\$ 27,951,675.75
53547	\$ 29,930,857.67
<b>Subtotal</b>	<b>\$ 163,503,245.42</b>
Christmas-related Accounts	
53542	\$ 21,423,681.27
53544	\$ 3,468,918.48
53552	\$ 1,317,458.58
53554	\$ 3,300.00
<b>Subtotal</b>	<b>\$ 26,213,358.33</b>
Western Network	
53545	\$ 203,800.79
<b>Subtotal</b>	<b>\$ 203,800.79</b>
<b>Total</b>	<b>\$ 225,949,483.47</b>

RESPONSE OF UNITED STATES POSTAL SERVICE  
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REDIRECTED FROM WITNESS ROBINSON

**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?

**RESPONSE:**

(b)

Priority End-to End (PETE)

<u>FY</u>	<u>PQ</u>	<u>Service Commitment</u>	
		<u>Overnight</u> <u>% On Time</u>	<u>2-Day</u> <u>% On Time</u>
1998	01	84.85	69.50
1998	02	82.73	60.77
1998	03	88.16	75.86
1998	04	91.26	82.88

**RESPONSE OF UNITED STATES POSTAL SERVICE  
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**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.

**RESPONSE:**

(a) - (b) See USPS-T-9 at 9, Table 7 and responses to APMU/USPS-T34-8(b),

DFC/USPS-T34-8.

**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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March 13, 2000