

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

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POSTAL RATE COMMISSION
OFFICE OF THE CLERK

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
THE ASSOCIATION OF PRIORITY MAIL USERS, INC.
REDIRECTED FROM WITNESS ROBINSON
(APMU/USPS-T34-20 and 26 (a)(ii) and (iii) and (b)(ii) and (iii))

The United States Postal Service hereby provides its responses to the following interrogatories of the Association of Priority Mail Users, Inc.: APMU/USPS-T34-20 and 26 (a)(ii) and (iii) and (b)(ii) and (iii), filed on March 2, 2000, and redirected from witness Robinson. An objection to APMU/USPS-T34-26(a)(i) and (iv) and (b)(i) and (iv) was filed on March 13, 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


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March 16, 2000

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INTERROGATORY OF THE ASSOCIATION OF PRIORITY MAIL USERS
(REDIRECTED FROM WITNESS ROBINSON, USPS-T-34)

APMU/USPS-T34-20.

Please provide as a library reference the contract(s) with commercial air carriers now in effect.

RESPONSE

The Air System contract will be provided in USPS Library Reference I-228.

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APMU/USPS-T34-26.

- a. What is the per-pound terminal handling charge and the per-pound/mile charge for Priority Mail currently paid for
 - (i) air taxis,
 - (ii) intra-Alaska commercial air,
 - (iii) intra-Alaska air to the Bush, and
 - (iv) any other air operators (other than regular commercial airlines) used by the Postal Service to transport Priority Mail?
- b. Do any existing contracts with any of the above expire prior to the end of Test Year? If so, please stipulate the contract and date.
- c. Please identify any constraints on Postal Service procurement of air transportation services in Alaska imposed by law.

RESPONSE

- a.(i) Objection filed on March 13, 2000.
- a. (ii) The Postal Service assumes by commercial air that you are referring to mainline intra Alaska air service. The mainline rates promulgated by the U.S. Department of Transportation in effect as of March 8, 2000 are:
 - Priority Linehaul: \$1.5126 per ton-mile or \$0.0007563 per pound mile
 - Non-priority Linehaul: \$0..9517 per ton-mile or \$0.0047585 per pound mile
 - Priority Terminal Handling: \$0.2519 per pound
 - Non-priority Terminal Handling: \$0.2165 per pound

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Linehaul rates are subject to a quarterly fuel adjustment. The next adjustment is expected sometime in March 2000.

a. (iii) The DOT bush rates for intra-Alaska Service are:

Linehaul: \$9.9746 per ton-mile or \$0.0049873 per pound-mile

Terminal Handling: \$0.3591 per pound.

a.(iv) Objection filed on March 13, 2000.

b.(i) Objection filed on March 13, 2000.

b.(ii) The mainline linehaul DOT rates are the combination of a base rate and a fuel adjustment. The base rates will stay in effect until September 30, 2000. The fuel adjustment is quarterly, with one expected in March 2000.

b.(iii) The DOT bush rates expire on April 1, 2000. The DOT is currently reviewing proposed rates which have not been finalized.

b.(iv) Objection filed on March 13, 2000.


c. Without purporting to represent any definitive interpretation of the relevant statutory provisions, the Postal Service can provide the following general information. The Postal Service is required to use the Alaska carriers selected by DOT and pay them the rates established by DOT. The Postal Service can only contract when the service provided by the DOT-regulated carriers is insufficient to meet

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the needs of the Postal Service. This is usually preceded by the Postal Service contacting individual carriers and asking them to change or add service. If they cannot provide what the Postal Service needs, the Postal Service can contract for air taxi service. The Postal Service has the option to use contract surface transportation; however, this option is limited by such factors as the scarcity of roads.

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.



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