

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

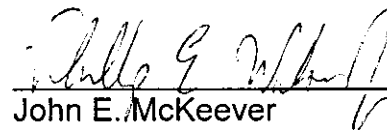
DOCKET NO. R2000-1

INTERROGATORY FROM
UNITED PARCEL SERVICE TO UNITED STATES
POSTAL SERVICE WITNESS KAY
(UPS/USPS-T23-7)
(March 20, 2000)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby serves the following interrogatory directed to United States Postal Service witness Kay:

UPS/USPS-T23-7.

Respectfully submitted,



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INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS KAY

UPS/USPS-T23-7. Refer to page 5, lines 12-15, of witness Plunkett's testimony, where he states that "implementation of the Eagle Network . . . enabled the Postal Service to provide much more reliable service for Express and Priority Mail between major markets" Refer also to the Commission's decision in Docket No. R97-1, at volume 1, pages 221-22, where the Commission attributed the "fixed" costs of the Eagle network exclusively to Express Mail based on witness Takis' testimony that "if Express Mail were eliminated, then the Eagle Network would be shut down, and Priority and First-Class Mail would be diverted onto commercial flights with no degradation of service quality."


(a) In your calculation of incremental costs, did you consider witness Plunkett's statement that the Eagle network "enabled the Postal Service to provide much more reliable service for Express and Priority Mail between major markets"?

(b) Do you agree with this statement by witness Plunkett?

(c) How did the Eagle network's benefit to Express Mail and Priority Mail affect, if at all, your calculation of the network premium?

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document by first class mail, postage prepaid, in accordance with Section 12 of the Commission's Rules of Practice.



Phillip E. Wilson, Jr.
Attorney for United Parcel Service

Dated: March 20, 2000
Philadelphia, Pa.

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