

BEFORE THE  
POSTAL RATE COMMISSION

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POSTAL RATE AND FEE CHANGES, 2000

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

INTERROGATORIES OF UNITED PARCEL SERVICE  
DIRECTED TO UNITED STATES POSTAL SERVICE  
WITNESS DANIEL  
(UPS/USPS-T28-2 through 3)  
(March 22, 2000)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby directs the following interrogatories to United States Postal Service witness Daniel:

UPS/USPS-T28-2 through 3.

Respectfully submitted,



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

UPS/USPS-T28-2. Refer to USPS-LR-I-97, the spreadsheet entitled, "Development of Roll Forward Final Adjustments" (LR97fnad.xls), and specifically to the "Transportation" worksheet.

(a) Refer to the Parcel Post line of column "Rollforward AR01 Unit Cost" (cell R65), and confirm that the Test Year After Rates (2001) costs for transportation and postal owned vehicles from the roll-forward model are used to derive the figure 107.1. If you do not confirm, explain in detail.

(b) Refer to the "Inter BMC," "Intra BMC," "DBMC," "DSCF," "DDU," "Inter BMC Oversize," "Intra BMC Oversize," "DBMC Oversize," "DSCF Oversize," and "DDU Oversize" lines of column "Rollforward AR01 Unit Cost" (cells R66 to R75), and confirm that cells R66 to R75 reflect Test Year Unit Costs multiplied by 107.1 (cell R65) divided by 108.4 (cell N65), the Parcel Post line of column "Test Year Unit Cost." If you do not confirm, explain in detail.

(c) Confirm that the 108.4 in cell N65 is the average Parcel Post "Test Year Unit Cost" based on the 2001 "Before-Rates Volume Forecast" (volume mix) from witness Tolley. If you do not confirm, explain in detail.

(d) Explain in detail why witness Tolley's 2001 "After-Rates Volume Forecast" (volume mix) (USPS-T-6, Attachment A) is not used to derive the average Parcel Post Test Year Unit Cost to be applied in place of the 108.4 figure used in cells R66 to R75.

(e) In the formula for cell R65, what is the source of the hard-coded figure 1.172, and why is this figure used?

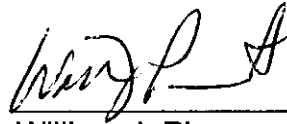
INTERROGATORIES OF UNITED PARCEL SERVICE  
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(f) Refer to the "Mail Processing" worksheet in LR97fnad.xls. In the formula for Parcel Post in column "Rollforward BR01 Unit Cost" (95.05, cell M67), and in the "TY Unit Cost" column for "Inter BMC" (142, cell N68), "Intra BMC" (109, cell N69), "DBMC" (86, cell N70), "DSCF" (50, cell N71), "DDU" (35, cell N72), "Inter BMC Oversize" (939, cell N73), "Intra BMC Oversize" (665, cell N74), "DBMC Oversize" (496, cell N75), "DSCF Oversize" (360, cell N76), and "DDU Oversize" (108, cell N77), what is the source of the hard-coded figure 1.151 which appears for each, and why is this figure used?

UPS/USPS-T28-3. Refer to USPS-LR-I-98, Section 4 (LR98SEC4c.xls), worksheet "Cost-dist 3," entitled "Division of Parcel Post Transportation Costs." Explain how the "Percentage of DBMC parcels entered at destination SCFs" (Row 16), of 7.11 percent was taken into account in the Parcel Post final adjustment for transportation in USPS-LR-I-98. If it was not used, explain in detail why not.

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.



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William J. Pinamont  
Attorney for United Parcel Service

Dated: March 22, 2000  
Philadelphia, Pa.

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