

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, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HUNTER TO INTERROGATORIES OF
UNITED PARCEL SERVICE
(UPS/USPS-T5-27, 29)
(March 27, 2000)

The United States Postal Service hereby provides the responses of witness Hunter to the following interrogatories of United Parcel Service: UPS/USPS-T5-27, 29, filed on March 13, 2000. An objection to interrogatory UPS/USPS-5-28 was filed on March 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

K N Hollies
Kenneth N. Hollies

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.

K N Hollies
Kenneth N. Hollies

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March 27, 2000

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

UPS/USPS-T5-27. Refer to Library Reference USPS-LR-I-44. For FY 1998 provide a copy of a report generated from the Permit System showing the total volume for Parcel Post, separately for (i) Inter-BMC, (ii) Intra-BMC, and (iii) DBMC.

RESPONSE. I understand that the PERMIT System reports do not aggregate this information beyond the finance number level. Exemplars of a Location Volume Report and a Mailer Volume Report appear in USPS-LR-I-44/R2000-1, Sections 2.4.13 and 2.4.14; they display volumes by class and subclass. A copy of a screen image showing a Location Volume Report with the local office name and finance number information redacted also appears on the next page.

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UPS/USPS-T5-28. Provide a copy of any audit results concerning the accuracy or inaccuracy of BY 1998 postage statements.

- (a) Explain whether each such audit provides for verification procedures of actual mail delivered by the mailer against what was indicated by the mailer on the postage statement. If so, describe these procedures.
- (b) Explain whether each such audit determines the number of errors discovered by mail class, subclass and error type. If so, provide the results of all such determinations.
- (c) Include all documents and analyses related to each such audit. If an audit was not performed, explain in detail why not.

RESPONSE. An objection to this interrogatory was filed.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
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UPS/USPS-T5-29. Refer to Tables 1-3 of your testimony covering FY 1998. Provide detailed tables for FY 1998 in similar format, by subclass for each mail class, including Inter-BMC, Intra-BMC, and DBMC revenue, piece, and weight estimates.

RESPONSE. The estimates of totals at the subclass and rate category level are found in the files labeled BRPW48-51.TXT provided in USPS-LR-I-194/R2000-1. For each file, the RPHAT, RWHAT, PHAT and WHAT variables are summed for each AIC and RPWCODE combination. The sums are then mapped by RPWCODE to the subclasses and rate categories in the file labeled BRPW65.TXT. These sums are then multiplied by the PFY to GFY conversion factors provided in APPENDIX A of USPS-LR-I-194 before they are combined to produce GFY period estimates. The total revenue for each RPWCODE value is determined by combining the RPHAT and RWHAT variables. See also the response to UPS/USPS-T5-16.

ATTACHMENT TO UPS/USPS-T5-27

POSTAL SERVICE PERMIT SYSTEM
AS REQUESTED REPORT PROCESSING MODULE

DATE 03/20/00
PAGE 4

LOCATION VOLUME REPORT

** CLOSING 09/13/97 THROUGH 09/11/98 **

MAY INCLUDE CAPS ACCOUNT DATA

TOTAL OFFICE REPORT

(NOT A FINANCIAL REPORT, POSTAGE ROUNDED TO WHOLE DOLLARS)

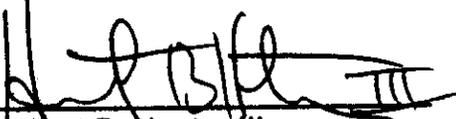
GRAND TOTALS	STATEMENTS	PIECES	WEIGHT	POSTAGE
FIRST CLASS				
CARRIER ROUTE		2,479,107	76,356	543,593
5-DIGIT AUTOMATION		23,117,588	1,789,617	6,319,515
3-DIGIT AUTOMATION		10,318,110	549,081	2,684,130
3/5-DIGIT AUTOMATION		712,297	67,793	364,256
BASIC AUTOMATION		2,614,886	127,919	707,836
PRESORTED		3,985,118	206,034	1,325,278
SINGLE-PIECE		4,743,714	268,520	1,802,346
* FIRST CLASS TOTALS *	4,990	47,970,820	3,085,323	13,746,957
PRIORITY				
PRIORITY PRESORTED		0	0	0
PRIORITY SINGLE PIECE		39,282	61,564	135,218
* PRIORITY CLASS TOTALS *	358	39,282	61,564	135,218
STANDARD (A)				
SINGLE PIECE		53,272	2,384	20,582
AUTOMATION 5-DIGIT		1,928,397	59,393	217,812
AUTOMATION 3-DIGIT		10,962,772	463,494	1,427,468
AUTOMATION 3/5 DIGIT		43,936,220	7,456,152	8,271,927
NONAUTO 3/5 DIGIT		8,911,156	971,646	1,684,095
AUTOMATION BASIC		9,559,960	628,563	1,630,512
NONAUTOMATION BASIC		7,163,670	1,353,618	2,100,095
ECR SATURATION		7,885,180	1,800,462	1,291,714
ECR HIGH DENSITY		3,223,500	1,036,821	684,541
ECR BASIC		26,522,308	3,320,710	3,785,376
ECR AUTOMATION BASIC		1,831,872	68,851	225,639
* STANDARD (A) TOTALS *	13,618	121,978,307	17,162,098	21,339,766
THIRD CLASS (PRE-REFORM)				
SATURATION W/S		0	0	0
125 PIECE W/S		0	0	0
CARRIER ROUTE		0	0	0
AUTOMATION 5D BARCODE		0	0	0
AUTOMATION 3D BARCODE		0	0	0
AUTOMATION 3/5 DIGIT		0	0	0
AUTOMATION 3/5 ZIP+4		0	0	0

ATTACHMENT TO UPS/USPS-T5-27

NONAUTOMATION 3/5		0	0	0
AUTOMATION BASIC BC		0	0	0
AUTOMATION BASIC 2+4		0	0	0
NONAUTOMATION BASIC		0	0	0
SINGLE PIECE		0	0	0
* THIRD CLASS (PRE-REFORM) TOTALS *	0	0	0	0
STANDARD (B)				
BPM CARRIER ROUTE		12,368	15,336	6,281
BPM BASIC BULK		520,871	889,380	449,909
BPM SINGLE-PIECE		32,042	50,903	51,511
PARCEL POST INTER-BMC		1,077	14,638	5,499
PARCEL POST INTRA-BMC		13,549	56,002	35,373
PARCEL POST DEST BMC		0	0	0
STD MAIL(B) SPEC 5D		0	0	0
SPECIAL BMC		0	0	0
SINGLE PIECE		4,956	6,380	7,978
LIBRARY RATE SINGL PC		12,285	18,497	20,789
* STANDARD (B) TOTALS *	472	597,148	1,051,139	577,343
** TOTALS	19,438	170,585,557	21,360,125	35,799,286
LOCATION	= ALL			

DECLARATION

I, Herbert B. Hunter III, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.


Herbert B. Hunter III

Date: March 27, 2000