

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

ERRATUM TO RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS PLUNKETT TO INTERROGATORY UPS/USPS-T36-3

The United States Postal Service hereby provides a revised responses of witness Plunkett to UPS/USPS-T36-3, originally filed on March 21, 2000. This erratum corrects a misnumbering of the subparts in the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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March 31, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PLUNKETT TO
INTERROGATORIES OF UNITED PARCEL SERVICE

UPS/USPS-T36-3. Refer to Attachment H of USPS-T-36.

- (a) Confirm that a 100% passthrough is used for Parcel Post DBMC Non-transportation Cost Savings to yield a DBMC Non-transportation Discount of \$0.70 per piece. If not confirmed, explain.
- (b) Confirm that Witness Eggleston (USPS-T-26, Attachment C, Revised 2/18/2000) has revised the Parcel Post DBMC Non-transportation Cost Savings to be \$0.662 per piece. If not confirmed, explain.
- (c) Confirm that the effective passthrough for Parcel Post DBMC Non-transportation costs is actually 106%. If confirmed, explain why a passthrough in excess of 100% is justified. If not confirmed, explain in detail.
- (d) Confirm that a 100% passthrough is used for OBMC Cost Savings to yield a Parcel Post OBMC rate differential of \$0.93 per piece. If not confirmed, explain.
- (e) Confirm that Witness Eggleston (USPS-T-26, Attachment C, Revised 2/18/2000) has revised the Parcel Post OBMC Cost Savings to be \$0.894 per piece. If not confirmed, explain.
- (f) Confirm that the effective passthrough for Parcel Post OBMC Cost Savings is actually 104%. If confirmed, explain why a passthrough in excess of 100% is justified. If not confirmed, explain in detail.
- (g) Confirm that Parcel Post DSCF and DDU rates are derived based on Parcel Post DBMC rates. If not confirmed, explain in detail.
- (h) Confirm that a passthrough in excess of 100% for Parcel Post DBMC Non-transportation Cost Savings leads to an effective passthrough of greater than 100% of the worksharing activities required in the Parcel Post DSCF and DDU rate categories. If not confirmed, explain in detail.
- (i) Explain all considerations made in proposing a 100% passthrough for worksharing activities in the Parcel Select rate categories (i.e., DBMC, DSCF and DDU). In particular, describe all considerations of the value of service in each Parcel Select rate category in setting the passthrough.

UPS/USPS-T36-3 Response.

a.-h. Confirmed

- i. The use of a 100 percent passthrough reflects my view that these rates ought to reflect, as nearly as is consistent with the statutory ratemaking criteria, the value of the work contributed by mailers and or consolidators performing worksharing activities. In considering the value of service of these particular rate categories, I did not consider the value of service of the worksharing passthroughs apart from the other elements used in rate design. The constraints that I imposed as the final stage

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in rate design were intended to capture value of service considerations, and were applied to the rates themselves, rather than to the passthroughs used to develop the rates.

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.



Scott L. Reiter

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