

BEFORE THE
POSTAL RATE COMMISSION

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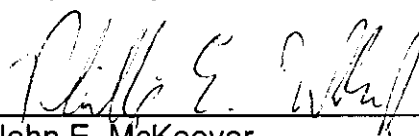
POSTAL RATE AND FEE CHANGES, 2000

DOCKET NO. R2000-1

FOLLOW-UP INTERROGATORIES OF UNITED
PARCEL SERVICE TO UNITED STATES POSTAL
SERVICE WITNESS BRADLEY
(UPS/USPS-T18-7 through 9)
(April 13, 2000)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby serves these follow-up interrogatories directed to United States Postal Service witness Bradley: UPS/USPS-T18-7 through 9.

Respectfully submitted,



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FOLLOW-UP INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS BRADLEY

UPS/USPS-T18-7. Refer to the Postal Service's response to interrogatory UPS/USPS-T18-2 in which the Postal Service states that "there is no such thing as an exceptional service contract."

a) Do you disagree with witness Xie's references, in her responses to interrogatories UPS/USPS-T1-47-49, to "exceptional contracts"? Please explain how your view of exceptional service differs from that of witness Xie.

b) Under what type of contract are exceptional service movements governed? Explain the process by which such contracts are created. How far in advance of exceptional service is such a contract let?

c) Explain the process that governs the designation of a movement as exceptional service. When is the decision to acquire such a service made, by whom, and using what criteria?

d) Into which management information systems and/or data bases is information on exceptional services entered, and at what points in time are these entries made relative to the time at which the exceptional service movement departs the facility?

e) Does the Postal Service require that a justification or explanation be recorded when an exceptional service has been requested? If so, provide the information or data set.

f) Does the Postal Service collect any data on the composition of mail classes carried as part of an exceptional service? If so, provide the information or data

FOLLOW-UP INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS BRADLEY

set.

g) Does the Postal Service collect any data on the mix of containers, pallets, and loose items carried as part of an exceptional service? If so, provide the information or data set.

h) Is Form 5429 used only for documenting performance of exceptional service?

i. Explain what is meant by the phrase "among other things" used in the Postal Service's response to UPS/USPS-T18-2(j).

ii. Explain the uses of Form 5429.

iii. Provide a copy of the instructions that govern the use of Form 5429.

i) The Postal Service indicates in its answer to UPS/USPS-T18-2(k) that information from Form 5429 is recorded in TIMES. What information is recorded?

j) In your testimony in Docket No. R97-1, USPS-T-13, at 22, footnote 12, you state that "The term 'exceptional' is used for contracts that cover what is typically thought of as emergency service (a truck breaks down, a truck driver is ill, etc.)." Reconcile this statement with the Postal Service's statement that there are no exceptional contracts.

UPS/USPS-T18-8. Refer to the Postal Service's response to interrogatory UPS/USPS-T18-3, in which the Postal Service refers to "attached pages from the Purchasing Manual" and to "the Purchasing Manual dated January 1997, Section 4,

FOLLOW-UP INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS BRADLEY

part 4.5.b.2." The pages attached to the response, however, are from the Postal Operations Manual (POM Issue 8, July 16, 1998, referred to subsequently as the POM).

- a) Provide the referenced pages from the Purchasing Manual.
- b) With respect to temporary contracts, as defined in the POM, page

264:

- i. Explain the difference between temporary contracts and what you refer to as emergency contracts.
- ii. Explain the difference between temporary contracts and what you refer to as exceptional service.
- iii. Explain the difference between temporary contracts and what witness Xie refers to as emergency contracts.
- iv. Explain the difference between temporary contracts and what witness Xie refers to as exceptional contracts.

- c) With respect to emergency contracts, as defined in the POM, page

264:

- i. Explain the difference between emergency contracts and what you refer to as emergency contracts.
- ii. Explain the difference between emergency contracts and what you refer to as exceptional service.
- iii. Explain the difference between emergency contracts and what

FOLLOW-UP INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS BRADLEY

witness Xie refers to as emergency contracts.

iv. Explain the difference between emergency contracts and what witness Xie refers to as exceptional contracts.

d) Provide a table of correspondence between regular, temporary, and exceptional contracts, as referenced in the POM, regular contract, emergency contract, and exceptional service, as referred to by you, and the various account numbers used in highway transportation, whose names include the terms "regular," "emergency," and "exceptional."

e) To the table created in response to d) above, add the correspondence to regular contract, emergency contract, and exceptional contract as used by witness Xie.

UPS/USPS-T18-9. Refer to the Postal Service's response to UPS/USPS-T18-4.

a) Why would "diversion of mail from air to surface" disproportionately affect the extent of emergency contracting in Inter-Area service relative to other categories of Inter-SCF contracts or to other categories of highway transportation contracts?

b) Why would the "opening of the new Southeast HASP facility" disproportionately affect the extent of emergency contracting in Inter-Area service relative to other categories of Inter-SCF contracts or to other categories of highway transportation contracts?

c) Why would "increased emphasis on two- and three-day First-Class

1

FOLLOW-UP INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS BRADLEY

service" disproportionately affect the extent of emergency contracting in Inter-Area service relative to other categories of Inter-SCF contracts or to other categories of highway transportation contracts?

d) Why are exceptional service movements more likely to happen "within service areas"? Define the highway contract types to which you refer when you use the term "service area."

e) In estimating volume variability for highway transportation, do you control for variations in the proportion of costs that fall into the emergency and exceptional categories? If not, explain why not.

f) Your discussion of exceptional service costs fails to explain why the proportion of exceptional service costs in Intra-BMC costs is more than double that of the proportion in Inter-SCF or Intra-SCF costs, and almost double of Inter-BMC costs. Please explain.

g) Suppose an unexpected surge in mail volume occurs that requires additional, unexpected transportation resources to be moved. How will such moves be arranged? Under what account will the costs of such moves be classified?

h) Suppose a mechanical breakdown occurs that prevents completion of a highway movement segment. Explain the process by which the decision is made to hold the mail until the next scheduled movement vs. to ship by an exceptional service movement. How is this decision affected by the mix of mail sub-classes and/or the quantity of time-sensitive mail present in the mail which would have been moved on that

FOLLOW-UP INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS BRADLEY

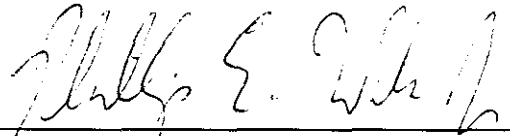
segment?

i) Provide actual records from TIMES and from Form 5429 for when highway movements required by unexpected surges in mail volume occurred.

j) Provide an analysis of any and all mail volume information available from TIMES and from sources based on Form 5429 for movements that occurred because of unexpected surges in mail volume.

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: April 13, 2000
Philadelphia, Pa.