

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
TO INTERROGATORIES OF UNITED PARCEL SERVICE
(UPS/USPS-3-4)

The United States Postal Service hereby provides its responses to the following interrogatories of United Parcel Service: UPS/USPS-3-4, filed on April 3, 2000.

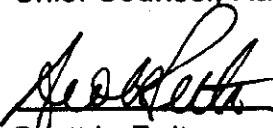
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999 Fax -5402
April 17, 2000

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

UPS/USPS-3. Refer to the Cost and Revenue Analysis report, FY98 PRC Version-Revised (June 11, 1999) page 8, which indicates a volume of 266.5 million pieces for Standard Mail (B), Parcels (Zone Rate).

(a) Confirm that this volume estimate was based on DRPW data only (i.e., did not use any data from the PERMIT system or from the BRPW system). If you do not confirm, explain why, and (i) indicate what portion of that volume estimate is based on data from a system other than the DRPW system, and (ii) provide the name of the system and how estimates under it were obtained for purposes of this Cost and Revenue Analysis report.

(b)(i) Provide a breakdown by inter-BMC, intra-BMC, and DBMC pieces of the estimate of 266.5 million pieces, and all data used to arrive at the breakdown, preferably in electronic format.

(ii) Provide a breakdown by inter-BMC, intra-BMC, and DBMC of the revenue and weight associated with the pieces provided in response to (b)(i), above, and all data used to arrive at these breakdowns, preferably in electronic format.

RESPONSE:

(a) Not confirmed.

(i) Approximately 1.3% of the volume estimate is from other sources.

(ii) Sources include official mail (OMAS), and Alaska bypass. OMAS

volumes were obtained by extracting the information from the Official

Mail Accounting System, while the Alaska bypass estimates were

obtained from a survey of Standard Mail (B) Intra-BMC shippers.

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(b)(i) The breakdown of the Parcel Post inter-BMC, intra-BMC, and DBMC piece estimate of 266.5 million pieces is:

Category	Pieces (000)
Inter-BMC	67,745
Intra-BMC	48,172
DBMC	150,562
Total	266,479

The detailed data used to derive these estimates are provided in the following attached table.

(ii) The breakdown of the Parcel Post inter-BMC, intra-BMC, and DBMC revenue and weight estimates are:

Category	Revenue (000) *	Weight (000)
Inter-BMC	319,793	358,683
Intra-BMC	134,189	295,327
DBMC	369,317	680,323
Total	823,299	1,334,333

* Excludes an estimated \$268,000 for Combination Enclosure Revenue

The detailed data used to derive these estimates are provided in the following attached tables. There is one table each for revenue and weight.

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UPS/USPS-4. (a) In FY1998, did the Postal Service accept drop shipments of DBMC Parcel Post from mailers who did not participate in the PERMIT system? If so, provide the volume of Parcel Post pieces accepted by the Postal Service in FY1998 from such mailers and the associated revenue and weight for all such pieces, together with all data used to arrive at those figures, preferably in electronic format.

(b) In FY1998, did the Postal Service accept dropshipments from mailers when postage was not paid by PERMIT imprint, but rather was paid by postage meters, precancelled stamps, uncanceled stamps, or any other forms of postage payment? If so, provide the volume of Parcel Post pieces accepted by the Postal Service in FY1998 from all such mailers and the revenue and weight associated with all such pieces, together with all data used to derive these figures, preferably in electronic format if available.

RESPONSE:

(a) DMM mailing rules do not prohibit DBMC parcel post from being entered at acceptance units not in the PERMIT System. However, no estimate of this activity can be produced for GFY 1998 because no system itemizes this activity.

(b) Yes. Please refer to response to UPS/USPS-T4-12(a), specifically the DBMC line in the table, for these estimates of revenue, pieces, and weight.

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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Washington, D.C. 20260-1137
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