

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED
APR 20 4 33 PM '00
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS EGGLESTON TO INTERROGATORY OF
UNITED PARCEL SERVICE
(UPS/USPS-T26-24)

The United States Postal Service hereby provides the response of witness Eggleston to the following interrogatory of United Parcel Service: UPS/USPS-T26-24, filed on April 4, 2000.

The 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 20, 2000

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

UPS/USPS-T26-24. Refer to your response to UPS/USPS-T26-16 and to the attached page of the MTAC "Parcel IRT Meeting Minutes" from May 14, 1998, which indicates that the DSCF rates and DDU rates will apply in Alaska.

(a) Confirm that Parcel Post entered at a destination SCF in Alaska is eligible for the DSCF rate in Alaska. If not confirmed, explain.

(b) Confirm that Parcel Post entered at a DDU in Alaska is eligible for the DD rate in Alaska. If not confirmed, explain.

(c) Confirm that Parcel Post mail entered at the DSCF rate in Alaska will incur Alaska air non-preferential costs. If not confirmed, explain.

(d). Confirm that Parcel Post mail entered at the DDU rate in Alaska will incur Alaska air non-preferential costs. If not confirmed, explain.

RESPONSE:

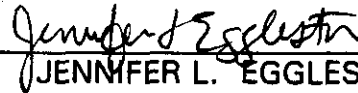
(a) Confirmed.

(b) Confirmed.

(c & d). Parcel Post entered at the DSCF and DDU rate in Alaska will incur Alaska air non-preferential costs. Since the costs used in my Parcel Post transportation model are test year costs extrapolated from base year costs, costs associated with DSCF and DDU are not included in the model. That is the reason why the Parcel Post transportation model allocates total Parcel Post transportation costs to inter-BMC, intra-BMC and DBMC and then estimates DSCF and DDU costs separately. It should be noted that because DSCF and DDU were implemented in January 1999, my Parcel Post transportation model cannot be used, as is, with FY 1999 data.

DECLARATION

I, Jennifer Eggleston, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.



JENNIFER L. EGGLESTON

Dated: 11/18/00

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

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
April 20, 2000