

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

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF
UNITED PARCEL SERVICE
REDIRECTED FROM WITNESS BRADLEY
(UPS/UPS-T18-9) - ERRATUM

The United States Postal Service hereby provides its revised response to the following interrogatory of United Parcel Service: UPS/UPS-T18-9, filed on April 13, 2000, and redirected from witness Bradley. The original response was filed on May 5, 2000. The only change is to the response to subpart (h). An incomplete draft was inadvertently included as the initial response for subpart (h); the revision incorporates a full response.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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May 9, 2000

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE UNITED PARCEL SERVICE, REDIRECTED FROM
WITNESS BRADLEY (USPS-t-18)**

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 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 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.

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RESPONSE

- a) Mail diverted from air to surface normally travels longer distances between areas. Therefore, diversions from air to surface would have greater impact on inter-Area service.
- b) As in the response to a) above, mail going to a HASP is consolidated in one area and shipped, in most instances, to another area. Therefore, inter-area transportation operations would be impacted more when compared to inter-SCF transportation.
- c) This could be true because the Postal Service typically uses emergency contracts and exceptional service on existing contracts to offset the impact of unexpected mail volumes or operating delays. As an example, one might experience an unexpected surge in volume late in an operation. In this instance, one might use exceptional service on an emergency contract to ensure that the mail gets to the customer in a timely manner.
- d) Exceptional service is more likely to occur in a service because you are working with a very tight time window to get mail to the downstream offices. Any problem with operations (e.g., mail processing) normally requires exceptional service to make up for lost time.
- e) Answered by witness Bradley.

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- f) The percentage of exceptional service for one category of highway transportation is not necessarily related to the percentage in another.
- g) Operations managers call for exceptional service or emergency contracts.
- h) In those instances where a contractor fails to operate a trip or there is a mechanical failure during route operations, the mail will normally be transported using an extra trip and/or contractor replacement service. There are a number of factors that will determine which of the above options will be utilized. Examples include the following:
 - 1) The contractor calls and states he will not be able to run trip number 801. If the contractor's call is received well in advance of (i.e., several hours before) the scheduled time for trip operations, the contractor might be asked to run a replacement trip later in the tour. In those instances where the call is received very close to the scheduled dispatch time, another contractor would likely be asked to run an extra trip.
 - 2) In those instances where a contractor is transporting highly time-sensitive mail (e.g., Express Mail), a replacement trip would be ordered immediately.
 - 3) In the case of long haul transportation where a failure to operate has a cascading effect on operations later in the week, an extra trip would be ordered.

Revised
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In summary, the circumstances and options are many, but our fundamental goal is to move the mail in a timely manner.

- i) This information is not available for TIMES and Form 5429 or for TIMES and Form 5397.
- j) This information is not available for TIMES and Form 5429 or for TIMES and Form 5397.

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.



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