

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/USPS-T18-8)

The United States Postal Service hereby provides its revised response to the following interrogatory of United Parcel Service: UPS/USPS-T18-8, filed on April 13, 2000, and redirected from witness Bradley. The original response was filed on May 5, 2000. The only revision is to the response to subpart (d). The original response incorrectly indicated that witness Bradley had answered the subpart. The revised response provides the requested table as well as textual explanation.

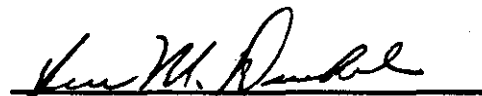
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Rate-making



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May 18, 2000

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

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, 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 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.

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RESPONSE

- a. See attached. The reference should be to Section 4, part 4.5.5.b.2.
- b.
  - i) An emergency contract is awarded when management determines there is a business or operational emergency. Temporary contracts are awarded in those instances where there is a known need for transportation, but the long-term requirements have not been fully defined. Emergency contracts may be terminated with 24 hours notice, while temporary contracts require 30 days notice.
  - ii) Temporary contracts are stand alone contract entities. Exceptional service is additional service added to existing temporary contracts. This same relationship exists between regular and emergency contracts.
  - iii) See the response to subpart i) above.
  - iv) See the response to subpart ii) above.
- c)
  - i) They are the same thing.
  - ii) See response to b) ii) above.
  - iii) They are the same thing.
  - iv) See response to subpart b) ii) above.

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d) Dr. Bradley's testimony (USPS-T-18) relies on the accounting system's definition of regular and emergency contracts. (Dr. Bradley does not rely on accounting costs, however.)

In the postal accounting system, the cost of certain regular and emergency contracts accrue to accounts as shown in the attached table. The cost of temporary contracts accrue to regular contract accounts.

The cost of exceptional service on a regular or temporary contract accrues to the accounts shown on the attached table. The cost of exceptional service on emergency contracts accrues to the relevant emergency contract account.

A number of additional types of contract highway service have one account for all activity (regardless of contract type or whether the transportation service is exceptional service or regularly scheduled). Plant load (accounts 53134 and 53135), intra-BMC leased fleet (53136), and Christmas (53604, 53608, 53613, 53617, 53622, 53625, 53626, 53623, 53624) service and their accounts share this characteristic. For these accounts, no further breakout is available.

A listing of these accounts and the costs associated with them can be found at tab "Input-Costs" in the Cost Segment B Workpapers of witness Meehan (USPS-T-11).

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INTERROGATORY OF THE UNITED PARCEL SERVICE, REDIRECTED FROM  
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e) Witness Xie is referring to the regular and emergency contracts and to exceptional service in the same sense as the POM and witness Bradley. She merely used the term exceptional contract when she should have said exceptional service.

ATTACHMENT TO REVISED RESPONSE TO UPS/USPS-T18-8

	Regular and Temporary Contracts		Emergency Contracts
	Scheduled Service	Exceptional Service	All Service
Intra SCF	53121	53122	53123
Intra PDC	53601	53602	53603
Intra CSD	53605	53606	53606
Inter SCF	53124	53125	53126
Inter PDC	53609	53611	53612
Inter Cluster	53614	53615	53616
Inter Area	53618	53619	53621
Intra BMC	53127	53128	53129
Inter BMC	53131	53132	53133
Source:			
USPS Witness Meehan (USPS-T-11), Cost Segment 14 B			
Workpapers, Tab: Inputs-Costs			

## 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.

A handwritten signature in black ink, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

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