

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

UNITED STATES POSTAL SERVICE
INTERROGATORY AND REQUEST FOR PRODUCTION OF DOCUMENTS TO
UNITED PARCEL SERVICE WITNESS SELICK
(USPS/UPS-T2-1)

Pursuant to rules 25 and 26 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatory and request for production of documents to United Parcel Service witness Sellick: USPS/UPS-T2-1.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

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May 26, 2000

USPS/UPS-T2-1. Please refer to your testimony, UPS-T-2, at page 2, lines 15-18, where you state that you provide "[a] recalculation of base year Cost Segment 3 costs... using 100 percent mail processing labor cost variability as proposed by UPS witness Neels (UPS-T-1)."

- a. For cost segment 3.1, confirm that by "costs," you specifically mean volume-variable costs by cost pool and subclass. If you do not confirm, please specify the correct meaning of "costs."
- b. Confirm that the "costs" you calculate for cost segment 3.1 are consistent with Dr. Neels' proposals. If you do not confirm, please explain fully.
- c. Confirm that the "costs" you compute for cost segment 3.1, by cost pool and subclass, can be expressed as the product of total cost for the pool, a volume-variability factor equal to (or nearly equal to) one (or 100 percent), and a distribution key share for the cost pool and subclass derived from IOCS data. If you do not confirm, please provide the expression you believe to be correct.

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 cursive script, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

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