

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

DOUGLAS F. CARLSON
INTERROGATORY TO UNITED PARCEL SERVICE
WITNESS DAVID E. M. SAPPINGTON
(DFC/UPS-T6-1)

May 27, 2000

Pursuant to Rules 25-27, I hereby submit this interrogatory to United Parcel Service witness David E. M. Sappington.

The instructions contained in my interrogatories to Postal Service witness Mayo (DFC/USPS-T39-1-9) are incorporated herein by reference.

Respectfully submitted,



Dated: May 27, 2000

DOUGLAS F. CARLSON

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the required participants of record in accordance with section 12 of the *Rules of Practice*.



DOUGLAS F. CARLSON

May 27, 2000
Emeryville, California

DFC/UPS-T6-1. Please refer to your testimony at pages 25–31. For this interrogatory, the reliability of Priority Mail is defined as the frequency with which Priority Mail is delivered within the number of days specified in the service standard that applies to the origin-destination ZIP Code pair for each piece of mail. (For example, Priority Mail would be more reliable if it met its one-, two-, and three-day delivery standards 90 percent of the time than if it met its one-, two-, and three-day delivery standards 80 percent of the time.)

- a. Please confirm that the reliability of Priority Mail service should be a factor in determining the value of Priority Mail service. If you do not confirm, please explain.
- b. Please confirm that the reliability of Priority Mail service should be directly proportional to the value of Priority Mail service (i.e., the more reliable Priority Mail service is, the higher the value of the service should be). If you do not confirm, please explain.
- c. Suppose a customer is mailing an item from San Francisco to New York. The service standard for First-Class Mail is three days, and the service standard for Priority Mail is two days. This customer chooses Priority Mail because the customer wants the item delivered in two days. The item is, in fact, delivered in three days. Please confirm that this customer's dashed or unfulfilled expectations will tend to lower the value of service that this customer received from Priority Mail.
- d. By the definition of reliability contained in this interrogatory, please confirm that First-Class Mail is more reliable than Priority Mail. If you do not confirm, please explain.
- e. Please confirm that both speed and reliability are appropriate factors in determining the value of a delivery service.