

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

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POSTAL RATE AND FEE CHANGES, 2000

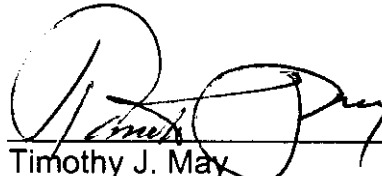
Docket No. R2000-1

**RESPONSE OF PARCEL SHIPPERS ASSOCIATION
WITNESS WIN ZIMMERMANN TO INTERROGATORIES OF
UNITED STATES POSTAL SERVICE
(USPS/PSA-T-1-1-5)**

Parcel Shippers Association hereby provides the responses of witness Win Zimmermann to the following interrogatories of United Parcel Service: USPS/PSA-T-1-1-5, filed on June 16, 2000.

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

Respectfully submitted,



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Counsel for Parcel Shippers Association

Dated: June 29, 2000

**RESPONSE OF PARCEL SHIPPERS ASSOCIATION WITNESS ZIMMERMANN
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE**

USPS/PSA-T1-1 Please see your testimony at page 11, lines 21-22 where you acknowledge that in some instances, Parcel Post rates are advantageous to UPS residential rates. Is it your belief that the proposed Standard Mail (A) rates are usually always more advantageous than UPS residential rates?

RESPONSE:

My testimony acknowledged that the Postal Service did have an occasional rate advantage in residential delivery rates "because the customer does not have a separate contractual deal with UPS...." I premise my answer to your question by saying that, if the customer does not have a separate contractual deal with UPS, then the proposed Standard Mail (A) rates would usually be more advantageous than UPS residential rates.

**RESPONSE OF PARCEL SHIPPERS ASSOCIATION WITNESS ZIMMERMANN
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE**

USPS/PSA-T1-2 Please see your testimony at page 15, lines 5-6. If Standard A parcels were a subclass, would the rates have to cover the costs?

RESPONSE:

I have been informed by counsel that legally the answer to this question is yes.

**RESPONSE OF PARCEL SHIPPERS ASSOCIATION WITNESS ZIMMERMANN
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE**

USPS/PSA-T1-3 Please see your testimony at page 16, lines 8-10. Is it your position that rates only fail to be fair and equitable if someone complains about them?

RESPONSE:

No that is not my position. My position is that rates can only be unfair or inequitable if either the rate for the rate category, or the rate for the sub-class to which a mail piece belongs, is itself an unfair and inequitable rate. Standard (A) parcels is neither a rate category nor a sub-class. For example, I do not ask whether it is fair and equitable to charge the same First-Class single piece rate to a piece of handwritten non-zip coded mail destined to Alaska as for a single piece typewritten zip coded letter mailed to a destination within the same city. Rather, the question I ask is whether single piece First-Class letters, as a rate category, are covering their costs.

**RESPONSE OF PARCEL SHIPPERS ASSOCIATION WITNESS ZIMMERMANN
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USPS/PSA-T1-4 Please see your testimony at page 16, lines 11-14.

- (a) Are all mailers of letters and flats in Standard Mail (A) members of PSA?
- (b) Do all mailers of letters and flats in Standard Mail (A) also mail parcels?

RESPONSE:

(a) Of course all mailers of letters and flats in Standard Mail (A) are not members of PSA; however, the vast majority who are not are members, as I am, of The Association for Postal Commerce, which is also opposing the increase in your Standard (A) surcharge in this proceeding.

(b) No one knows the answer to this question, but if you ask me to speculate my answer would be that the great majority of mailers of letters and flats in Standard Mail (A) also mail parcels.

**RESPONSE OF PARCEL SHIPPERS ASSOCIATION WITNESS ZIMMERMANN
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE**

USPS/PSA-T1-5 Please see your testimony at page 17, line 21, through page 18, line 9. Is it your testimony that the revenues for Regular parcels will exceed the cost of parcels in the test year? If so, please provide your estimate of the unit revenue and unit cost for these parcels.

RESPONSE:

If your question refers to Standard (A) parcels, then it is not my testimony "that the revenues for regular parcels will exceed the cost of parcels in the Test Year...."

My testimony on the cited pages made it very clear that, while the revenues for Standard (A) parcels would not exceed their cost in the Test Year, the cost revenue gap was relatively minor, and, moreover, that the Postal Reorganization Act does not require that each piece of mail within a rate category fully cover its attributable costs.

DECLARATION

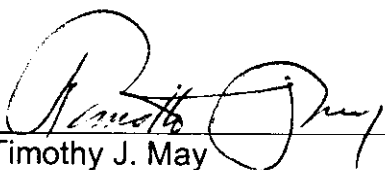
I, Win Zimmermann, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.

Winifred K (Win) Zimmermann
(Signed)

June 29, 2000

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the Postal Service by hand and by First-Class Mail upon all participants in this proceeding requesting such service.



Timothy J. May

Dated: June 29, 2000