

BEFORE THE
POSTAL RATE COMMISSION

RECEIVED

JUN 30 11 08 AM '00

POSTAL RATE AND FEE CHANGES, 2000

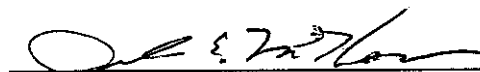
DOCKET NO. R2000-1

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

ANSWER OF UNITED PARCEL SERVICE WITNESS
RALPH L. LUCIANI TO INTERROGATORY OF THE
NEWSPAPER ASSOCIATION OF AMERICA
(NAA/UPS-T5-1)
(June 30, 2000)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby files and serves the answer of UPS witness Ralph L. Luciani to the following interrogatory of Newspaper Association of America: NAA/UPS-T5-1.

Respectfully submitted,



John E. McKeever
William J. Pinamont
Phillip E. Wilson, Jr.
Attorneys for United Parcel Service

Piper Marbury Rudnick & Wolfe LLP
3400 Two Logan Square
18th & Arch Streets
Philadelphia, PA 19103-2762
(215) 656-3310
(215) 656-3301 (FAX)

and
1200 Nineteenth Street, NW
Washington, DC 20036-2430
(202) 861-3900

Of Counsel.

ANSWER OF UNITED PARCEL SERVICE WITNESS LUCIANI
TO INTERROGATORY OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/UPS-T5-1. Please refer to your testimony at page 8, lines 5-7. Please explain what you mean by the "Commission's costing method" by which you distribute elemental load time. In particular, please describe the Commission's method which you use and how you applied it to the data.

Response to NAA/UPS-T5-1.

The reference to the "Commission's costing method" refers to the Postal Service's derivation of the distribution of BY1998 costs by cost segment to each subclass using Commission-approved methods as presented in USPS-LR-I-130 ("PRC Version/Base Year Model"). For purposes of the distribution of elemental load time, I simply reallocated the USPS-LR-I-130 costs for elemental load for parcels by weight rather than by piece. See Exhibit UPS-T-5B for further detail.

DECLARATION

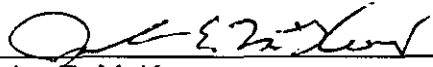
I, Ralph L. Luciani, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

Ralph L. Luciani
Ralph L. Luciani

Dated: 6/30/2000

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document by first class mail, postage prepaid, in accordance with Section 12 of the Commission's Rules of Practice.



John E. McKeever
Attorney for United Parcel Service

Dated: June 30, 2000
Philadelphia, Pa.

64399