

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE AND FEE CHANGES, 2000

DOCKET NO. R2000-1

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

ANSWERS OF UNITED PARCEL SERVICE WITNESS
RALPH L. LUCIANI TO INTERROGATORIES
OF THE UNITED STATES POSTAL SERVICE
(USPS/UPS-T5-35 and 36)
(July 3, 2000)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby files and serves the answers of UPS witness Ralph L. Luciani to the following interrogatories of the United States Postal Service: USPS/UPS-T5-35 and 36.

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 THE UNITED STATES POSTAL SERVICE

USPS/UPS-T5-35. Please refer to page 1 of your Exhibit UPS-T-5I.

- a. Confirm that your costs for City Carrier Driving Route in line 5 are volume variable costs. If you do not confirm, please explain fully.
- b. Confirm that your costs for City Carrier In-Office in line 6 are volume variable costs. If you do not confirm, please explain fully.
- c. Confirm that your costs for City Carrier Loading/Delivery in line 4 do not take into account economies of scale or economies of scope. If you do not confirm, please explain fully.

Response to USPS/UPS-T5-35.

- (a) Confirmed.
- (b) Confirmed.
- (c) Not confirmed. The cost in line 4 for City Carrier loading/delivery of parcels takes into account the economies of scale and/or scope in the loading and delivery of parcels that the Engineered Standards study captures. The cost in line 4 is designed to capture only the incremental costs identified in the Engineered Standards study that are incurred as a result of an additional parcel. Activities identified in the Engineered Standards study that are performed regardless of the delivery of an additional parcel are excluded.

ANSWER OF UNITED PARCEL SERVICE WITNESS LUCIANI
TO INTERROGATORY OF THE UNITED STATES POSTAL SERVICE

USPS/UPS-T5-36. Please refer to page 2 of your Exhibit UPS-T-51.

- a. What criteria did you use to determine the activities that are directly related to the time spent loading and delivering an additional parcel? Please be specific.
- b. What is your rationale for including activity 2121, "Make tally mark on ODR," in your calculation of the time spent loading and delivering an additional parcel?
- c. What is your rationale for including activity 2125, "Walk 1–20 paces," in your calculation of the time spent loading and delivering an additional parcel?

Response to USPS/UPS-T5-35.

- (a) An activity required as a result of a carrier dealing with an additional parcel.
- (b) My understanding is that a tally mark for each parcel is required.
- (c) The walk of 1 to 20 paces would be required in going to the door of the customer. To the extent that this walk might otherwise be undertaken on that day, my use of the shortest walk distance identified in the Engineered Standards study (i.e., 1 to 20 paces, rather than 21 to 60 paces or 61 to 120 paces) helps capture that impact.

DECLARATION

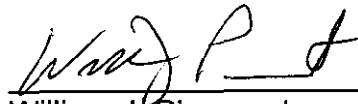
I, Ralph L. Luciani, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

Ralph L. Luciani
Ralph L. Luciani

Dated: 7/3/00

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.



William J. Pinamont
Attorney for United Parcel Service

Dated: July 3, 2000
Philadelphia, Pa.

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