

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

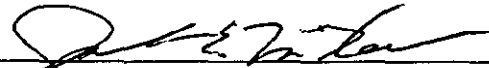
POSTAL RATE AND FEE CHANGES, 2000

DOCKET NO. R2000-1

REVISED RESPONSE OF UNITED PARCEL SERVICE
WITNESS DAVID E. M. SAPPINGTON TO
INTERROGATORY PSA/UPS-T6-2
(July 17, 2000)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby serves the following revised response of UPS witness David E. M. Sappington to interrogatory PSA/UPS-T6-2 of the Parcel Shippers Association. The revised response is attached. The revision relates solely to subpart (d) of the response.

Respectfully submitted,



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Of Counsel

ANSWER OF UNITED PARCEL SERVICE WITNESS SAPPINGTON
TO INTERROGATORY OF PARCEL SHIPPERS ASSOCIATION

PSA/UPS-T6-2

On pages 40 and 41 of your testimony you state: "In contrast to the years immediately prior to the R97-1 rate case, Parcel Post volume and revenue have grown substantially in recent years, as Tables 7 and 8 show."

- (a) Please confirm that by "recent years" you mean FY 1997, 1998, and 1999.
- (b) Please confirm that FY 1997 and FY 1998 do not reflect any Parcel Post rate increases, and that FY 1999 reflects only a partial year effect of the R97-1 rate increase.
- (c) Please confirm that the volumes and revenues in your Tables for 1999 are based upon Postal Service methodology which United Parcel Service maintains is incorrect.
- (d) Please provide the United Parcel Service estimate of volume and revenue for FY 1999.
- (e) Please confirm that your statement on page 42, that ". . . Parcel Post volume and revenue continued to increase in 1999 even in the face of the average rate increase of more than 12% that was implemented on January 10, 1999," is predicated upon use of the Postal Service's proposed new methodology and not the United Parcel Service proposed methodology.

Response to PSA/UPS-T6-2.

- (a) Confirmed.
- (b) Confirmed.

ANSWER OF UNITED PARCEL SERVICE WITNESS SAPPINGTON
TO INTERROGATORY OF PARCEL SHIPPERS ASSOCIATION


(c) Confirmed, as noted in the tables themselves. I did not have the information needed to present alternative figures for 1999, as I did for 1998.

(d) An order-of-magnitude estimate of FY1999 Parcel Post volume was prepared by UPS witness Ralph L. Luciani and is contained in his workpapers at UPS-Luciani-WP-3-1.7, or in the electronic version filed June 22, 2000, file "UPS-T-5-Luciani WP-3-1 Revised.xls," tab "3-1.7 Volume Modifications."

(e) Confirmed that Parcel Post volume and revenue continued to increase in FY1999 as measured by the Postal Service's proposed new methodology. I do not have information on FY1999 Parcel Post volume and revenue as measured by the established methodology.

DECLARATION

I, David E. M. Sappington, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

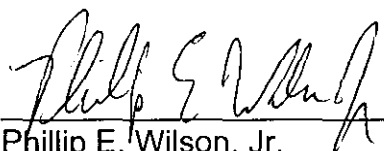


David E. M. Sappington

Dated: July 17, 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.



Phillip E. Wilson, Jr.
Attorney for United Parcel Service

Dated: July 17, 2000
Philadelphia, Pa.

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