

BEFORE THE  
POSTAL RATE COMMISSION

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OFFICE OF THE SECRETARY

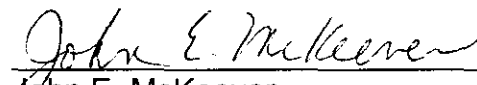
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POSTAL RATE AND FEE CHANGES, 2000  
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DOCKET NO. R2000-1

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ANSWERS OF UNITED PARCEL SERVICE  
TO INTERROGATORIES OF THE  
PARCEL SHIPPERS ASSOCIATION  
(PSA/UPS-7 through 9)  
(July 19, 2000)  
\_\_\_\_\_

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby files and serves the answers of UPS to the following interrogatories of the Parcel Shippers Association: PSA/UPS-7 through 9.

Respectfully submitted,



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Of Counsel.

ANSWER OF UNITED PARCEL SERVICE TO  
INTERROGATORY OF THE PARCEL SHIPPERS ASSOCIATION

**PSA/UPS-7.** In response to PSA/UPS-T6-6, filed on June 27, 2000, UPS Witness Sappington responded that he did not know the delivery performance of United Parcel Service and therefore he was not able to compare USPS Parcel Post delivery service with United Parcel Service's delivery performance. Please provide the delivery standards for United Parcel Service ground parcel delivery service, and provide the data which measures the UPS achievement of its standards.

**Response to PSA/UPS-7:**

UPS's delivery standards for all of its delivery services are available at <http://www.ups.com/wwtransit/engtimetran.html> and <http://www.ups.com/using/services/servicemaps/servicemaps.html>. UPS has filed an objection to the remainder of this interrogatory.

ANSWER OF UNITED PARCEL SERVICE TO  
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**PSA/UPS-8.** UPS witness Sappington responded to PSA/UPS-T6-9, which asked him to compare the growth of United Parcel Service ground parcel shipments during the 1990s, the period in which witness Sappington said that Parcel Post volumes had grown substantially, with Parcel Post growth. Witness Sappington in effect said he had no information about United Parcel Service's share of the market in that period nor its volume growth. Please supply the information requested of UPS witness Sappington in that interrogatory.

**Response to PSA/UPS-8:**

UPS has objected to this interrogatory to the extent that it asks for the volume of UPS "ground parcel shipments" and a comparison of those shipments to Parcel Post volumes. However, a comparison of total UPS volume with total Postal Service parcel and express volume for the last five years follows:

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		Postal Service Annual Domestic Parcel and Expedited Volume (thousands)	UPS Total Annual Domestic Parcel and Expedited Volume (thousands)
<b>FY 1995</b>	First Class (Parcels)	578,132	
	Priority	868,979	
	Express	56,690	
	Third (Std. A) (Parcels)	969,243	
	Parcel Post	218,060	
	Other Fourth	718,132	
	<b>Total</b>	<u>3,409,236</u>	2,867,249
<b>FY 1996</b>	First Class (Parcels)	491,555	
	Priority	959,424	
	Express	57,573	
	Standard A (Parcels)	1,036,750	
	Parcel Post	212,828	
	Other Standard B	736,038	
	<b>Total</b>	<u>3,494,168</u>	2,930,652
<b>FY 1997</b>	First Class (Parcels)	503,602	
	Priority	1,068,181	
	Express	63,633	
	Standard A (Parcels)	1,114,578	
	Parcel Post	236,928	
	Other Standard B	751,475	
	<b>Total</b>	<u>3,738,397</u>	2,811,842
<b>FY 1998</b>	First Class (Parcels)	548,613	
	Priority	1,163,831	
	Express	66,224	
	Standard A (Parcels)	1,088,383	
	Parcel Post	266,479	
	Other Standard B	704,955	
	<b>Total</b>	<u>3,838,485</u>	2,886,964
<b>FY 1999</b>	First Class (Parcels)	552,754	
	Priority	1,189,469	
	Express	68,673	
	Standard A (Parcels)	1,124,985	
	Parcel Post	318,982	
	Other Standard B	724,144	
	<b>Total</b>	<u>3,979,007</u>	3,024,378

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In addition, UPS's volume and revenue for the past five years may be broken down into the following non-confidential categories:

VOLUME  
(000)

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Next Day Air	169,004	193,040	207,966	238,252	263,906
Deferred	181,148	193,802	195,063	198,882	216,408
Ground	2,517,097	2,543,810	2,408,813	2,449,830	2,544,064
International	226,941	222,758	226,435	250,444	257,556

REVENUE  
(\$000)

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Next Day Air	\$ 3,269	\$ 3,734	\$ 4,054	\$ 4,690	\$ 5,240
Deferred	\$ 2,041	\$ 2,207	\$ 2,314	\$ 2,464	\$ 2,694
Ground	\$12,463	\$12,940	\$12,500	\$13,496	\$14,379
International	\$ 2,886	\$ 2,989	\$ 2,934	\$ 3,237	\$ 3,703

The "Deferred" category includes UPS Second Day Air and Three-Day Select volumes and revenues, a portion of which moves by ground transportation. The "Ground" category includes volumes and revenues for all domestic services other than those included in the Next Day Air and "Deferred" categories. The "International" category includes United States import and export shipments, as well as all non-United States shipments.

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**PSA/UPS-9.** Witness Sappington responded to PSA/UPS-T6-10 by stating that he could not compare Parcel Post performance of the standards defining value of service with UPS' performance of those standards because he had no data "...on the performance and internal operations of private competitors...." Please provide the information on UPS performance requested in PSA/UPS-T6-10(b).

**Response to PSA/UPS-9:**

Objection filed.

**DECLARATION**

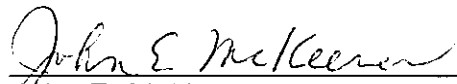
I, Linda Shepherd, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Linda Shepherd

Dated: 7/19/00

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.

  
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John E. McKeever  
Attorney for United Parcel Service

Dated: July 19, 2000  
Philadelphia, Pa.

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