

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HUNTER TO INTERROGATORIES OF
UNITED PARCEL SERVICE
REDIRECTED FROM THE UNITED STATES POSTAL SERVICE
UPS/USPS-57, 59-62

The United States Postal Service hereby provides the responses of witness Hunter to the following interrogatories of United Parcel Service: UPS/USPS-57, 59-62, filed on July 31, 2000, and redirected from the Postal Service.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

K N Hollies

Kenneth N. Hollies

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

K N Hollies

Kenneth N. Hollies

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3083 Fax --5402
August 14, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
TO INTERROGATORIES OF UNITED PARCEL SERVICE**

UPS/USPS-57. Refer to the response to interrogatory UPS/USPS-38(a). That interrogatory requested, "For each quarter in FY 1999, provide (a) the quarterly BRPW estimates of revenue, pieces, and weight for each of the mail classes or subclasses for which BRPW was used to derive estimates of revenue, pieces and weight (unadjusted for true-up to trial balance)." The Postal Service's response to this part was, "The BRPW estimates of RPW totals for the four postal quarters of FY 1999 are provided by subclass in USPS-LR-I-333/R2000-1."

- (a) Are the Parcel Post estimates provided in Library Reference USPS- LR-I-333 final GFY estimates (adjusted for true-up to the trial balance, non-automated offices, and PFY/GFY)? If not, explain in detail what they represent.
- (b) Provide the quarterly BRPW estimates of revenue, pieces, and weight for each rate category of Parcel Post for FY1999, both adjusted and unadjusted for true-up to the trial balance, non-automated offices, and PFY/GFY.

RESPONSE.

- a. The BRPW estimates of permit imprint Parcel Post revenue, volume and weight totals provided in USPS-LR-I-333/R2000-1 are final postal quarter based estimates and are not GFY based. These PQ estimates reflect the trial balance revenue adjustment and account for the non-automated office segment of the population.
- b. The BRPW unadjusted and GFY-based estimates of permit imprint Parcel Post by rate category for FY 1999 are attached to this response.

BRPW FY 1999 PERMIT IMPRINT PARCEL POST

PQ	RATE CATEGORY	WEIGHT	REVENUE	VOLUME	WEIGHT	REVENUE	VOLUME
			GFY-EST	GFY-EST	GFY-EST		
1	STD B INTER-BMC MACH PARCEL POST	21652566	14699474	3579807	16784818	18962454	4617983
1	STD B INTRA-BMC PARCEL POST	19023966	6431346	2314651	14747158	8296495	2985921
1	STD B DESTINATION BMC PARCEL POST	380912860	130632763	52027672	295279230	168517438	67116165
2	STD B INTER-BMC MACH PARCEL POST	12925132	9984285	2428662	13044141	9893193	2406504
2	STD B INTRA-BMC PARCEL POST	15166194	5333718	1775258	15305841	5285047	1759060
2	STD B BCODE INTER-BMC MACH PARCEL POST	652403	553304	141391	658410	548256	140101
2	STD B BCODE INTRA-BMC PARCEL POST	2361949	1447045	467758	2384539	1432677	463269
2	STD B ORIGIN BMC PRES INTER-BMC MACH PARCEL	5497397	2445311	764788	5548416	2422588	757724
2	STD B ORIGIN BMC PRES BCODE INTER-BMC MACH F	713825	697470	255893	720397	691106	253558
2	STD B ORIGIN BMC PRES INTER-BMC NONMACH PAR	2091185	669367	181960	2112287	661474	180042
2	STD B BMC PRES INTER-BMC MACH PARCEL POST	8448962	5401260	1398656	8526756	5351982	1385895
2	STD B BMC PRES BCODE INTER-BMC MACH PARCEL	2517661	2298749	568915	2540843	2277776	563724
2	STD B INTER-BMC NONMACH PARCEL POST	306918	311382	47594	309744	308541	47160
2	STD B DESTINATION BMC PARCEL POST	240590577	100374915	37511262	242805824	99459141	37169027
2	STD B BCODE DESTINATION BMC PARCEL POST	80689820	41628315	14335590	81432775	41248518	14204799
2	STD B DESTINATION SCF PARCEL POST	352294	178300	82134	355538	176674	81385
2	STD B DESTINATION DELIV UNIT PARCEL POST	2089219	598109	344915	2108456	592652	341768
2	STD B BMC PRES INTER-BMC NONMACH PARCEL POI	7372967	4331172	1474118	7440854	4291656	1460669
3	STD B INTER-BMC MACH PARCEL POST	3784701	4394867	1050034	4022460	4135135	987968
3	STD B INTRA-BMC PARCEL POST	5786067	2181897	562275	6166130	2045676	527098
3	STD B BCODE INTER-BMC MACH PARCEL POST	939685	979006	240990	998975	920901	226687
3	STD B BCODE INTRA-BMC PARCEL POST	3381386	1958775	578430	3610235	1833721	542238
3	STD B ORIGIN BMC PRES INTER-BMC MACH PARCEL	5412587	2674057	833693	5756702	2512850	783435
3	STD B ORIGIN BMC PRES BCODE INTER-BMC MACH F	1524861	1856478	699112	1621073	1746295	657619
3	STD B ORIGIN BMC PRES INTER-BMC NONMACH PAR	200548	228577	35102	213202	215011	33019
3	STD B BMC PRES INTER-BMC MACH PARCEL POST	12238845	7696726	1876260	13015002	7234745	1763791
3	STD B BMC PRES BCODE INTER-BMC MACH PARCEL	4980925	5161348	1293285	5295200	4855017	1216527
3	STD B INTER-BMC NONMACH PARCEL POST	332782	401207	41866	353780	377395	39381
3	STD B DESTINATION BMC PARCEL POST	60442123	36957943	12249217	64253711	34765364	11522543
3	STD B BCODE DESTINATION BMC PARCEL POST	176523644	93328952	33234153	187661535	87789789	31261674

3	STD B DESTINATION SCF PARCEL POST	1155366	688976	344032	1228265	648085	323613
3	STD B DESTINATION DELIV UNIT PARCEL POST	17585470	5465349	3398761	18695038	5140975	3197041
3	STD B BMC PRES INTER-BMC NONMACH PARCEL PO:	1328201	1179735	122515	1412005	1109717	115244
4	STD B INTER-BMC MACH PARCEL POST	5048430	6483511	1478103	6179586	5296724	1207542
4	STD B INTRA-BMC PARCEL POST	5774352	3246555	884483	7066174	2652504	722634
4	STD B BCODE INTER-BMC MACH PARCEL POST	909873	897788	180017	1113741	733450	147066
4	STD B BCODE INTRA-BMC PARCEL POST	3058274	2030391	602645	3743517	1658732	492333
4	STD B ORIGIN BMC PRES INTER-BMC MACH PARCEL	11782606	5766594	1720916	14422641	4711031	1405906
4	STD B ORIGIN BMC PRES BCODE INTER-BMC MACH F	3142459	2930693	1047039	3846564	2394236	855381
4	STD B ORIGIN BMC PRES INTER-BMC NONMACH PAR	158194	213849	32153	193640	174705	26268
4	STD B BMC PRES INTER-BMC MACH PARCEL POST	8701639	8203383	1956566	10651347	6701770	1598423
4	STD B BMC PRES BCODE INTER-BMC MACH PARCEL	5988135	7302397	1869077	7329849	5965708	1526947
4	STD B INTER-BMC NONMACH PARCEL POST	514276	575647	50852	629506	470276	41545
4	STD B DESTINATION BMC PARCEL POST	66050156	45083772	15183325	80849489	36831280	12404049
4	STD B BCODE DESTINATION BMC PARCEL POST	203812107	118253766	41711948	249478662	96607658	34076662
4	STD B DESTINATION SCF PARCEL POST	3816681	2086054	1056086	4671855	1704206	862772
4	STD B DESTINATION DELIV UNIT PARCEL POST	40616101	12498077	8910601	49716627	10210330	7279534
4	STD B BMC PRES INTER-BMC NONMACH PARCEL PO:	954261	1265588	116265	1168075	1033925	94984

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
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UPS/USPS-59. Confirm that in the first two postal quarters of FY1999, no unique trial balance account was available to adjust BRPW Parcel Post estimates. If you cannot confirm, explain in detail why not.

RESPONSE. Confirmed that the interim period factor of 1.00920754 constructed from the PQ2 FY 1997 census survey was used to adjust the estimates for non-automated office activity until the new account AIC 223 was fully established effective PQ3 of FY 1999.

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UPS/USPS-60. Confirm that for PQ1 and PQ2 of FY1999, BRPW Parcel Post estimates were not adjusted to a unique trial balance account. If you cannot confirm, explain in detail why not.

RESPONSE. See the response to UPS/USPS-59.

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UPS/USPS-61. Confirm that for PQ1 and PQ2 of FY1999, the only factors used to adjust BRPW Parcel Post estimates were the 1.00920754219 factor, which was used to adjust for non-automated offices, and the PFY/GFY adjustment factors. If you cannot confirm, explain in detail why not.

RESPONSE. See the response to POIR-17, Question No. 4.

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UPS/USPS-62.

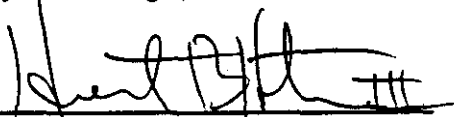
- (a) Refer to the response to interrogatory UPS/USPS-41. How many of the offices designated as non-automated offices in the PQ2, FY1997 census were automated by the beginning of FY1999, PQ1?
- (b) Provide an estimate of the BRPW Parcel Post GFY total revenue, pieces, and weight for FY1999, PQ1 and PQ2, related to the offices that were non-automated in PQ2, FY1997, but were later automated by the beginning of PQ1, FY1999.

RESPONSE. The intent of the reference to the response to UPS/USPS-41 is unclear; notwithstanding, my response is provided below.

a-b. From the 7,833 offices designated as non-automated offices at the time of the PQ2, FY 1997, census, including the 43 non-zero permit imprint Parcel Post offices, three offices, including two of the 43 non-zero offices, were automated under the PERMIT System in AP 1 of FY 1999. The estimated GFY-based revenue, volume and weight totals (000) for these offices are: \$117, 20, and 110, respectively, or \$111, 19, and 105, respectively for the two non-zero non-automated offices.

DECLARATION

I, Herbert B. Hunter III, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.


Herbert B. Hunter III

Date: 8/14/00