

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE AND FEE CHANGES, 2001 :

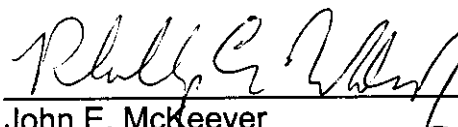
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DOCKET NO. R2001-1

INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS KAY
(UPS/USPS-T21-1 through 6)
(October 10, 2001)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby serves the following interrogatories directed to United States Postal Service witness Kay (UPS/USPS-T21-1 through 6).

Respectfully submitted,



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TO UNITED STATES POSTAL SERVICE WITNESS KAY

UPS/USPS-T21-1. Refer to Library Reference USPS-LR-J-72, LR-J-72.DOC, page 8.

(a) Confirm that the Postal Service spent \$148,552,492 on advertising expenses in FY2000. If not confirmed, explain.

(b) What percentage of the total advertising expenses is assigned to individual products in the incremental cost model?

UPS/USPS-T21-2. Refer to Library Reference USPS-LR-J-72, LR-J-72.DOC, page 8. Assign the \$17,638,289 in advertising for Online Service to individual products. If this cannot be done, explain why not. Identify where the total revenue and total cost of these Online Services can be found.

UPS/USPS-T21-3. Refer to Library Reference USPS-LR-J-72, LR-J-72.DOC, page 8. Describe the "image" advertising associated with the cost of \$14,263,606.

UPS/USPS-T21-4. Does the Postal Service promote Priority Mail, Express Mail and Parcel Post at mail and parcel events or conferences? If so, in what way?

UPS/USPS-T21-5. Are expenses related to mail and parcel conferences included in 'advertising costs'? If not, where are they included?

(a) Identify all costs associated with promoting the Postal Service or Postal Service products at these events. Include in these cost calculations all labor costs, travel-related costs, conference fees, expenses related to preparing for these conferences, and the cost of exhibits.

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(b) Identify all costs associated with promoting Priority Mail, Express Mail, Parcel Post, and International Mail at these events. Include in these cost calculations all labor costs, travel-related costs, and all other conference expenses.

UPS/USPS-T21-6. Are sales-related or customer service expenses assigned to individual products in either the Base Year model or the Incremental Cost model? If not, where are they assigned?

(a) Identify all costs associated with sales-related or customer service activities for all Postal Service products for FY2000.

(b) Identify all costs associated with sales-related or customer service activities for promoting Priority Mail, Express Mail, Parcel Post and International Mail for FY2000.

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: October 10, 2001
Philadelphia, PA

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