

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION
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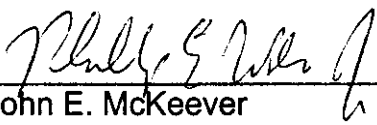
POSTAL RATE AND FEE CHANGES, 2001

DOCKET NO. R2001-1

INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS TAKIS
(UPS/USPS-T19-1 through 4)
(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 Takis (UPS/USPS-T19-1 through 4).

Respectfully submitted,



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INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS TAKIS

UPS/USPS-T19-1. Refer to your discussion of the start-up fee for the FedEx transportation agreement on page 8 of your testimony. Explain the business reason for the start-up fee.

UPS/USPS-T19-2. On page 8 of your testimony, USPS-T-19, line 16, referring to the start-up fee for the FedEx contract, you state that "The payment does not vary with volume"

(a) If the FedEx transportation contract were designed to carry less mail volume, would the start-up costs remain at \$100 million? Explain in detail.

(b) If the FedEx transportation contract were designed to carry 10% less mail volume, would the start-up costs remain at \$100 million? Explain in detail.

(c) If the FedEx transportation contract were designed to carry 25% less mail volume, would the start-up costs remain at \$100 million? Explain in detail.

(d) If the FedEx transportation contract were designed to carry 50% less mail volume, would the start-up costs remain at \$100 million? Explain in detail.

(e) If the FedEx transportation contract were designed to carry more mail volume, would the start-up costs remain at \$100 million? Explain in detail.

(f) If the FedEx transportation contract were designed to carry 10% more mail volume, would the start-up costs remain at \$100 million? Explain in detail.

(g) If the FedEx transportation contract were designed to carry 25% more mail volume, would the start-up costs remain at \$100 million? Explain in detail.

(h) If the FedEx transportation contract were designed to carry 50% more mail volume, would the start-up costs remain at \$100 million? Explain in detail.

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(i) If the FedEx transportation contract did not include the night-time operation, would the start-up costs remain at \$100 million? Explain in detail.

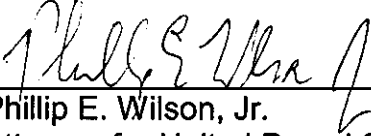
(j) If the FedEx transportation contract did not include the day-time operation, would the start-up costs remain at \$100 million? Explain in detail.

UPS/USPS-T19-3. Do you agree that the start-up fee is dependent on the scale of the operations under the FedEx transportation contract? If you do not agree, explain why not.

UPS/USPS-T19-4. Provide all termination costs and any continuing costs that the Postal Service has or will incur separately for each of the following contracts: ANET, WNET, TNET, and the PMPC contract. If exact amounts are not available, provide the Postal Service's best available estimates of the termination costs for each contract.

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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