

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

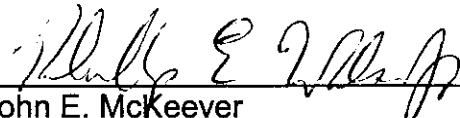
EXPERIMENTAL SUSPENSION OF FEE FOR
MANUAL DELIVERY CONFIRMATION CATEGORY :

DOCKET NO. R2001-2
DOCKET NO. MC2001-2

INTERROGATORIES OF UNITED PARCEL SERVICE TO
UNITED STATES POSTAL SERVICE WITNESS O'HARA
(UPS/USPS-T1-26 – T1-34)
(October 16, 2001)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby files and serves the following interrogatories directed to United States Postal Service witness O'Hara: UPS/USPS-T1-26 – T1-34.

Respectfully submitted,



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UPS/USPS-T1-26. Refer to your response to UPS/USPS-T1-1(a)-(b). Provide the time period covered by the figure received from the Retail Department that compares revenue received at POS sites to the grand total revenue received at retail sites.

UPS/USPS-T1-27. Refer to your response to UPS/USPS-T1-2(c).

- (a) Define "dramatically" as used in this response.
- (b) Are the "developed usage patterns" of these third channel pickup/collection box mailers strongly associated with the price of the delivery confirmation service?
- (c) Describe in detail why these third channel mailers with "developed usage patterns" will not respond to a 40-cent price decrease.
- (d) Confirm that these third channel mailers simply apply a manual delivery confirmation label to the Priority Mail piece. If not confirmed, explain in detail.

UPS/USPS-T1-28. Refer to your response to UPS/USPS-T1-2(d).

- (a) Provide the total RPW-based Priority Mail volume for FY2001 by quarter and annually.
- (b) Provide the total "window-entered" Priority Mail volume for FY2001 and FY2000 by quarter and annually.
- (c) Provide the POS Site-entered Priority Mail volume for FY2001 and FY2000 by quarter and annually.
- (d) Provide the PERMIT-entered Priority Mail volume for FY2001 and FY2000 by quarter and annually.

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UPS/USPS-T1-29. Refer to your response to UPS/USPS-T1-3(c). Describe in detail the specific permanent classification modeled on the experiment that "might well be warranted".

UPS/USPS-T1-30. Refer to your response to UPS/USPS-T1-4(h)-(i). Confirm that in an omnibus rate case, both the Postal Service and the Commission calculate the manual delivery confirmation cost coverage for Priority Mail by comparing the revenue from the fee for the service to the cost of manual delivery confirmation in excess of the cost of electronic delivery confirmation. If not confirmed, explain in detail.

UPS/USPS-T1-31. Refer to your response to UPS/USPS-T1-6(g).

(a) Confirm that the Postal Service proposed 0 cents per piece for Priority Mail electronic delivery confirmation and 40 cents per piece for Priority Mail manual delivery confirmation in Docket No. R2000-1. If not confirmed, explain in detail.

(b) Confirm that the Commission recommended 0 cents per piece for Priority Mail electronic delivery confirmation and 40 cents per piece for Priority Mail manual delivery confirmation in Docket No. R2000-1. If not confirmed, explain in detail.

(c) Explain in detail why you conclude that the Commission used witness Davis' revised cost estimates for Priority Mail delivery confirmation.

UPS/USPS-T1-32. Refer to your response to UPS/USPS-T1-8(d).

(a) Provide all evidence and supporting data that the bulk of window-entered Priority Mail outside of the timeframe of the proposed pricing experiment consists of frequent, rather than infrequent, users.

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(b) Why isn't the increased window-entered Priority Mail during the proposed pricing experiment simply the result of normal infrequent users mailing more often during this period?

UPS/USPS-T1-33. Refer to your response to UPS/USPS-T1-11 regarding retail Priority Mail pieces that would have been mailed after December 16, 2001, but instead are mailed during the proposed pricing

(a) Confirm that approximately 12.8% of these pieces would have selected manual delivery confirmation. If not confirmed, explain in detail.

(b) Confirm that the Postal Service will not receive 40 cents per piece in revenue for those pieces that would have selected manual delivery confirmation, and thus, the net additional cost to the Postal Service of the proposed experiment is 40 cents for these pieces. If not confirmed, explain in detail.

UPS/USPS-T1-34. Refer to Table 13 of the Origin Destination Information System (ODIS) Quarterly Statistic Report for Q1 of FY2001 (September 9, 2000 to December 1, 2000), filed as USPS-LR-J-137 in Docket No. R2001-1.

(a) Confirm that during Q1 of FY2001 the percentage of Priority Mail that was stamped was 9.06% and the percentage that was metered was 63.26% for a total of 72.32% that was stamped or metered. If not confirmed, explain in detail.

(b) Confirm that during Q1 of FY2001 the percentage of Priority Mail that was PERMIT was 25.65%. If not confirmed, explain in detail.

(c) Confirm that that stamped and metered Priority Mail volume was 2.8 times the PERMIT volume during Q1 of FY2001. If not confirmed, explain in detail.

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(d) Refer to Library Reference USPS-LR-1, Workpaper, page 3 of 4 and your response to UPS/USPS-T1-7. Confirm that during the "baseline" week of November 25, 2000 to December 1, 2000, the PERMIT Priority Mail volume was 7.25 million and the Estimated Retail Priority Mail volume was 5.95 million. If not confirmed, explain in detail.

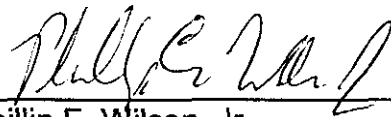
(e) Confirm that window-entered Priority Mail volume would be stamped and metered volume. If not confirmed, explain in detail.

(f) Refer to your response to UPS/USPS-T1-2(d). Confirm that the "third channel" pickup/collection box Priority Mail volume would be stamped and metered volume. If not confirmed, explain in detail.

(g) Confirm that the ODIS and POS data together suggest that the volume of third channel pickup/collection box Priority Mail volume is 2.4 times $[(7.25 * 2.8 - 5.95) / 5.95]$ that of window-entered Priority Mail volume. If not confirmed, explain in detail.

CERTIFICATE OF SERVICE

I hereby certify that on this date I have caused to be served the foregoing document by first class mail, postage prepaid, in accordance with Section 12 of the Rules of Practice.


Phillip E. Wilson, Jr.

Dated: October 16, 2001
Philadelphia, PA

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