

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION
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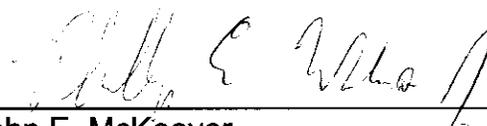
POSTAL RATE AND FEE CHANGES, 2001

DOCKET NO. R2001-1

**INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS KAY
(UPS/USPS-T21-7 through 9)
(November 1, 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-T21-7 through 9.

Respectfully submitted,



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

UPS/USPS-T21-7. Refer to your testimony, USPS-T-21, at 10.

(a) Describe in detail the method by which advertising costs for Base Year 2000 were determined to be product-specific or non-product-specific. How does this method compare to methods used in prior years?

(b) Describe in detail the criteria that were used to make the determination that costs are product-specific or not. If any estimates were used, provide the data upon which these estimates were based.

(c) From whom did you receive the information you present on product-specific and non-product-specific advertising costs?

(d) Who determined whether particular advertising costs were product-specific or not?

UPS/USPS-T21-8. Refer to your testimony, USPS-T-21, at 10, regarding product-specific costs.

(a) Describe in detail the method by which product-specific advertising costs for Base Year 2000 were allocated among products.

(b) What criteria are used to allocate product-specific costs among products? If estimates are used, provide the data upon which these estimates are based.

(c) Who determines how product-specific costs are allocated among products?

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UPS/USPS-T21-9. Were the advertising expenditures of any previous years considered while allocating product-specific costs among products for Base Year 2000? If so, what years were considered? Describe any similarities and/or differences between the previous year(s)' advertising expenditures and that of Base Year 2000. Were these similarities and/or differences taken into account when allocating product-specific costs? If so, explain the process by which changes from the previous year were taken into account. If no changes were taken into account, explain why not.

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: November 1, 2001
Philadelphia, PA