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

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POSTAL RATE CONHISSION OFFICE OF THE SECRETARY DOCKET NO. R97-1

POSTAL RATE AND FEE CHANGES, 1997:

INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION TO UNITED STATES POSTAL SERVICE WITNESS CHARLES L. CRUM (USPS-T-28)

The Parcel Shippers Association (PSA) requests United States Postal Service to respond, fully and completely to the following interrogatories and requests for production of documents pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure.

Respectfully submitted,

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Dated: August 18, 1997

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INTERROGATORIES OF PARCEL SHIPPERS ASSOCIATION TO UNITED STATES POSTAL SERVICE WITNESS CRUM

PSA/USPS-T28-1.

- (a) Is Library Reference H-108 which you cite in your testimony the same study as contained in Library Reference PCR-38 in Docket No. MC97-2?
- (b) Have there been any changes or updates to any of the data or methodologies used in PCR-38?
- (c) If the answer to (b) is anything other than an unqualified, "No," please identify with specificity each such change or update.

PSA/USPS-28-2. You state (page 11) that you have combined "Regular and Enhanced Carrier Route as well as Regular Rate and Nonprofit costs and volumes" in your analysis. (a) Do you intend a difference between "Regular" and "Regular Rate" as used in the quoted language? (b) Are you able to segregate the costs and volumes for each category named? If the answer is in the affirmative, please supply the relevant volumes and costs for parcels and flats in each category.

PSA/USPS-T28-3. In your response to UPS/USPS-T-28-11(b) and (c), you state that when a parcel is sorted to a letter or flat case it is recorded in the carrier cost system as a letter or a flat, and not a parcel. You also say that you cannot confirm one way or the other whether treating those parcels in that manner in the carrier cost system will tend to understate parcel delivery costs. You also state that "parcels that can be cased with letters or flats are likely to be those that can be handled most easily in delivery."

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- (a) Does that response mean that it is likely that such parcels are less costly to handle, so far as that function is concerned, than parcels that cannot be cased with letters or flats?
- (b) When the cost of handling such parcels is charged to letters or flats, is it not also the case that that particular parcel is also counted in terms of pieces as a letter or a flat?
- (c) Would it not be the case that, if the responses to (a) and (b) are in the affirmative, this would actually tend to overstate the average cost of delivering parcels because the leavening effect of the less expensive parcels in the total parcel cost pool is eliminated by counting such less costly to handle parcels as flats, thereby overstating the average cost of parcel delivery because you have eliminated the less costly parcels from the calculation?

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CERTIFICATE OF SERVICE

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

Timothy J. May

Dated: August 18, 1997

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