

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS MAYES
(OCA/USPS-T37-1-4, 7(D))

The United States Postal Service hereby provides responses to the following interrogatories of the Office of the Consumer Advocate, filed on August 22, 1997: OCA/USPS-T37-1 and 4, redirected in part from witness Mayes; and OCA/USPS-T37-2, 3, and 7(d), redirected from witness Mayes.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999; Fax -5402
September 5, 1997

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO OCA
INTERROGATORIES REDIRECTED **IN PART** FROM WITNESS MAYES

OCA/USPS-T37-1. In Docket No. MC97-2, the Office of the Consumer Advocate ("OCA") submitted a number of interrogatories to which you provided replies. Please indicate the Postal Service's position as to whether the responses you gave to interrogatories 7, 8, 9, 27, 28, 29, 30, 31, 32, 33 in Docket No. MC97-2 are still valid. If not, please explain.

RESPONSE:

It is not clear what is meant by your use of the word "valid." Webster's Ninth New Collegiate Dictionary defines "valid" as "having legal efficacy or force, *esp* : executed with the proper legal authority and formalities." Ms. Mayes was authorized to testify on behalf of the Postal Service in Docket No. MC97-2 and is authorized to do so in this docket as well. Given that the Postal Service's Request in Docket No. MC97-2 was withdrawn by the Postal Service at the direction of the Board of Governors and the docket was closed by the Commission before any testimony or written cross-examination was entered into the record, the legal efficacy of those responses to discovery requests is unclear. Witness Mayes is available to respond to questions in this docket, including those which are the same as questions to which she responded in Docket No. MC97-2 (*see, e.g.*, UPS/USPS-T37-1 through UPS/USPS-T37-7), or which ask her to confirm by reference that her response to the question would still be the same. To the extent that your question may have intended to ask witness Mayes to confirm her previous responses, please see her response to this question.

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OCA/USPS-T37-2. United Parcel Service ("UPS") recently was subjected to a strike by its employees. UPS currently has a 130-inch combined girth limitation, as noted in your testimony at page 18. You state that

"[o]ver the years, many of our customers have indicated that, while few of their pieces exceed 108 inches in combined length and girth, when they do encounter some pieces exceeding the 108 inch limit, it is inconvenient for them to isolate those oversized pieces and ship them via another parcel delivery company. Thus, in response to our customer' requests, the Postal Service proposes to increase the maximum combined length and girth for Parcel Post from the existing 108 inches to 130 inches, comparable to that accepted by UPS."

- a. Has the strike affected the thinking of the Postal Service regarding the combined length and girth proposal? If so, please describe. If not, why not?
- b. Has the strike affected the thinking of the Postal Service regarding the ten percent restriction? If so, please describe. If not, why not?
- c. During the UPS strike was the Postal Service contacted by mailers who wished to use the Postal Service to ship parcels exceeding the Postal Service's current combined girth limitation? If so, please describe. Include in your description all quantitative information available, such as number of shippers, description of shippers (e.g., large mailers who run small businesses, individual consumers), volumes sought to be tendered, etc.

RESPONSE:

- a. The proposal of the Postal Service to raise the maximum combined length and girth to 130 inches for no more than ten percent of the parcels in a mailing remains the same. If anything, the influx of nonmachinable parcels during the short tenure of the UPS strike reinforced the experience that nonmachinables are more difficult to process efficiently. As for the Postal Service's intentions regarding this proposal, please refer to the response of witness Mayes to PSA/USPS-T37-1, reiterating her testimony:

The Postal Service is not pursuing the oversize parcel market. Rather, as noted in my testimony at page 18, the desire is to make shipping more convenient for the customers already using the Postal Service who may have an occasional oversized piece. [Emphasis added.]

- b. Please refer to the response to part a above.
- c. A canvass of operations, sales, and classification personnel with field contacts revealed no examples of customers requesting that the Postal Service accept parcels with combined length and girth exceeding the current limit of 108 inches during the UPS strike. There may have been isolated instances of customers making such requests of their local post offices, but *there is no quantitative information available concerning the existence or number of such requests.*

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO OCA
INTERROGATORIES REDIRECTED FROM WITNESS MAYES

OCA/USPS-T37-3. In Docket No. MC97-2, you responded to OCA interrogatories concerning the retention of the 70 pound per-piece weight limit. UPS accepts pieces weighing in excess of 70 pounds. We understand that Greyhound does also.

- a. Has the strike against UPS affected the thinking of the Postal Service regarding the 70 pound weight limit, e.g., has the Postal Service considered increasing the weight limit to compete with UPS and other carriers in higher weight classifications? If so, please describe. If not, why not?
- b. During the strike has the Postal Service been contacted by mailers of parcels exceeding the Postal Service's current 70 pound per-piece limit, wishing to use the services of the Postal Service? If so, please describe. Include in your description all quantitative information available, such as number of shippers, description of shippers, volumes sought to be tendered, etc.
- c. List all known competitors of the Postal Service for the carriage of parcels, and indicate the weight limits (including any related service restrictions on larger-sized parcels) they impose.

RESPONSE:

- a. No. The Postal Service is not proposing to increase the weight limit for parcels above the current 70 pounds. A gap which may have been created in the market for carriage of heavy parcels by the short-lived strike against UPS is not one that the Postal Service is currently positioned to fill, due to operational, market, and safety concerns. These concerns were explained in the responses to interrogatories OCA/USPS-T13-7 and OCA/USPS-T13-29 in Docket No. MC97-2. Please also refer to the response to part b below.
- b. A canvass of operations, sales, and classification personnel with field contacts revealed no examples of customers requesting that the Postal Service accept parcels exceeding the current weight limit of 70 pounds during the UPS strike. There may have been isolated instances of customers

making such requests of their local post offices, but there is no quantitative information available concerning the existence or number of such requests.

- c. Please refer generally to the testimony of Gail Willette (OCA-T-200) in Docket No. MC93-1 in which she discusses the market structure for the carriage of parcels. The Postal Service does not attempt to maintain a list of carriers or their terms of service. Known national providers of non-expedited parcel delivery service are United Parcel Service and RPS; there are also numerous small local delivery companies and less-than-truckload freight delivery companies providing similar services. Inasmuch as United Parcel Service is a participant in this proceeding, you may find that directing a discovery request to it would provide you with more complete and up-to-date information about its weight limits and other service restrictions than any anecdotal information available to the Postal Service.

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OCA/USPS-T37-4. In Docket No. MC97-2, OCA submitted a number of interrogatories to you concerning discounts. These included interrogatories 12, 35, 36, and 37. Please indicate whether it is the position of the Postal Service that the responses you gave to interrogatories 12, 35, 36, and 37 in Docket No. MC97-2 are still valid. If not, please explain.

RESPONSE:

Please refer to the response of the Postal Service to OCA/USPS-T37-1.

OCA/USPS-T37-7. In response to OCA/USPS-T13-29(a) in Docket No. MC97-2, you stated: "I am aware of no time at which the Postal Service has considered raising the weight limit above 70 pounds. Each time of which I am aware that the question was raised, it was immediately dismissed. I am aware of no documents discussing such decisions."

- d. In your answers to OCA/USPS-T13-29(b), (c), (d) and (g) in Docket No. MC97-2, you stated a lack of familiarity with the issues. Please redirect these questions to the person in the Postal Service most qualified to respond to the questions indicated herein, or to the Postal Service for an institutional response.

RESPONSE:

- d. *The information provided by witness Mayes in Docket No. MC97-2 in response to the interrogatory in question was obtained by consultation with the appropriate, responsible individuals, and would not have been different had it been supplied to the OCA by means of an institutional response.*

CERTIFICATE OF SERVICE

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

A handwritten signature in cursive script, appearing to read "Scott L. Reiter", is written over a horizontal line.

Scott L. Reiter

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