

**BEFORE THE  
POSTAL RATE COMMISSION**

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**POSTAL RATE AND FEE CHANGES, 2001**

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**DOCKET NO. R2001-1**

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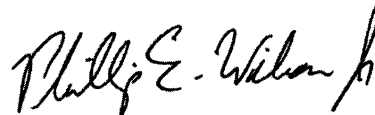
**INTERROGATORIES OF UNITED PARCEL SERVICE TO  
UNITED STATES POSTAL SERVICE WITNESS BOZZO  
(UPS/USPS-T14-1 through 6)  
(November 21, 2001)**

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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

Bozzo: UPS/USPS-T14-1 through 6.

Respectfully submitted,



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UPS/USPS-T14-1. Refer to your testimony, USPS-T-14, page 28, lines 6-8, where you indicate that you re-estimated a subset of variabilities using the generalized Leontief functional form.

(a) Identify the Management Operating Data System (“MODS”) operations for which you estimated a generalized Leontief function.

(b) Refer to footnote 31 on page 28 where you show a formula for the generalized Leontief function. Confirm that this formula does not show a constant term.

(c) Indicate whether in your implementation of the generalized Leontief function you included a constant among the “x” variables as shown in footnote 31.

(d) Indicate whether in your implementation of the generalized Leontief function you included a constant term.

(e) Indicate whether the particular samples used to estimate each of the generalized Leontief functions you tested differed in any way from the samples used to estimate the corresponding translog functions. If your answer is anything but an unqualified yes, please describe in detail how the samples differed.

UPS/USPS-T14-2. For each quarter in FY1994 through FY2000, or if not available on a quarterly basis, for each year, provide in machine readable form the following data:

(a) An inventory of the mail processing equipment installed in each Management Operating Data System (“MODS”) facility at the end of the quarter. Include information as to the particular models (e.g., FSM (Flats Sorting Machine) 100, FSM881 and FSM1000) installed.

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(b) For each piece of equipment identified in response to part (a), indicate the year of acquisition and original cost of acquisition.

(c) Refer to library reference USPS-LR-J-56. Include identification numbers for all MODS facilities that match the facility identification numbers used in the file 'reg9300.xls.

UPS/USPS-T14-3. Refer to your testimony, USPS-T-14, page 7, lines 13-14, where you state that you visited several mail processing plants.

(a) How many different mail processing plants did you visit?

(b) How much time did you spend at each plant observing Management Operating Data System ("MODS") mail processing operations?

(c) For each of the plants you visited, indicate which of the MODS operations for which you report econometric variability results in your testimony were present in the plant at the time of your visit.

(d) For each plant/MODS operation combination identified in part (c) indicate whether the operation was actively running at the time of your visit.

(e) For each plant/MODS operation combination identified in part (c) indicate whether you personally observed the operation during your visit.

(f) For each plant/MODS operation combination identified in part (c) that you personally observed, indicate what activities were taking place at the time of your observation (e.g., set up, sorting of mail, changing of sort scheme, sweeping of bins, etc.).

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(g) For each plant/MODS operation combination identified in part (c) that you personally observed, indicate when within the shift your observation took place.

UPS/USPS-T14-4. Refer to your testimony, USPS-T-14, page 7, lines 14-18, in which you identify a number of activities which, you assert, “would be expected to exhibit relatively low degrees of volume-variability.” Describe in detail the evidence upon which this expectation is based for:

- (a) container handlings;
- (b) setup time;
- (c) takedown time; and
- (d) waiting time.

USS/USPS-T14-5. Refer to your testimony, USPS-T-14, page 9, line 21 through page 10, line 3, where you state that you anticipate that the Postal Service will in a future proceeding present a more comprehensive analysis encompassing allied operations and operations at post offices, stations and branches.

- (a) Describe in detail the basis for this expectation.
- (b) Has work on this more comprehensive analysis actually begun? If so, who is conducting this work? In particular, is Christensen Associates carrying out all or part of this work? Identify the data sources that have been used in the work that has so far been carried out.

UPS/USPS-T14-6. Refer to your testimony, USPS-T-14, page 13, lines 3-4, where you state that, “Furthermore, longer-term capital input decisions necessarily precede the

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staffing decisions they eventually affect.”

(a) Indicate the length of time that typically separates a decision to install a piece of equipment such as Small Parcel and Bundle Sorter (“SPBS”) or FSM (Flat Sorting Machine)/1000 at a specific Management Operating Data System (“MODS”) facility, and the actual installation of the piece of equipment. If the length of the interval varies, provide an upper and lower bound estimate of the length of the interval.

(b) Indicate when within the interval identified in part (a) a plant manager would typically be informed of the decision to install a new piece of equipment. If the point in time when the plant manager is informed of the decision varies, indicate the earliest point in time when he might be informed, and the latest point in time when he might be informed.

(c) Assume that because of change in volume, installation of labor saving equipment or other causes a plant manager concludes that the number of full time workers employed at the plant is 5 percent greater than what is needed. How long would it take for that plant manager to reduce the size of the full time workforce to eliminate the unneeded workers? If the length of the interval varies, provide an upper and lower bound estimate of the length of the interval.

(d) Assume that because of change in volume, installation of labor saving equipment or other causes a plant manager concludes that the number of full time workers employed at the plant is 5 percent lower than what is needed. How long would it take for that plant manager to increase the size of the full time workforce to eliminate the shortfall? If the length of the interval varies, provide an upper and lower bound estimate of the length of

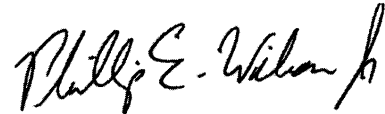
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the interval.

(e) Do you believe that plant managers take knowledge of upcoming equipment installation into account when they make decisions about adjusting the size of the plant workforce?

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.



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Dated: November 21, 2001  
Philadelphia, PA

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