

**BEFORE THE
POSTAL RATE COMMISSION**

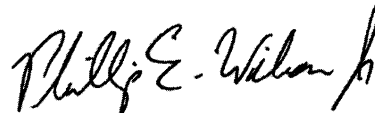
POSTAL RATE AND FEE CHANGES, 2001

DOCKET NO. R2001-1

**INTERROGATORIES OF UNITED PARCEL SERVICE TO
UNITED STATES POSTAL SERVICE WITNESS BOZZO
(UPS/USPS-T14-7 through 10)
(November 29, 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 Bozzo: UPS/USPS-T14-7 through 10.

Respectfully submitted,



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INTERROGATORIES OF UNITED PARCEL SERVICE
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UPS/USPS-T14-7. Refer to library reference USPS-LR-J-56.

(a) Provide quarterly First Handling Pieces (“FHP”) data for each of the Management Operating Data System (“MODS”) operations to correspond to the Total Piece Handlings (“TPH”) data in library reference USPS-LR-J-56. In particular, provide quarterly FHP data for MODS operations 17, 18, 01, 19, 20, 02, 03, 04, 05, 06, 07, 08, 10, 11, 12, and 13, for Fiscal Years 1993 to 2000.

(b) Confirm that the issue of the new MODS conversion factors raised in pages 43 through 46 of your testimony, USPS-T-14, would apply to these FHP data as well?

(c) If you do not confirm, explain why the same issue does not apply to these FHP data.

UPS/USPS-T14-8. Refer to library reference USPS-LR-J-161, which provides data on YAQ, defined as “Year of Acquisition.” Provide a more detailed explanation of the variable YAQ. In particular, does “Year of Acquisition” refer to the year in which the facility acquired the piece of equipment? If not, does it refer to the year the Postal Service (as a whole) acquired the piece of equipment?

UPS/USPS-T14-9. Provide AP # (Accounting Period)-level data for Total Piece Handlings (“TPH”), Total Pieces Fed (“TPF”), hours (“HRS”), and First Handling Pieces (“FHP”), for each of the years from 1993 to 2000, by site i.d. such that the AP-level data aggregate to the quarterly data provided in library reference USPS-LR-J-161, file “reg9300-labels.xls.” Use site i.d. codes that correspond to the site i.d. codes presented in library reference USPS-LR-J-161.

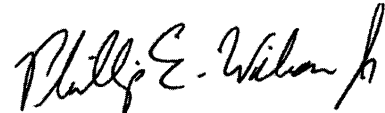
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UPS/USPS-T14-10. Refer to your testimony, USPS-T-14, page 58, lines 6-8, where you state, "The standard errors reported in Tables 7, 8, and 9 are computed using a heteroskedasticity-consistent covariance matrix for the regression coefficients."

- (a) Explain the procedure used to calculate the standard errors presented in your testimony.
- (b) Why do you present heteroskedasticity-consistent standard errors?
- (c) Does your procedure for calculating standard errors differ from the procedure you adopted in R2000-1?
- (d) If your answer to part (c) is yes, why did you change procedures?

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 29, 2001
Philadelphia, PA

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