

**BEFORE THE  
POSTAL RATE COMMISSION**

---

**POSTAL RATE AND FEE CHANGES, 2001**

---

**DOCKET NO. R2001-1**

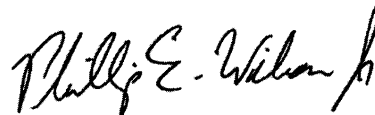
---

**INTERROGATORIES OF UNITED PARCEL SERVICE TO  
UNITED STATES POSTAL SERVICE WITNESS SCHERER  
(UPS/USPS-T30-5 through 8)  
(November 30, 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 Scherer: UPS/USPS-T30-5 through 8.

Respectfully submitted,



---

John E. McKeever  
Phillip E. Wilson, Jr.  
Laura A. Biancke  
Attorneys for United Parcel Service

Piper Marbury Rudnick & Wolfe LLP  
3400 Two Logan Square  
18th & Arch Streets  
Philadelphia, PA 19103-2762  
(215) 656-3300  
(215) 656-3301 (FAX)  
and  
1200 Nineteenth Street, NW  
Washington, DC 20036-2430  
(202) 861-3900

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

UPS/USPS-T30-5. Refer to your response to interrogatory DFC/USPS-T30-1.

Confirm that in GFY 2000, 21.7% of all flat rate Priority Mail envelopes weighed more than 1 pound. If not confirmed, provide the correct percentage.

UPS/USPS-T30-6. How many pieces in the flat rate envelope category does the Postal Service estimate will weigh more than one pound in TY2003? Explain any assumptions that you make to arrive at this calculation.

UPS/USPS-T30-7. Confirm that on page 3 of Attachment C to your testimony, USPS-T-30, you estimate that 34,198,694 pieces will migrate from the two pound rate category to the flat rate envelope in TY2003 under the Postal Service's proposed change to the pricing of the flat rate envelope. If not confirmed, provide the correct number.

UPS/USPS-T30-8. Refer to the Postal Service's answer to OCA/USPS-60(c) and (d) regarding the legal costs of defending Priority Mail advertisements, in which the Postal Service states that "these costs were not 'charged to Priority Mail' because . . . there was no appropriate accounting or economic basis for doing so."

(a) Confirm that these legal costs would not have been incurred if the Postal Service did not offer the Priority Mail service. If not confirmed, explain fully and identify the other products that caused these legal costs to be incurred.

(b) Explain fully how an "appropriate accounting . . . basis" for attributing costs is established.

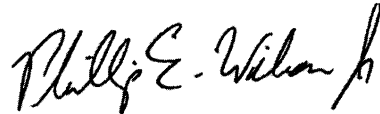
(c) Explain fully how an "appropriate . . . economic basis" for attributing costs is established.

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

(d) If the legal costs were caused only by the existence of Priority Mail, is this not an “appropriate economic basis” for attributing these costs to Priority Mail? If your answer is anything other than an unqualified “yes,” explain fully.

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.

A handwritten signature in black ink, reading "Phillip E. Wilson, Jr." with a stylized flourish at the end.

---

Phillip E. Wilson, Jr.  
Attorney for United Parcel Service

Dated: November 30, 2001  
Philadelphia, PA