

**BEFORE THE  
POSTAL RATE COMMISSION**

---

**POSTAL RATE AND FEE CHANGES, 2001**

---

**DOCKET NO. R2001-1**

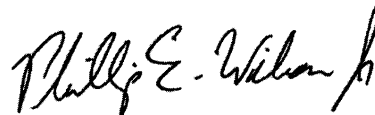
---

**INTERROGATORIES OF UNITED PARCEL SERVICE TO  
UNITED STATES POSTAL SERVICE WITNESS KIEFER  
(UPS/USPS-T33-24 through 32)  
(December 7, 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 Kiefer: UPS/USPS-T33-24 through 32.

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 19th Street, N.W.  
Washington, DC 20036  
(202) 861-3900

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

UPS/USPS-T33-24. Refer to the Postal Service's response to interrogatory UPS/USPS-T33-11(a), which was redirected from you. Confirm that the following Priority Mail pieces are eligible to be mailed as Parcel Post (for any not confirmed, explain):

(a) Merchandise with an invoice enclosed inside the piece or attached to the outside of the piece.

(b) Merchandise with an incidental First-Class attachment or enclosure (such as a bill for the product, a statement of account for past products, or a personal message or greeting included with a product) closely associated with but secondary to the host piece, as long as the piece is prepared so as not to interfere with postal processing.

UPS/USPS-T33-25. Refer to your response to interrogatory UPS/USPS-T33-11(a). Confirm that mail which qualifies to be mailed as Bound Printed Matter, Media Mail, or Library Mail can also be mailed as Parcel Post. If not confirmed, explain.

UPS/USPS-T33-26. Refer to your response to interrogatory UPS/USPS-T33-11(a). Provide some examples of Priority Mail pieces that are not eligible to be mailed as Parcel Post.

UPS/USPS-T33-27. Refer to your response to interrogatory UPS/USPS-T33-16(b), regarding migration of Priority Mail to DDU-entry Parcel Post. Confirm that, assuming a 100% passthrough of worksharing savings, the contribution per piece embodied in the preliminary rates for workshared categories of Parcel Post should be the same as that embodied in the preliminary rates of the non-workshared categories

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

from which the workshared categories' preliminary rates are derived. If not confirmed, explain in detail.

UPS/USPS-T33-28. Refer to your response to interrogatories UPS/USPS-T33-17(d) and (h). Identify any instances in which the Commission has applied the same markup to separately derived transportation costs for non-destination entry rate categories and destination-entry rate categories other than "the procedure adopted by the Commission in its own Parcel Post workpapers in Docket No. R2000-1."

UPS/USPS-T33-29. Refer to your response to interrogatory UPS/USPS-T33-17(d), (g) and (h). Confirm that the Postal Service's proposed Parcel Post rate design in Docket No. R97-1, in Docket No. R2000-1, and in Docket No. R2001-1 applies the same markup to separately derived transportation costs for non-destination entry rate categories and destination-entry rate categories.

UPS/USPS-T33-30. Refer to your response to interrogatory UPS/USPS-T33-17(d), (g) and (h). Provide citations to any discussion in the Commission's recommended decision in Docket No. R2000-1 regarding whether to apply the same markup or different markups to separately derived transportation costs for non-destination entry rate categories and destination-entry rate categories for Parcel Post.

UPS/USPS-T33-31. Refer to your response to interrogatory UPS/USPS-T33-17(e)(ii), where you state that "Applying a 20% markup in my approach produces combined revenue of \$1.44 (\$1.20 plus \$0.24), falling short of the revenue target. A higher markup than 20% would be needed to achieve the same revenue, producing higher rate elements for both the Intra-BMC and DSCF hypothetical pieces than the rate

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

elements cited in [the previous subpart].” Confirm that the higher markup necessary under your approach to achieve the same \$1.60 revenue target achieved in subpart (i) would be 33.33%, and that applying this 33.33% markup would yield an intra-BMC rate of \$1.333 and a DSCF rate of \$0.2667.

(a) If confirmed, explain why a rate differential of \$1.0663 is an appropriate means to reflect 80 cents of worksharing savings.

(b) If not confirmed, explain.

UPS/USPS-T33-32. Refer to the Postal Service’s response to interrogatory UPS/USPS-T33-12(c).

(a) Will Priority Mail customers be eligible to see the results of the program to assess DDU delivery performance for dropshipped parcels? If not, why not?

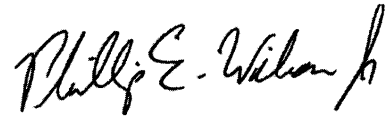
(b) Will the results of the program to assess DDU delivery performance for dropshipped parcels be made available to the Commission?

(c) Will the results of the program to assess DDU delivery performance for dropshipped parcels be made available to mailers?

(d) Will access to the results of the program to assess DDU delivery performance for dropshipped parcels be restricted in any way? If so, in what way, and why?

CERTIFICATE OF SERVICE

I hereby certify that on this date I have caused to be served the foregoing document by first class mail, postage prepaid, in accordance with Section 12 of the 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.

Dated: December 7, 2001  
Philadelphia, PA

2028615