

**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 EGGLESTON  
(UPS/USPS-T25-41 through 66)  
(December 10, 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 Eggleston: UPS/USPS-T25-41 through 66.

Respectfully submitted,

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

UPS/USPS-T25-41. Refer to library reference USPS-LR-J-64, Attachment A, page 6 (file name 1ppmp.xls).

(a) Confirm that the Base Year 2000 volume for Parcel Post DBMC (Destination Bulk Mail Center) entry was 201,340,754 pieces. If not confirmed, explain in detail.

(b) How many postal facilities are designated as BMCs?

(c) Of the number of facilities designated as BMCs, how many received DBMC entry Parcel Post in FY2000?

(d) How many total DBMC entry "shipments" were there for Parcel Post in FY2000, where a "shipment" is a single mailing from a unique carrier/consolidator/customer tendering mail pieces at the same time to a unique BMC on a specific day?

(e) What was the average number of pieces per shipment for Parcel Post DBMC entry shipments in FY2000, where a single "shipment" is a single mailing from a unique carrier/consolidator/customer tendering mail pieces at the same time to a unique DBMC on a specific day?

UPS/USPS-T25-42. Have you ever witnessed DDU Parcel Post being tendered to the Postal Service? If so:

(a) describe when;

(b) list each facility where you witnessed DDU Parcel Post being tendered to the Postal Service; and

(c) list the pieces per shipment for each shipment that you witnessed and the container that was used to receive the shipment.

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

UPS/USPS-T25-43. Refer to library reference USPS-LR-J-64, Attachment A, page 6 (file name 1ppmp.xls).

(a) Confirm that the Base Year 2000 volume for Parcel Post DSCF (Destination Sectional Center Facility) entry was 4,867,545 pieces. If not confirmed, explain in detail.

(b) How many postal facilities are designated as DSCFs?

(c) Of the number of facilities designated as DSCFs, how many received DSCF entry Parcel Post in FY2000?

(d) How many total DSCF entry "shipments" were there for Parcel Post in FY2000, where a "shipment" is a single mailing from a unique carrier/consolidator/customer tendering mail pieces at the same time to a unique DSCF on a specific day?

(e) What was the average number of pieces per shipment for Parcel Post DSCF entry shipments in FY2000, where a single "shipment" is a mailing from a unique carrier/consolidator/customer tendering mail pieces at the same time to a unique DSCF on a specific day?

UPS/USPS-T25-44. Have you ever witnessed DSCF Parcel Post being tendered to the Postal Service? If so:

(a) describe when;

(b) list each facility where you witnessed DSCF Parcel Post being tendered to the Postal Service; and

(c) list the pieces per shipment for each shipment that you witnessed and the container that was used to receive the shipment.

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

UPS/USPS-T25-45. Refer to your response to interrogatory UPS/USPS-T25-7(d) and library reference USPS-LR-J-64, Attachment A, page 4, line 10.

(a) Provide a copy of library reference USPS-LR-PCR-40, which is the source of the assumption that 12.3% of destinating Parcel Post has direct transportation to the DDU.

(b) When was the study supporting the 12.3% figure performed?

(c) Did the study focus specifically on Parcel Post machinable pieces? If not, what type of mail was examined? Explain.

(d) Given the supporting study, if a lesser figure than 12.3% of non-machinable Parcel Post is transported directly to the Destination Delivery Unit (“DDU”) from the Bulk Mail Center (“BMC”), would it be more appropriate to assume that greater than 12.3% of machinable Parcel Post is transported directly to the DDU from the BMC.

UPS/USPS-T25-46. Refer to your response to interrogatory UPS/USPS-T25-9.

(a) Given that the crossdock operation productivity was measured at a Bulk Mail Center (“BMC”), explain why a move operation at a Destination Sectional Center Facility (“SCF”) is assumed to be twice as fast as that at an Associate Office (“AO”).

(b) Provide any studies or data indicating that the distance at a Destination SCF from the platform to the 5-digit sortation area is any further than the distance at a Destination Delivery Unit (“DDU”) from the platform to the carrier route sortation area.

(c) Refer to library reference USPS-LR-J-64, Attachment A. Confirm that using the same productivity for the move operation at the DDU as assumed for the move operation at the Destination SCF would increase the weighted average model

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

costs for Parcel Post by 3.90 cents per piece, and decrease the Parcel Post CRA Proportional Adjustment from 1.231 to 1.189. If not confirmed, explain.

UPS/USPS-T25-47. Refer to your response to interrogatory UPS/USPS-T25-11(a).

(a) For SCFs/plants that are MODS facilities:

(i) Provide the number of these facilities in Base Year 2000.

(ii) Provide the annual volume of mail delivered (in aggregate) in the service territory of these facilities in Base Year 2000.

(iii) Provide the annual volume of Parcel Post mail delivered in the service territory of these facilities (in aggregate) in Base Year 2000.

(b) For SCFs/plants that are non-MODS facilities:

(i) Provide the number of these facilities in Base Year 2000.

(ii) Provide the annual volume of mail in Base Year 2000 delivered in the service territory of these facilities (in aggregate)

(iii) Provide the annual volume of Parcel Post mail in Base Year 2000 delivered in the service territory of these facilities (in aggregate)

UPS/USPS-T25-48. Refer to your response to interrogatory UPS/USPS-T25-11(h) and library reference USPS-LR-J-64, Attachment A.

(a) Confirm that the modeled sortation cost for Parcel Post at Sectional Center Facilities (“SCFs”) is only for non-machinable and oversize pieces. If not confirmed, explain.

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

(b) Confirm that the total weighted average modeled cost for sortation of Parcel Post at SCFs is less than 0.5 cents per piece. If not confirmed, explain.

(c) Confirm that any carrier route sortation of Parcel Post at SCFs would eliminate the need to again sort the pieces by carrier route at the Destination Delivery Unit (“DDU”). If not confirmed, explain.

UPS/USPS-T25-49. State whether you believe that the costs associated with clocking in and out and break time at non-MODS facilities allocated to the non-MODS ALLIED cost pool should be treated as a proportional or fixed for Parcel Post. Explain your answer.

UPS/USPS-T25-50. State whether you believe that the costs associated with clocking in and out and break time at non-MODS facilities allocated to the non-MODS MANP cost pool should be treated as proportional or fixed for Parcel Post. Explain your answer.

UPS/USPS-T25-51. Refer to your response to interrogatory UPS/USPS-T25-5(c).

(a) Explain why the conclusion that a cost pool “includes” a modeled cost necessarily requires that the entire cost pool be treated as proportional.

(b) If the cost pool, upon examination, is comprised of 10% of the costs of the modeled operations and 90% of non-modeled operations, should the cost pool be treated as proportional? Explain your answer.

UPS/USPS-T25-52. Refer to your response to interrogatory UPS/USPS-T25-19(c). Confirm that Parcel Post pieces, including Destination Delivery Unit (“DDU”)

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

destination entry pieces, sorted to carrier route at a DDU other than the DDU from which the city carrier routes are delivered incur transportation charges in moving from one DDU to another DDU. If not confirmed, explain.

UPS/USPS-T25-53. Refer to your response to interrogatory UPS/USPS-T25-19(c) and library reference USPS-LR-J-64, Attachment B, page 14. Is it your understanding that the DDU destination entry parcel cost per cubic foot for local transportation you estimate reflects in full the transportation costs incurred for transportation from the DDU entry point to the DDU from which the carrier routes are delivered? Explain your answer.

UPS/USPS-T25-54. Refer to your response to interrogatory UPS/USPS-T25-19.

(a) What percentage of Parcel Post mail in Base Year 2000 was sorted to carrier route at one Destination Delivery Unit (“DDU”) and then transferred to another DDU for delivery by the carriers stationed at the second DDU.

(b) Refer to library reference USPS-LR-J-64, page 14. Given the assumption that DDU destination entry parcels avoid only 83.57% of local transportation costs, would it be appropriate to assume that 16.43% (1 – 83.57%) of Parcel Post (including DDU destination entry mail) that is sorted to carrier route at one delivery facility is subsequently transferred to another delivery facility. If not, why not.

UPS/USPS-T25-55. Refer to your response to interrogatory UPS/USPS-T33-19.

(a) Confirm that Parcel Post mail that is sorted to carrier route at one delivery facility and is subsequently transferred to another delivery facility where the carriers are stationed would incur:

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

- (i) An additional “move containers to dock” at the first delivery facility.
- (ii) An additional “load containers” at the first delivery facility
- (iii) An additional “unload containers” at the second delivery facility.
- (iv) An additional “move containers from dock” at the second delivery

facility.

If not confirmed, explain.

(b) Assume the costs in part (a), above are 20 cents per piece on a verage for any Parcel Post piece transferred from one Destination Delivery Unit (“DDU”) to another DDU, and 16% of Parcel Post pieces are transferred from one DDU to another DDU.

Confirm that the modeled mail processing costs for Parcel Post would increase by 3.2 cents per piece. If not confirmed, explain.

(c) Confirm that the type of costs in part (a) should be included in the modeled costs for Parcel Post. If not confirmed, explain.

UPS/USPS-T25-56. Refer to your answer to interrogatory UPS/USPS-T25-17(b), where you state that “this does not rule out Parcel Post being on the same truck as other mail.”

(a) Confirm that the truck you are referring to is a mailer’s truck. If not confirmed, explain.

(b) Does this mean that a mailer’s single truck can contain multiple “mailings”? Explain.

UPS/USPS-T25-57. Refer to your response to interrogatories UPS/USPS-T25-18 and 21(a). Confirm that if the average volume of a Destination Bulk Mail Center



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

("DBMC") destination entry dropshipment at a specific BMC is 10 times that of a Destination Delivery Unit ("DDU") destination entry dropshipment at a specific DDU, the verification costs per piece incurred at the dropsite will be 10 times as large for the DDU dropshipment. If not confirmed, explain.

UPS/USPS-T25-58. Refer to your response to interrogatory UPS/USPS-T25-22(f) and library reference USPS-LR-J-64, Attachment A, page 7, columns 12, 13 and 14. Provide a hard-copy print-out of library reference USPS-LR-J-67, Attachment F, as well as the specific pages of library reference USPS-LR-J-67, that show the derivation of the summary figures used in library reference USPS-LR-J-64, Attachment A, page 7.

UPS/USPS-T25-59. Refer to your response to interrogatory UPS/USPS-T25-15.

(a) Describe what specific MODS operation or cost pool was used to derive the productivity of the NMO Distribution at Sectional Center Facilities ("SCFs").

(b) Explain why it is appropriate to apply the productivity of this MODS operation or cost pool to be the productivity of the NMO distribution at SCFs.

UPS/USPS-T25-60. Refer to your response to interrogatory UPS/USPS-T25-5(f)

(a) Explain what the term "secondary" means when referring to "secondary operations."

(b) With respect to the MODS "LD43" pool, why would "platform work involving unloading truck from BMC or plant" not be a MODS "1PLATFRM" pool cost?

(c) With respect to the MODS "LD43" pool, why would platform work involving "getting mail to incoming secondary operations" not be a MODS "1PLATFRM" pool cost?

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

UPS/USPS-T25-61. Refer to your response to interrogatory UPS/USPS-T25-5(f). With respect to the Non-MODS "ALLIED" pool, why would "manual distribution of parcels or NMOs to carrier route or in some cases to 5-digit zone" not be a Non-MODS "MANP" cost?

UPS/USPS-T25-62. Refer to your response to interrogatory UPS/USPS-T25-5(f). With respect to the Non-MODS "MANP" pool, why would there be manual distribution of parcels "in some cases to 5-digit zone"?

UPS/USPS-T25-63. Refer to your response to interrogatory UPS/USPS-T25-5(f). With respect to the MODS "1POUCHING" pool, why is there "manual distribution of sacks and parcels to rolling stock by 5-digit or zone, possibly using conveyor belts," taking place at MODS facilities for Parcel Post?

UPS/USPS-T25-64. Refer to your response to interrogatory UPS/USPS-T25-5(f). With respect to the MODS "1SACK\_H" pool, why is there "manual distribution of sacks (of parcels) to 5-digit or zone, possibly using conveyor belts," taking place at MODS facilities for Parcel Post?

UPS/USPS-T25-65. Refer to your response to interrogatory UPS/USPS-T25-5(f). With respect to the MODS "MANP" pool, why would manual distribution of parcels or sacks in "some cases to carrier route" not be a MODS "LD43" pool cost?

UPS/USPS-T25-66. Refer to your response to interrogatory UPS/USPS-T25-12. Provide your precise definition for the terms "SCF," "AO," and "DDU" as they are used in your models. Describe how your definitions differ from those used by other Postal Service witnesses.

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.

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Phillip E. Wilson, Jr.

Dated: December 10, 2001  
Philadelphia, PA

#2028635