

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

RECEIVED  
Dec 13 4 17 PM '01  
POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS JENNIFER L. EGGLESTON TO INTERROGATORY  
OF PARCEL SHIPPERS ASSOCIATION, REDIRECTED FROM  
WITNESS JAMES M. KIEFER (PSA/USPS-T33-9 (d), (f))

The United States Postal Service hereby files the response of witness Jennifer L. Eggleston to the following interrogatory of the Parcel Shippers Association, which has been redirected from witness James M. Kiefer:

PSA/USPS-T33-9 (d), (f), filed on November 29, 2001.


The interrogatory is stated verbatim, and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Brian M. Reimer  
Attorney

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-3037 Fax -5402  
December 13, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS JENNIFER L.  
EGGLESTON TO INTERROGATORY OF PARCEL SHIPPERS ASSOCIATION,  
REDIRECTED FROM WITNESS KIEFER

**PSA/USPS-T33-9.**

Please refer to your response to PSA/USPS-T33-6 and USPS-LR-J-106. Also, please assume for the purpose of this interrogatory that before the implementation of the nonmachinable outside (NMO) parcel surcharge for destination bulk mail center (DBMC) parcels in January 2001, twelve percent of DBMC parcels were NMOs and that, in response to the implementation of the NMO surcharge, the NMO percentage decreased to 7.3 percent.

....

- (d) Please confirm that the Postal Service did not include a final adjustment to Parcel Post costs to reflect differences in the percentage of Parcel Post DBMC parcels that were NMOs before and after the introduction of the DBMC NMO surcharge. If not confirmed, please explain fully.

....

- (f) Please confirm that, if the change in the DBMC NMO percentage described in the introduction to this interrogatory did indeed occur, the Postal Service's Test Year After Rates Parcel Post attributable costs would be overstated. If not confirmed, please explain fully. If so, by how much would the Postal Service's Test Year After Rate Parcel Post attributable costs be overstated?

**RESPONSE:**

- (d) Confirmed.

- (f) Not Confirmed. If the roll-forward, and therefore, TYAR costs assumed that 12 percent of DBMC were nonmachinable and the final adjustments model were changed to account for a decrease in DBMC nonmachinables for each fiscal year, then this interrogatory could be confirmed. However, there is only one source for the estimate of DBMC that is nonmachinable in the base year. This is USPS LR-J-67. This library reference shows that 5.5 percent of DBMC were nonmachinable (6.03 if oversize is included). It is my understanding that this percent is calculated using weight and dimension criteria. While this percent may not include some nonmachinable parcels, it is the only base year estimate available. Therefore, I can only assume that the current rollforward process assumes that 5.5 percent of DBMC is nonmachinable in the base

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS JENNIFER L.  
EGGLESTON TO INTERROGATORY OF PARCEL SHIPPERS ASSOCIATION,  
REDIRECTED FROM WITNESS KIEFER

year. Therefore, changing this percent to 7.3 is actually increasing the percent of DBMC assumed to be nonmachinable. This change, an increase in the DBMC nonmachinable percentage, is not consistent with the change described in the introduction to this interrogatory. However, it is the only change possible with the current data. In addition, it is my understanding that there is no data available to estimate the true impact of the DBMC NMO surcharge on DBMC nonmachinable volume. Therefore, this interrogatory cannot be confirmed.

# DECLARATION

I, Jennifer Eggleston, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

*Jennifer L. Eggleston*

JENNIFER L. EGGLESTON

Dated: December 13, 2001

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

  
Brian M. Reimer

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-3037 Fax -5402  
December 13, 2001