

**BEFORE THE  
POSTAL RATE COMMISSION**

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**POSTAL RATE AND FEE CHANGES, 2001**

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**DOCKET NO. R2001-1**

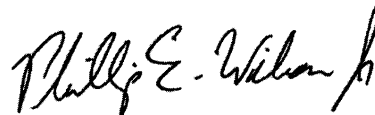
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**INTERROGATORY OF UNITED PARCEL SERVICE TO  
UNITED STATES POSTAL SERVICE WITNESS EGGLESTON  
(UPS/USPS-T25-67)  
(December 21, 2001)**

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Pursuant to the Commission's Rules of Practice, United Parcel Service hereby files and serves the following interrogatory directed to United States Postal Service witness Eggleston: UPS/USPS-T25-67.

Respectfully submitted,



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INTERROGATORIES OF UNITED PARCEL SERVICE TO  
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UPS/USPS-T25-67. Refer to your response to interrogatory UPS/USPS-T25-37.

(a) Confirm that, in the Parcel Post rate design, Witness Kiefer uses the Parcel Post transportation-related costs per cubic foot by rate category and zone that you derive in library reference USPS-LR-J-64, Attachment B, page 15, to calculate the transportation-related costs per piece by rate category, zone and weight in library reference USPS-LR-J-106, WP-PP-15. If not confirmed, explain.

(b) Confirm that the Parcel Post “TY03” cubic feet by rate category and zone shown in library reference USPS-LR-J-64, Attachment B, page 6, reflect the Test Year Before Rates volume totals by rate category projected by Witness Tolley, as spread to weight cell and zone in library reference USPS-LR-J-106, WP-PP-9. If not confirmed, explain.

(c) Confirm that the Parcel Post “TY03” cubic feet by rate category and zone in library reference USPS-LR-J-64, Attachment B, page 6, reflect the Test Year Before Rates mix of volume by rate category. If not confirmed, explain.

(d) Confirm that the Parcel Post “TY03” cubic feet by rate category and zone shown in library reference USPS-LR-J-64, Attachment B, page 6, do not reflect the Base Year mix of volume by rate category. If not confirmed, explain.

(e) Confirm that the Parcel Post Test Year Before Rates transportation-related costs shown in library reference USPS-LR-J-64, Attachment A, page 8, of \$387,206,000 in Cost Segment 14, and \$69,555,000 plus piggyback of 1.516 in Cost Segment 8, for a total of \$493,258,000, are prior to final adjustments contained on page USPS-T-25, Table X-1. If not confirmed, explain.

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(f) Confirm that in library reference USPS-LR-J-65, Attachment I, final adjustments are derived for the Parcel Post Test Year Before Rates costs in Cost Segment 14 and Cost Segment 8 as a result of the change in mix among rate categories in Parcel Post from the Base Year to the Test Year Before Rates. If not confirmed, explain.

(g) Confirm that the final adjustments for Parcel Post in Cost Segment 8 shown on Table X-1 of USPS-T-25 (revised 11/27/01) should be modified slightly to match those shown in library reference USPS-LR-J-64, Attachment I, page 16.

(h) Confirm that the Parcel Post final adjustments are negative \$78,356,000 for Cost Segment 14 and negative \$11,784,000 for Cost Segment 8 for the Test Year Before Rates. If not confirmed, explain.

(i) Confirm that the total Parcel Post Test Year Before Rates transportation-related costs, after final adjustments, are:

(i) \$308,850,000 for Cost Segment 14,  
(ii) \$58,171,000 for Cost Segment 8,  
(iii) \$88,187,000 for Cost Segment 8, after application of the 1.516 piggyback factor,

(j) For a total of \$397,037,000. If not confirmed, explain.

Confirm that Parcel Post Unit Cost per Cubic foot estimates for transportation costs presented in Table IV-3 of USPS-T-25, page 20, when multiplied by the "TY03" cubic feet by rate category and zone shown in library reference USPS-LR-J-64, Attachment B, page 6, will yield a total cost of \$493,258,000. If not confirmed, explain.

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(k) Confirm that Parcel Post Unit Cost per Cubic foot estimates for transportation costs presented in Table IV-3 of USPS-T-25, page 20 when multiplied by the “TY03” cubic feet by rate category and zone shown in library reference USPS-LR-J-64, Attachment B, page 6, should yield a total cost of \$397,037,000 (i.e., after application of final adjustments). If not confirmed, explain.

(l) Confirm that in library reference USPS-LR-J-64, Attachment A, page 1, the Parcel Post Base Year volume mix shares by rate category are applied to the Test Year modeled mail processing cost per piece estimates by rate category to derive the weighted average modeled Test Year costs to compare to the Test Year Before Rates CRA Costs per piece for Mail Processing. If not confirmed, explain.

(i) Confirm that, in this calculation, the Test Year Before Rates CRA costs per piece for mail processing costs used are not net of the final adjustments for mail processing presented in USPS-T-25, Table X-1. If confirmed, explain why this is so. If not confirmed, explain.

(m) Confirm that, in a manner similar to that used in library reference USPS-LR-J-64, Attachment A for mail processing, Parcel Post transportation-related costs per cubic feet should be derived with the Test Year Before Rates cubic feet by rate category and zone shown in library reference USPS-LR-J-64, Attachment B, page 6, reflecting the Base Year mix. If not confirmed, explain.

(n) Confirm that the Parcel Post transportation-related costs per cubic foot by rate category and zone in library reference USPS-LR-J-64, page 15, and applied by Witness Kiefer in the Parcel Post rate design, would be approximately 20% lower if a Base Year mix was used in deriving the Test Year Before Rates cubic feet by rate

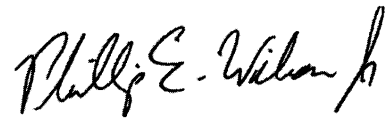
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category and zone in library reference USPS-LR-J-64, Attachment B, page 6. If not confirmed, explain.

(o) Provide a calculation of the Parcel Post transportation-related costs per cubic foot by rate category and zone using a Base Year mix for the Test Year Before Rates cubic feet by rate category and zone in library reference USPS-LR-J-64, Attachment B, page 6.

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.

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Phillip E. Wilson, Jr.

Dated: December 21, 2001  
Philadelphia, PA

#3582602