

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

EXPERIMENTAL PARCEL RETURN SERVICES

Docket No. MC2003-2

**AMERICAN POSTAL WORKERS UNION, AFL-CIO
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS JENNIFER EGGLESTON
(APWU/USPS-T2-5-14)
(July 3, 2003)**

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the American Postal Workers Union, AFL-CIO ("APWU") hereby submits interrogatories and requests for production of documents to Witness Jennifer Eggleston.

Respectfully submitted,

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CERTIFICATION

I hereby certify that I have this date served the following document in accordance with the rules of practice.

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APWU/USPS-T2-5. Attachment B, page 2, line 3 of your testimony shows the assumed wage rate for FY03 for retail transactions. Is that wage rate an estimate made in docket R2001-1 of likely wages for FY2003? If so, have you compared the assumed wage rate with actual current wages and benefits paid in FY2003 and what did the comparison show?

APWU/USPS-T2-6. Footnote 1 on pages 2 and 3 of attachment B of your testimony cites a transaction time study used in R97-1 as the source of the estimate of minutes needed for the two retail transactions being modeled. Please detail any changes in retail equipment and processes since July 1997 that might impact the time estimates for these transactions. What adjustment did you make to account for those changes?

APWU/USPS-T2-7. In your response to OCA/USPS-T1-4, you state that with only 21 BMCs, the percentage of packages requiring inter-BMC transportation will most likely be small. Consumers do not know which local post offices are associated with each BMC, therefore, it seems likely that along the dividing lines for the 21 BMC territories some packages will be deposited at post offices not associated with the BMC identified on the package. Please identify and provide any data or studies used to determine that the percentage of packages requiring inter-BMC transportation is so small that inter-BMC transportation and processing costs do not need to be included in the cost estimates.

APWU/USPS-T2-8. Please confirm that the number of pieces per container assumed in the conversion factors on page 6 of Attachment C came from a study used in docket R84-1. Is this the most recent study the Postal Service has available on the number of parcels per container? Have the containers, loading methods, or loading instructions changed since that study? Have the shapes and sizes of parcels changed since 1984? Please identify any changes and any adjustments made to account for those changes in your calculations.

APWU/USPS-T2-9. In Attachment C, page 3, you provide arrival and dispatch profiles for parcels at various types of postal facilities. These profiles appear to be based on information presented in R-97-1. Are these profiles based on current arrival and dispatch schedules? If not, what year of data was used for those calculations? Please explain how the percentages were calculated.

APWU/USPS-T2-10. On page 5 of your testimony you state that different mail flow models were produced for each of the three RBMC mail processing categories. Please explain the source and time period of the information used to produce each of those mail flow models.

APWU/USPS-T2-11. In your response to APWU/USPS-T2-2 you state that you are not aware of any major differences between the test year Parcel Post mail

processing assumptions used in docket R2001-1, LR-J-64 and the current mail processing environment. Many of the productivities used in LR-J-64 from R2001-1 seem to come from docket R97-1, FY93 PIRS and the average of 1995-2000 PIRS data. Is it your opinion that these productivities accurately reflect the processing environment today, or have other adjustments been made to account for changes between those time periods and 2003?

APWU/USPS-T2-12. The package service mail processing costs per piece for FY2002 as estimated in R2001-1 (cost segment 3.1) appear to be noticeable higher than the actual package service mail processing costs per piece from the Postal Service version of the 2002 CRA (even after making an adjustment for the difference in attributable cost coverage between the two sets of costs). YTD 2003 mail processing compensation costs per piece appear to have declined quicker than anticipated in R2001-1. Have you analyzed these trends in actual mail processing costs? If so, have you attempted to reconcile those changes with the estimates of costs avoided presented in this proceeding?

APWU/USPS-T2-13. In your response to APWU/USPS-T3-2 you state "it is my understanding that APPS, like its predecessor, will be used primarily to sort bundles and 'non-Package Services' parcels." In a September 24, 2002 press release by Lockheed Martin Distribution Technologies, Tom Day, the U.S. Postal Service's vice president of Engineering is quoted as saying "The Automated Package Processing System is an essential element in our strategic plans to enhance customer service in the highly competitive package delivery market." Does the package delivery market referred to by Mr. Day include any of what the Postal Service generally refers to as Package Services or does it primarily refer to non-Package Service parcels and bundles?

APWU/USPS-T2-14. In your response to APWU/USPS-T3-2 you state "the predominant impact of the APPS implementation on Package Services parcels will be the APPS machines deployed to Auxiliary Service Facilities (ASFs). Since ASFs sometimes perform the function of a BMC, the APPS may potentially be used in these facilities to sort Package Services parcels." Is it your understanding that APPS machines deployed to BMCs will not be used to sort any Package Services parcels? Is it your understanding that APPS machines deployed to PD&Cs will not be used to sort any Package Services parcels? Is it your understanding that APPS machines deployed to BMCs and PD&Cs will not be used to sort the returned parcels?"