

DOCKET SECTION

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
UNITED PARCEL SERVICE
REDIRECTED FROM WITNESS MAYES
(UPS/USPS-T37-68, 70-72)

The United States Postal Service hereby provides responses to the following interrogatories of United Parcel Service: UPS/USPS-T37-68, 70-72, filed on September 12, 1997, and redirected from witness Mayes.

Each 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, Rate-making



Scott L. Reiter

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September 26, 1997

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO UPS INTERROGATORIES
REDIRECTED FROM WITNESS MAYES

UPS/USPS-T37-68. Please refer to your response to interrogatory UPS/USPS-T37-20. The purpose of this question was to better understand the rules and options a parcel post drop shipper has for designating entry facilities for computing postage using that facility's zone chart related to where parcels are actually dropped (e.g., dropping at a BMC and using the parent post office zone chart.) The interrogatory is therefore restated below.

- (a) Provide a detailed description of the rules and options parcel post shippers have for assigning the origin zip code that will be used for calculating parcel post rates from zone charts (referring to entry facilities, service area, addresses etc.) for each of the following:
 - (1) DBMC;
 - (2) OBMC entry;
 - (3) BMC presort;
 - (4) DSCF dropship;
 - (5) DDU dropship
- (b) Please provide an example for these rules and options using actual postal facilities and zip codes for (a) (1)-(5).

Response:

- (a) Please refer to the responses to UPS/USPS-T37-58, UPS/USPS-T37-14, UPS/USPS-T37-16 and OCA/USPS-T37-12.
- (b) Not applicable.

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UPS/USPS-T37-70. Please refer to your response to UPS/USPS-T37-15 and DMM section E652 3. Please confirm that postal employees are sometimes employed at detached mail units at the mailer's origin plant for verification of DBMC parcel post under an authorized plant-verified drop shipment system.

- (a) If confirmed, describe the assignment and duties of these employees, including an explanation of whether these employees are assigned full time, part time, or other, and how the costs for these employees are assigned to parcel post DBMC service.
- (b) If not confirmed, please explain your answer.

Response:

Confirmed.

- (a) Clerks are generally assigned to detached mail units based on the volume of mail, the complexity of the verification process, and other considerations.

The clerks complete verification and sampling procedures, process related paperwork, and verify Forms 8125 against the postage statements and staged mail. The clerks may be assigned on a full-time or part-time basis.

The clerks may be full-time postal employees but work only part of the day at the detached mail unit at a particular mailer's plant. Clerks assigned to detached mail units are included in the sampling for the In Office Cost System, and the costs of their activities are assigned to the appropriate classes and subclasses of mail according to the guidelines associated with that costing system. IOCS applies costs associated with these clerks handling DBMC Parcel Post -- or any other Parcel Post -- to Parcel Post in general, and not to DBMC in particular.

- (b) Not applicable.

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UPS/USPS-T37-71. Do DBMC parcel post drop shippers use postal packs when delivering mail to Postal Service facilities?

- (a) If yes, who provides the postal packs to the shippers?
- (b) How are the postal packs controlled?
- (c) What is the cost of a new postal pack?
- (d) How many postal packs have been provided to DBMC mailers in FY 1996?

Response:

It is unlikely that DBMC mailers use postal paks, but mailers commonly use gaylords or other similar cardboard boxes to containerize mail.

- (a) It is not the policy of the Postal Service to provide mailers with postal paks or other similar cardboard boxes. The mailer purchases such containers.
- (b) The Postal Service has a general distribution plan against which the postal paks and other cardboard boxes are redistributed to facilities. BMC managers execute against that plan
- (c) The new purchase price of a postal pak, which is reusable, is \$23.11, not including the cost of the pallet on which such box would be loaded. The pallet, which is also reusable, costs about \$18.
- (d) Please refer to the response to part (a) above. As there is no official policy of providing such boxes to mailers, no tracking of the number of such boxes provided to mailers is performed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO UPS INTERROGATORIES
REDIRECTED FROM WITNESS MAYES

UPS/USPS-T37-72. During a visit to the Southern Maryland Processing and Distribution Center on September 4, 1997, a placard was pointed out on the dock of the BMC titled "Drop Shipment Clearance Procedures." Please provide a complete copy of this placard.

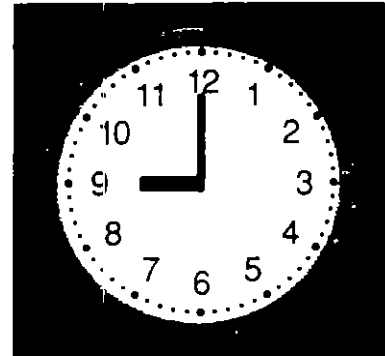
Response:

Please see the attached copy of the poster to which you refer.

DROP SHIPMENT CLEARANCE PROCEDURES

1. Ensure Mailer has a Drop Shipment Appointment.

- Mailer must have a scheduled appointment and confirmation number (Form 8125, Section 1, Block 9).
Exception: Local mailers who normally enter their mailings at your window or business mail entry unit.
- Vehicles arriving early accommodated if operations permit; otherwise, advise driver to return at scheduled time.
- Vehicles arriving more than 20 minutes late at DDU or 2 hours at BMC/ASF/SCF: Accommodate when operationally feasible.



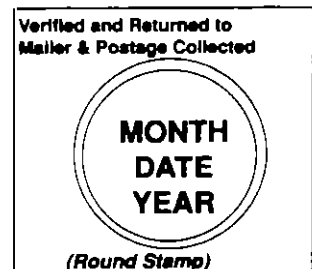
2. Obtain Form 8125 or 8125-PV. (Drop Shipment Clearance Document)

- Driver must present a Form 8125/8125PV with Sections I and II and Block 1 of Section III completed.
- The destination shown in Block 1 of Section III **must** be the facility where the mail is unloaded.

3. Review Section II of the Form.

Check for:

- Signature of the verifying employee.
- Dated round stamp showing where and when mail was verified and postage collected.
- Completion of all other blocks before allowing the mail to be unloaded.



4. Unload Drop Shipment Mail.

The driver is responsible for unloading all shipments at delivery units. At BMC/ASF/SCF, drivers will unload bed loaded mail with postal assistance and postal personnel will unload containers and pallets. Unloading to be completed **within the following time frames:**

DELIVERY UNIT

- 1 hour

BMC/ASF/SCF

- Pallets - Six or Less
- Containers/Pallets
- Bedloads

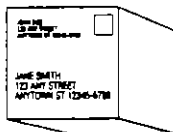
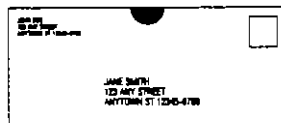
- 2 hours
- 4 hours
- 8 hours



5. Verify the Drop Shipment.

Review Section I of Form 8125/8125PV. Compare the information in Blocks 1 thru 8 with the mail.

- Does the type of mail match that checked on the form?
- Does the type and number of containers match that shown in Block 8?
- If there are any discrepancies, contact the office that verified the mail.



6. Complete Part III.

Block 1: (Mailer entry)
Block 2, 3, & 4:

- Record the date and time of arrival and sign Form 8125/8125PV. When these blocks are filled in, the receiving employee agrees that the information on the form is accurate and accepts the mail deposited.
- Give the driver Part 3 of the form and retain Part 1 for one year at the destination facility.
- Provide the district drop shipment coordinator with arrival information as soon as possible.



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.

A handwritten signature in black ink, appearing to read "Scott L. Reiter", written over a horizontal line.

Scott L. Reiter

475 L'Enfant Plaza West, S.W.
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September 26, 1997