

DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

DOCKET NO. R97-1
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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DANIEL TO INTERROGATORIES OF UNITED PARCEL SERVICE (UPS/USPS-T29-19-22)

The United States Postal Service hereby provides responses of witness Daniel to the following interrogatories of United Parcel Service: UPS/USPS-T29-19-22, filed on September 17, 1997.

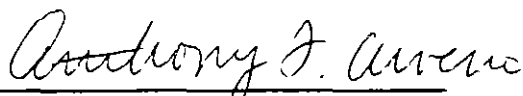
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


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October 1, 1997

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO
INTERROGATORIES OF UNITED PARCEL SERVICE**

UPS/USPS-T29-19. Please refer to Exhibit USPS-29E, page 6 of 6.

(a) Please explain all reasons why the proportional adjustment should apply specifically to the parcel sorting machine key operation versus the parcel sorting machine scan operation.

(b) Please explain what work practices would yield non-modeled costs and explain how these work practices would impact the differential in costs between the parcel sorting machine key operation versus the parcel sorting machine scan operation.

RESPONSE:

a. This question is based on the mistaken premise that the proportional adjustment is applied to PSM key operation and not the PSM scan operation. According to Exhibit USPS-29E, however, the proportional adjustment is applied to both operations.

b. Examples of activities which are not modeled include: miskeying the ZIP Code on the parcel causing a mis-sort, the barcode label peeling off, and the machine running out of labels. The costs of these activities would increase the differential between the parcel sorting machine key operation and the parcel sorting machine scan operation.

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UPS/USPS-T29-20. Please refer to Appendix V of your testimony.

- (a) Please provide the sources for Column 2 for the following operations:
 - Move IHC
 - Move OTRs
 - Move Pallet
 - Move OWC
- (b) Please provide the sources for Column 1 for the following operations
 - Sweep Runouts OTR
 - Sack and Tie

RESPONSE:

- a. *The productivities for the move operations are assumed to be half of the crossdock productivity.*
- b. The number of handlings for Sweep Runouts OTR is the sum of the percent expected to be dispatched in OTRs and OWCs on page 15 of Appendix V. The number of handlings for Sack and Tie is the sum of the percent expected to be dispatched sacked in OTRs or in bedloaded sacks from page 15 of Appendix V.

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UPS/USPS-T29-21. Please describe the sack sorter and sack shakeout operations.

Response:

Please refer to USPS LR-PCR-54, Handbook PO-419 "Bulk Mail Processing at Bulk Mail Centers Operator Instruction."

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UPS/USPS-T29-22. Please explain if a DSCF or DDU could become capacity constrained due to a large increase in dropshipping.

Response:

This question is phrased in hypothetical terms, and I do not believe that the Postal Service is currently facing this issue. Notwithstanding, if this should ever become a problem, I believe that the Postal Service would deal with it in a responsible way. Since it is not within the scope of my employment to address these type of issues, however, I am unfamiliar with any reconfigurations the Postal Service would consider to address situations like the one described in this interrogatory.

DECLARATION

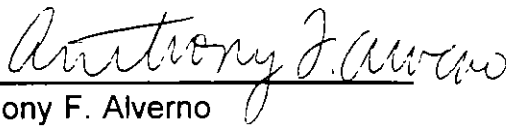
I, Sharon Daniel, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


SHARON DANIEL

Dated: October 1, 1997

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.


Anthony F. Alverno

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