

**DOCKET SECTION**

**BEFORE THE  
POSTAL RATE COMMISSION**

RECEIVED

JAN 20 10 14 AM '98

POSTAL RATE COMMISSION  
OFFICE OF THE CLERK

POSTAL RATE AND FEE CHANGES, 1997

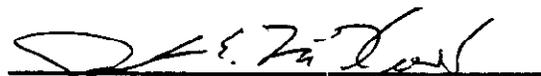
DOCKET NO. R97-1

**INTERROGATORIES OF UNITED PARCEL SERVICE  
TO CTC DISTRIBUTION SERVICES, L.L.C.  
WITNESS JOHN L. CLARK  
(UPS/CTC-T1-1 TO UPS/CTC-T1-20)**

(January 20, 1998)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby serves the following interrogatories on CTC Distribution Services, L.L.C. witness John L. Clark (UPS/CTC-T1-1 through UPS/CTC-T1-20).

Respectfully submitted,



John E. McKeever  
Albert P. Parker, II  
Stephanie Richman  
Attorneys for United Parcel Service

SCHNADER HARRISON SEGAL & LEWIS LLP  
1600 Market Street, Suite 3600  
Philadelphia, Pennsylvania 19103-7286  
(215) 751-2200

and

1225 Eye Street, N.W., Suite 600  
Washington, D.C. 20005-3914  
(202) 463-2900

Of Counsel.

**INTERROGATORIES OF UNITED PARCEL SERVICE  
TO CTC DISTRIBUTION SERVICES, L.L.C. WITNESS JOHN L. CLARK**

**UPS/CTC-T1-1.** Please refer to lines 4 through 7 on page 1 of your testimony, where you state, “. . . CTC has grown to become the largest shipper of small parcels to the residences of individual consumers in the United States for the direct marketing industry.”

(a) Identify all other “shipper[s] of small parcels to the residences of individual consumers in the United States for the direct marketing industry.”

(b) Provide as complete a list as possible of businesses which CTC considers to be its competitors.

**UPS/CTC-T1-2.** Please refer to lines 8 through 14 on page 1 of your testimony, and in particular to lines 13-14, which state, “Final delivery is made by a parcel delivery company.”

(a) For each year from 1990 through 1997, identify all parcel delivery companies used by CTC to make final delivery.

(b) For 1997, provide the number of parcels delivered by each parcel delivery company used by CTC to make final delivery.

**UPS/CTC-T1-3.** Provide separately for each year from 1993 through 1997 the number of parcels sent by CTC in each separate Postal Service subclass and rate category.

**INTERROGATORIES OF UNITED PARCEL SERVICE  
TO CTC DISTRIBUTION SERVICES, L.L.C. WITNESS JOHN L. CLARK**

**UPS/CTC-T1-4.** Please refer to lines 17 through 21 on page 1 of your testimony, where you indicate that CTC "is a user of . . . local and regional carriers . . . ." Please provide a list of all local and regional carriers (a) currently used by CTC, and, separately, (b) used by CTC at any time during 1997 "for the final delivery of [CTC's] shipments" (see line 21 on page 1 of your testimony).

**UPS/CTC-T1-5.** Please refer to lines 8-9 on page 2 of your testimony, where you indicate that, "[b]y 1993, almost all of CTC's business had migrated to the Postal Service."

(a) Why did CTC shift almost all of its business to the Postal Service by 1993?

(b) Is the time in transit provided by the Postal Service acceptable and satisfactory to CTC?

(c) Is the overall quality of service provided by the Postal Service acceptable and satisfactory to CTC?

(d) Has any aspect of the service provided to CTC by the Postal Service improved at any time from 1994 to the present? If so, provide all respects in which the Postal Service's service to CTC has improved.

**UPS/CTC-T1-6.** Please refer to lines 4 through 8 on page 2 of your testimony, where you indicate that beginning around 1991, "CTC began offering Postal Service delivery, as well as UPS delivery, for a final delivery option to its clients."

**INTERROGATORIES OF UNITED PARCEL SERVICE  
TO CTC DISTRIBUTION SERVICES, L.L.C. WITNESS JOHN L. CLARK**

(a) Who selects the carrier which makes final delivery, CTC or its clients?

(b) To the extent this decision is made by CTC, what factors does CTC take into account in making that decision?

(c) To the extent CTC's clients make this decision, what have those clients indicated to CTC about the factors they take into account in making that decision?

**UPS/CTC-T1-7.** Did CTC play any role in the development of the Postal Service's Parcel Post proposals in this proceeding? If so, please (a) describe the role which CTC played, (b) indicate whether specific discounts or rate levels for the various proposed new discounts were discussed by the Postal Service and CTC before the Postal Service's Request initiating this proceeding was filed, and (c) state whether the proposed discounts or rate levels were changed during the course of those discussions.

**UPS/CTC-T1-8.** (a) Please refer to lines 2 through 6 on page 3 of your testimony. For 1997, provide separately the volume of packages entered by CTC at:

- (1) Origin Bulk Mail Centers;
- (2) Destination Bulk Mail Centers;
- (3) Destination Sectional Center Facilities;
- (4) Destination Delivery Units.

**INTERROGATORIES OF UNITED PARCEL SERVICE  
TO CTC DISTRIBUTION SERVICES, L.L.C. WITNESS JOHN L. CLARK**

(b) Provide the number of Postal Service facilities at which CTC tendered parcels to the Postal Service during 1997.

**UPS/CTC-T1-9.** Assuming the discounts and rates for Parcel Post proposed by the Postal Service in this proceeding were implemented, provide an estimate of (a) the total number of parcels CTC will enter at Postal Service facilities in 1999 and (b) the number of parcels CTC will enter in 1999 at the following types of Postal Service facilities:

- (a) Origin Bulk Mail Centers;
- (b) Destination Bulk Mail Centers;
- (c) Destination Sectional Center Facilities;
- (d) Destination Delivery Units.

**UPS/CTC-T1-10.** When CTC tenders a shipment of parcels to the Postal Service at a Bulk Mail Center, who unloads the CTC vehicle, CTC or postal personnel?

**UPS/CTC-T1-11.** When CTC tenders a shipment of parcels to the Postal Service at a Sectional Center Facility, who unloads the CTC vehicle, CTC or postal personnel?

**INTERROGATORIES OF UNITED PARCEL SERVICE  
TO CTC DISTRIBUTION SERVICES, L.L.C. WITNESS JOHN L. CLARK**

**UPS/CTC-T1-12. (a)** When CTC tenders a shipment of parcels to the Postal Service at a Destination Delivery Unit, who unloads the CTC vehicle, CTC or postal personnel?

(b) When CTC tenders a shipment of parcels to the Postal Service at a Destination Delivery Unit, does CTC's employees shake out any sacks on the Destination Delivery Unit's platform?

**UPS/CTC-T1-13.** Please refer to lines 2 through 4 on page 4 of your testimony, where you state, "[f]reedom to enter the market and compete has resulted in more alternatives for shippers, lower costs and improved service."

(a) Are there more alternatives for shippers of small parcels now than there were in 1991?

(b) Are there more alternatives for shippers of small parcels than there were in 1995?

**UPS/CTC-T1-14.** Please refer to lines 13-14 on page 7 of your testimony, where you indicate that "Priority Mail is not under consideration for work-sharing discounts or expanded entry options *in this proceeding*" (emphasis added). Do you know whether work-sharing discounts or expanded entry options for Priority Mail are under consideration? If so, discuss your understanding of what possible proposals are under consideration.

**INTERROGATORIES OF UNITED PARCEL SERVICE  
TO CTC DISTRIBUTION SERVICES, L.L.C. WITNESS JOHN L. CLARK**

**UPS/CTC-T1-15.** Please refer to lines 9-13 on page 8 of your testimony, where you indicate that “traditional air freight companies expanded into ground services” in the 1990's. Identify all traditional air freight companies that expanded into ground services in the 1990's as referred to in your testimony.

**UPS/CTC-T1-16.** Is it generally more costly for a parcel delivery company to make residential deliveries of small parcels than to make commercial or business deliveries of small parcels? Please explain your answer.

**UPS/CTC-T1-17.** Which came first, the Postal Service's initial proposal of separate Destination Bulk Mail Center rates, or UPS's surcharge for residential deliveries?

**UPS/CTC-T1-18.** Please refer to lines 16 through 18 on page 10 of your testimony.

(a) To what are you referring when you state, “[i]t is also reported that parcels entered at the DBMC rate cover their direct costs and make both a positive and significant contribution to the overhead costs of the Postal Service”?

(b) Define what you mean by “direct costs” on line 17 of page 10 of your testimony.

**UPS/CTC-T1-19.** Please refer to lines 5 through 8 on page 11 of your testimony, where you refer to DBMC rates and “other parcel post improvements from

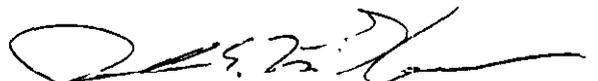
**INTERROGATORIES OF UNITED PARCEL SERVICE  
TO CTC DISTRIBUTION SERVICES, L.L.C. WITNESS JOHN L. CLARK**

1991 to the present." List all Parcel Post improvements from 1991 to the present there referred to by you.

**UPS/CTC-T1-20.** Please state or provide an estimate of the percentage of CTC's parcels which are delivered to residences.

**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document in accordance with section 12 of the Commission's Rules of Practice.

  
\_\_\_\_\_  
John E. McKeever

Dated: January 20, 1998  
Philadelphia, PA