

DOCKET SECTION

BEFORE THE  
POSTAL RATE COMMISSION

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POSTAL RATE AND FEE CHANGES, 1997

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MOTION OF UNITED PARCEL SERVICE FOR  
AMENDMENT OF RECOMMENDED DECISION  
TO CORRECT RATE RECOMMENDATION  
FOR DDU PARCEL POST

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(June 5, 1998)

Pursuant to Section 21 of the Commission's Rules of Practice, 39 C.F.R. § 3001.21, United Parcel Service ("UPS") hereby moves that the Commission amend its Recommended Decision to change the rate recommended by the Commission for parcel post pieces weighing two pounds or less and entered at the destination delivery unit ("the two pound DDU rate") from \$1.10 to \$1.29, for the reasons set forth herein.<sup>1</sup>

The Commission has set forth its recommended parcel post destination delivery unit rates in Rate Schedule 322.1E of Appendix One of its Recommended Decision. The two pound DDU rate contained in that rate schedule is \$1.10. However, the methodology used by the Commission in arriving at the recommended parcel post destination delivery unit rates as described in the Commission's Opinion and

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1. The Commission has recognized that it may correct a recommended decision that is pending before the Governors to correct "an oversight or error" in the decision. Postal Rate and Fee Changes, 1987, Docket No. R87-1, Order No. 787 (June 13, 1988) at 3. See also Postal Rate and Fee Changes, 1994, Docket No. R94-1, Order No. 1037 (Dec. 9, 1994) at 1-2.

Recommended Decision and as reflected in the Commission's workpapers (specifically, Library Reference PRC-15) appears to lead to a two pound DDU rate of \$1.29. Thus, the two pound DDU rate of \$1.10 set forth in the Commission's Recommended Decision appears to be in error.<sup>2</sup>

That the two pound DDU rate of \$1.10 is the result of an error is also suggested by the fact that all of the other parcel post destination delivery unit rates contained in the Recommended Decision conform to the rates produced by the methodology described by the Commission in its Opinion and Recommended Decision as implemented in the Commission's workpapers. Moreover, the Commission's Opinion and Recommended Decision does not contain any discussion suggesting that the Commission had any reason to depart from its adopted methodology in the case of the two pound DDU rate.<sup>3</sup>

The discrepancy between the rate of \$1.29 resulting from the Commission's adopted methodology and the \$1.10 rate contained in Appendix One is significant -- 19 cents, or 15% less than the rate resulting from strict application of the Commission's methodology. The Appendix One rate of \$1.10 is also 27 cents lower than the comparable rate proposed by the Postal Service. See USPS-T-37, Table 5 (Direct Testimony of Postal Service witness Mayes).

WHEREFORE, United Parcel Service respectfully requests that the Commission amend its recommended decision to change to \$1.29 its recommended

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2. UPS did not discover this discrepancy earlier because it is not evident solely from a review of the Commission's Opinion and Recommended Decision. Rather, a detailed review of the Commission's workpapers was necessary to discover it.
  3. The Commission's workpapers indicate that the \$1.10 rate was "hard coded," i.e., set so as not to be changed by the application of the Commission's methodology. It is not clear whether this was inadvertent.

rate for parcel post pieces weighing two pounds or less that qualify for the Destination Delivery Unit rates.

Respectfully submitted,



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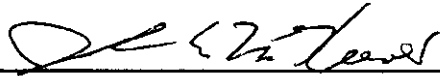
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Of Counsel

CERTIFICATE OF SERVICE

I hereby certify that on this date I have caused to be served the foregoing document in accordance with Section 12 of the Rules of Practice.

  
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John E. McKeever

Dated: June 5, 1998