

ORIGINAL

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-74)

The United States Postal Service hereby provides its response to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-74, filed on September 13, 1996.

The 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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September 27, 1996



RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-74. Please refer to your response to NM/USPS-7 and Attachment 1.

- a. Please confirm that the Postal Service estimates the FY 1996 profit to be between \$1.2 to \$1.5 billion. If you are unable to confirm, please explain.
- b. Please confirm that the Washington Post reported on September 11, 1996 at A21, that the Postal Service estimates FY 1996 profits to be \$1.2 billion. If you are unable to confirm, please explain.
- c. If the attachment to NM/USPS-7 no longer represents the Postal Service's best estimates, please provide the most current Postal Service estimates.
- d. Please confirm that the Postal Service's newly approved budget estimates FY 1997 net income to be \$55 million. If you are unable to confirm, please explain.

RESPONSE:

- a. As presented at the September Board of Governors' meeting, the Postal Service estimates FY 1996 net income of between \$1.2 and \$1.5 billion.
- b. Confirmed.
- c. Please refer to the attachment to this interrogatory response.
- d. The Postal Service's FY 97 Operating Budget reflects a net income of \$55 million.

Net Income (Loss)
GAP From Equity Restoration Target
(\$millions)

1	2	3	4	5
Fiscal Year	Actual or Estimate	Needed to Meet BOG Target	Over/(Under) Actual/Estimate	Cumulative Amt. Over/(Under)
1994	(914)	(1,344)	430	430
1995	1,770	936	834	1,264
1996	1200-1500	936	264-564	1528-1828
1997	55	936	(881)	647-947

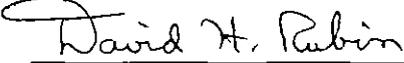
Column 2 - FY 94 & 95 reflect actual results. FY 96 reflects year end estimate presented at September Board of Governors' meeting. FY 97 represents FY 97 Operating Budget.

Column 3 - FY 94 is Docket No. R94-1 estimated net loss for FY 94.

FY 95-97 amounts reflect average annual Prior Years' Loss amount from Docket No. R94-1 Opinion.

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.



David H. Rubin

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