

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, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS TAYMAN TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T9-10-11)

The United States Postal Service hereby provides the responses of witness Tayman to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T9-10-11, filed on February 10, 2000.

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



Scott L. Reiter

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February 24, 2000

**RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF  
OFFICE OF THE CONSUMER ADVOCATE**

**OCA/USPS-T9-10.** Please refer to USPS-LR-I-127, filename STPDC\_00.xls.

- (a) The following refers to the worksheet titled "Non Pers Other Programs," cells A58 and A64 through A67. For FY00, segment 18, component 210, "absorb[s] additional inflation (HQ S&S)" of -\$7,000,000. For FY00, several components in segment 18 "absorb additional inflation" totaling -\$40,000,000. Please explain the basis for determining a cost reduction of -\$47,000,000 for inflation absorption in FY00. Then, provide a list by segment and component identifying the specific dollar amounts included in the Postal Service costs for positive inflation absorption.
- (b) The following refers to cells A58 and A64 through A67, in the worksheet titled "Non Pers Cost Reductions." For FY01, please identify by segment and component the specific amounts that have been included for inflation absorption. If none are incorporated, please explain why it was only necessary to reduce inflation absorption in FY00.

**RESPONSE:**

(a-b) Please see the response to OCA/USPS-T9-1(e) for a discussion of why inflation absorption reductions were reflected in FY 2000 but not in FY2001. Reductions of \$47 million to supplies and services were reflected as negative other programs and \$44 million of transportation reductions were reflected as cost reductions. The cost components impacted can be found on page 200 and 213 of LR I-127.

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**OCA/USPS-T9-11.** At the February 9, 2000, Miami meeting, the Board of Governors approved a \$10.1 million investment in phase one of PostalOne. Was the \$10.1 million investment in information platform technology included in the FY00 revenue requirement? If so, please identify the segment and component affected. In your response, please indicate where the cost can be identified in USPS-LR-I-127. If not, please indicate the impact the \$10.1 million investment will have on FY00 and FY01 expenditures.

**RESPONSE:**

Phase one of PostalOne is included in the FY 2000 Capital Investment Plan.

The \$10.1 million investment approved by the Board of Governors was for capital costs and would be incorporated in the revenue requirement as depreciation expense in segment 20.

**DECLARATION**

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

William P. Tayman

Dated: 2.24.2000

**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 cursive script, appearing to read "Scott L. Reiter", is written over a solid horizontal line.

Scott L. Reiter

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