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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Docket No. R2000-1

Postal Rate and Fee Changes, 2000

**THIRD INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS
TO USPS WITNESS TAYMAN (ANM/USPS-T9-45-49)**

The Alliance of Nonprofit Mailers ("ANM") respectfully submits the attached interrogatories and document requests to USPS witness William P. Tayman (USPS-T-9). ANM incorporates by reference the instructions in OCA interrogatories OCA/USPS-1-14 (filed Jan. 24, 2000).

Respectfully submitted,



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February 29, 2000

QUESTIONS

ANM/USPS-T9-45. The Postal Service's Financial & Operating Statements, which are published for each account period, compare various actual outcomes to "Plan." For example, the bar charts on page 4 show Actual, Plan and SPLY.

a. For all of FY 2000, what was the Net Operating Revenue in the Plan at the beginning of the fiscal year? What is it today, how many times has it been revised since the beginning of the fiscal year, and when was the last revision made?

b. For FY 2000, what was the Total Operating Expense in the Plan at the beginning of the fiscal year? What is it today, how many times has it been revised since the beginning of the fiscal year, and when was the last revision made?

c. For FY 2000, what is the Total Mail Volume in the Plan?

d. Are the current figures for Net Operating Revenue and Total Operating Expense for FY 2000 the same as those in the roll-forward model for interim year 2000? If they differ, please state by what amount, and explain the differences.

ANM/USPS-T9-46. One page of the Postal Service's Financial & Operating Statements reports both Commitments and Expenditures for Capital Investments, showing Actual, Plan and SPLY. For Commitments and Expenditures, under the respective columns for "Plan," are the data based on a "Plan" for the Postal Fiscal Year or for the Government Fiscal Year?

ANM/USPS-T9-47. Please refer to the attached table, which is incorporated as part of this question. The data in Part A, columns 2 and 3, which are for Total Capital

Commitments, are taken from the Postal Service's Financial & Operating Statements for A/P 13 for each of the years shown in column 1.

(a) Please confirm that the data in columns 2 and 3 are correct. If you fail to confirm, please provide the correct data.

(b) If the Postal Service has different data for the Government Fiscal Year, please provide.

(c) Please confirm that in the decade of the 1990s the Postal Service's actual capital commitments have fallen short of planned capital commitments by \$11.5 billion. If you fail to confirm, please explain.

(d) Did the Postal Service's statutory limitation on borrowing constrain capital commitments in any of the years 1988 through 1999?

ANM/USPS-T9-48. Please refer to the attachment for ANM/USPS-T9-47, which is incorporated as part of this question. The data in Part B, columns 2 and 3, which are for Capital Commitments for Mail Processing Equipment, likewise are taken from the Postal Service's Financial & Operating Statements for A/P 13 for each of the years shown in column 1.

(a) Please confirm that the data in columns 2 and 3 are correct. If you fail to confirm, please provide the correct data.

(b) If the Postal Service has different data for the Government Fiscal Year, please provide.

(c) Please confirm that in the decade of the 1990s the Postal Service's actual capital commitments for mail processing equipment have fallen short of planned capital commitments by \$5.6 billion. If you fail to confirm, please explain.

ANM/USPS-T9-49. Please refer to the attachment to ANM/USPS-T9-47, Part B, which is incorporated as part of this question.

(a) In 1992 the Postal Service's \$201.1 million in commitments for mail processing equipment amounted to only 15 percent of Plan. What factor(s) prevented the Postal Service from achieving its planned commitments for mail processing equipment in 1992?

(b) The subsequent commitments for mail processing equipment in 1993 and 1994, \$634.5 and \$326.9 million, respectively, or \$961.4 million, still did not equal the \$1,154.3 billion shortfall in 1992. Please describe all actions taken by top management and the Governors in 1992-93 to correct the failure to achieve planned commitments for mail processing equipment.

(c) In 1994 the Postal Service's \$326.9 million in commitments for mail processing equipment amounted to only 26 percent of Plan. What factor(s) prevented the Postal Service from achieving its planned commitments for mail processing equipment in 1994? Please describe all actions taken by top management and the Governors in 1994-95 to correct the failure to achieve planned commitments for mail processing equipment.

(d) In 1997 the Postal Service's \$808.2 million in commitments for mail processing equipment amounted to only 33 percent of Plan. What factor(s) prevented the Postal Service from achieving its planned commitments for mail processing equipment in

1997? Please describe all actions taken by top management and the Governors in 1997-98 to correct the failure to achieve planned commitments for mail processing equipment.

A Total Capital Commitments

Postal Fiscal Year (1)	Plan (\$, 000) (2)	Actual (\$, 000) (3)	Shortfall (Plan - Actual) (4)	Actual as Percent of Plan (5)
-----	-----	-----	-----	-----
1988	625.0	623.9	1.1	99.8%
1989	1,995.0	1,987.5	7.5	99.6%
1990	2,738.8	2,436.4	302.4	89.0%
1991	2,230.1	1,883.1	347.0	84.4%
1992	3,581.0	1,924.8	1,656.2	53.8%
1993	3,420.0	1,309.6	2,110.4	38.3%
1994	2,804.5	1,635.5	1,169.0	58.3%
1995	3,572.1	2,284.9	1,287.2	64.0%
1996	3,331.8	3,306.9	24.9	99.3%
1997	6,023.6	3,202.6	2,821.0	53.2%
1998	5,592.0	3,947.0	1,645.0	70.6%
1999	3,998.5	3,817.3	181.2	95.5%
SUM	39,912.4	28,359.5	11,552.9	71.1%

B. Capital Commitments for Mail Processing Equipment

Postal Fiscal Year (1)	Plan (\$, 000) (2)	Actual (\$, 000) (3)	Shortfall (Plan - Actual) (4)	Actual as Percent of Plan (5)
-----	-----	-----	-----	-----
1988	96.9	91.9	5.0	94.8%
1989	560.0	560.0	0.0	100.0%
1990	628.3	466.4	161.9	74.2%
1991	511.6	397.7	113.9	77.7%
1992	1,355.4	201.1	1,154.3	14.8%
1993	1,289.0	634.5	654.5	49.2%
1994	1,263.8	326.9	936.9	25.9%
1995	1,443.4	866.8	576.6	60.1%
1996	1,218.3	1,220.5	-2.2	100.2%
1997	2,440.7	808.2	1,632.5	33.1%
1998	1,682.6	1,204.1	478.5	71.6%
1999	1,113.3	1,158.1	-44.8	104.0%
SUM	13,603.3	7,936.2	5,667.1	58.3%

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



February 29, 2000