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

NOTICE OF UNITED STATES POSTAL SERVICE
FILING OF ATTACHMENTS TO RESPONSE TO ANM/USPS-T9-4
(ERRATUM)

It has come to the attention of undersigned counsel that the attachments to the response of witness Tayman to ANM/USPS-T9-4 may not have been included with the responses filed on February 10, 2000. The Postal Service hereby gives notice that it is filing these attachments herewith.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Scott L. Reiter

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.

Scott L. Reiter

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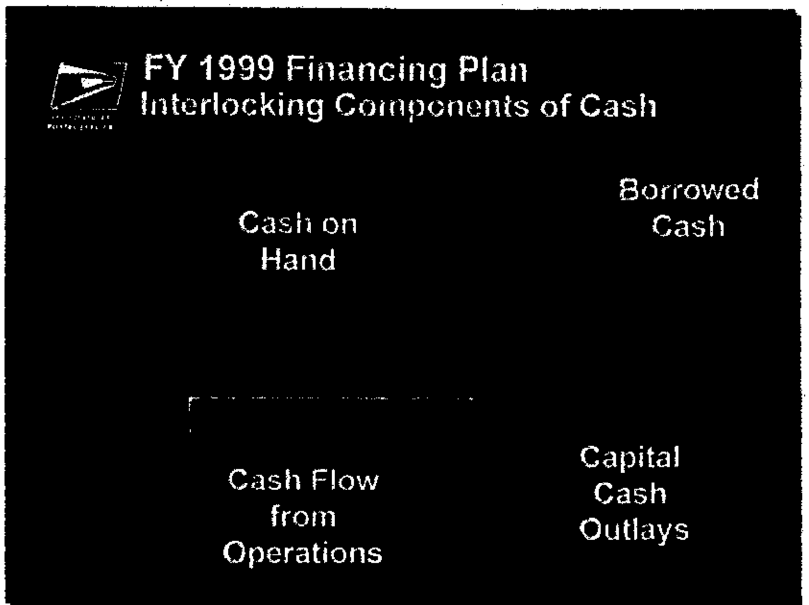
March 13, 2000

FINANCING PLAN

As reflected in the Financial Outlook, it is estimated that $500 million in new net borrowing will be required in FY 1999 to finance our capital investments. The Postal Service's financing picture, as shown below, contains four interlocking pieces: cash on hand, cash flow from operations, capital cash outlays, and borrowing (or financing). A change in any one piece requires an offsetting change in one or more of the other pieces. Our annual change in debt is determined by the interaction of cash flow from operations, capital cash outlays, and changes in our cash balance. Each of the pieces reflects cash, rather than accruals.



In recent years, the year ending cash balance has changed very little, and we expect little change in FY 1998. Therefore, our annual change in debt has been determined by the difference between cash flow from operations and capital cash outlays. Since capital cash outlays in this fiscal year will exceed cash flow from operations by approximately $500 million, we expect to borrow that amount, which will increase our fiscal year end debt balance to $6.4 billion.

Looking ahead to FY 1999, we again expect little change in our year end cash balance. Our net increase in debt, therefore, will be determined by the difference between cash flow from operations and capital cash outlays. Currently, we project a net increase in borrowing of $500 million, based on $2.9 billion cash flow from operations and $3.4 billion in capital cash outlays. Beyond FY 1999, we have debt increasing by $2.2 billion in FY 2000 and by $0.2 billion in FY 2001. We currently project a decline in debt of $1.3 billion in FY 2002, to $8.0 billion.

FINANCING BORROWING PLAN
($Billions)

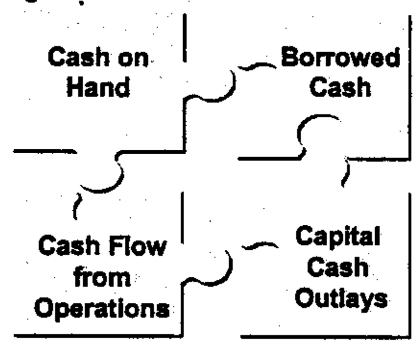
	1998	1999	2000	2001	2002
Debt at Beginning of Year	5.9	6.4	6.9	9.1	9.3
Net New Borrowing	0.5	0.5	2.2	0.2	(1.3)
Debt at End of Year	6.4	6.9	9.1	9.3	8.0

In FY 1998, in spite of an estimated $500 million net increase in debt by year end, interest expense has declined by an estimated $118 million, to $210 million, due to debt minimization and a $2.5 billion bond call on December 1. Our debt minimization strategy is expected to produce interest expense of $185 million in FY 1999.

FINANCING PLAN

As reflected in the financial outlook on page 16, it is estimated that $1.9 billion in new net borrowing will be required in FY 2000. The Postal Service's financing picture, as shown on the next page, contains four interlocking pieces: cash on hand, cash flow from operations, capital cash outlays, and borrowing (or financing).

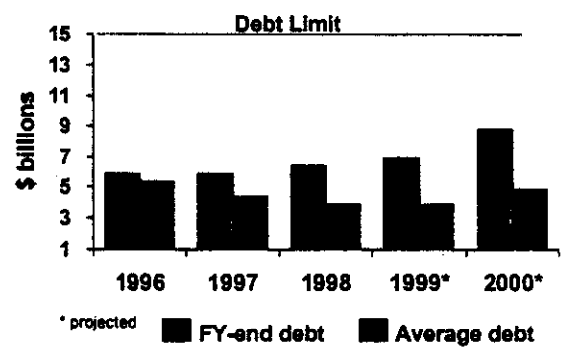
FY 2000 INTEGRATED FINANCIAL PLAN
Integration With Other Plans



A change in any one piece requires an offsetting change in one or more of the other pieces. Our annual change in debt is determined by the interaction of cash flow from operations, capital cash outlays, and changes in our cash balance. In addition, capital cash outlays often differ substantially from capital commitments that do not immediately affect cash.

In recent years, our year-end cash balance has changed very little and we expect little change in FYs 1999 and 2000. Therefore, our net increase in debt will be determined primarily by the difference between cash flow from operations and capital cash outlays. In FY 1999, cash flow from operations and capital cash outlays will combine to produce a projected net increase in debt of $500 million, for a total of $6.9 billion. In FY 2000, since cash flow from operations will be reduced by $1 billion due to payday falling on the last day of the fiscal year, cash flow from operations will decline to $1.7 billion. FY 2000 capital cash outlays are projected to total $3.6 billion and our net increase in debt is expected to total $1.9 billion ($900 million related to capital and $1 billion attributable to a payday falling on the last day of the fiscal year). Fiscal year-end debt will increase from $6.9 billion this year to $8.8 billion on September 30, 2000. Due to active use of our credit lines, the daily average of our debt outstanding will increase by far less than the year-end amount. The average will rise from $3.9 billion in FY 1999 to $4.9 billion in FY 2000. The graph above compares year-end debt and average debt over a six-year time period. Annual interest expense is determined by decisions regarding debt transactions, the behavior of our average debt balance, and the course of interest rates. In FY 1999, we expect interest expense on debt to total $215 million. In FY 2000, interest expense should total $240 million.

FY 2000 INTEGRATED FINANCIAL PLAN
Fiscal Year-end Debt vs. Average Debt



Our target net income of $100 million produces cash flow from operations of $1.7 billion, in part because payday is on the last business day of FY 2000. Our cash flow from operations and capital cash outlays produce a net increase in debt of $1.9 billion--$1.1 billion below our annual debt limit of $3 billion. Risks to the net income plan translate into risks to cash flow from operations that could adversely affect our borrowing and liquidity.