

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 THE UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO INTERROGATORY OF THE ASSOCIATION FOR POSTAL COMMERCE
(PostCom/USPS-T9-1)

The United States Postal Service hereby provides the response of witness
Tayman to the following interrogatory of the Association for Postal Commerce:
PostCom/USPS-T9-1, filed on March 2, 2000.


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



Scott L. Reiter

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March 16, 2000

**RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF
ASSOCIATION FOR POSTAL COMMERCE**

PostCom/USPS-T-9-1. Are labor costs associated with the installation of FSM/AFSM equipment characterized (i) in whole or (ii) in part as "maintenance" as that term is used in LR-I-126?

(a) If your answer is affirmative, has there been, or do you project there to be, a decrease in installation-related maintenance costs in any of FY 99, 00, 01?

(b) If your answer to sub-part (a) is affirmative, how do you account for that decrease in a year in which it occurs and any subsequent year? Please provide an example.

(c) If your affirmative answer is "in part" explain how and why such costs are so characterized and how and why that part which is not so characterized is characterized.

(d) If your answer is "no", where are such costs reflected?

RESPONSE:

No. The term maintenance as used in conjunction with the equipment related cost reduction programs described in LR-I-126, represents the labor cost for Postal employees who maintain the equipment after it has been installed. Accordingly, data referred to in LR-I-126 pertains to operating variances only.

(a) – (c) See my response to above.

(d) If a contractor provides such costs, they are capitalized and reflected in the cost of the equipment. If postal labor is incurred for such costs, they are expensed.

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: 3-16-2000

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.



Scott L. Reiter

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