

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
TO INTERROGATORIES OF
UNITED PARCEL SERVICE
REDIRECTED FROM WITNESS MEEHAN
(UPS/USPS-T11-7-17)

The United States Postal Service hereby provides its responses to the following interrogatories of United Parcel Service: UPS/USPS-T11-7-17, filed on March 6, 2000, and redirected from witness Meehan.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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March 20, 2000

**Response of United States Postal Service
to
Interrogatories of United Parcel Service
(Redirected from Witness Meehan USPS-T-11)**

UPS/USPS-T11-7. Provide data by year and by quarter for the period from PFY1970 through PFY 1998 on total accrued costs for Cost Segment 2, "Supervisors and Technicians." If data are not available for the full period, provide data for all periods for which data are available. If for all or part of the period data are available annually but not quarterly, provide annual totals for those portions of the specified period and quarterly data for all periods for which it is available.

Response:

The cost data are available for GFY, not PFY. The attached table shows costs for the following: column (1) for Government Fiscal Year (FY) for Period, otherwise postal quarters are designated by 1,2,3 or 4 and the next 2 digits indicate year; column (2) is for supervision of mail processing; column (3) is for total supervision costs; column (4) is for mail processing; column (5) is for total clerk and mail handlers in Cost Segment 3; column (6) is for operating equipment maintenance; and column (7) is for total custodial and maintenance.

**Response of United States Postal Service
to
Interrogatories of United Parcel Service
(Redirected from Witness Meehan USPS-T-11)**

UPS/USPS-T11-8 Describe any major changes that have occurred over the period from PFY 1970 through PFY 1998 in the definition of Cost Segment 2, "Supervisors and Technicians," or in the procedures for calculating these costs. Indicate also the dates on which these changes occurred.

Response:

Testimonies in prior dockets by Postal Service witnesses Orenstein (R76-1), Graham (R77-1), Alenier (R80-1), Bailey (R84-1), Barker (R87-1), Barker (R90-1), Barker (R94-1) and Alexandrovich (R97-1), addressed cost changes, as did the corresponding Summary Descriptions LR-C-1 (R80-1), LR-D-1 (R84-1), LR-E-1 (R87-1), LR-F-1 (R90-1), LR-G-1 (R94-1), LR-H-1 (R97-1) and LR-I-1 (R2000-1).

**Response of United States Postal Service
to
Interrogatories of United Parcel Service
(Redirected from Witness Meehan USPS-T-11)**

UPS/USPS-T11-9 Provide data by year and by quarter for the period from PFY 1970 through PFY 1998 on total accrued costs for Cost Segment 2.1, "Supervision of Mail Processing." If data are not available for the full period, provide data for all periods for which data are available. If for all or part of the period data are available annually but not quarterly, provide annual totals for those portions of the specified period and quarterly data for all periods for which it is available.

Response:

See response to UPS/USPS-T11-7.

**Response of United States Postal Service
to
Interrogatories of United Parcel Service
(Redirected from Witness Meehan USPS-T-11)**

UPS/USPS-T11-10 Describe any major changes that have occurred over the period from PFY 1970 through PFY 1998 in the definition of Cost Segment 2.1, "Supervision of Mail Processing," or in the procedures for calculating these costs. Indicate also the dates on which these changes occurred

Response:

See response to UPS/USPS-T11-8.

**Response of United States Postal Service
to
Interrogatories of United Parcel Service
(Redirected from Witness Meehan USPS-T-11)**

UPS/USPS-T11-11 Provide data by year and by quarter for the period from PFY 1970 through PFY 1998 on total accrued costs for Cost Segment 3, "Clerks and Mailhandlers, CAG A-J Post Offices." If data are not available for the full period, provide data for all periods for which data are available. If for all or part of the period data are available annually but not quarterly, provide annual totals for those portions of the specified period and quarterly data for all periods for which it is available.

Response:

See response to UPS/USPS-T11-7.

**Response of United States Postal Service
to
Interrogatories of United Parcel Service
(Redirected from Witness Meehan USPS-T-11)**

UPS/USPS-T11-12 Describe any major changes that have occurred over the period from PFY 1970 through PFY 1998 in the definition of Cost Segment 3.1, "Mail Processing." If data are not available for the full period, please provide data for all periods for which data are available. If for all or part of the period data are available annually but not quarterly, please provide annual totals for those portions of the specified period and quarterly data for all periods for which it is available.

Response:

See responses to UPS/USPS-T11-7 and UPS/USPS-T11-8.

**Response of United States Postal Service
to
Interrogatories of United Parcel Service
(Redirected from Witness Meehan USPS-T-11)**

UPS/USPS-T11-13 Describe any major changes that have occurred over the period from PFY 1970 through PFY 1998 in the definition of Cost Segment 3.1, "Mail Processing," or in the procedures for calculating these costs. Indicate also the dates on which these changes occurred.

Response:

See response to UPS/USPS-T11-8.

**Response of United States Postal Service
to
Interrogatories of United Parcel Service
(Redirected from Witness Meehan USPS-T-11)**

UPS/USPS-T11-14. Provide data by year and by quarter for the period from 1970 through 1998 on total accrued costs for Cost Segment 11, "Custodial and Maintenance Services." If data are not available for the full period, provide data for all periods for which data are available. If for all or part of the period data are available annually but not quarterly, provide annual totals for those portions of the specified.

Response:

See response to UPS/USPS-T11-7.

**Response of United States Postal Service
to
Interrogatories of United Parcel Service
(Redirected from Witness Meehan USPS-T-11)**

UPS/USPS-T11-15 Describe any major changes that have occurred over the period from PFY 1970 through PFY 1998 in the definition of Cost Segment 11, "Custodial and Maintenance Services," or in the procedures for calculating these costs. Indicate also the dates on which these changes occurred.

Response:

See response to UPS/USPS-T11-8.

**Response of United States Postal Service
to
Interrogatories of United Parcel Service
(Redirected from Witness Meehan USPS-T-11)**

UPS/USPS-T11-16 Provide data by year and by quarter for the period from 1970 through 1998 on total accrued costs for Cost Segment 11.2, "Operating Equipment Maintenance." If data are not available for the full period, provide data for all periods for which data are available. If for all or part of the period data are available annually but not quarterly, provide annual totals for those portions of the specified period and quarterly data for all periods for which it is available.

Response:

See response to UPS/USPS-T11-7.

**Response of United States Postal Service
to
Interrogatories of United Parcel Service
(Redirected from Witness Meehan USPS-T-11)**

UPS/USPS-T11-17 Describe any major changes that have occurred over the period from PFY 1970 through PFY 1998 in the definition of Cost Segment 11.2, "Operating Equipment Maintenance," or in the procedures for calculating these costs. Indicate also the dates on which these changes occurred.

Response:

See response to UPS/USPS-T11-8.

ACCRUED TOTALS FOR SELECTED COST SEGMENTS & COMPONENTS
 (\$ 000)

Period (1)	n.s. (2)	C/S 2.1 (3)	C/S 2 (4)	C/S 3.1 (5)	C/S 3 (6)	C/S 11.2 (7)	C/S 11 (8)
The following Fiscal Years (GFY) begin on July 1 and end on June 30 of the next calendar year.							
1970	(1)	158,283	529,721	2,343,833	2,913,011	n/a	219,977
1971	(2)	178,558	582,111	2,563,734	3,190,225	n/a	253,540
1972	(3)	No data found for this period. See note 7.					
1973	(4)	221,038	632,159	2,840,303	3,548,702	n/a	300,879
1974	(5)	242,329	722,738	3,183,192	4,041,007	n/a	365,553
1975	(6)	281,833	850,317	3,343,495	4,451,588	n/a	422,800
1976	(7)	297,724	See note 2.	3,486,031	4,829,810	n/a	481,359
TQ	(8)	Transition Quarter: July 1, 1976 through September 30, 1976. No data available.					
The following Fiscal Years (GFY) begin on October 1 and end on September 30 of the next calendar year.							
1977	(9)	321,147	518,148	3,865,422	4,518,100	See note 6.	280,899
1978	(10)	345,368	567,869	3,934,493	4,828,075	See note 6.	243,134
1979	(11)	385,888	1,083,853	4,314,993	5,862,435	180,268	598,864
1980	(12)	410,303	1,258,883	4,965,711	6,627,831	183,044	673,403
1981	(13)	373,319	1,372,289	5,412,484	7,202,478	208,593	754,867
1982	(14)	389,812	1,550,302	5,871,384	7,825,173	238,522	848,453
1983	(15)	425,918	1,654,579	6,108,586	8,213,927	270,811	931,557
1984	(16)	468,417	1,782,251	6,831,237	9,082,489	295,936	1,000,555
1985	(17)	501,830	1,983,789	7,471,452	9,842,752	314,711	1,080,140
1986	(18)	533,432	2,123,142	7,705,733	10,213,794	333,140	1,108,796
1987	(19)	563,761	2,419,558	8,273,395	11,000,803	358,063	1,171,297
1988	(20)	607,550	2,609,372	8,964,733	11,875,802	397,837	1,289,137
1989	(21)	686,779	2,787,467	9,738,946	12,814,719	548,371	1,393,687
1990	(22)	699,780	2,838,475	10,283,987	13,311,444	593,903	1,483,635
PQ191	(23)	188,300	678,909	2,566,970	3,300,862	146,313	361,875
PQ291	(24)	186,075	673,588	2,463,131	3,293,823	146,784	362,114
PQ391	(25)	164,947	695,706	2,389,319	3,128,694	152,415	373,616
PQ491	(26)	208,080	922,513	3,076,544	4,097,433	205,887	500,900
1991	(27)	706,093	2,984,097	10,695,437	14,013,610	659,366	1,618,351
PQ192	(28)	205,180	737,075	2,523,847	3,335,789	180,925	389,951
PQ292	(29)	208,556	768,171	2,527,214	3,335,847	183,983	398,502
PQ392	(30)	209,145	750,484	2,406,523	3,207,261	188,235	405,968
PQ492	(31)	270,267	970,295	3,107,479	4,179,295	223,080	532,453
1992	(32)	869,654	3,238,703	10,631,929	14,148,042	720,209	1,734,576
PQ193	(33)	188,821	686,280	2,520,717	3,353,813	189,785	397,788
PQ293	(34)	178,462	659,042	2,592,282	3,467,787	171,217	402,235
PQ393	(35)	195,582	654,791	2,506,026	3,401,582	178,333	421,546
PQ493	(36)	266,114	849,895	3,214,330	4,409,727	236,773	556,445
1993	(37)	834,041	2,846,129	11,090,144	14,706,866	759,837	1,787,344
1994	(38)	957,861	2,964,880	11,893,799	15,561,063	837,624	1,935,667
1995	(39)	984,863	3,170,597	12,016,278	16,053,644	906,880	2,058,093
1996	(40)	1,058,947	3,280,972	12,455,393	16,456,091	944,183	2,113,576
PQ497	(41)	n/a	1,061,341	4,107,837	5,102,806	304,772	674,717
1997	(42)	890,550	3,387,188	13,948,589	17,287,742	1,002,964	2,220,544
PQ198	(43)	n/a	767,271	3,312,707	4,105,736	237,200	522,997
PQ298	(44)	n/a	777,912	3,383,226	4,185,355	238,406	523,747
PQ398	(45)	n/a	835,210	3,248,982	4,068,552	244,204	541,276
PQ498	(46)	n/a	1,111,339	4,194,636	5,213,702	319,183	708,758
1998	(47)	982,803	3,512,450	14,192,763	17,846,127	1,043,852	2,304,302

- Notes:
- n/a Generally, not available (n/a); or information makes no clear distinction by sub-component especially for FYs 1970-76.
 - 1 For FY 1983 and prior years, current CRA was originally RCA (Revenue and Cost Analysis).
 - 2 FY 1976 costs for C/S 1 & 2 = \$1,820,106(000). Comments on the RCA cite inclusion of "management structure" costs, and treat some of the postmaster costs with other supervisors totalling \$889,217(000).
 - 3 Postal Quarters (PQs) may not sum to annual amounts shown because of accounting adjustments made throughout the year.
 - 4 Due to the age of certain of the pre-1980 hardcopy records, it was difficult to read some of the numbers. Thus, some of the above numbers may have been transcribed inaccurately.
 - 5 Mail processing costs include truck terminal costs for Fiscal Years 1970-1976.
 - 6 Component 11.2 (in part) for FY 1977 = \$19,826, and for FY 1978 = \$29,056, with the remainder combined with space-related costs.
 - 7 Efforts to locate records for FY 1972 RCA published documents failed.
 - 8 Some of these data can be found in RCAs and their corresponding cost summaries, and CRAs and their corresponding Cost Segments and Components Reports on file at the Postal Rate Commission.

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.



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March 20, 2000