

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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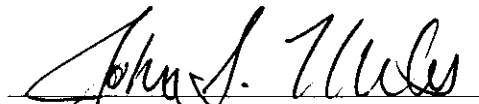
POSTAL RATE AND FEE CHANGES, 2000)

Docket No. R2000-1

ASSOCIATION OF PRIORITY MAIL USERS, INC.
FIRST INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS WILLIAM P. TAYMAN (APMU/USPS-T9-1-10)
(March 21, 2000)

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Association of Priority Mail Users, Inc. hereby submits interrogatories and requests for production of documents. If necessary, please redirect any interrogatories and/or requests to a more appropriate Postal Service witness.

Respectfully submitted,

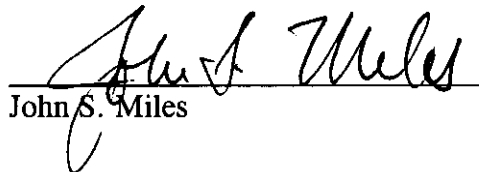


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CERTIFICATE OF SERVICE

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



John S. Miles

March 21, 2000

APMU/USPS-T-9-1.

With regard to the Postal Service's Civil Service Retirement System ("CSRS") deferred liability,

- a. Please explain how the Postal Service's annual principal and interest payments are determined.
- b. Is any change in the CSRS unfunded retirement liability between the base and the test year incorporated in the roll forward model as a cost level change, mail volume effect change, non-volume workload change, additional workday change, cost reduction change, other program change, or in some other way? Please explain your answer.

APMU/USPS-T-9-2.

Please confirm the following statements regarding the Postal Service's expense for amortized CSRS expenses in the base year. If you do not confirm, please explain in full your reason(s).

- a. The base year amortized CSRS expense of \$1,141 million is the sum of the principal payments for liabilities accrued in the years 1972 through 1998 as indicated in USPS-LR-I-127, sheet CSRS_00.xls.
- b. The base year amortized CSRS interest expense of \$1,306 million is the sum of the interest payments for liabilities accrued in the years of 1972 through 1998 as indicated in USPS-LR-I-127, sheet CSRS_00.xls.

- c. In each of the years 1972 through 1998, the sum of the interest and principal payments for the year within which the liability was accrued has been the same since the liability was incurred. For example, the expense payment of \$62.991 million for the 1972 liability has remained constant since 1972, and the expense payment of \$41.994 million for the 1973 liability has remained constant since 1973.

APMU/USPS-T-9-3.

- a. Is the Federal Employment Retirement System (“FERS”) considered a defined benefit, a defined contribution retirement plan, or something else? Please explain.
- b. How are the FERS payments for the base and test years calculated?

APMU/USPS-T-9-4.

Please explain the relationship between the \$849 million CSRS payment for fiscal year 1998 noted on page 67 of the United States Postal Service 1998 Annual Report, and the Postal Service’s fiscal year 1998 payroll expenses.

APMU/USPS-T-9-5.

Please explain the relationship between the \$1,241 million dollar fiscal year 1998 Social Security expense noted on page 67 of the United States Postal Service 1998 Annual Report, and the Postal Service’s fiscal year 1998 payroll expenses.

APMU/USPS-T-9-6.

For fiscal year 1998, please provide,

- a. The total number of Postal Service annuitants;
- b. The number of new annuitants in fiscal year 1998;
- c. The total number of Postal Service annuitants categorized by year of separation from the Postal Service (*i.e.*, the number who left in 1998, 1997, 1996 and so forth); and
- d. The average number of years of service for current annuitants.

APMU/USPS-T-9-7.

How was the \$849 million CSRS payment for fiscal year 1998, noted on page 67 of the United States Postal Service 1998 Annual Report, calculated?

APMU/USPS-T-9-8.

Please provide the number of current CSRS-covered employees who were employed by the Postal Service in each of the years 1972 through 1998.

APMU/USPS-T-9-9.

- a. In 1998, the Office of Personnel Management (“OPM”) determined that the Postal Service’s 1998 liability for deferred CSRS payments was \$835.936 million dollars. (Tayman, USPS-LR- I-127, worksheet CSRS_00.xls.) Please confirm that this is the Postal Service’s deferred liability for 1998.

- b. Please confirm that OPM provided similar estimates for all previous years, and provide those estimates.
- c. Please provide a copy of the document provided by OPM to the Postal Service in which the Postal Service's liability is estimated for each year from 1992 to the present.
- d. Please describe how OPM calculates the Postal Service's deferred liability.
- e. Please describe how OPM estimates the Postal Service's deferred CSRS liability that was estimated for each year since 1972.

APMU/USPS-T-9-10.

Please confirm that each of the following base year expenses constitute benefit expenses for individuals who were not working at the Postal Service in Fiscal year 1998. If you do not confirm, please explain and provide a breakdown of these costs between benefits for employees working at the Postal Service in FY 1998 and non-employees in FY 1998:

- a. Cost Segment 18.3.6, retiree health benefits.
- b. Cost Segment 18.3.7, annuitant life insurance.
- c. Cost Segment 18.3.8, annuitant COLA/principal.
- d. Cost Segment 18.3.9, annuitant protect program.