

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

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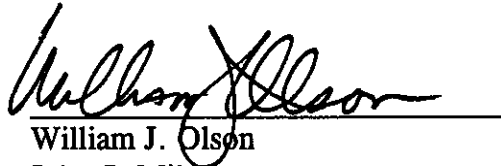
POSTAL RATE AND FEE CHANGES, 2000)

Docket No. R2000-1

ASSOCIATION OF PRIORITY MAIL USERS, INC.
SECOND INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS WILLIAM P. TAYMAN (APMU/USPS-T9-11-28)
(March 23, 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,



William J. Olson

John S. Miles

WILLIAM J. OLSON, P.C.

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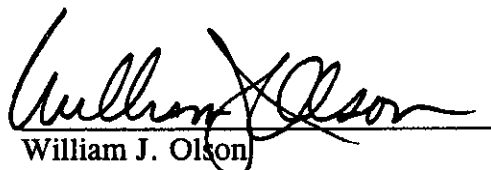
McLean, Virginia 22102-3860

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Counsel for Association of Priority Mail Users, Inc.

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.



William J. Olson

March 23, 2000

APMU/USPS-T-9-11.

Please provide as a library reference the following documents referenced on the spreadsheet "input" that is part of the workbook ACOLA_00.xls in USPS-LR-I-127.

- a. Office of Personnel Management ("OPM") letter dated September 30, 1998 providing the base year total billing from OPM and the base year COLA layer.
- b. OPM letter dated July 14, 1995 and attachments providing the 15 year amortization factor.
- c. OPM facsimile dated June 14, 1999 providing present value of base year annuitant COLA benefits.
- d. The complete CPI-W data in the DRI/McGraw Hill USSIM Trend 25 year dated November 1999 including a forecast for CPI-W through 2008.
- e. OPM facsimile dated June 14, 1999 that was used to estimate future distribution of base year population.
- f. Document provided by the Postal Service's Employee Relations identifying the the Postal Service employee retirement rate factor.
- g. Document prepared by the Postal Service's Employee Relations providing the average age of employees retiring in FY 1998.
- h. OPM facsimile dated June 14, 1999 that provided the death rates.
- i. OPM facsimile dated June 14, 1999 that provided the survivor benefit election rate.
- j. The data included in the base year annuitant profile tape provided by OPM at the end of the calender year.

- k. OPM bill for Anuitant Health Benefits presented to the Postal Service in September 1998.
- l. OPM response to memorandum dated May 14, 1999 regarding estimates of premium changes.
- m. Postal Service letter or memorandum that prompted the OPM response noted in part (l).
- n. OPM facsimile dated June 14, 1999 listing the number of annuitants eligible to participate in FEHB.

APMU/USPS-T-9-12.

Worksheet Liability - COLA in workbook Acola-00.XLS in Postal Service Library Reference LR-I-127 lists the annual experience payment for annuitant CSRS COLAs for the years 1980 through 2001. Please provide documentation identical to that contained in workbook ACOLA_00.xls in USPS-LR-I-127 that describes how the annuitant COLA liability expense for the years 1984 through 1997 are calculated.

APMU/USPS-T-9-13.

Please provide a narrative description of the methodology used to calculate item 5 **“USPS SHARE of FEHB PREMIUMS in FUTURE YEARS APPORTIONED FOR USPS SERVICE AT ESTIMATE YEAR RATE”** contained in worksheet, Calculations-Health Ben., workbook ACOLA__00.xls in USPS-LR-I-127.

APMU/USPS-T-9-14.

Please provide a narrative description of the methodology used to calculate item 6 “**CALCULATION OF ANNUITANT HEALTH BENEFIT APPORTIONMENT FACTOR**” contained in worksheet, Calculations-Health Ben., workbook ACOLA__00.xls in USPS-LR-I-127.

APMU/USPS-T-9-15.

Please see note “a” in the section “II. Notes on Updating the Model for Base Years Other than 1994” in worksheet “Documentation” in the workbook ACOLA__00.xls in USPS-LR-I-127 and confirm that the initial base year for which the model was used was 1994. If you do not confirm, please explain.

APMU/USPS-T-9-16.

Please explain the methodology and provide the calculation used to estimate the 1998 Civil Service Retirement System (“CSRS”) retirement rate of 4 percent that is included in section 5, employee retirement rate factor of worksheet “Input” in the workbook ACOLA__00.xls in USPS-LR-I-127.

APMU/USPS-T-9-17.

Please describe the methodology and provide the calculation used to estimate the employee retirement rate factor of 1.14 percent that is included in section 5, employee retirement rate factor of worksheet “Input” in the workbook ACOLA__00.xls in USPS-LR- I-127.

APMU/USPS-T-9-18.

- a. Please indicate the whether the calculations contained in the workbook ACOLA__00.xls in USPS-LR-I-127 are audited by the Postal Service's external auditor, the inspector general, OPM, and/or other government agencies.
- b. If a government agency other than OPM audits the calculation contained in ACOLA__00.xls in LR I-127, please identify the agency.
- c. Please provide any audit reports, documents or memorandum relating to audits of the calcuations of the information contained in ACOLA__00.xls in USPSD-LR-I-127.

APMU/USPS-T-9-19.

Please provide a copy of the following documents referenced on the spreadsheet "input" that is part of the workbook CSRS_00.xls in USPS-LR-I-127:

- a. Report - Civil Service Deferred Retirement Liability, September 30, 1998;
- b. Calculation attachment to FY 98 OPM letter (Report AAN 150PS);
- c. Documents identified as NPHSR Ref. Nos. 1620 and 1630, ORPES: A/P13 FY 1998;
- d. OPM facsimile dated June 14, 1999 that provided the Unfunded liability factors;
- e. Document provided by OPM providing the amortization factors identified in item 6; and
- f. Document prepared by OPM prviding the interest rates identified in item 7.

APMU/USPS-T-9-20.

In the worksheet "calculations," within section 2, Total Increase in Basic Pay in the workbook CSRS_00.xls in USPS-LR-I-127, there is an increase to Basic Pay No. 1 and Basic Pay No. 2 for only City Carriers and an increase in Basic Pay No. 3 for Mail Handlers, Rural Carriers, City Carriers and Clerks. Please explain why only City Carriers have an increase in all three types of Basic Pay.

APMU/USPS-T-9-21.

In the worksheet "calculations," within section 2, Total Increase in Basic Pay in the workbook CSRS_00.xls in USPS-LR-I-127, there is no increase in any type of Basic Pay category for all other bargaining and non-bargaining categories.

APMU/USPS-T-9-22.

Please confirm that the annual increase in the CSRS unfunded retirement liability that is calculated in CSRS_00.xls in USPS-LR-I-127, only accounts for increases in pay of city carriers, rural carriers, clerks, and mailhandlers. If you do not confirm, please explain. Please explain why no Basic Pay increase estimates are associated with these labor categories in this worksheet.

APMU/USPS-T-9-23.

- a. Please confirm that the 1998 payment in the CSRS unfunded retirement liability that is calculated in CSRS_00.xls in USPS-LR-I-127, worksheet Calculations in

section 6, Annual Payment/Expense is \$56,029,000 rounded to the thousand dollar amount. If you do not confirm, please explain

- b. Please confirm that 1998 expense for the CSRS unfunded retirement liability that is presented in Meehan workpaper A-2 pp. 123-124 is \$64.179 million. If you do not confirm, please explain.
- c. Please explain the difference in the two figures.

APMU/USPS-T-9-24.

Table 1998 in worksheet liability in workbook CSRS_00.xls in Postal Service Library Reference I-127 lists expense payments for CSRS unfunded retirement liability, that were set in the years 1972 through 1997. Please provide documentation in the form of that contained in CSRS_00.xls in USPS-LR-I-127 that describes how the deferred CSRS liability expense was set in the years 1972 through 1997.

APMU/USPS T-9-25.

Section 5 of Worksheet "Input" of workbook ACOLA_00.xls in LR-I-127 lists the number of CSRS retired annuitants in the base year 1998. How many (a) men and (b) women were added to the role of CSRS annuitants in each of the years 1971 through 1998.

APMU/USPS T-9-26.

Workbook ACOLA_00.xls in USPS-LR-I-127, worksheet Calculations — COLA, contains (i) Table 6., Calculation of Weighted Average Decay Rates for New Annuitants, and

(ii) Table 7, Calculation of Annuitant Survivor Addition Rates. Please provide data to complete these tables for a 30 year period, rather than the 10 years set out in the worksheet.

APMU/USPS T-9-27.

Workbook ACOLA_00.xls in USPS-LR-I-127, worksheet Input, contains Table 7, Decay Rates for New Annuitant Layers. Please provide data to complete this table for a 30 year period, rather than the 10 years set out in the worksheet.

APMU/USPS T-9-28.

Section 10 of worksheet Input of workbook ACOLA_00.xls of LRI-127 lists the number of annuitants and the total number of years of Post 1971 Civilian Service (USPS) for both “retired annuitants” and “survivor annuitants.”

- a. Please confirm that the average number of Post 1971 civilian service (USPS) years for retired annuitants is 13.94 years. (Post 1971 civilian service (USPS) total years divided by No. of Claimants.) If you do not confirm, please explain and provide the correct figure.
- b. Please confirm that the average number of Post 1971 civilian service (USPS) years for retired annuitants is 8.85 years. (Post 1971 civilian service (USPS) total years divided by No. of Claimants.) If you do not confirm, please explain and provide the correct figure.
- c. Please provide an estimate of the average number of years of service for all retired annuitants and an estimate of the average number of years of service for

all survivor annuitants for the cohort of retired and survivor annuitants in the years 1971 through 1997.

- d. Please provide an estimate of the average number of years of service for all retired annuitants and an estimate of the average number of years of service for all survivor annuitants for the new retired and survivor annuitants in the years 1971 through 1997.