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

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS KASHANI TO INTERROGATORIES OF
THE ASSOCIATION OF PRIORITY MAIL USERS, INC.
(APMU/USPS-T14-1-2)

The United States Postal Service hereby provides the responses of witness Kashani to the following interrogatories of the Association of Priority Mail Users, Inc.: APMU/USPS-T14-1-2, filed on March 23, 2000.

Each 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



Susan M. Duchek

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(202) 268-2990 Fax -5402
April 6, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KASHANI
TO INTERROGATORIES OF
ASSOCIATION OF PRIORITY MAIL USERS, INC.**

APMU/USPS-T14-1.

On page 4 (l. 22) of your testimony, you identify the additional workday adjustment as the fourth step in estimating future year costs. Please explain how an additional workday affects the level of costs in the test year for cost components: 18.3.1, repriced annual leave; 18.3.1, holiday leave; 18.3.2, civil service retirement; 18.3.4, workers compensation; 18.3.5, unemployment compensation; 18.3.6, retiree health benefits; 18.3.7, annuitant life insurance; and 18.3.8, annuitant COLA/principal. For each of the cost components, please identify references in workpapers, library reference and testimony supporting your answers.

RESPONSE

The additional workday effect does not apply to the components listed in your question. These components are developed outside of the rollforward model and their development can be found in USPS-LR-I-127. The amounts developed in USPS-LR-I-127 can be found in Exhibit 14A in the "Other Programs" column.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KASHANI
TO INTERROGATORIES OF
ASSOCIATION OF PRIORITY MAIL USERS, INC.**

APMU/USPS-T14-2.

On page 4 (l. 21) of your testimony, you identify the volume level adjustment as the second step in estimating future year costs. Please explain how mail volume level affect costs in the test year for cost components: 18.3.1, repriced annual leave; 18.3.1, holiday leave; 18.3.2, civil service retirement; 18.3.4, workers compensation; 18.3.5, unemployment compensation; 18.3.6, retiree health benefits; 18.3.7, annuitant life insurance; and 18.3.8, annuitant COLA/principal. For each of the cost components, please identify references in workpapers, library reference and testimony supporting your answers.

RESPONSE

The mail volume level adjustment does not apply to the components listed in your question. These components are developed outside of the rollforward model and their development can be found in USPS-LR-I-127. The amounts developed in USPS-LR-I-127 can be found in Exhibit 14A in the "Other Programs" column.

DECLARATION

I, Cameron Kashani, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Cameron Kashani

Dated: 4-6-00

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.

A handwritten signature in cursive script, appearing to read "Susan M. Duchek", is written over a solid horizontal line.

Susan M. Duchek

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