

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
WITNESS TAYMAN TO INTERROGATORY OF
THE ASSOCIATION OF PRIORITY MAIL USERS, INC.,
REDIRECTED FROM WITNESS MEEHAN
(APMU/USPS-T11-1(a))

The United States Postal Service hereby provides the response of witness Tayman to the following interrogatory of the Association of Priority Mail Users, Inc.: APMU/USPS-T11-1(a), filed on March 22, 2000, and redirected from witness Meehan.

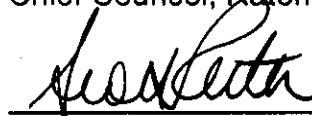
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Scott L. Reiter

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April 11, 2000

**RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF
ASSOCIATION OF PRIORITY MAIL USERS, INC.
(REDIRECTED FROM WITNESS MEEHAN, USPS-T11-1a.)**

APMU/USPS-T-11-1. With respect to the retroactive assessment for employee benefits of \$347 million noted on page 64 of the United States Postal Service 1989 Annual Report:

- a. Please confirm that this cost is included in your estimate of base year costs. If you do not confirm, please explain.

RESPONSE:

- a. The \$347 million in question is the cash payment made in FY 98 related to the Postal Service's liability from the OBRA of 1993. The cost associated with this retroactive assessment was accrued in FY 93. The only cost related to this retroactive assessment accrued in FY 98 was imputed interest of \$16.2 million. See Docket R97-1, LR H-12, p.136, for a schedule showing the payments and expenses related to the OBRA of 1993.

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: 4-10-2000

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.

A handwritten signature in black ink, appearing to read "Scott L. Reiter", written over a horizontal line.

Scott L. Reiter

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