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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

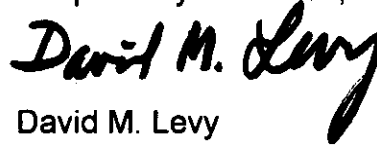
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Docket No. R2000-1
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Postal Rate and Fee Changes, 2000
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**THIRD INSTITUTIONAL INTERROGATORIES
AND DOCUMENT REQUESTS
OF ALLIANCE OF NONPROFIT MAILERS
TO UNITED STATES POSTAL SERVICE (ANM/USPS-4-23)**

The Alliance of Nonprofit Mailers ("ANM") respectfully submits the attached interrogatories and document requests to the United States Postal Service. These are follow-up questions to the Postal Service's answers to ANM-USPS-3 and the questions posed by ANM counsel during cross-examination of USPS witness Tayman.

Respectfully submitted,



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INSTRUCTIONS AND DEFINITIONS

1. ANM incorporates by reference the instructions in OCA interrogatories OCA/USPS-1-14 (filed Jan. 24, 2000).

2. In these questions, a "vintage of assets" or "vintage" means the entire population of assets with the same property code number (or other asset classification) that were made or acquired in the same year.

QUESTIONS

ANM/USPS-4. Please confirm that, to determine the actual average service life of any vintage of Postal Service equipment, one must know how many units of that vintage were originally acquired. If you fail to confirm without qualification, please explain fully.

ANM/USPS-5. Please confirm that, to determine the actual or historic survivor curve of any vintage of Postal Service equipment, one must know how many units of that vintage were originally acquired. If you fail to confirm without qualification, please explain fully.

ANM/USPS-6. Please confirm that, to determine the actual average service life of any vintage of Postal Service equipment, one must know how what fraction of that vintage (whether measured in units of equipment or dollars) are retired by year, from the year of original purchase (a) to the year in which the last unit is retired, or (b) to the present date, of some units of the vintage still remain in service. If you fail to confirm without qualification, please explain fully.

ANM/USPS-7. Please confirm that, to determine the actual or historic survivor curve of any vintage of Postal Service equipment, one must know how what fraction of that vintage (whether measured in units of equipment or dollars) are retired by year, from the year of original purchase to the year in which the last unit is retired (or to the present date, of some units of the vintage still remain in service). If you fail to confirm without qualification, please explain fully.

ANM/USPS-8. Please confirm that Library Reference I-308, *Material Provided in Responses to ANM/USPS-3, Motor Vehicle Reports*, does not permit a third party to determine how many units in any vintage of motor vehicles were acquired by the Postal Service in any year before 1995. If you fail to confirm without qualification, please explain fully.

ANM/USPS-9. Please confirm that Library Reference I-308, *Material Provided in Responses to ANM/USPS-3, Motor Vehicle Reports*, does not permit a third party to determine what fraction of any vintage of motor vehicles acquired by the Postal Service before 1995 has been retired. If you fail to confirm without qualification, please explain fully.

ANM/USPS-10. Please confirm that Library Reference I-308, *Material Provided in Responses to ANM/USPS-3, Motor Vehicle Reports*, does not permit a third party to determine the actual average service life of any vintage of motor vehicles acquired by the Postal Service before 1995. If you fail to confirm without qualification, please explain fully.

ANM/USPS-11. Please confirm that Library Reference I-308, *Material Provided in Responses to ANM/USPS-3, Motor Vehicle Reports*, does not permit a third party to

determine the actual or historic survivor curve of any vintage of motor vehicles acquired by the Postal Service before 1995. If you fail to confirm without qualification, please explain fully.

ANM/USPS-12. Please confirm that the entire set of documentation produced by the Postal Service in this case is insufficient to enable a third party to determine, for any vintage of motor vehicles acquired by the Postal Service before 1995, the (a) average actual service life of the vintage, or (b) the actual or historic survivor curve of the vintage. If you fail to confirm without qualification, please explain fully.

ANM/USPS-13. Please confirm that Library Reference I-309, *Material Provided in Responses to ANM/USPS-3, Personal Property Reports*, does not permit a third party to determine how many units in any vintage of personal property the Postal Service acquired in any year before 1997. If you fail to confirm without qualification, please explain fully.

ANM/USPS-14. Please confirm that Library Reference I-309, *Material Provided in Responses to ANM/USPS-3, Personal Property Reports*, does not permit a third party to determine what fraction of any vintage of personal property acquired by the Postal Service before 1997 has been retired. If you fail to confirm without qualification, please explain fully.

ANM/USPS-15. Please confirm that Library Reference I-309, *Material Provided in Responses to ANM/USPS-3, Personal Property Reports*, does not disclose the retirements of any vintage of personal property in any year before or after 1997. If you fail to confirm without qualification, please explain fully.

ANM/USPS-16. Please confirm that Library Reference I-309, *Material Provided in Responses to ANM/USPS-3, Personal Property Reports*, does not permit a third party to determine the actual average service life of any vintage of personal property acquired by the Postal Service. If you fail to confirm without qualification, please explain fully.

ANM/USPS-17. Please confirm that Library Reference I-309, *Material Provided in Responses to ANM/USPS-3, Personal Property Reports*, does not permit a third party to determine the actual or historic survivor curve of any vintage of personal property acquired by the Postal Service. If you fail to confirm without qualification, please explain fully.

ANM/USPS-18. If you contend that the documentation collectively produced by the Postal Service in this case enables a third party to determine for the actual average service life of any vintage of personal property acquired by the Postal Service, please provide the following information:

a. Identify each such vintage by vintage year and by PCN or other identification of asset type.

b. Compute the actual average service life, with sufficiently detailed workpapers (including page and line citations to the relevant documents that have been produced) to enable a third party to replicate your calculations. (If you contend that the actual average service life can be computed for more than six vintages of assets, you may limit your calculations to a reasonably representative sample of six vintages.)

ANM/USPS-19. In response to ANM's request for any workpapers of the

independent auditors concerning Postal Service asset lives (2 Tr. 473), the Postal Service states, *inter alia*, that its independent auditors, Ernst & Young, "have indicated that they perform a relatively high level review in relation to asset service lives."

(a) Please define "relatively high level review."

(b) Please specify (or estimate, if precise data are unavailable), how many professional-hours Ernst & Young spent reviewing the Postal Service's asset lives in each of the past three fiscal years. Please break down your response by the seniority level of the individuals performing the review.

(c) Please identify (and produce, if not publicly available) the Postal Service records and documentation that Ernst & Young reviewed in the course of their "relatively high level review in relation to asset service lives."

(d) Please cite the GAAP or other standards that Ernst & Young believe govern the level of detail and documentation required in a "relatively high level review" of "asset services lives" in these circumstances.

(e) Please produce the standards responsive to part (d) (or provide citations, if the standards are publicly available).

ANM/USPS-20. In response to ANM's request for any workpapers of the independent auditors concerning Postal Service asset lives (2 Tr. 473), the Postal Service states, *inter alia*, that its independent auditors, Ernst & Young, reviewed the "property code book." Please confirm that the "property code book" is the same document produced as USPS-LR-I-224, *Personal Property and Motor Vehicle Asset Life Listing*

Provided in Response to ANM/USPS-T9-35. If you fail to confirm, please produce the "property code book."

ANM/USPS-21. In response to ANM's request for any workpapers of the independent auditors concerning Postal Service asset lives (2 Tr. 473), the Postal Service states, *inter alia*, that its independent auditors, Ernst & Young, reviewed the "categories for reasonableness of the service life estimates."

(a) Please describe each check for "reasonableness" that Ernst & Young performed.

(b) If the check involved reference to any data or documents other than the "property code book," please produce all such data and documents.

ANM/USPS-22. In response to ANM's request for any workpapers of the independent auditors concerning Postal Service asset lives (2 Tr. 473), the Postal Service states, *inter alia*, "the level of depreciation is evaluated" by Ernst & Young and "the gains and losses on disposition of assets is reviewed to determine unusual levels of either gains or losses that might indicate a need to refine service life estimates."

(a) Please identify (and produce, if not publicly available) all documents reviewed in the course of this "evaluation."

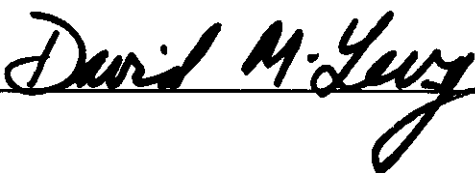
(b) Please identify all tests or benchmarks used by Ernst & Young to determine whether any gains or losses are sufficiently "unusual" to indicate a possible "need to refine service life estimates."

(c) Please state whether this evaluation process has led to revision of any service life estimates for the past three fiscal years. If so, please identify all such revisions.

ANM/USPS-23. In response to ANM's request for a listing of other investment programs that were not performing as intended, and, therefore, were cut back (2 Tr. 445-46), the Postal Service has provided a list of six programs. Please produce all documentation concerning these six programs, and the reasons why funds were either not commitment or were reduced for them.

CERTIFICATE OF SERVICE

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



April 28, 2000