

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 THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-135)

The United States Postal Service hereby provides its responses to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-135, filed on May 2, 2000.

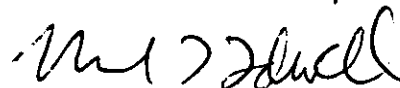
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

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May 16, 2000

**RESPONSE OF THE U.S. POSTAL SERVICE TO
INTERROGATORIES OF THE OCA**

OCA/USPS-135. Please refer to the Commission's opinion in Docket No. R97-1, page 326, paragraph 5197. The Commission provided \$33 million for "appropriate educational efforts" related to CEM.

- (a) Please describe all educational and research efforts related to CEM undertaken by the Postal Service since issuance of the R97-1 opinion. Please provide copies of all documents related to such efforts.
- (b) Please provide an accounting of the use or uses made by the Postal Service of the \$33 million referred to above.


RESPONSE:

- (a) In accordance with the June 29, 1998 decision of the Board of Governors, the Postal Service did not implement CEM. Consequently, no efforts related to CEM have been undertaken by the Postal Service.
- (b) The \$33 million represents costs the Postal Service did not incur. As such, there is no accounting associated with this specific amount. Also, please see response to part (a).

It is important to recognize that the Test Year by definition consists of projections, some of which ultimately turn out to be underestimates of actual results, and some of which turn out to be overestimates of actual results. Singling out what happened to one particular Test Year number (\$33 million) without looking at what happened with other Test Year projections is of questionable value.

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 "M. Tidwell", written over a horizontal line.

Michael T. Tidwell

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