

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

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TAUFIQUE TO QUESTION 5 OF
PRESIDING OFFICER'S INFORMATION REQUEST NO. 1

The United States Postal Service hereby provides the revised response of witness Taufique to Question 5 of Presiding Officer's Information Request No. 1. The only revision is to part (f) of the response. The revised response states that the RPW correction factor should be used to adjust Periodicals TYAR revenues, consistent with footnote 6 of witness Mayes' response to Question 1 of Presiding Officer's Information Request No. 12, filed May 25, 2000.

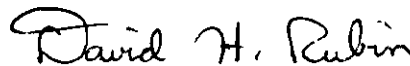
The question is stated verbatim and is followed by the revised response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



David H. Rubin

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June 2, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO PRESIDING OFFICER'S INFORMATION REQUEST NUMBER 1

5. See the electronic workpapers of witness Taufique, USPS-T-38, designated Library Reference I-167. (a) Sheet "Pound Data" cell C42 shows a multiplication by the RPW correction factor. Please explain why it would not be more appropriate to divide by the correction factor. (b) The same cell shows subtraction of TYBR fees. Please explain why it would not be more appropriate to subtract the TYAR fees. (c) Sheet "Piece Discounts" cell C2 shows a multiplication by the RPW correction factor and the subtraction of the TYBR fees. Please explain why it would not be more appropriate for the former to be a division and for the latter to use TYAR fees. (d) On sheet "Piece Discounts 2" cells C36-C49, please explain whether it would be more appropriate to calculate leakage estimates using rounded discounts. (e) Sheet "Discounts" cells D49-D54 shows a reference to USPS-T-24, p. 18. The figures shown on the sheet do not appear to come from referenced page 18. Please provide an explanation and, if needed, an appropriate reference. (f) Sheet "TYAR B.D." cell D37 and related after-rates revenue cells do not appear to contain RPW correction factors. Please explain the role that these correction factors should play in the calculation of after-rates revenues.

RESPONSE

- a. It would be more appropriate to divide by the correction factor rather than multiplying by it. Since the adjustment factor is relatively small, the resulting rates would be minimally affected by this change.
- b. It would be more appropriate to subtract TYAR fees. I subtracted TYBR fees in my rate design because I did not have the TYAR fees available at this stage of the rate design. Once the rates are developed, a new volume forecast is prepared. At that point the TYAR fees are estimated.
- c. Please see my responses to a and b above.
- d. It would be more appropriate to calculate leakage estimates using rounded discounts in cells C36-C49 in the sheet "Piece Discounts 2."

Revised June 2, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO PRESIDING OFFICER'S INFORMATION REQUEST NUMBER 1

Question 5, Page 2 of 2

- e. The numbers in sheet "Discounts" cells D49-D54 are not directly shown in USPS-T-24, p. 18 because in that particular table witness Miller presents total unit mail processing costs, and combines mail processing and delivery costs to calculate worksharing-related savings. I calculate worksharing-related savings in my spreadsheet by combining the mail processing and delivery costs, and then use an additional shape-related saving estimate. The shape-related saving estimate is based on the difference between Basic Nonautomation Flat and Basic Nonautomation Letter. The worksharing-related mail processing costs used in my "Discount" sheet cells D49 and D54 are found in Appendix II, page II-1 of witness Miller's testimony. Errata will be filed correcting this reference.
- f. The RPW correction factor should be used to adjust the TYAR revenues.

DECLARATION

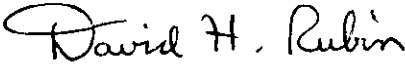
I, Altaf H. Taufique, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read 'A. Taufique', is written over a horizontal line.

Dated: JUNE 2, 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.



David H. Rubin

475 L'Enfant Plaza West, S.W.
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June 2, 2000