

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

STATUS REPORT OF THE UNITED STATES POSTAL SERVICE REGARDING  
THE RESPONSE TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 16  
(July 24, 2000)

The United States Postal Service hereby provides a status report on its response to Presiding Officer's Information Request (POIR) No. 16, issued on July 14th. The subject of POIR No.16 is updated revenue projections to correspond to the updated cost projections submitted in response to Order No. 1294. Unlike the 10-day response period associated with most POIRs, this one requested a response in 7 days. Despite its best efforts, the Postal Service has been unable to meet that objective. The current estimate is that a response will be filed on Wednesday, July 26th.

Initially, it may be noted that the FY 1999 billing determinants have been available to participants in the case since mid-April. In preparing to respond to the concerns presented by the Request, however, it quickly became evident that the only rational course of action under the current circumstances was to prepare and utilize a hybrid set of billing determinants, consisting of the four consecutive postal quarters (FY99Q3-FY00Q2) that followed implementation of the Docket No. R97-1 rates in January of last year. The advantages of this approach overwhelm those of either theoretically plausible alternative (i.e., all of FY99, or only the post-implementation period of FY 99). To secure those advantages, however, somewhat prolonged efforts were necessary, which unfortunately conflicted with the Postal Service's ability to respond within the period contemplated by the Request.

An additional confounding factor was the inability of key staff members to access their computers for several days last week due to computer system upgrades that were deemed to be no longer avoidable. Production has been further complicated by the absence of critical individuals due to either sickness, or prescheduled annual leave. The plan, however, is to provide the hybrid billing determinants as one library reference, the spreadsheets in which those billing determinants are applied to test year volume forecasts to produce test year revenue forecasts as another library reference, and a response which presents in tabular format for each subclass and service the updated costs (from USPS-ST-44 and 45), the updated revenues based on the hybrid billing determinants, and the cost coverages which result. As stated earlier, it is hoped that this material will be available on Wednesday, July 26.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



Eric P. Koetting

#### 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.



Eric P. Koetting

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