

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

RECEIVED

JUL 28 3 39 PM '00

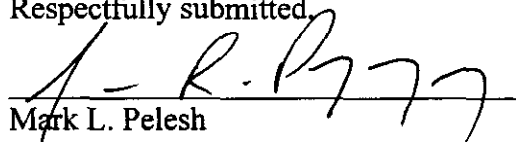
POSTAL RATE AND FEE CHANGES, 2000 )

POSTAL RATE COMMISSION  
OF  
Docket No. R2000-1

**INTERROGATORIES OF  
ASSOCIATION OF AMERICAN PUBLISHERS  
TO USPS WITNESS PATELUNAS AAP/USPS-ST44-18-24**

Pursuant to Section 25 and 26 of the Commission's Rules of Practice and Procedure, the Association of American Publishers (AAP), hereby submits the following interrogatories and request for production of documents to USPS witness Patelunas (USPS-ST-44). If the designated witness is unable to respond to any interrogatory, or any part therein, we request a response by some other qualified witness.

Respectfully submitted,




Mark L. Pelesh  
John R. Przepyszny  
Drinker Biddle & Reath LLP  
1500 K Street, NW  
Suite 1100  
Washington, DC 20005  
Telephone: (202) 842-8800

Counsel for Association of  
American Publishers

**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document, by First-Class Mail, upon the participants in this proceeding.



John R. Przepyszny

Date: July 28, 2000

**INTERROGATORIES OF  
ASSOCIATION OF AMERICAN PUBLISHERS  
TO UNITED STATES POSTAL SERVICE WITNESS PATELUNAS**

**AAP/USPS-ST44-18** Exhibit USPS-ST-44A shows that in FY 1999, the Postal Service's total actual accrued costs increased from \$59,566.5 million in FY 1998 to \$62,391.8 million in FY 1999. These totals also appear in USPS Exhibit 11-A, at page 8 (FY 1998) and in Table I of USPS-LR-I-410, at page 20 (FY 1999). These two exhibits in turn report that in the same period, total Postal Service "volume variable costs" declined from \$35,951.5 million in FY 98 to \$31,831.8 million in FY 99 while total Postal Service "other" costs increased from \$23,615.0 million to \$30,560.0 million.

(a) Please confirm that the total increase in the USPS' actual accrued costs of \$2,825.3 million that occurred in FY 1999 resulted from a decline of \$4,119.7 million in total Postal Service "volume variable costs" and an increase of \$6,945.0 million in total USPS "other" costs.

(b) Please explain any answer other than a confirmation.

**AAP/USPS-ST44-19** Page 7 of Exhibit USPS-11A shows that the total volume variable costs for Bound Printed Matter in Base Year 1998 were \$394.443 million. Page 19 of Table 1 of USPS-LR-I-410 to shows that total volume variable costs for Bound Printed Matter in Base Year 1999 were \$361.655 million.

(a) Please confirm that total volume variable costs for Bound Printed Matter declined by \$32.788 million (8.31%) in Base Year 1999.

(b) Please explain any answer other than a confirmation.

**AAP/USPS-ST44-20** Table C of USPS-LR-I-410 shows the “B” Report (PESSA Detail) for FY 1999. Please provide the comparable “B” Report (PESSA Detail) for FY 1998 and for Test Year 2001.

**AAP/USPS-ST44-21** Table D of USPS-LR-I-410 shows the “C” Report (including PESSA) for the USPS in FY 1999. Please confirm that at page 8, this report (including PESSA) shows total Postal Service “volume variable costs” of \$37,507.5 million in FY 99 which reflects a shift of \$5,675.2 million from the “other cost” category (that was reported in Table I of USPS-LR-I-410) to the volume variable cost category.

**AAP/USPS-ST44-22** Table D of USPS-LR-I-410 shows the “C” Report (including PESSA) for FY 1999.

(a) Please provide the comparable “C” Report (including PESSA) for FY 1998 and for Test Year 2001.

(b) Please state the full meaning of the acronym PESSA as reported in the “C” and “D” reports of USPS-LR-I-410.

(c) Please explain fully why PESSA costs, as reported in Table D (“C” Report) of USPS-LR-I-410 are considered volume variable costs when the same costs in Table I of USPS-LR-I-410 are considered “other” costs.

**AAP/USPS-ST44-23** Please provide and explain fully any logical or empirical calculations or studies relied on by the Postal Service to conclude that PESSA costs:

(a) within C/S-11 (Cleaning and Protection Personnel, Contract Cleaners and Plant and Building Equipment) should be considered volume variable costs for Bound Printed Matter as suggested on page 9 of Table C (“B” Report Detail) of USPS-I-LR-410.

(b) within C/S-15 (Imputed Rents) should be considered volume variable costs for Bound Printed Matter as suggested on page 11 of Table C (“B” Report Detail) of USPS-I-LR-410.

(c) within C/S-15 (Fuels, Utilities) should be considered volume variable costs for Bound Printed Matter as suggested on page 13 of Table C (“B” Report Detail) of USPS-I-LR-410.

(d) within C/S-18 (CSC Retirement Prior Year) should be considered volume variable costs for Bound Printed Matter as suggested on page 19 of Table C (“B” Report Detail) of USPS-I-LR-410.

(e) within C/S-18 (Retiree Health Benefits, Annuitant COLA/Principal) should be considered volume variable costs for Bound Printed Matter as suggested on page 21 of Table C (“B” Report Detail) of USPS-I-LR-410.

(f) within C/S-20 (Imputed Depreciation Building, Imputed Depreciation Leasehold) should be considered volume variable costs for Bound Printed Matter as suggested on page 31 of Table C (“B” Report Detail) of USPS-I-LR-410.

(g) within C/S-20 (Retirement Interest) should be considered volume variable costs for Bound Printed Matter as suggested on page 33 of Table C (“B” Report Detail) of USPS-I-LR-410.

**AAP/USPS-ST44-24** Please provide reports that are comparable to pages 69-76 of Table D  
("C") Report (including PESSA) for FY 1998 and for the Test Year 2001.