

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 UNITED STATES POSTAL SERVICE  
WITNESS PATELUNAS TO INTERROGATORIES OF  
THE ASSOCIATION OF AMERICAN PUBLISHERS  
(AAP/USPS-ST44-17-26)

The United States Postal Service hereby provides the responses of witness Patelunas to the following interrogatories of the Association of American Publishers: AAP/USPS-ST44-17-26, filed on July 26, 2000.

Each 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



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August 2, 2000

**Response of United States Postal Service witness Patelunas  
to Interrogatories of  
Association of American Publishers**

**AAP/USPS-ST44-17** At page 35, Exhibit USPS-ST-44S shows TY 2001 BR Operating Equipment Maintenance costs (11.2) in C/S-11, Custodial and Maintenance Services for Bound Printed Matter in the amount of \$8,091,000. This figure reflects an increase of 22.5% above the TY 2001 BR total Operating Equipment Maintenance costs (11.2) in C/S-11 Custodial and Maintenance Services for BPM in the amount of \$6,605,000 which was reported on page 35 of Exhibit USPS-14H.

(a) Please explain fully why BPM Operating Equipment Maintenance costs in the Custodial and Maintenance Services cost segment appear to have increased by 22.5% since the USPS' original Request and quantify each major cause of this increase.

(b) If these two Exhibits are not comparable, please provide the comparable figures for BPM Operating Equipment Maintenance costs within C/S-11 in TY 2001.

**Response:**

a) Please see my response to AAP/USPS-ST44-9(b).

b) The exhibits are comparable.

**Response of United States Postal Service witness Patelunas  
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Association of American Publishers**

**AAP/USPS-ST44-18** At page 37, Exhibit USPS-ST-44S shows TY 2001 BR Supplies and Materials costs (12.2) in C/S-12 Motor Vehicle costs for Bound Printed Matter in the amount of \$4,234,000. This figure reflects an increase of 13.4% above the TY 2001 BR total Supplies and Materials costs in C/S-12 Motor Vehicle costs for BPM in the amount of \$3,734,000 that was reported on page 37 of Exhibit USPS-14H.

(a) Please explain fully why BPM Supplies and Materials Costs in the Motor Vehicle cost segment in the test year appear to have increased by 13.4% since the USPS' original Request and quantify each major cause of this increase.

(b) If these two Exhibits are not comparable, please provide the comparable figures for BPM Supplies and Materials costs within C/S-12 in TY 2001.

**Response:**

- a) Please see my response to AAP/USPS-ST44-9(b).
- b) The exhibits are comparable.

**Response of United States Postal Service witness Patelunas  
to Interrogatories of  
Association of American Publishers**

**AAP/USPS-ST44-19** At page 47, Exhibit USPS-ST-44S shows TY 2001 BR Fuels and Utilities (15.2) in C/S-15 Building Occupancy costs for Bound Printed Matter in the amount of \$3,366,000. This figure reflects an increase of 6.5% above the TY 2001 BR total Fuels and Utilities in C/S-15 Building Occupancy costs for BPM in the amount of \$3,162,000 that was reported on page 47 of Exhibit USPS-14H.

(a) Please explain fully why BPM Fuels and Utilities costs in the Building Occupancy cost segment in the test year appear to have increased by 6.5% since USPS' original Request and quantify each major cause of this increase.

(b) If these two Exhibits are not comparable, please provide the comparable figures for BPM Fuels and Utilities costs within C/S-15 in TY 2001.

**Response:**

- a) Please see my response to AAP/USPS-ST44-9(b).
- b) The exhibits are comparable.

**Response of United States Postal Service witness Patelunas  
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Association of American Publishers**

**AAP/USPS-ST44-20** At page 61, Exhibit USPS-ST-44S shows TY 2001 BR Workers' Compensation costs (18.3.3) in C/S-18 Admin. & Area Operations costs for Bound Printed Matter in the amount of \$5,061,000. This figure reflects an increase of 19.1% above the TY 2001 BR total Workers' Compensation costs for BPM in the amount of \$4,250,000 that was reported on page 61 of Exhibit USPS-14H.

(a) Please explain fully why BPM Workers' Compensation costs in the test year appear to have increased by 19.1% since the USPS' original Request and quantify each major cause of this increase.

(b) If these two Exhibits are not comparable, please provide the comparable figures for BPM Workers' Compensation costs within C/S-18 costs in TY 2001.

**Response:**

a) Note that Workers' Compensation costs are in (18.3.4). Please see my response to AAP/USPS-ST44-9(b).

b) The exhibits are comparable.

**Response of United States Postal Service witness Patelunas  
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**AAP/USPS-ST44-21** At page 63, Exhibit USPS-ST-44S shows TY 2001 BR Annuitant COLA Principal costs (18.3.8) in C/S-18 Admin. & Area Operations costs for Bound Printed Matter in the amount of \$5,522,000. This figure reflects an increase of 9.7% above the TY 2001 BR total Annuitant COLA Principal costs for BPM in the amount of \$5,036,000 that was reported on page 63 of Exhibit USPS-14H.

(a) Please explain fully why BPM Annuitant COLA Principal costs in the test year appear to have increased by 9.7% since the USPS' original Request and quantify each major cause of this increase.

(b) If these two Exhibits are not comparable, please provide the comparable figures for BPM Annuitant COLA Principal costs within C/S-18 costs in TY 2001.

**Response:**

- a) Please see my response to AAP/USPS-ST44-9(b).
- b) The exhibits are comparable.

**Response of United States Postal Service witness Patelunas  
to Interrogatories of  
Association of American Publishers**

**AAP/USPS-ST44-22** At page 45, Exhibit USPS-ST-44S shows TY 2001 BR Transportation costs (C/S-14) for Bound Printed Matter in the amount of \$77,632,000. This figure reflects an increase of only 0.53% above the TY 2001 BR Transportation costs for BPM in the amount of \$77,223,000 that was reported on page 45 of Exhibit USPS-14H.

(a) Please explain fully why BPM Transportation costs appear to have increased by only 0.53% since the USPS' original Request.

(b) If these two Exhibits are not comparable, please provide the comparable figures for BPM Transportation costs (C/S-14) in TY 2001.

**Response:**

a) Please see my response to AAP/USPS-ST44-9(b).

b) The exhibits are comparable.

**Response of United States Postal Service witness Patelunas  
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**AAP/USPS-ST44-23** At page 35, Exhibit USPS-ST-44S shows TY 2001 BR Operating Equipment Maintenance costs (11.2) in C/S-11, Custodial and Maintenance Services for Total Commercial Standard Mail (A) in the amount of \$159,966,000. This figure reflects a decrease of 5.2% below the TY 2001 BR total Operating Equipment Maintenance costs (11.2) in C/S-11 Custodial and Maintenance Services for Total Commercial Standard Mail (A) in the amount of \$168,661,000 that was reported on page 35 of Exhibit USPS-14H.

(a) Please explain fully why Commercial Standard Mail (A) Operating Equipment Maintenance costs in the Custodial and Maintenance Services cost segment in the test year appear to have decreased by 5.2% since the USPS' original Request and quantify each major cause of this decrease.

(b) If these two Exhibits are not comparable, please provide the comparable figures for Total Commercial Standard Mail (A) Operating Equipment Maintenance costs within C/S-11 in TY 2001.

**Response:**

a) Please see my response to AAP/USPS-ST44-9(b).

b) The exhibits are comparable.



**Response of United States Postal Service witness Patelunas  
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**AAP/USPS-ST44-24** At page 45, Exhibit USPS-ST-44S shows TY 2001 BR Transportation costs (C/S-14) for Total Commercial Standard Mail (A) in the amount of \$430,584,000. This figure reflects a decrease of 5.5% below the TY 2001 BR Transportation costs for Total Commercial Standard Mail (A) in the amount of \$455,677,000 that was reported on page 45 of Exhibit USPS-14H.

(a) Please explain fully why Total Commercial Standard Mail (A) Transportation costs appear to have decreased by 5.5% since the USPS' original Request.

(b) If these two Exhibits are not comparable, please provide the comparable figures for Total Commercial Standard Mail (A) Transportation costs (C/S-14) in TY 2001.

**Response:**

- a) Please see my response to AAP/USPS-ST44-9(b).
- b) The exhibits are comparable.

**Response of United States Postal Service witness Patelunas  
to Interrogatories of  
Association of American Publishers**

**AAP/USPS-ST44-25** At page 47, Exhibit USPS-ST-44S shows TY 2001 BR Fuels and Utilities (15.2) in C/S-15 Building Occupancy costs for Total Commercial Standard Mail (A) in the amount of \$61,539,000. This figure reflects a decrease of 3.2% below the TY 2001 BR total Fuels and Utilities in C/S-15 Building Occupancy costs for Total Commercial Standard Mail (A) in the amount of \$63,570,000 that was reported on page 47 of Exhibit USPS-14H.

(a) Please explain fully why Total Commercial Standard Mail (A) Fuels and Utilities costs in the Building Occupancy cost segment in the test year appear to have decreased by 3.2% since the USPS' original Request and quantify each major cause of this decrease.

(b) If these two Exhibits are not comparable, please provide the comparable figures for Total Commercial Standard Mail (A) Fuels and Utilities costs within C/S-15 in TY 2001.

**Response:**

- a) Please see my response to AAP/USPS-ST44-9(b).
- b) The exhibits are comparable.

**Response of United States Postal Service witness Patelunas  
to Interrogatories of  
Association of American Publishers**

**AAP/USPS-ST44-26** At page 63, Exhibit USPS-ST-44S shows TY 2001 BR C/S-18 Admin. & Area Operations costs for Regular Standard Mail (A) in the amount of \$430,003,000. This figure reflects a decrease of 4.0% below the TY 2001 BR C/S-18 costs for Regular Standard Mail (A) in the amount of \$447,867,000 that was reported on page 63 of Exhibit USPS-14H.

(a) Please explain fully why C/S-18 costs for Regular Standard Mail (A) in the test year appear to have decreased by 4.0% since the USPS' original Request and quantify each major cause of this decrease.

(b) If these two Exhibits are not comparable, please provide the comparable figures for Regular Standard Mail (A) C/S-18 costs in TY 2001.

**Response:**

- a) Please see my response to AAP/USPS-ST44-9(b).
- b) The exhibits are comparable.

DECLARATION

I, Richard Patelunas, declare under penalty of perjury that the foregoing answers to interrogatories are true and correct to the best of my knowledge, information, and belief.

Richard Patelunas

Dated: 8/2/00

## 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.



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August 2, 2000