

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 PATELUNAS TO INTERROGATORIES OF  
THE ASSOCIATION OF AMERICAN PUBLISHERS  
(AAP/USPS-ST44-27 and 28)

The United States Postal Service hereby provides the revised responses of witness Patelunas to the following interrogatories of the Association of American Publishers: AAP/USPS-ST44-27 and 28, filed on July 28, 2000. The original responses were filed on August 2, 2000. The original responses confirmed both that the numbers cited in the interrogatories and the comparisons drawn from those numbers were correct. The revised responses indicate that the numbers are correct, but the comparisons are wrong because some of the numbers include PESSA costs and some do not. The revised responses reflect the appropriate "apples-to-apples" comparisons.

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 8, 2000

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

**Revised 8/8/00**

**AAP/USPS-ST44-27** 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.

**Response:**

a) Not confirmed.

b) The amounts from Exhibit USPS-T11A, at page 8, are from the Segments and Components Report ("C" Report including PESSA costs), whereas the amounts from Table I of USPS-LR-I-410, at page 20, are from the "A" Report (before inclusion of PESSA costs). The proper USPS-LR-410 amounts can be found in Table D ("C" Report including PESSA costs), at page 8. The correct amounts (in thousands of dollars) for FY 1999 are: Total Volume Variable 37,507,463; Other 24,884,379; and Total Costs 62,391,842. Comparing these amounts with the respective FY 1998 amounts yields changes of: Total Volume Variable costs of 1,555,975; Other costs of 1,269,350; and Total Costs of 2,825,325.

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

**Revised 8/8/00**

**AAP/USPS-ST44-28** 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.

**Response:**

a) Not confirmed.

b) The amounts from Exhibit USPS-T11A, at page 7, are from the Segments and Components Report ("C" Report including PESSA costs), whereas the amounts from Table I of USPS-LR-I-410, at page 19, are from the "A" Report (before inclusion of PESSA costs). The proper USPS-LR-410 amounts can be found in Table D ("C" Report including PESSA costs), at page 7. The correct volume variable costs for Bound Printed Matter in Base Year 1999 are \$424,659,000. Comparing this with the respective FY 1998 amount yields a change of 7.7%.

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.

A handwritten signature in cursive script, appearing to read "Richard Patelunas", is written over a horizontal line.

Dated: 8/8/00

## 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.

A handwritten signature in cursive script, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

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