

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

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POSTAL RATE COMMISSION
OFFICE OF TELECOMMUNICATIONS

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF
THE NATIONAL NEWSPAPER ASSOCIATION
REDIRECTED FROM WITNESS PATELUNAS
(NNA/USPS-ST44-1)

The United States Postal Service hereby provides its response to the following interrogatory of the National Newspaper Association: NNA/USPS-ST44-1, filed on July 31, 2000, and redirected from witness Patelunas.

The 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 17, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
NNA INTERROGATORY TO WITNESS PATELUNAS**

NNA/USPS-ST44-1. Please refer to the attachment to this interrogatory, titled In-County Mail Processing (CS 3.1) Cost Changes 1986-1999. The attachment charts reported costs, pieces and unit in Cost Segment 3.1 (Mail Processing - Clerks and Mailhandlers) for the Within County Subclass.

Please confirm that the data in this attachment are correct. If they are not correct, please provide corrected data.

Response:

Not confirmed, since the overhead portion of processing costs was not included for the years FY1986 to FY1996. We have attached a table with the corrected data.

We have restated your table showing the corresponding fiscal years (col.1), the 3.1 cost (col. 2), the pieces (volume) (col.3), and your calculated 3.1 unit cost (col. 4). Column 5 shows the processing overhead costs for In-County from the CRA for each of the years FY1986 to FY1996. Column 6 shows the adjusted processing costs, including overhead and column 7 shows the adjusted unit costs.

In-County Mail Processing (CS 3.1) Cost Changes 1986-1999

Year/Method	3.1 Cost (000s)	Pieces (000s)	3.1 Unit Cost
USPS 1986	\$18,714	1,737,956	\$0.011
USPS 1987	\$19,879	1,479,531	\$0.013
USPS 1988	\$21,697	1,488,271	\$0.015
USPS 1989	\$22,918	1,458,827	\$0.016
USPS 1990	\$27,296	1,382,914	\$0.020
USPS 1991	\$24,916	1,179,504	\$0.021
USPS 1992	\$25,189	1,192,671	\$0.021
USPS 1993	\$23,560	1,057,671	\$0.022
USPS 1994	\$14,223	1,006,421	\$0.014
USPS 1995	\$13,464	907,187	\$0.015
USPS 1996	\$12,643	877,829	\$0.014
1996 R97 Base Year	\$15,210	877,829	\$0.017
USPS 1997	\$20,470	947,047	\$0.022
USPS 1998	\$10,320	923,865	\$0.011
1998 R2000 Base Year	\$13,182	923,865	\$0.014
USPS 1999	\$17,229	893,454	\$0.019

In-County Mail Processing

Year	3.1 Cost (\$ 000)	Pieces (000)	3.1 Unit Cost (dollars)	Missing Overhead (\$ 000)	Adjusted 3.1 Total (\$ 000)	Adjusted 3.1 Unit Cost (dollars)	Difference (dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1986	18,714	1,737,956	0.011	3,888	22,602	0.013	0.002
1987	19,879	1,479,531	0.013	4,288	24,167	0.016	0.003
1988	21,697	1,488,271	0.015	4,688	26,385	0.018	0.003
1989	22,918	1,458,827	0.016	5,268	28,186	0.019	0.004
1990	27,296	1,382,914	0.020	6,569	33,865	0.024	0.005
1991	24,916	1,179,504	0.021	5,909	30,825	0.026	0.005
1992	25,189	1,192,671	0.021	5,845	31,034	0.026	0.005
1993	23,560	1,057,671	0.022	6,693	30,253	0.029	0.006
1994	14,223	1,006,421	0.014	4,071	18,294	0.018	0.004
1995	13,464	907,187	0.015	3,929	17,393	0.019	0.004
1996	12,643	877,829	0.014	3,976	16,619	0.019	0.005
BY 1996	15,210	877,829	0.017	incl.	15,210	0.017	0.000
1997	20,470	947,047	0.022	incl.	20,470	0.022	0.000
1998	10,320	923,865	0.011	incl.	10,320	0.011	0.000
BY 1998	13,182	923,865	0.014	incl.	13,182	0.014	0.000
1999	17,228	893,454	0.019	incl.	17,228	0.019	0.000

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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