

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

ERRATA TO RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TAYMAN TO INTERROGATORY
DMA/USPS-T6-5

The United States Postal Service hereby provides errata to the response of witness Tayman to the interrogatories DMA/USPS-T6-5, which was filed on November 2, 2001. The changes correct two typographical errors in part (c). “-47,670” on line 4 of part (c) should be “-347,670” and “-48,667” on the last line should be “-348,667.” Replacement pages for the entire interrogatory including those corrections are attached, as is a declaration from the witness.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 6, 2001

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO INTERROGATORIES OF THE DIRECT MARKETING ASSOCIATION

DMA/USPS-T6-5. Please refer to page 18 of your testimony where you state, "A significant amount of growth in FY 2001 results from non-recurring costs related to the start up of the Fed Ex contract and bringing the Priority Mail network in house."

(a) Please provide a list of all cost reduction and other programs in this case related to bringing the Priority Mail network in house.

(b) For each of the cost reduction and other programs listed in your response to subpart (a), by how much did the program increase or decrease Postal Service costs as a whole.

(c) For each of the cost reduction and other programs listed in your response to subpart (a), by how much did the program increase or decrease Priority Mail costs.

(d) Please provide a list of all cost reduction and other programs in this case related to the Fed Ex contract.

(e) For each of the cost reduction and other programs listed in your response to subpart (d), by how much did the program increase or decrease Postal Service costs as a whole.

(f) For each of the cost reduction and other programs listed in your response to subpart (d), by how much did the program increase or decrease Priority Mail costs.

Response:

(a) Please refer to USPS-LR-J-49. The cost impact of bringing the PMPCs in house is reflected as Other Programs. Total amounts are shown on the "PMPC in House" and "PMPC Contract" lines of the following exhibits: Exhibit A (FY 2001 Other Programs) Pages 1-2, and Exhibit B (FY 2002 Other Programs) Pages 1-2. I am informed that details are available in USPS-LR-J-4 on pages 214-217, 493-496, 552-555 and 611-614 (see factors 90, 192, 193, 200 and 254).

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(b) The amounts shown in USPS-LR-J-4 are how much Postal Service costs are estimated to change. The amounts in thousands are:

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Domestic Air	204,000	90,800	0
Highway	55,300	34,600	0
Mail Processing	146,800	64,800	0
Bldg Occupancy	37,900	18,600	0
Supp&Services (Repair)	3,200	1,400	0
Supp&Services (Contract)	-242,431	-347,670	0

(c) I am informed that the entire amounts for Domestic Air, Highway, Mail Processing and Building Occupancy in part (b) of this question were distributed to Priority Mail. None of the Repair amounts of 3,200 or 1,400 in FY01 and FY02, respectively, were distributed to Priority Mail. The Contract amounts of -242,431 and -347,670 in FY01 and FY02, respectively, are a portion of the total component 187 amounts of -245,944 and -357,370. Of the component 187 totals, -235,955 and -348,667 were distributed to Priority Mail.

(d) Please refer to USPS-LR-J-49. The Cost Reductions associated with the FedEx contract are shown in Exhibit E, pages 1 – 3 on the “Fed Ex Contract” line. The Other Programs associated with the FedEx contract are shown in Exhibits A, B and C on the “Fed Ex Contract” line. I am informed details are available in USPS-LR-J-4 on pages 215-216, 494-495, 553-554 and 612-613 (see factors 172 through 178).

(e) The amounts shown in USPS-LR-J-4 are how much Postal Service costs are estimated to change. The amounts in thousands are:

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		<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Factor 172	FedEx Startup	100,000	-100,000	0
Factor 173	FY02 Air	0	-136,120	0
Factor 174	FY02 Ground	0	54,500	0
Factor 175	FY02 Highway	0	3,000	0
Factor 176	FY03 Air	0	0	10,187
Factor 177	FY03 Ground	0	0	60
Factor 178	FY03 Highway	0	0	-147

(f) Of the amounts shown in part (e) of this question, I am informed the following amounts (in thousands) were distributed to Priority Mail:

		<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Factor 172	FedEx Startup	0	0	0
Factor 173	FY02 Air	0	65,207	0
Factor 174	FY02 Ground	0	42,551	0
Factor 175	FY02 Highway	0	2,342	0
Factor 176	FY03 Air	0	0	4,442
Factor 177	FY03 Ground	0	0	-338
Factor 178	FY03 Highway	0	0	-138

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.

Scott L. Reiter

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