

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TAYMAN TO INTERROGATORIES
OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.
(VP/USPS-T6-8-10)

The United States Postal Service hereby provides the responses of witness Tayman to the following interrogatories of Val-Pak Direct Marketing Systems, Inc.: VP/USPS-T6-8-10, filed on October 24, 2001.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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November 7, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.

VP/USPS-T6-8. At a hearing held on September 20, 2001 by the Senate Subcommittee on International Security, Proliferation, and Federal Services, Postmaster General John E. Potter stated, in response to a question by Chairman Daniel K. Akaka, that the Postal Service had sent a request for \$50 million due to the destruction of the Church Street Station in New York City on September 11, 2001.

(a) To whom was this request sent?

(b) Please provide the status of this request, including any responses to this request received from the White House Office of Management and Budget and/or from Congressional committees, as well as from other government entities.

(c) Have any other funds been sought in wake of the events of September 11, 2001? If so, please explain.

RESPONSE:

(a) A request totaling \$61,160,000 (see attachment) for restoration of the Church Street Station and other September 11 disaster-related costs was sent to the Director, Office of Management and Budget.

(b) To my knowledge, this request remains outstanding. To date we have received no official response from OMB on this request.

(c) No other funds have been requested by the Postal Service relating to the events of September 11, 2001. However, on October 23, 2001, at the request of Governor Tom Ridge, Office of Homeland Security, the Postal Service submitted a list of Anthrax incident-related expenses anticipated through November 2001. On November 5, 2001 the President authorized the transfer of \$175 million (see attachment) from the Emergency Response Fund to the Postal Service, subject to a Congressional 15-day "report and wait" period.

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VP/USPS-T6-9. At the open meeting of the Board of Governors held on October 2, 2001, Vice Chairman S. David Fineman commented that Congress should be asked to pay the Postal Service what it owes. It appears that about \$957 million is owed, and \$29 million per year is being received by the Postal Service without interest.

(a) Please indicate whether any action has been taken on Vice Chairman Fineman's suggestion, and, if so, please describe the status of such action.

(b) Please discuss any responses regarding this matter received from the Office of Management and Budget and/or from Congressional committees.

RESPONSE:

(a) On August 31, 2001 the Postmaster General forwarded a FY 2002 Supplemental Request for \$957 million to the Director, Office of Management and Budget. Also, on October 4, 2001, a letter requesting the \$957 million was sent to the Chairman, Committee on Appropriations of the House of Representatives. To my knowledge, this request remains outstanding. Please refer to my response to DMA/USPS-T6-33 for a discussion of how such an appropriation would impact Postal Service net income.

(b) To date, there have been no responses to the above requests.

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VP/USPS-T6-10. On October 22, 2001, the Associated Press reported that Postmaster General John E. Potter indicated, in an appearance on NBC's "Today" show, that the Postal Service will seek financial assistance from Congress to help it deal with added costs and reduced mail volume resulting from the September 11, 2001 terrorist attacks and the anthrax scare.

(a) Please indicate whether such financial assistance has been requested, or when such financial assistance would be requested.

(b) Please discuss the financial assistance request, including the amount and details of such request and how such funds are to be used by the Postal Service.

(c) Please discuss any responses regarding this matter received from the Office of Management and Budget and/or from Congressional committees.

RESPONSE:

(a) Please see response to VP/USPS-T6-8(a) & (c). In addition, the Postmaster General is scheduled to testify before the Subcommittee on Treasury and General Government Committee on Appropriations on Thursday, November 8, 2001. It is my understanding that additional assistance will be discussed at this hearing.

(b) Please see response to VP/USPS-T6-8(a) & (c). No further information is available at this time pertaining to the details of any potential requests to be made on November 8, 2001.

(c) To date, no responses have been received..

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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