

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

RECEIVED
AUG 12 5 00 PM '97
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TAYMAN TO INTERROGATORIES OF
THE DIRECT MARKETING ASSOCIATION, INC.
(DMA/USPS-T9-1-10)

The United States Postal Service hereby provides responses of witness Tayman to the following interrogatories of the Direct Marketing Association, Inc.: DMA/USPS-T9-1-10, filed on July 29, 1997. A partial objection to interrogatory DMA/USPS-6(c) was filed on August 8, 1997. A declaration will be provided shortly.

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



Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999; Fax -5402
August 12, 1997

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF
THE DIRECT MAIL MARKETING ASSOCIATION

DMA/USPS-T9-1. Please refer to page 82 of Library Reference H-12.

- a. For 1997, personnel related other programs comprise 8,613 work years and for 1998 9,933 work years. Please describe the work that these personnel will be performing by cost segment.
- b. Please provide supporting detail for the basis for your work year estimates.

RESPONSE:

- a. The workyears referenced are detailed by program in Chapter V, Section a., of LR H-12. A narrative description of each program and the basis for the resource requirement is contained in LR H-10.
- b. Supporting detail for each program's resource requirement is contained in LR H-10.

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF
THE DIRECT MAIL MARKETING ASSOCIATION

DMA/USPS-T9-2. Please refer to page 83 of Library Reference H-12.

- a. For 1997, work years for HQ and service wide personnel-related other programs personnel are 62,235 and for 1998 they are 84,257 work years. Please describe the work that these personnel will be performing by cost segment and provide supporting detail for the basis for your work year estimates.

RESPONSE:

- a. As specified on page 83 of LR H-12, the numbers you have referenced are expressed in thousands of dollars, not workyears. Program names, supporting calculations, and the number of workyears related to these costs can be found in Chapter V, sections.c. and f. A narrative description of each program and the basis for the resource requirement is contained in LR H-10.

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF
THE DIRECT MAIL MARKETING ASSOCIATION

DMA/USPS-T9-3. Please refer to pages 89 and 90 of LR H-12.

- a. For all costs on these sheets which are greater than \$10 million, please describe the programs that these costs support.
- b. Please provide the basis of your estimate.

RESPONSE:

- a. Program names and dollar amounts can be found in Chapter V, sections b. and e. of LR H-12. Supporting calculations for headquarters administered programs and corporatewide activities, and depreciation can be found in Chapter VI, Sections a. and e. of LR H-12. A narrative description of each program and the basis for the resource requirement is contained in LR H-10.
- b. Please see my response to part a., above.

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF
THE DIRECT MAIL MARKETING ASSOCIATION

DMA/USPS-T9-4. Please refer to page 98 of LR H-12.

- a. For all costs on this sheet which are greater than \$10 million, please describe the programs that these costs support.
- b. Please provide the basis of your estimate.

RESPONSE:

- a.&b. Please see my response to DMA/USPS-T-9-3.

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF
THE DIRECT MAIL MARKETING ASSOCIATION

DMA/USPS-T9-5. Please refer to page 100 of LR H-12.

- a. For all costs on this sheet which are greater than \$10 million, please describe the programs that these costs support.
- b. Please provide the basis of your estimate.

RESPONSE:

- a.&b. Please see my response to DMA/USPS-T-9-3.

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF
THE DIRECT MAIL MARKETING ASSOCIATION

DMA/USPS-T9-6. Please confirm that page 101 of LR H-12 shows non personnel other program costs of \$248,264,000 in FY 97 and \$867,243,000 in FY 98. That page lists "Program/Functional Managers" as the sources of these cost estimates.

- a. Are there any work papers supporting these estimates? If so, please provide them.
- b. When did the managers provide these estimates?
- c. Please provide the names and titles of each of the managers who provided the estimates together with the component number for which they provided the estimates.
- d. Please describe the activities that these costs will be incurred for.

RESPONSE:

Confirmed.

a. FY 97 program estimates reflect the approved budget which resulted from the Postal Service's budget process and FY 98 estimates reflect preliminary amounts from the FY 98 budget process. Workpapers similar to those typically provided to the Commission in support of most aspects of the rate filing which calculate the development of budgetary amounts are not available. The formulation of budget amounts is not based simply on mechanical calculations contained in a comprehensive set of workpapers. Instead, budgets are established through a complex management process that has incorporated the Postal Service's CustomerPerfect! philosophy. As a result, budget targets involve negotiation, judgment, linkage to and support of operating

goals, and the tactical allocation and re-allocation of resources to organizational units and programs.

b. Estimates were provided for use in the Docket R97-1 rate case at various times between March and June 1997.

c. A partial objection to this interrogatory was filed. Please refer to the attached schedule for the titles of the managers who provided the program estimates specified, and the component numbers to which they apply.

d. A narrative description of each program and the basis for the resource requirement can be found in LR H-12.

Attachment to DMA/USPS-T9-6

The titles of the "Program/Functional Managers" who provided the non-personnel other program estimates specified, are listed below by the applicable components.

Title	Components
Manager, Operations Network Redesign	187
Manager, Marketing Infrastructure	165, 167, 168, 174, 177, 246, 211
Manager, Field Computing Service Centers	167, 168, 174, 177, 210
Manager, Stamp Distribution Network	180, 248
Assistant Inspector General for Employee Investigations	108, 165, 168, 174, 177, 211
Manager, Mail Transport Equipment	165, 175, 177
Manager, Service Center Operations	165, 167, 168, 170, 177
Manager, POS I	168, 174, 177, 169, 211
Manager, Expedited & Package Information Services	196
Manager, Workload & Productivity Analysis	210
Act. Manager, Operating Budget	170
Manager, Environmental Management Policy	169
Manager, Inplant Operations	1246, 81, 165, 167, 168, 169, 177
Manager, International Operations	142, 143, 146
Manager, Financial Administration Services	177
Act. Manager, Operations Process Redesign	177
Manager, Year 2000 Program	174
Manager, Expedited & Package Services	187
Manager, Service Management Policies	177, 174
Manager, Information Technology Plans and Standards	174
Manager, Address Management	177
Manager, Delivery Policies & Programs	177
Act. Manager, Vehicle Maintenance	99
Manager, Payroll Accounting/Records	174
Manager, Safety & Risk	174, 169
Manager, Business Mail Acceptance	174
Manager, Logistics	174

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF
THE DIRECT MAIL MARKETING ASSOCIATION

DMA/USPS-T9-7. Please refer to page 194 of LR H-12.

- a. Over what period of time does the Postal Service depreciate Mail Processing Equipment?
- b. Over what period of time does the Postal Service depreciate Real Property?
- c. Over what period of time does the Postal Service depreciate Motor Vehicles?
- d. Over what period of time does the Postal Service depreciate Customer Service Equipment?
- e. Over what period of time does the Postal Service depreciate Postal Support Equipment?
- f. What is the useful life of the equipment in a. through e. above?

RESPONSE:

- a. The Postal Service depreciates mail processing equipment over 10 years.
- b. The Postal Service depreciates real property over 40 years.
- c. Depending on the make and model, the Postal Service depreciates vehicles over periods ranging from 8-12 years.
- d. Depending on the type of equipment, the Postal Service depreciates customer service equipment over periods ranging from 5-10 years.
- e. Depending on the type of equipment, the Postal Service depreciates postal support equipment over periods ranging from 3-10 years.

f. The depreciation periods used by the Postal Service are based on the estimated useful life of the equipment.

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF THE DIRECT MAIL
MARKETING ASSOCIATION

DMA/USPS-T9-8. Please refer to page 519 of LR H-12. The September 30, 1996 Balance Sheet shows assets of \$25,463.9 million for property and equipment.

- a. Please disaggregate the allowances for depreciation and amortization of \$9,157.7 million to the amount for buildings, for equipment, and for leasehold improvements.
- b. Please provide a listing showing the valuation on the books for all buildings that The Postal Service owns in Washington, D.C., New York City, San Francisco, Los Angeles. For each building, please also indicate the year the Postal Service acquired the building.
- c. Please provide any information the Postal Service has pertaining to the market value of each of the buildings under b. above.

RESPONSE:

- a. Please see pages 528-536 of LR H-12 for the amount of accumulated depreciation and amortization by type of property and equipment.
- b. Please refer to the attached listing of owned buildings for the information requested.
- c. Postal Service buildings are carried on the books at historical costs net of accumulated depreciation in compliance with the Generally Accepted Accounting Principles (GAAP). The Postal Service does not maintain information related to the market value of its buildings since they are critical components of our operating infrastructure and not intended for sale.



Owned Facilities for Selected Cities

Aug 1, 1987

Facility ID	Post Office	Unit Name	Street Address	ST	Zipcode	Bldg Ocs Dt	Bldg Cost	Land Cost	Undepr Bal
054528-G01	LOS ANGELES	BULK MAIL CENTER	5555 BANDINI BLVD	CA	90201-9908	11/01/1975	28,800,175	9,834,886	14,824,860
054528-G03	LOS ANGELES	BMC BLDG 111	5555 BANDINI BLVD.	CA	90201-9908	07/01/1972	48,000	134,800	
054528-G04	LOS ANGELES	BMC BLDG 113	5655 BANDINI BLVD	CA	90201-9908	07/01/1972	838,281	134,500	
054530-237	LOS ANGELES	FOY STATION PARKING 2	UNKNOWN	CA	90017-		0	0	0
054530-G02	LOS ANGELES	EAST LOS ANGELES STA	975 S ATLANTIC BLVD	CA	90022-9908	08/01/1940	579,365	18,000	
054530-G03	LOS ANGELES	HOLLYWOOD STATION	1816 N WILCOX AVENUE	CA	90028-9908	04/01/1938	1,213,876	349,851	12,280
054530-G05	LOS ANGELES	TERMINAL ANNEX	909 N ALAMEDA STREET	CA	90054-9908	05/01/1940	21,556,298	3,596,036	185,658
054530-G08	LOS ANGELES	BARRINGTON STATION	200 S. BARRINGTON AVENUE	CA	90048-9908	04/01/1970	3,302,882	850,000	
054530-G14	LOS ANGELES	BICENTENNIAL STATION	7818 BEVERLY BLVD	CA	90048-9908	08/01/1978	1,343,381	1,487,872	738,291
054530-G16	LOS ANGELES	PALMS STATION	3781 MOTOR AVENUE	CA	90034-9908	12/01/1987	5,188,020	1,804,447	4,087,086
054530-G17	LOS ANGELES	LOS FELIZ/VERMONT STATIO	1825 N VERMONT AVE	CA	90027-9908	10/01/1978	1,413,209	1,033,458	813,526
054530-G22	LOS ANGELES	PREUSS STATION	1278 ALFRED ST	CA	90035-9908	10/01/1978	893,041	383,781	542,248
054530-G26	LOS ANGELES	OAKWOOD STATION	265 S. WESTERN AVE	CA	90084-9908	05/01/1988	4,738,358	2,889,702	3,710,738
054530-G28	LOS ANGELES	WAGNER BRANCH	2200 CENTURY BLVD.	CA	90047-9908	11/01/1988	1,810,818	682,847	1,411,880
054530-G31	LOS ANGELES	SUNSET STATION	1425 CHEROKEE AVE.	CA	90048-9908	01/01/1988	2,087,380	1,710,380	1,444,388
054530-G32	LOS ANGELES	WEST ADAM STATION	4880 W. WASHINGTON BLVD	CA	90016-9908	04/01/1988	2,128,771	1,084,824	1,810,401
054530-G33	LOS ANGELES	GREENWISTVERN	1616 VERNON AVE.	CA	90000-9908	10/01/1984	648,088	218,888	388,588
054530-G38	LOS ANGELES	RANCHO PARK STATION	11270 EXPOSITION BLVD	CA	90084-9908	01/01/1992	12,723,708	5,738,293	11,188,831
054530-G42	LOS ANGELES	EAGLE ROOM STATION	7435 N. Figueroa	CA	90041-9908	03/01/1989	5,786,268	3,718,719	4,813,788
054530-G44	LOS ANGELES	WESTCHESTER STATION	UNKNOWN	CA	90043-		8,114,599	3,005,636	8,909,903
054531-G36	LOS ANGELES	P&D CENTER	7081 B. CENTRAL AVE.	CA	90062-9306	11/01/1988	138,832,382	18,844,848	112,401,475
058825-G08	LOS ANGELES	OLYMPIC MOD UNIT #8	NO ADDRESS	CA	90024-9908	08/01/1988	78,852	0	0
058804-G08	LOS ANGELES	OLYMPIC MOD UNIT #9	NO ADDRESS	CA	90024-9908	08/01/1988	78,882		
058804-G18	LOS ANGELES	OLYMPIC MOD UNIT #18	NO ADDRESS	CA	90024-9908	08/01/1988	78,852		
058804-G19	LOS ANGELES	OLYMPIC MOD UNIT #19	NO ADDRESS	CA	90024-9908	08/01/1988	78,882		
870038-GP4	LOS ANGELES	HANCOCK STATION	8200 B VERMONT AVE	CA	90044-9908	10/01/1987	85,488	88,880	85,198
870038-GP5	LOS ANGELES	FOY STATION	1808 W 7TH ST.	CA	90017-9908	08/01/1988	130,844	227,033	130,844
870038-GQ4	LOS ANGELES	WATTS STATION	18301 S. COMPTON AVE	CA	90082-9908	11/01/1981	85,414	375,359	85,414
878038-GQ8	LOS ANGELES	GRIFFITH STATION	2370 GLENDALE BLVD	CA	90039-9908	08/01/1988	35,449	148,882	85,280
870038-G80	LOS ANGELES	EDENDALE STATION	1325 ALVARADO ST	CA	90026-9908	11/01/1988	88,337	287,832	87,773
870038-GT2	LOS ANGELES	BROADWAY-MANCHESTER	8828 SOUTH BROADWAY	CA	90083-9908	07/01/1982	39,810	79,410	39,810
056785-G01	SAN FRANCISCO	BULK MAIL CENTER	2501 RYDIN RD	CA	94804-9908	08/01/1975	38,860,148	2,488,988	20,798,836
056788-G80	SAN FRANCISCO	EMBARCADERO POSTAL CTR	280 MAIN STREET	CA	94105-9908	10/01/1988	44,311,257	238,887	13,983,318
056788-G04	SAN FRANCISCO	RINCON CENTER	180 STUART STREET	CA	94119-9908	01/01/1940	8,007,325	387,000	
056788-G28	SAN FRANCISCO	VMF	1300 EVANS AVE	CA	94108-9908	07/01/1983	3,684,881	380,080	1,998,872
056788-G34	SAN FRANCISCO	PINE STREET STATION	1400 PINE ST	CA	94109-9908	01/01/1993	11,381,577	2,448,582	10,278,987
056789-G15	SAN FRANCISCO	P&D CENTER	1308 EVANS ST.	CA	94188-9908	07/01/1983	81,829,145	2,074,043	41,938,056



Owned Facilities for Selected Cities

Aug 1, 1997

Facility ID	Post Office	Unit Name	Street Address	ST	Zipcode	Bldg Occ Dt	Bldg Cost	Land Cost	Undepr Bal
102498-G01	WASHINGTON	USPS HQTRS BLDG	476 LENFANT PLAZA W	DC	20208-0444	07/01/1972	1,364,048		1,364,048
108000-G02	WASHINGTON	GEORGETOWN STATION	1218 31ST ST N W	DC	20007-0000	06/01/1968	300,130	6,000	
105000-G03	WASHINGTON	NATIONAL CAPITOL STA	N CAPITOL & MASS AVE	DC	20013-0900	06/01/1914	43,800,074	451,250	12,400,025
108000-G28	WASHINGTON	FRIENDSHIP STATION	WISCONSIN & UPTOWN, NW	DC	20018-0900	10/01/1970	3,801,000		2,020,000
105000-G31	WASHINGTON	BRIGHTWOOD WMF	CHILLUM PLACE, NW	DC	20011-0800	10/01/1981	1,001,000	310,400	1,265,267
105000-G32	WASHINGTON	BROOKLAND STATION	LAWRENCE ST, NE BT 12013	DC	20017-0900	04/01/1970	711,300	253,594	377,420
109000-G37	WASHINGTON	CONGRESS HEIGHTS STA	SOUTHERN AVENUE	DC	20032-0000	02/01/1970	602,370	211,000	300,100
106000-G60	WASHINGTON	CITY DELIVERY ANNEX	6200 NORTH CAPITAL ST	DC	20011-0900	10/01/1970	1,103,000	275,000	1,070,301
106001-G40	WASHINGTON	P & DC	800 BRENTWOOD RD, NE	DC	20008-0000	08/01/1000	00,740,452	20,610,421	70,301,043
107000-G01	WASHINGTON	MAIL EQUIPMENT SHOP	2136 5TH STREET NE	DC	20260-0000	03/01/1957	1,051,000	00,000	726,274
108301-G01	WASHINGTON	MAIL EQUIPMENT SHOP	2136 5TH STREET NE	DC	20260-0000	09/01/1967	2,427,056	0	0

08-01-1997 02:55PM FROM STL/ASC GENERAL ACCT SECT TO 82022683270 P.04



Owned Facilities for Selected Cities

Aug 1, 1997

Facility ID	Post Office	Unit Name	Street Address	NY Zipcode	Blgd Ocs Dt	Blgd Cost	Land Cost	Undepr Bal
355826-G01	NEW YORK	INWOOD STATION	90 VERMILYEA AVENUE	NY 10034-0900	06/01/1937	810,207	32,000	10,038
355825-G02	NEW YORK	AUDUBON STA	611-615 WEST 165TH ST.	NY 10032-9999	01/01/1938	743,841	38,000	198
355825-G04	NEW YORK	CANAL ST STA.	880 CANAL STREET	NY 10013-8999	01/01/1859	6,253,929	298,000	2,218,344
355825-G06	NEW YORK	CATHEDRAL STA	215 WEST 104TH STREET	NY 10026-9999	04/01/1939	4,227,668	323,185	483,786
355825-G07	NEW YORK	COLLEGE STA	217-21 WEST 148TH ST.	NY 10030-9999	01/01/1937	717,403	52,000	8,974
355826-G08	NEW YORK	COOPER STA.	83 4TH AVENUE	NY 10003-9999	01/01/1938	1,888,288	134,800	53,363
355825-G10	NEW YORK	GRAND CENTRAL STATION	118 EAST 43RD STREET	NY 10017-9999	06/01/1933	28,048,283	7,012,068	15,744,270
355826-G12	NEW YORK	KNICKERBOCKER STATION	128 EAST BROADWAY	NY 10002-9999	06/01/1937	1,440,464	78,000	
355826-G13	NEW YORK	LEWIS HILL STATION	221 EAST 70TH STREET	NY 10021-9999	01/01/1935	7,088,898	118,845	83,827
355826-G14	NEW YORK	MADISON SQUARE STA.	148-163 EAST 23RD ST.	NY 10010-9999	06/01/1938	3,418,318	380,000	1,851,347
355825-G18	NEW YORK	OLD CHELSEA STATION	217 WEST 18TH STREET	NY 10011-9999	09/01/1837	2,488,182	132,000	290,803
355825-G20	NEW YORK	PLANETARIUM STATION	127 WEST 83 STREET	NY 10024-9999	01/01/1937	2,201,748	108,000	428,381
355825-G06	NEW YORK	TIMES SQUARE STATION	340-348 WEST 42ND ST.	NY 10036-9999	02/01/1962	8,243,318	804,808	2,088,620
355825-G37	NEW YORK	GRACIE STA.	229 EAST 85TH STREET	NY 10028-9999	11/01/1964	2,378,707	430,842	1,772,838
355825-G38	NEW YORK	HELLOATE STATION	163 EAST 116TH STREET	NY 10029-9999	01/01/1967	877,120	48,143	888,888
355825-G39	NEW YORK	LINCOLNTON STATION	2288 6TH AVENUE	NY 10037-9999	01/01/1990	1,467,138	108,287	982,284
355826-G40	NEW YORK	MANHATTANVILLE STA.	308 WEST 126 STREET	NY 10001-9999	01/01/1880	2,031,312	180,375	1,351,035
355826-G41	NEW YORK	TRIBUNOUGH STATION	173 EAST 124TH STREET	NY 10035-9999	08/01/1975	949,259	28,085	620,808
355825-G42	NEW YORK	TOMPkins SQUARE	244 EAST 3RD STREET	NY 10008-9999	08/01/1874	784,634	95,000	237,184
355825-G44	NEW YORK	FORT GEORGE STA.	4358 BROADWAY	NY 10040-9999	04/01/1954	1,853,780	189,888	1,082,333
355826-G65	NEW YORK	RADIO CITY STATION	322 WEST 52ND STREET	NY 10018-9999	11/01/1928	8,412,424	2,216,000	7,833,836
355825-G58	NEW YORK	PECK SLIP STATION	18TH ST	NY 10038-9999	03/01/1990	3,370,620	827,888	2,948,818
355826-G68	NEW YORK	MANHATTAN VNF-26TH ST	201 11TH AVENUE	NY 10001-9999	04/01/1988	58,800,102	13,872,348	46,788,864
355825-G61	NEW YORK	RADIO CITY STA. - PKG	320 WEST 62ND STREET	NY 10018-9999			1,908,887	
355825-G82	NEW YORK	MURRAY HILL ANNEX	268 EAST 38TH STREET	NY 10031-9999	03/01/1991	10,358,888	13,078,670	8,732,757
355825-G84	NEW YORK	MANHATTANVILLE PKG	MORNINGSIDe AVE	NY 10028-9999			89,762	
355826-G85	NEW YORK	RADIO CITY STA ADD'L	316-318 WEST 81 STREET	NY 10018-9999			1,310,313	
355825-G87	NEW YORK	COLONIAL PARK ADJ LOT	83-91 MACOMeS PLACE	NY 10038-9999			290,000	
355826-G71	NEW YORK	ANSONIA STA (BROADWAY)	1980 BROADWAY	NY 10023-9999	06/01/1956	2,099,000	7,708,887	1,841,589
355831-G18	NEW YORK	MORGAN P & DC	341 NINTH AVE	NY 10199-9999	01/01/1838	121,277,142	2,031,600	86,284,818
355831-G40	NEW YORK	MANHATTAN P & DC	W 28&29 BET 9&10 AVE.	NY 10001-9999	09/01/1995	231,073,720	8,780,318	216,142,551
355832-G15	NEW YORK	JAMES A FARLEY P & DC	8TH AVE & 33RD STREET	NY 10001-9999	01/01/1814	58,872,048	4,188,888	33,504,213
355833-G08	NEW YORK	CHURCH STREET	90 CHURCH STR	NY 10007-9999	06/01/1937	47,322,288	3,085,598	14,471,018

08-01-1997 02:54PM FROM STL/ASC GENERAL ACCT SECT TO 82022683270 P.03

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF THE DIRECT MAIL
MARKETING ASSOCIATION

DMA/USPS-T9-9 Please refer to page 525 of LR H-12.

- a. Of the \$21.9 million written off between September 30, 1996 and September 30, 1995, how much of the write-off was from other government agencies?
- b. Please disaggregate the amount in a. above by agency.
- c. Of the \$26.2 million Provision for Doubtful Accounts, how much is from other government agencies?
- d. Please disaggregate the amount in c. above by agency.

RESPONSE:

- a. None of the amounts written off in FY 1996 related to government agencies.
- b. Please see my response to a.
- c. The FY 1996 provision for doubtful accounts includes \$5.4 million related to the U.S. Government.
- d. This amount represents that portion of the revenue foregone appropriation receivable for FY 1997 that was not included in the 1997 appropriation authorization (Public Law No. 104-208). The Postal Service subsequently received this amount in June, 1997, and the accounting records and financial statements have been adjusted accordingly.

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF THE DIRECT MAIL
MARKETING ASSOCIATION

DMA/USPS-T9-10 Please refer to page 525 of LR H-12.

- a. Could the Postal service reduce uncollectibles by reviewing an aging listing of accounts receivable (AR) more often than twice a year?
- b. Has the Postal Service performed any studies on the costs and benefits of more frequent AR review? If so, please provide a copy of any such studies.

RESPONSE:

a. The Postal Service currently reviews its accounts receivable more frequently than twice a year. An aged accounts receivable listing is prepared and reviewed every accounting period (28 days). Based on this ongoing analysis of receivables, the provision for doubtful accounts is adjusted twice a year.

- b. Please see my response to part a.

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

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
August 12, 1997