

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, 1997 )

Docket No. R97-1

OFFICE OF THE CONSUMER ADVOCATE  
INTERROGATORIES TO UNITED STATES POSTAL SERVICE  
WITNESS WILLIAM P. TAYMAN  
(OCA/USPS-T9-28-37)  
August 29, 1997

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories 1-7 to the United States Postal Service dated July 16, 1997, are hereby incorporated by reference.

Respectfully submitted,



GAIL WILLETTE

Director

Office of the Consumer Advocate



KENNETH E. RICHARDSON

Attorney

OCA/USPS-T9-28. Please provide data by accounting periods showing the effects of the United Parcel Service strike upon the volume of express mail, priority mail and Standard mail, and the increased revenues in each of those mail classes and the increased expenses attributable to the United Postal Service(UPS) strike

OCA/USPS-T9-29. Please provide an estimate of the impact on your exhibit, USPS 9A, of the UPS strike upon Postal Service operating revenue, total accrued costs, and net income for FY 1997 and FY 1998.

OCA/USPS-T9-30. Please provide an estimate of the total increased volumes of mail which were and will be handled during FY 1997 as a result of the UPS strike.

OCA/USPS-T9-31. Please provide an estimate of the increased volumes of mail which will be handled during FY 1998 as a result of the UPS strike.

OCA/USPS-T9-32. A recent Washington Post article of August 23, 1997, page A4, stated the Postal Service Board Chairman would "like to push the [increase] date back" as a result of the billion dollar profit the Postal Service seems certain to report for this fiscal year ending September, 1997.

- a. Are there any plans at this time to delay the implementation of all or any part of the proposed rate increase? If so, please state what the plans are.

- b. What alternative options, if any, for delaying all or part of the rate increase are being considered by postal service management?
- c. Did any discussion of a delay or other modification of the rate increase filing occur at the September meeting of the Board of Governors?
- d. Is discussion of a delay or other modification of the rate increase filing scheduled for any future meeting of the Board of Governors? If so, please describe the agenda item.

OCA/USPS-T9-33. Please refer to your response to OCA/USPS-T9-16 discussing funds for the Augmented Sales Force Program listed at LR H-10, Section 2, p.25. You stated that, "In addition to the pilot, the funds have been redirected to other programs such as development of a Manifest Mailing System and Customized Packaging."

- a. Please describe the Manifest Mailing System and whether the costs for the program will replace the costs of another program listed in LR H-10 for FY 1998.
- b. What is the cost now estimated for the Manifest Mailing System for FY 1997 and FY 1998?
- d. Please indicate if and where any Manifest Mailing System costs are included in the rate filing for either FY 1997 or FY 1998.
- e. Please describe the Customized Packaging program and state how it is related to the Pack and Send program. Will the costs replace any other program costs listed in LR H-10 for FY 1998?
- f. What is the cost now estimated for the Customized Packaging for FY 1997 and FY 1998?

- g. Please indicate if and where any Customized Packaging costs are included in the rate filing for either FY 1997 or FY 1998.
- h. Inasmuch as funds have been redirected from the Augmented Sales Force Program, what is the amount now estimated for expenditure in FY 1998 by the Augmented Sales Force Program?

OCA/USPS-T9-34. In your response to OCA/USPS-T9-16 you state the Augmented Sales Force program is being re-evaluated and is part of the Tactical Sales Force Strategy.

- a. Please confirm that the Tactical Sales Force Strategy to which you refer is a program listed separately at LR H-10, Section 2, page 27, with a cost for FY 1997 of \$16.624 million, and that the cost shown there of \$26.666 for FY 1998 should read \$26.666 million as listed in Exhibit B of that reference. If you do not confirm, please explain.
- b. Is the Tactical Sales Force strategy being re-evaluated?
- c. What is the expenditure for FY 1997 and the current estimated expenditure for FY 1998 for the Tactical Sales Force Strategy?

OCA/USPS-T9-35. Please refer to your response to OCA/USPS-T-9-13. Exhibit USPS-9A shows that cost segment 16, supplies and services, is expected to increase 47.73 percent from Actual FY 1996 through the test year FY 1998. Please provide for the last ten years a table showing the Actual FY expenditures and the annual rate of growth for cost segment 16.

OCA/USPS-T9-36. Please refer to your response to OCA/USPS-T9-13. Exhibit USPS-9A shows that cost segment 20, depreciation, write-offs, claims, & interest are expected to increase 24.46 percent from Actual FY 1996 through the test year FY 1998. Please provide for the last ten years a table showing the Actual FY expenditures and the rate of growth for cost segment 20.

OCA/USPS-T9-37. Please confirm that effect of the Postal Service earnings estimated by Mr. Riley, USPS Chief Financial Officer, at the August 5, 1997 meeting of the USPS Board of Governors to be about \$1 billion for FY 1997 (meeting transcript page 44), or approximately \$465 million more than estimated in your exhibit 9A for FY 1997, would result in a reduction in the estimated amount for recovery of past year losses of at least \$51.7 million (\$465 million divided by 9 year recovery period). If you do not confirm, please explain.

#### CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.



KENNETH E. RICHARDSON  
Attorney

Washington, D.C. 20268-0001  
August 29, 1997