

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

RECEIVED
SEP 4 5 15 PM '97

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Docket No. R97-1

POSTAL RATE AND FEE CHANGES, 1997

NOTICE OF UNITED STATES POSTAL SERVICE CONCERNING PROVISION OF
REVISED INFORMATION PURSUANT TO RULE 54(a)(1)
(September 4, 1997)

The United States Postal Service hereby gives notice that it is today filing revisions to Library References H-196 and H-215 in accordance with Presiding Officer's Ruling No. R97-1/8, issued August 25, 1997. *See Notice of United States Postal Service of Filing of Revisions for Library References H-196 and H-215, September 4, 1997.* That ruling granted in part Postal Service Motions for Reconsideration of Presiding Officer's Ruling No. R97-1/7, and gave the Postal Service until today to file revisions to its alternate cost presentation filed pursuant to Rule 54(a)(1) and contained in Library References H-196 (Base Year) and H-215 (Rollforward). Ruling No. R97-1/7 had listed a number of items which the Presiding Officer believed warranted correction in the Postal Service's alternate cost presentation.

The Postal Service is filing revised portions of sections 4 and 8, and entirely revised sections 9, 10 and 11 for Library Reference H-196. All three volumes of Library Reference H-215 have been entirely revised. At the beginning of each of the revised library references, the Postal Service has included a summary containing a

discussion of each of the listed items from Ruling No. R97-1/7 which it has attempted to correct.

This summary demonstrates that the Postal Service has made a good faith effort to correct the discrepancies identified by the Presiding Officer. It also underscores validity of the Postal Service's concern with being placed in a position of being the interpreter and implementer of the Commission's cost model -- a task the Postal Service believes is best left to the Commission. For example, in Presiding Officer's Ruling No. R97-1/7, one of the identified discrepancies was that "Segment 7, CDC street time CAT factors are correct but FAT factors still represent FY 1995." *Presiding Officer's Ruling No. R97-1/7, Attachment A, at 1, item 2.* As the Postal Service explains, however, in its summary to Library Reference H-196, the FAT factors were not updated when the CAT factors were updated because the FAT factors had been hard-coded into the Commission's City Carrier spreadsheets, rather than linked as the CAT factors had been. Also, the summary reflects that the Postal Service still does not fully understand how the Commission believes the factor for Powered Transport Equipment should be implemented.

The Postal Service maintains that its alternate cost presentations, both as originally submitted, and as revised, have met a "minimum standard of accuracy," under any reasonable definition of such a term. The Postal Service further hopes that this rather vague standard will not become a moving target, requiring efforts on its part above and beyond what Rule 54(a)(1) was designed to accomplish.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Susan M. Duchek

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.


Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990; Fax -5402
September 4, 1997