

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, 2001)

Docket No. R2001-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO WILLIAM P. TAYMAN, JR. (OCA/USPS-T6-38-42)
November 13, 2001

Pursuant to Rules 25 through 28 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 OCA/USPS-1-21 dated September 28, 2001, are hereby incorporated by reference.

Respectfully submitted,


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OCA/USPS-T6-38. Please turn to your response to interrogatory OCA/USPS-T6-22(a). Information was requested on the additions to annual revenues based on the additional provision of mail service to approximately 1.7 million new delivery points per year. Some of the questions in that interrogatory are being restated for additional clarity, given that the answers to the interrogatory do not appear to be consistent with the information we had expected to obtain. One would expect that the 1.7 additional new delivery points would generate some deliveries. For example, if each new delivery point received one piece of mail on 300 days of the year, one could project that there would be over 500 million additional pieces of mail per year. In fact, the additional mail from the additional delivery points may be much larger.

- (a) What is the projected amount of mail that will be delivered to the additional 1.7 million new delivery points per year?
- (b) Please state the projected revenue for the Postal Service resulting from the mail delivered to the approximately 1.7 million new delivery points.
- (c) Associated with the expenditure of \$400 million of capital costs for the additional 1.7 million new delivery points, there would be additions to costs related to the cost of the capital, e.g. depreciation, etc. Is it correct that the Postal Service does not know how much the expenditure of the additional \$400 million will impact costs, as apparently inferred from your answers to OCA/USPS-T6-22(b) and (c)? If your answer is other than affirmative, please provide the numbers.
- (d) Associated with the expenditure of \$400 million of capital costs for the additional 1.7 million new delivery points, there would be additions to operating costs related to the cost of labor and supplies, e.g., payments to letter carriers, fuel for

delivery trucks, etc. Is it correct that the Postal Service does not know how much the addition of 1.7 million additional delivery points will impact operating costs related to the delivery of the mail, as one might conclude from your answers to OCA/USPS-T6(b) and (c). If your answer is other than affirmative, please provide the numbers.

OCA/USPS-T6-39. Please turn to your reply to interrogatory OCA/USPS-T6-23(c), wherein you state in reference to the Postal Service freeze on capital spending for projects associated with the addition of 1.7 new delivery points, that "Annual operating costs are higher without facility investment but the short-term cash outflow is less."

- (a) Without facility investment, by what dollar amount are annual operating costs higher and what is the percentage increase in annual operating costs?
- (b) Without facility investment, by what dollar amount is short-term cash outflow less and what is the percentage reduction in short-term cash outflow?
- (c) Why is short-term cash outflow less?

OCA/USPS-T6-40. Please refer to USPS-LR-J-50, referenced in your testimony. A calculated attrition rate, equal to the retirement rate, is presented on page 394. There may be reasons for separation from the Postal Service other than retirement; for example, an individual may seek alternative employment. Please provide similar information, e.g., number of separations and separation rate for reasons other than retirement, for the total bargaining employees of 693,878 by employee group, as delineated.

OCA/USPS-T6-41. Please refer to USPS-LR-J-50, referenced in your testimony, again at page 394. The total of 693,878 employees as shown on that page is not the


total Postal Service employment. There are other classifications of employees. Please provide similar data for the other classifications of employees. To minimize the burden of responding to this interrogatory, the data may be provided in any appropriate and meaningful classification. To be specific, please provide the following:

- (a) An attrition rate related to retirements by type of employee similar to that provided in USPS-LR-J-50 at 394.
- (b) A separation rate for employees leaving for purposes other than retirement, similar to that requested in OCA/USPS-T6-40.

OCA/USPS-T6-42. Please verify that, if necessary, career conditional, temporary, and casual workers could be temporarily furloughed or permanently terminated due to financial exigencies. If you do not confirm for each case, 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 Rule 12 of the rules of practice.


Sylvia L. Brown

Washington, D.C. 20268-0001
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