

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

RECEIVED

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 7

The United States Postal Service hereby provides the responses to Presiding Officer's Information Request No. 7, issued December 19, 2001. The answer to question number 2 is forthcoming.

Each question 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


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January 2, 2002

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS JENNIFER L. EGGLESTON TO PRESIDING OFFICER'S
INFORMATION REQUEST NO. 7, QUESTION 1

1. Using Plant Verification Drop Ship can a mailer have a mailing of 50 parcel post pieces verified at an origin office, transport the pieces to several different DDUs and pay the DDU rate even though there are less than 50 pieces for each DDU?

RESPONSE:

Yes. DMM § E751.1.2c states the following:

c. Pieces must be part of a single mailing of 50 or more pieces that are eligible for and claimed at any Parcel Post rate. When Parcel Post mailings are submitted under PVDS procedures, mailers may use the total of all line items for all destinations on a PVDS register or PVDS postage statement to meet the 50-piece minimum volume requirement for destination entry rate mailings. This means that a mailer may enter fewer than 50 pieces at an individual destination, provided there is a total of at least 50 Parcel Post pieces for all of the entry points for that single mailing job listed on the PVDS register or PVDS postage statement.

In addition, it is my understanding that there is no requirement on the minimum number of pieces at each destination facility for DDU Parcel Post.

DECLARATION

I, Jennifer Eggleston, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.



JENNIFER L. EGGLESTON

Dated: January 2, 2002

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HARAUSH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7, QUESTION 3

3. According to documentation in Library Reference J-12, the "sampling frame, or City Master Frame, is extracted from the Address Management System (AMS) II database, which contains a list of all city carrier routes." Please describe how the eight (8) route types used in the city carrier analysis are determined from information in the Address Management System data base.

RESPONSE:

During sample selection, each route is assigned to one of ten different route types. Then the sample file is distributed to the field and, when conducting the test, the data collector is instructed to check that the route type is correct. If incorrect, the data collector selects the correct route type from a list of 31 different route types (see USPS-LR-J-14, page 3-14 for a listing of the 31 route types). Finally, during quarterly processing after the data are transmitted to the mainframe computer, the 31 route types are aggregated into eight route types used in the city carrier analysis. The algorithms used during sample selection and quarterly processing are described below.

Sample Selection Algorithm

During sample selection, the decimal fraction of business deliveries is computed by dividing the business deliveries by the total of business and residential deliveries. If the decimal fraction of business deliveries is greater than or equal to 0.7, the route is classified as a business route. If the decimal fraction of business deliveries is less than 0.7, the route is classified as a residential route.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HARAUSH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7, QUESTION 3

Auxiliary business routes are classified as route type 1551, business 1-trip foot auxiliary, if the delivery mode is foot, or as route type 1552, business 1-trip motorized auxiliary, otherwise.

Non-auxiliary (regular) business routes are classified as route type 1500, business 1-trip foot regular, if the delivery mode is foot, or as route type 1502, business 1-trip motorized regular, otherwise.

Auxiliary residential routes are classified as route type 1557, residential foot auxiliary, if the delivery mode is foot; as route type 1571, residential park and loop auxiliary, if the delivery mode is park and loop; or as route type 1573, residential curb auxiliary, otherwise.

Non-auxiliary (regular) residential routes are classified as route type 1540, residential foot regular, if the delivery mode is foot; as route type 1560, residential park and loop regular, if the delivery mode is park and loop; or as route type 1562, residential curb regular, otherwise.

Quarterly Processing Algorithm

During quarterly data processing, the 31 route types received from the field are converted to route categories using the following algorithm.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HARA HUSH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7, QUESTION 3

If the route type is 1500, business one trip foot regular; 1504, business two trip foot regular; 1551, business one trip foot auxiliary; 1553, business two trip foot auxiliary; 1720, business two man foot regular; 1730, business three man foot regular; 1740, business four man foot regular; or 1750, business five or more man foot regular; then the route category is business foot.

If the route type is 1502, business one trip motorized regular; 1506, business two trip motorized regular; 1552, business one trip motorized auxiliary; or 1554, business two trip motorized auxiliary; then the route is business motorized.

If the route type is 1770, residential two man foot regular; 1780, residential three man foot regular; 1790, residential four man foot regular; 1540, residential foot regular; or 1557, residential foot auxiliary; then the route is residential foot.

If the route type is 1560, residential park and loop regular; or 1571, residential park and loop auxiliary; then the route is residential park and loop.

If the route type is 1562, residential curb regular; or 1573, residential curb auxiliary; then the route is residential curb.

If the route type is 1810, mixed two man foot regular; 1820, mixed three man foot regular; 1830, mixed four man foot regular; 1840, mixed five or more man foot

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HARAUSH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7, QUESTION 3

regular; 1559, mixed foot auxiliary; or 1620, mixed foot regular; then the route category is mixed foot.

If the route type is 1575, mixed park and loop auxiliary; or 1640, mixed park and loop regular; then the route is mixed park and loop.

If the route type is 1577, mixed curb auxiliary; or 1542, mixed curb regular; then the route is mixed curb.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HARAUSH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7, QUESTION 4

4. Please provide sample frame and selection information for the City Carrier Cost System sample for FY2000 that is similar to what is provided in Docket R97-1, Supplemental Testimony of witness Harahush, USPS-ST-49, "TABLE 1: City Carrier System – Universe Size and Sample Size by Stratum".

RESPONSE:

Postal Quarter	Stratum	No of Routes In Universe	Delivery Days	Route Delivery Days	Sample Size	Sampling Rate	Effective Sample	Effective Sampling Rate
1	BAE	4,409	69	304,221	120	0.000394	114	0.000375
	BFL	38	69	2,622	1	0.000381	0	0.000000
	RAE	148,399	69	10,239,531	1,682	0.000164	1,667	0.000163
	RFL	13,494	69	931,086	140	0.000150	140	0.000150
2	BAE	4,236	68	288,048	113	0.000392	109	0.000378
	BFL	39	68	2,652	1	0.000377	1	0.000377
	RAE	148,607	68	10,105,276	1,694	0.000168	1,673	0.000166
	RFL	13,381	68	909,908	136	0.000149	135	0.000148
3	BAE	4,177	72	300,744	119	0.000396	115	0.000382
	BFL	43	72	3,096	1	0.000323	1	0.000323
	RAE	148,871	72	10,718,712	1,679	0.000157	1,657	0.000155
	RFL	13,401	72	964,872	145	0.000150	144	0.000149
4	BAE	4,078	93	379,254	153	0.000403	152	0.000401
	BFL	46	93	4,278	1	0.000234	1	0.000234
	RAE	149,709	93	13,922,937	2,250	0.000162	2,224	0.000160
	RFL	13,425	93	1,248,525	187	0.000150	185	0.000148

DECLARATION

I, Thomas W. Harahush, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

Thomas W. Harahush

Date: 1-2-02

**RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS PATELUNAS TO
PRESIDING OFFICER'S INFORMATION REQUEST No. 7**

5. A replication of the USPS cost rollforward indicates that the Test Year Alaskan air adjustment factor used in cost segment 14 was 0.0707, the same factor as for the base year. USPS LR-J-40 shows a test year adjustment factor of 0.0772. Please confirm that the CRA/Rollforward for the test year used an Alaskan air adjustment factor of 0.0707 and not the test year factor of 0.0772 as calculated in USPS LR-J-40. If confirmed show the effect on the test year costs, before rates and after rates, of using the correct Alaskan air adjustment factor.

Response:

Confirmed that the CRA/Rollforward for the test year used an Alaska air adjustment factor of 0.0707 and not the test year factor of 0.0772 as calculated in USPS LR-J-40. The effect on test year costs, before rates and after rates, is shown in Attachment 1 that accompanies this response. Page 1 displays the comparison of the before rates scenario by comparing USPS-T-12, Exhibit 12G with the results of using the correct Alaska adjustment. Page 2 displays the comparison of the after rates scenario by comparing USPS-T-12, Exhibit I, before the 10/31/01 revision, with the results of using the correct Alaska adjustment. I used the USPS-T-12, Exhibit I, before the 10/31/01 revision because this allows the impact of correcting the Alaska adjustment to be shown in isolation; the 10/31/01 revisions to Exhibit I present other impacts in addition to the Alaska adjustment.

	USPS-T-12 Exhibit 12G Pages 1 - 2	POIR No. 7 Question 5 (corrected Alaska Adj)	Absolute Difference	Percent Difference
	TYBR Total Volume Variable	TYBR Total Volume Variable		
First-Class Mail:				
Single-Piece Letters	12,309,893	12,309,894	1	0.00%
Presort Letters	5,370,400	5,370,400	0	0.00%
Total Letters	17,680,293	17,680,294	1	0.00%
Single-Piece Cards	558,389	558,389	0	0.00%
Presort Cards	161,308	161,308	0	0.00%
Total Cards	719,697	719,697	0	0.00%
Total First	18,399,990	18,399,991	1	0.00%
Priority Mail	3,698,146	3,698,153	7	0.00%
Express Mail	527,620	527,620	0	0.00%
Mailgrams	616	616	0	0.00%
Periodicals				
In-County	80,525	80,525	0	0.00%
Outside County	2,290,793	2,290,794	1	0.00%
Total Periodicals	2,371,318	2,371,319	1	0.00%
Standard Mail				
Enhanced Carrier Route	2,677,343	2,677,347	4	0.00%
Regular	8,949,042	8,949,046	4	0.00%
Total Standard Mail	11,626,385	11,626,393	8	0.00%
Package Services				
Parcel Post	1,288,110	1,288,938	828	0.06%
Bound Printed Matter	530,158	530,158	0	0.00%
Media Mail	270,999	270,999	0	0.00%
Total Package Services	2,089,267	2,090,095	828	0.04%
U S Postal Service	329,810	329,812	2	0.00%
Free Mail--Blind & Hndc & Servicemen	37,585	37,585	0	0.00%
International Mail	1,626,735	1,626,735	0	0.00%
Special Services:				
Registry	77,862	77,862	0	0.00%
Certified	434,571	434,571	0	0.00%
Insurance	103,837	103,837	0	0.00%
COD	12,221	12,221	0	0.00%
Money Orders	176,348	176,348	0	0.00%
Stamped Cards	2,995	2,995	0	0.00%
Stamped Envelopes	12,591	12,591	0	0.00%
Special Handling	1,912	1,912	0	0.00%
Post Office Box	653,888	653,888	0	0.00%
Other	199,554	199,554	0	0.00%
Total Spc Svcs	1,675,779	1,675,779	0	0.00%
Volume Variable	42,383,251	42,384,098	847	0.00%
Other	31,331,563	31,330,716	-847	0.00%
Total Costs	73,714,814	73,714,814	0	0.00%

	USPS-T-12 Exhibit 12I Pages 1 - 2 (as originally filed)	POIR No. 7 Question 5 (corrected Alaska Adj)	Absolute Difference	Percent Difference
	TYAR Total Volume Variable	TYAR Total Volume Variable		
First-Class Mail:				
Single-Piece Letters	12,065,038	12,065,039	1	0.00%
Presort Letters	5,378,733	5,378,733	0	0.00%
Total Letters	17,443,771	17,443,772	1	0.00%
Single-Piece Cards	543,361	543,361	0	0.00%
Presort Cards	146,057	146,057	0	0.00%
Total Cards	689,418	689,418	0	0.00%
Total First	18,133,189	18,133,190	1	0.00%
Priority Mail	3,489,841	3,489,847	6	0.00%
Express Mail	480,799	480,799	0	0.00%
Mailgrams	618	618	0	0.00%
Periodicals				
In-County	80,471	80,471	0	0.00%
Outside County	2,276,038	2,276,039	1	0.00%
Total Periodicals	2,356,509	2,356,510	1	0.00%
Standard Mail				
Enhanced Carrier Route	2,629,559	2,629,563	4	0.00%
Regular	8,787,581	8,787,585	4	0.00%
Total Standard Mail	11,417,140	11,417,148	8	0.00%
Package Services				
Parcel Post	1,184,096	1,184,855	759	0.06%
Bound Printed Matter	526,408	526,409	1	0.00%
Media Mail	270,924	270,925	1	0.00%
Total Package Services	1,981,428	1,982,189	761	0.04%
U S Postal Service	330,439	330,441	2	0.00%
Free Mail--Blind & Hndc & Servicemen	37,634	37,634	0	0.00%
International Mail	1,523,858	1,523,858	0	0.00%
Special Services:				
Registry	76,778	76,778	0	0.00%
Certified	419,561	419,561	0	0.00%
Insurance	110,868	110,868	0	0.00%
COD	12,241	12,241	0	0.00%
Money Orders	174,933	174,933	0	0.00%
Stamped Cards	2,801	2,801	0	0.00%
Stamped Envelopes	12,600	12,600	0	0.00%
Special Handling	1,887	1,887	0	0.00%
Post Office Box	640,544	640,544	0	0.00%
Other	199,755	199,755	0	0.00%
Total Spc Svcs	1,651,968	1,651,968	0	0.00%
Volume Variable	41,403,423	41,404,202	779	0.00%
Other	31,304,083	31,303,305	-778	0.00%
Total Costs	72,707,506	72,707,507	1	0.00%

DECLARATION

I, Richard Patelnas, declare under penalty of perjury that the foregoing answers to interrogatories are true and correct to the best of my knowledge, information, and belief.

A handwritten signature in cursive script, appearing to read "Richard Patelnas", is written over a horizontal line.

Dated: 1/02/02

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7,
QUESTION NO. 6**

6. Library Reference USPS-J-52 contains a matrix table that details the calculations used to develop the piggyback factors for the test year (LR-J-52) and the base year (LR-J-46). In regard to the base year piggyback calculations, specifically those that compute the rents and building & leasehold depreciation costs, an attempt to replicate these costs for city delivery carriers and rural carriers show significant differences. For example, the calculation for the base year city delivery carrier rents in LR-J-46, produces costs that are nearly twice as much as produced using the formula in the matrix table in LR-J-52.
- (a) Please provide a walkthrough, showing all computations, for the city carrier & rural carrier base year and test year piggyback calculations for rents and the building & leasehold depreciation as shown at page 58 and 59 of USPS LR-J-46.
- (b) Please provide a walkthrough of the calculations used to determine the results of the costs associated with the column labeled "Joint Superv" in the test year mail processing piggyback factor computations at page 5 of LR-J-52.

RESPONSE:

The observation that the base year city delivery carrier rents shown in USPS LR-J-46, page 58 are nearly twice as much as produced using the formula given in the "General Piggyback Matrix" documentation at page 298 of USPS LR-J-52 is confirmed. This difference is due to an error in the computer program for the base year city carrier piggyback factors. This error affects the calculation of rents, building and leasehold depreciation and the associated interest expense. The same error exists in the computer programs for the test year city carrier piggyback factors as well (in USPS LR-J-52). The corrected program indicates a reduction in the piggyback factors of about 2 percent. Similarly, there is about a 2 percent decline in the unit costs which are calculated with these factors. Errata will be filed shortly.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7,
QUESTION NO. 6**

In order to investigate the concerns of this POIR and to help in providing the walkthroughs for parts a and b, I provide spreadsheet replication of many of the base year and test year piggyback factors in USPS LR-J-210. Using these spreadsheets two other errors of very small impact also were detected. These errors occur in base year and test year rural carrier piggyback factors for cleaning and protection costs, and for base year mail processing costs for miscellaneous supplies and services. The piggyback factors which incorporate the corrected calculation are shown in the spreadsheets in USPS LR-J-210. Comparisons with the filed piggyback factors in USPS LR-J-46 (pages 1 and 109) and USPS LR-J-52 (page 193) show the impact of the corrections to be *de minimus*. USPS LR-J-210 also contains a description of the errors and corrections in the computer programs for all three cases.

- a. The calculations for the city and rural carrier base year and test year rents and building and leasehold depreciation for the piggyback factor is shown in the spreadsheets in USPS LR-J-210. (These spreadsheets contain the corrected calculations for city carriers, rather than the calculations shown at page 58 and 59 of USPS LR-J-46.) As an example of these, consider the calculation of the rents for the test year city carrier piggyback factor for First-Class single-piece in the spreadsheet Typback.POIR7.xls, sheet "City Dep," cell AC11, which is 33,811. As indicated in the General Piggyback Matrix at page 298 of USPS LR-J-52, formula "d2" in line 77,

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7,
QUESTION NO. 6**

there are four components of this calculation, which are associated with the rents for space used by:

1. city carriers,
2. employee facilities (restrooms, lunchroom, etc.) used by city carriers,
3. office space used by supervisors and administrative staff that are associated with city carriers and
4. vehicle maintenance for city carrier vehicles.

The rents for the first item, city carrier space, is the term (using component numbers) -- $(165/1199) * 1139$. This first ratio is the total volume variable costs for rents to the percentage of facility space which is volume variable (times 100,000,000) or $925,053/59,525,957$. Component 1139 is the percentage of facility space used by city carriers associated with First-Class single-piece (times 100,000,000) or 1,674,863.

Rearranging the terms gives us $925,053 * (1,674,863/59,525,957)$ which is the total volume variable rent times the share of rents associated with city carriers working on First-Class single-piece.

The second item, the rents for employee space utilized by city carriers, is the term (using component numbers) -- $(165/1199)*(1147/947) * (\text{sum of city carrier and related labor costs})$. The first ratio is as described above. The second ratio is the percentage of facility space which is for employee facilities for all classes (times 100,000,000) divided

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7,
QUESTION NO. 6**

by the total volume variable labor costs for all non-headquarters employees or 4,107,518/28,317,594. Finally the sum of city carrier and related labor costs for First-Class single-piece is the sum of the labor costs for city carriers, supervision, joint supervision, general supervision, motor vehicle service, higher level supervision and administrative clerks for this subclass which is 2,158,010. Rearranging these terms gives us $925,053 * (4,107,518/59,525,957) * (2,158,010/28,317,594)$ which is the total volume variable rent times the share of rents associated with employee facilities times the share of employee facility space associated with city carriers working on First-Class single-piece.

The third item, the rents for office space utilized by supervisors and administrators that support city carriers, is the term (using component numbers) – $(165/1199)*(1144/944) * (\text{sum of city carrier related higher level supervision and administrative labor costs})$. The first ratio is as described above. The second ratio is the percentage of facility space which is for office space for all classes (times 100,000,000) divided by the total volume variable labor costs for all non-headquarters supervisory and administrative employees or 3,914,459/1,272,078. Finally the sum of city carrier related higher level supervision and administrative costs for First-Class single-piece is 45,226. Rearranging these terms gives us $925,053 * (3,914,459/59,525,957) * (45,226/1,272,078)$ which is the total volume variable rent times the share of rents associated with office space times

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7,
QUESTION NO. 6**

the share of office space associated with city carriers working on First-Class single-piece.

The fourth item, the rents for vehicle maintenance space utilized by city carrier vehicles, is the term (using component numbers) – $(165/1199) * (1148/90) * (87)$. The first ratio is as described above. The second ratio is the percentage of facility space which is for vehicle maintenance for all classes (times 100,000,000) divided by the total volume variable labor costs for all vehicle maintenance employees or $464,881/64,429$. Finally the component 87 is city carrier related motor vehicle maintenance labor costs for First-Class single-piece which is 6,743. Rearranging these terms gives us $925,053 * (464,881/59,525,957) * (6,743/64,429)$ which is the total volume variable rent times the share of rents associated with motor vehicle maintenance times the share of vehicle maintenance space associated with city carriers working on First-Class single-piece.

- b. The calculations of the test year mail processing piggyback factor "Joint Superv" (or Joint Supervision) is shown in the spreadsheet Typback.POIR7.xls, sheet "MP Dep" of USPS LR-J-210. As an example of these calculations consider cell J11, which is the Joint Supervision costs for First-Class single-piece, which is 53,858. The formula in that cell is:
- $(\text{component 678}/\text{component 694}) * (\text{component 35} + \text{component 423})$.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7,
QUESTION NO. 6**

The first ratio is the total volume variable Joint Supervision costs over the volume variable costs associated with the distribution key for Joint Supervision or $230,320/19,915,961$. This is multiplied by the sum of mail processing and quality control clerk labor costs for First-Class single-piece, which is $4,657,165 (=4,647,852 + 9,313)$. Rearranging these terms gives us component 678 * (components 35 & 423/component 694), which is the total volume variable Joint Supervision costs times the share of Joint Supervision associated with mail processing for First-Class single-piece.

DECLARATION

I, Marc A. Smith, hereby declare, under penalty of perjury, that the foregoing Docket No. R2001-1 interrogatory responses are true to the best of my knowledge, information, and belief.

Marc A. Smith
Marc A. Smith

1/02/02
Date

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO THE PRESIDING OFFICER'S INFORMATION
REQUEST NO. 7, QUESTION 7

7. In response to Interrogatory OCA/USPS-304, the Postal Service provides a table that identifies the number of ZIP code pairs subject to one, two, and three day service standards for First-Class Mail and Priority Mail. Please provide estimates of the volume, or percentage of volume, that can be associated with each of the cells in the table for FY 2001, or some other recent period for which the data may be more readily available.

RESPONSE:

First-Class Mail and Priority Mail ODIS Volumes, FY 2001

Service Standard	First-Class Mail	
	Volume	Priority Mail Volume
One Day (Overnight)	32,802,944,697 (43.5%)	169,022,767 (19.6%)
Two Days	20,413,800,809 (27.0%)	658,380,109 (76.3%)
Three Days	22,273,616,374 (29.5%)	35,815,357 (4.1%)
Total	75,490,361,880	863,218,233

RESPONSE OF POSTAL SERVICE WITNESS TOLLEY TO
PRESIDING OFFICER'S INFORMATION REQUEST

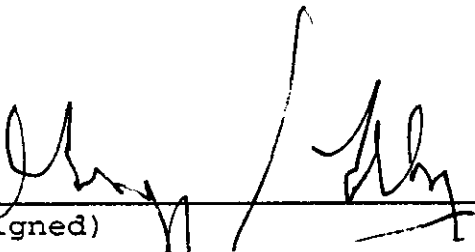
POIR-7-8. Please refer to USPS-LR-J-123, After-Rates Fixed-Weight Price Indices. Show how the "current" and "proposed" Standard mail parcel surcharges of \$0.1575 and \$0.2075, respectively, were calculated in USPS-LR-J-123 at file "prices_ar", page "StdA", cells AY20, AZ20, AY38, AZ38, AY179, AZ179, AY197 and AZ197. In addition, explain why these surcharges were used instead of the actual current and proposed surcharges of \$0.18 and \$0.23, respectively.

RESPONSE:

The parcel surcharges listed in USPS-LR-J-123 are the combined prices of the parcel surcharge of \$0.18 and \$0.23 (before- and after-rates) and the parcel barcode discount of \$0.03 (both before- and after-rates). It is assumed that 75 percent of Standard parcels qualify for the barcode discount. Hence, the prices shown in the cells cited above are equal to $\$0.18 - (0.75) \cdot \$0.03 = \$0.1575$ before rates and $\$0.23 - (0.75) \cdot \$0.03 = \$0.2075$ after-rates, respectively.

DECLARATION

I, George Tolley, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.



(Signed)
01-02-02

(Date)

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7, QUESTION 9**

9. The recently awarded contract arbitration between the APWU and the Postal Service contained provisions for the upgrades of various position classifications. Please provide the number of positions and the corresponding number of workyears in the following APWU represented position classifications:

- a. Mail Processors (Level 4)
- b. Senior Mail Processors (Level 5)
- c. Motor Vehicle Operator (Level 5)
- d. Tractor Trailer Operator (Level 6)
- e. Building Equipment Mechanic (Level 7)
- f. Maintenance Mechanic MPE (Level 7)
- g. Electronic Technician (Level 9)
- h. Electronic Technician (Level 10)

RESPONSE:

The estimated number of positions that will be impacted is listed below.

Assuming all impacted positions are full time, this would translate into the same number of base workyears. Please note that the effective dates of the promotions will determine the number of base workyears applicable to each fiscal year.

a. Mail Processors (Level 4)	32,770
b. Senior Mail Processors (Level 5)	551
c. Motor Vehicle Operator (Level 5)	3,358
d. Tractor Trailer Operator (Level 6)	5,912
e. Building Equipment Mechanic (Level 7)	2,291
f. Maintenance Mechanic MPE (Level 7)	5,844
g. Electronic Technician (Level 9)	7,452
h. Electronics Technician (Level 10)	114
Total	58,292

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7, QUESTION 10**

10. In response to OCA interrogatories OCA/USPS-T6-1 and OCA/USPS-T6-2 filed on October 17, 2001 witness Tayman said that the FY 2002 operating plan by accounting period was not yet finalized. Has the FY 2002 operating plan by accounting period been finalized yet? If it has, please provide the FY 2002 operating plan information by accounting period as requested in OCA interrogatories OCA/USPS-T6-1 and OCA/USPS-T6-2. If this information has not been finalized please indicate when this information will be available and filed as requested.

RESPONSE:

Please see attached.

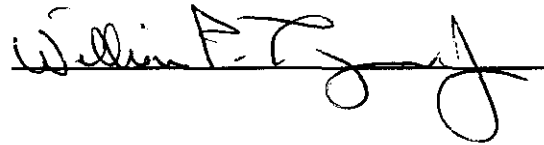
**U.S. POSTAL SERVICE
FY 2002 OPERATING PLAN
(\$THOUSANDS)**

	AP 01	AP 02	AP 03	AP 04	AP 05	AP 06	AP 07	AP 08	AP 09	AP10	AP 11	AP 12	AP 13	TOTAL
TOTAL OPERATING REVENUE	5,372,190	5,534,029	5,313,219	5,674,414	5,315,271	5,235,221	5,408,035	5,413,501	5,248,580	4,948,799	4,890,735	5,033,999	5,090,930	68,478,926
APPROPRIATIONS	5,134	5,134	5,134	5,134	5,134	5,134	5,134	5,134	5,134	5,134	5,134	5,134	5,130	66,738
INVESTMENT INCOME	3,531	2,257	2,119	2,119	2,119	2,119	2,119	2,119	2,119	2,119	2,119	2,119	2,119	29,094
TOTAL REVENUE	5,380,855	5,541,420	5,320,472	5,681,667	5,322,524	5,242,474	5,415,288	5,420,754	5,255,833	4,956,052	4,897,988	5,041,252	5,098,179	68,574,758
TOTAL EXPENSES	<u>5,137,653</u>	<u>5,223,673</u>	<u>5,252,862</u>	<u>5,749,217</u>	<u>5,286,426</u>	<u>5,391,500</u>	<u>5,499,906</u>	<u>5,452,264</u>	<u>5,501,249</u>	<u>5,248,695</u>	<u>5,207,665</u>	<u>5,337,595</u>	<u>5,588,395</u>	<u>69,877,102</u>
NET INCOME(LOSS)	<u>243,202</u>	<u>317,747</u>	<u>67,610</u>	<u>(67,550)</u>	<u>36,098</u>	<u>(149,026)</u>	<u>(84,618)</u>	<u>(31,510)</u>	<u>(245,416)</u>	<u>(292,643)</u>	<u>(309,677)</u>	<u>(296,343)</u>	<u>(490,216)</u>	<u>(1,302,344)</u>
CONVERSION TO GFY NET INCOME(LOSS)														<u>(47,656)</u> <u>(1,350,000)</u>
TOTAL MAIL VOLUME	16,846,328	17,554,200	16,628,431	16,452,077	15,989,433	15,731,251	16,401,104	16,459,315	15,947,599	14,975,502	14,846,281	15,319,296	15,482,289	208,633,105
CONVERSION TO GFY NET INCOME(LOSS)														<u>1,306,082</u> <u>209,939,187</u>

Attachment to response
to POIR 7 Question 10

DECLARATION

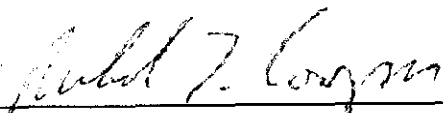
I, William P. Tayman, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "William P. Tayman", written over a horizontal line.

Dated: 7/2/02

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.



Richard T. Cooper

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
January 2, 2002