

DOCKET SECTION

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

MOTION FOR LATE ACCEPTANCE OF AND RESPONSE OF
UNITED STATES POSTAL SERVICE TO INTERROGATORY OF
THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS MODEN
(OCA/USPS-T4-23)

The United States Postal Service hereby provides the response to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T4-23, filed on September 12, 1997, and redirected from witness Moden. The interrogatory is stated verbatim and is followed by the response.

The Postal Service moves that this response be accepted two days late. The additional time was required due to the need to evaluate the discrepancies between this information and information previously provided and to make appropriate corrections.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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RESPONSE OF THE U.S. POSTAL SERVICE TO
OCA INTERROGATORY REDIRECTED FROM WITNESS MODEN

OCA/USPS-T4-23. Please refer to Library Reference H-127, page IV-2, entitled "Capital Costs of Mail Processing Equipment for FY 1996."

- a. Please provide the "Equipment Accounting Records" on which the annual depreciation for all of the equipment listed on that page is based.
- b. Please provide a breakdown of the accounting records requested in part a, above, by CAG.
- c. Please provide a breakdown of the accounting records requested in part a, above, by type (MODS, Non-MODS, or BMC) of office.
- d. Please provide a breakdown of the accounting records requested in part a, above, by CAG by type of office.

Response:

a.-d. The attached tables (Attachment 1) show the annual depreciation costs for the 21 categories of mail processing equipment shown in LR-H-127, on page IV-2, disaggregated by CAG, type of office, and by CAG and type of office.

It should be noted that there are two discrepancies between the attached tables and the costs by category provided in LR-H-127, page IV-2. The first discrepancy is for the OCR and RBCS categories. In developing the annual depreciation for these two categories, there is an adjustment made to the accounting results for each category in the following way. The annual depreciation costs for the FY95 and FY96 purchases of the OSS RBCS component are included in the OCR category accounting data. Since the OSS is not a component of the OCR, this normally would not be done, but this likely stems from the combined purchases of ISS and OSS components. As shown in LR-H-127, page IV-10, the OSS component has been included in the RBCS category. As a result, in preparing LR-H-127, page IV-2, the annual depreciation for the OSS components purchased in FY95 and FY96, \$3.908 million, is deducted from the OCR

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category and added to the RBCS category. The attached tables (Attachment 1) do not reflect this adjustment since we do not have a disaggregation of this adjustment by CAG and type of office.

The second discrepancy occurs in the annual depreciation for General & Logistics BMC and General & Logistics Non-BMC. In preparing these tables it was determined that annual depreciation costs for these categories shown in LR-H-127 at page IV-2 is incorrect and that the costs in Attachment 1 are correct. The correction leads to a \$1.413 million reduction in the General & Logistics Non-BMC annual depreciation and a corresponding increase in the General & Logistics BMC annual depreciation. Since there is a different distribution of the annual depreciation for these two categories, this change results in the \$1.413 million annual depreciation being distributed differently to the classes and subclasses changing the base year volume variable costs slightly. Attachment 2 shows the impact of this cost change on base year volume variable costs. The impact ranges from a \$663,895.00 decline for First-Class single piece letters and parcels to a \$201,985.00 increase for Parcel Post. Overall volume variable cost declines by \$245,153.00 due to the lower variability for the General & Logistics BMC category (see LR-H-127, page III-1).

FY96 Mail Processing Equipment Annual Depreciation by Category and CAG

EQUIPMENT TYPE	CAG	ANNUAL DEPRECIATION
OCR	A	105,145,569
OCR	B	2,184,914
OCR	C	3,904,421
OCR	D	402,670
OCR	E	73,656
OCR	F	28,005
OCR	M	2,143,051
OCR	N	69,876
OCR	W	204,844
OCR Total		114,157,006
MPBCS	A	24,424,323
MPBCS	B	671,086
MPBCS	C	948,426
MPBCS	D	175,417
MPBCS	E	71,252
MPBCS	F	34,062
MPBCS	G	522
MPBCS	L	8,264
MPBCS	M	363,163
MPBCS	W	76,667
MPBCS Total		26,773,182
DBCS	A	69,181,935
DBCS	B	1,694,816
DBCS	C	6,365,024
DBCS	D	1,647,086
DBCS	E	1,414,086
DBCS	M	499,221
DBCS	W	146,271
DBCS Total		80,948,439
CSBCS	A	2,395,031
CSBCS	B	1,227,485
CSBCS	C	4,102,734
CSBCS	D	2,426,796
CSBCS	E	2,961,535
CSBCS	F	770,402
CSBCS	G	65,506
CSBCS	J	12,638
CSBCS	M	13,434
CSBCS Total		13,975,561
LSM	A	2,316,416
LSM	B	123,067
LSM	C	127,676
LSM	D	2,408
LSM	E	-
LSM	F	1,286
LSM	M	9,676
LSM	W	-
LSM Total		2,580,529
FSM	A	21,011,174
FSM	B	628,767
FSM	C	447,093
FSM	D	10,220
FSM	M	495,516
FSM	S	713
FSM	W	66,997
FSM Total		22,660,480
RBCS	A	21,887,772
RBCS	B	251,392
RBCS	C	18,544

FY96 Mail Processing Equipment Annual Depreciation by Category and CAG

EQUIPMENT TYPE	CAG	ANNUAL DEPRECIATION
RBCS	M	559,694
RBCS Total		22,717,402
CFS	A	713,654
CFS	B	292,172
CFS	C	320,449
CFS	D	16,829
CFS	E	8,564
CFS	M	61,033
CFS Total		1,412,701
CANCEL LETTERS	A	32,196,289
CANCEL LETTERS	B	750,483
CANCEL LETTERS	C	971,192
CANCEL LETTERS	D	123,250
CANCEL LETTERS	E	150,764
CANCEL LETTERS	F	130,142
CANCEL LETTERS	G	66,720
CANCEL LETTERS	H	37,546
CANCEL LETTERS	J	14,737
CANCEL LETTERS	K	3,252
CANCEL LETTERS	M	303,991
CANCEL LETTERS	N	1,637
CANCEL LETTERS	S	1,151
CANCEL LETTERS	W	49,575
CANCEL LETTERS Total		34,800,729
CANCEL FLATS	A	368,587
CANCEL FLATS	B	6,605
CANCEL FLATS	C	6,935
CANCEL FLATS	E	229
CANCEL FLATS Total		382,356
CULLING	A	1,641,287
CULLING	B	31,480
CULLING	C	28,794
CULLING	E	-
CULLING Total		1,701,561
SSM	A	10,435,341
SSM	B	160,732
SSM	C	116,271
SSM	M	19,714
SSM Total		10,732,058
SPBM	A	13,887,774
SPBM	B	500,390
SPBM	C	167,743
SPBM	M	83,070
SPBM	N	24,856
SPBM Total		14,663,833
PSM	A	6,213,339
PSM	B	2,780
PSM	C	1,718
PSM	D	-
PSM	F	-
PSM	M	37,236
PSM Total		6,255,073
ACDCS	A	35,534
ACDCS	B	-
ACDCS	C	-
ACDCS	D	-
ACDCS	E	-
ACDCS	F	998
ACDCS	U	-

FY96 Mail Processing Equipment Annual Depreciation by Category and CAG

EQUIPMENT TYPE	CAG	ANNUAL DEPRECIATION
ACDCS	W	-
ACDCS Total		36,532
STRAPPING	A	1,975,040
STRAPPING	B	77,562
STRAPPING	C	131,448
STRAPPING	D	44,030
STRAPPING	E	32,054
STRAPPING	F	10,454
STRAPPING	G	1,196
STRAPPING	H	82
STRAPPING	M	17,442
STRAPPING	U	5,341
STRAPPING	W	2,555
STRAPPING Total		2,297,204
TRAY TRANSPORT	A	14,308,051
TRAY TRANSPORT	B	170,435
TRAY TRANSPORT	C	537,719
TRAY TRANSPORT	D	3,421
TRAY TRANSPORT	F	378
TRAY TRANSPORT Total		15,020,004
GEN LOG BMC	A	19,592,366
GEN LOG BMC Total		19,592,366
GEN LOG NON-BMC	A	44,495,928
GEN LOG NON-BMC	B	519,415
GEN LOG NON-BMC	C	1,465,478
GEN LOG NON-BMC	D	260,806
GEN LOG NON-BMC	E	354,402
GEN LOG NON-BMC	F	319,325
GEN LOG NON-BMC	G	328,986
GEN LOG NON-BMC	H	206,220
GEN LOG NON-BMC	J	62,933
GEN LOG NON-BMC	K	11,333
GEN LOG NON-BMC	L	450
GEN LOG NON-BMC	M	1,998,159
GEN LOG NON-BMC	N	118,442
GEN LOG NON-BMC	S	138
GEN LOG NON-BMC	U	645
GEN LOG NON-BMC	W	848,557
GEN LOG NON-BMC Total		50,991,217
Powered Trans. Equip	A	6,389,606
Powered Trans Equip	B	120,676
Powered Trans Equip	C	240,470
Powered Trans. Equip	D	75,886
Powered Trans Equip	E	76,445
Powered Trans Equip	F	30,122
Powered Trans Equip	G	7,190
Powered Trans Equip	H	667
Powered Trans Equip	J	450
Powered Trans. Equip	M	103,965
Powered Trans. Equip	N	12,895
Powered Trans. Equip	S	378
Powered Trans. Equip.	U	7,320
Powered Trans. Equip.	W	27,305
Powered Transport Equip. Total		7,093,375
Grand Total		448,791,608

FY96 Mail Processing Equipment Annual Depreciation by Category and Office Type

EQUIPMENT TYPE	OFFICE TYPE	ANNUAL DEPRECIATION
OCR	MODS	111,285,426
OCR	NON-MODS	2,835,200
OCR	BMC	36,380
OCR Total		114,157,006
MPBCS	MODS	25,936,178
MPBCS	NON-MODS	837,004
MPBCS Total		26,773,182
DBCS	MODS	71,825,976
DBCS	NON-MODS	8,937,222
DBCS	BMC	185,241
DBCS Total		80,948,439
CSBCS	MODS	3,723,649
CSBCS	NON-MODS	10,251,912
CSBCS Total		13,975,561
LSM	MODS	2,560,821
LSM	NON-MODS	18,671
LSM	BMC	1,037
LSM Total		2,580,529
FSM	MODS	21,871,091
FSM	NON-MODS	730,929
FSM	BMC	58,460
FSM Total		22,660,480
RBCS	MODS	22,157,708
RBCS	NON-MODS	559,694
RBCS Total		22,717,402
CFS	MODS	1,297,229
CFS	NON-MODS	115,472
CFS Total		1,412,701
CANCEL LETTERS	MODS	33,366,593
CANCEL LETTERS	NON-MODS	1,095,106
CANCEL LETTERS	BMC	339,030
CANCEL LETTERS Total		34,800,729
CANCEL FLATS	MODS	381,898
CANCEL FLATS	NON-MODS	458
CANCEL FLATS Total		382,356
CULLING	MODS	1,694,183
CULLING	NON-MODS	7,378
CULLING Total		1,701,561
SSM	MODS	8,520,222
SSM	NON-MODS	20,493
SSM	BMC	2,191,343
SSM Total		10,732,058
SPBM	MODS	12,477,883
SPBM	NON-MODS	107,926
SPBM	BMC	2,078,024
SPBM Total		14,663,833
PSM	MODS	731,073
PSM	NON-MODS	38,954
PSM	BMC	5,485,046

FY96 Mail Processing Equipment Annual Depreciation by Category and Office Type

EQUIPMENT TYPE	OFFICE TYPE	ANNUAL DEPRECIATION
PSM Total		6,255,073
ACDCS	MODS	35,534
ACDCS	NON-MODS	998
ACDCS Total		36,532
STRAPPING	MODS	2,068,764
STRAPPING	NON-MODS	155,274
STRAPPING	BMC	73,166
STRAPPING Total		2,297,204
TRAY TRANSPORT	MODS	14,760,488
TRAY TRANSPORT	NON-MODS	1,562
TRAY TRANSPORT	BMC	257,954
TRAY TRANSPORT Total		15,020,004
GEN LOG BMC	BMC	19,592,366
GEN LOG BMC Total		19,592,366
GEN LOG NON-BMC	MODS	45,888,940
GEN LOG NON-BMC	NON-MODS	5,102,277
GEN LOG NON-BMC Total		50,991,217
Powered Trans. Equip.	MODS	5,143,222
Powered Trans. Equip.	NON-MODS	573,926
Powered Trans. Equip.	BMC	1,376,227
Powered Transport Equip. Total		7,093,375
 Grand Total		 448,791,608

FY96 Mail Processing Equipment Annual Depreciation by Category
by Office Type and CAG

EQUIPMENT TYPE	OFFICE TYPE	CAG	ANNUAL DEPRECIATION
OCR	MODS	A	105,026,150
OCR	MODS	B	2,137,079
OCR	MODS	C	3,798,769
OCR	MODS	D	323,428
OCR	NON-MODS	A	83,039
OCR	NON-MODS	B	47,835
OCR	NON-MODS	C	105,652
OCR	NON-MODS	D	79,242
OCR	NON-MODS	E	73,656
OCR	NON-MODS	F	28,005
OCR	NON-MODS	M	2,143,051
OCR	NON-MODS	N	69,876
OCR	NON-MODS	W	204,844
OCR	BMC	A	36,380
OCR Total			114,157,006
MPBCS	MODS	A	24,423,754
MPBCS	MODS	B	524,469
MPBCS	MODS	C	825,078
MPBCS	MODS	D	143,303
MPBCS	MODS	E	19,574
MPBCS	NON-MODS	A	569
MPBCS	NON-MODS	B	146,617
MPBCS	NON-MODS	C	123,348
MPBCS	NON-MODS	D	32,114
MPBCS	NON-MODS	E	51,678
MPBCS	NON-MODS	F	34,062
MPBCS	NON-MODS	G	522
MPBCS	NON-MODS	L	8,264
MPBCS	NON-MODS	M	363,163
MPBCS	NON-MODS	W	76,667
MPBCS Total			26,773,182
DBCS	MODS	A	68,471,144
DBCS	MODS	B	938,780
DBCS	MODS	C	2,155,769
DBCS	MODS	D	260,283
DBCS	NON-MODS	A	525,550
DBCS	NON-MODS	B	756,036
DBCS	NON-MODS	C	4,209,255
DBCS	NON-MODS	D	1,386,803
DBCS	NON-MODS	E	1,414,086
DBCS	NON-MODS	M	499,221
DBCS	NON-MODS	W	146,271
DBCS	BMC	A	185,241
DBCS Total			80,948,439
CSBCS	MODS	A	2,169,132
CSBCS	MODS	B	771,115
CSBCS	MODS	C	719,527
CSBCS	MODS	D	63,875
CSBCS	NON-MODS	A	225,899

FY96 Mail Processing Equipment Annual Depreciation by Category
by Office Type and CAG

EQUIPMENT TYPE	OFFICE TYPE	CAG	ANNUAL DEPRECIATION
CSBCS	NON-MODS	B	456,370
CSBCS	NON-MODS	C	3,383,207
CSBCS	NON-MODS	D	2,362,921
CSBCS	NON-MODS	E	2,961,535
CSBCS	NON-MODS	F	770,402
CSBCS	NON-MODS	G	65,506
CSBCS	NON-MODS	J	12,638
CSBCS	NON-MODS	M	13,434
CSBCS Total			13,975,561
LSM	MODS	A	2,314,093
LSM	MODS	B	123,067
LSM	MODS	C	121,253
LSM	MODS	D	2,408
LSM	NON-MODS	A	1,286
LSM	NON-MODS	B	-
LSM	NON-MODS	C	6,423
LSM	NON-MODS	D	-
LSM	NON-MODS	E	-
LSM	NON-MODS	F	1,286
LSM	NON-MODS	M	9,676
LSM	NON-MODS	W	-
LSM	BMC	A	1,037
LSM Total			2,580,529
FSM	MODS	A	20,942,142
FSM	MODS	B	567,018
FSM	MODS	C	361,931
FSM	NON-MODS	A	10,572
FSM	NON-MODS	B	61,749
FSM	NON-MODS	C	85,162
FSM	NON-MODS	D	10,220
FSM	NON-MODS	M	495,516
FSM	NON-MODS	S	713
FSM	NON-MODS	W	66,997
FSM	BMC	A	58,460
FSM Total			22,660,480
RBCS	MODS	A	21,887,772
RBCS	MODS	B	251,392
RBCS	MODS	C	18,544
RBCS	NON-MODS	M	559,694
RBCS Total			22,717,402
CFS	MODS	A	684,152
CFS	MODS	B	292,172
CFS	MODS	C	312,341
CFS	MODS	D	-
CFS	MODS	E	8,564
CFS	NON-MODS	A	29,502
CFS	NON-MODS	C	8,108
CFS	NON-MODS	D	16,829
CFS	NON-MODS	E	-

FY96 Mail Processing Equipment Annual Depreciation by Category
by Office Type and CAG

EQUIPMENT TYPE	OFFICE TYPE	CAG	ANNUAL DEPRECIATION
CFS	NON-MODS	M	61,033
CFS Total			1,412,701
CANCEL LETTERS	MODS	A	31,855,333
CANCEL LETTERS	MODS	B	717,648
CANCEL LETTERS	MODS	C	785,776
CANCEL LETTERS	MODS	D	6,796
CANCEL LETTERS	MODS	E	1,040
CANCEL LETTERS	NON-MODS	A	1,926
CANCEL LETTERS	NON-MODS	B	32,835
CANCEL LETTERS	NON-MODS	C	185,416
CANCEL LETTERS	NON-MODS	D	116,454
CANCEL LETTERS	NON-MODS	E	149,724
CANCEL LETTERS	NON-MODS	F	130,142
CANCEL LETTERS	NON-MODS	G	66,720
CANCEL LETTERS	NON-MODS	H	37,546
CANCEL LETTERS	NON-MODS	J	14,737
CANCEL LETTERS	NON-MODS	K	3,252
CANCEL LETTERS	NON-MODS	M	303,991
CANCEL LETTERS	NON-MODS	N	1,637
CANCEL LETTERS	NON-MODS	S	1,151
CANCEL LETTERS	NON-MODS	W	49,575
CANCEL LETTERS	BMC	A	339,030
CANCEL LETTERS Total			34,800,729
CANCEL FLATS	MODS	A	368,587
CANCEL FLATS	MODS	B	6,605
CANCEL FLATS	MODS	C	6,706
CANCEL FLATS	NON-MODS	C	229
CANCEL FLATS	NON-MODS	E	229
CANCEL FLATS Total			382,356
CULLING	MODS	A	1,641,287
CULLING	MODS	B	31,480
CULLING	MODS	C	21,416
CULLING	NON-MODS	C	7,378
CULLING	NON-MODS	E	-
CULLING Total			1,701,561
SSM	MODS	A	8,243,998
SSM	MODS	B	160,732
SSM	MODS	C	115,492
SSM	NON-MODS	B	-
SSM	NON-MODS	C	779
SSM	NON-MODS	M	19,714
SSM	BMC	A	2,191,343
SSM Total			10,732,058
SPBM	MODS	A	11,809,750
SPBM	MODS	B	500,390
SPBM	MODS	C	167,743
SPBM	NON-MODS	M	83,070
SPBM	NON-MODS	N	24,856
SPBM	BMC	A	2,078,024

FY96 Mail Processing Equipment Annual Depreciation by Category
by Office Type and CAG

EQUIPMENT TYPE	OFFICE TYPE	CAG	ANNUAL DEPRECIATION
SPBM Total			14,663,833
PSM	MODS	A	728,293
PSM	MODS	B	2,780
PSM	MODS	C	-
PSM	NON-MODS	C	1,718
PSM	NON-MODS	D	-
PSM	NON-MODS	F	-
PSM	NON-MODS	M	37,236
PSM	BMC	A	5,485,046
PSM Total			6,255,073
ACDCS	MODS	A	35,534
ACDCS	MODS	B	-
ACDCS	MODS	C	-
ACDCS	MODS	D	-
ACDCS	NON-MODS	C	-
ACDCS	NON-MODS	D	-
ACDCS	NON-MODS	E	-
ACDCS	NON-MODS	F	998
ACDCS	NON-MODS	U	-
ACDCS	NON-MODS	W	-
ACDCS Total			36,532
STRAPPING	MODS	A	1,896,474
STRAPPING	MODS	B	56,848
STRAPPING	MODS	C	91,810
STRAPPING	MODS	D	22,173
STRAPPING	MODS	E	1,459
STRAPPING	NON-MODS	A	5,400
STRAPPING	NON-MODS	B	20,714
STRAPPING	NON-MODS	C	39,638
STRAPPING	NON-MODS	D	21,857
STRAPPING	NON-MODS	E	30,595
STRAPPING	NON-MODS	F	10,454
STRAPPING	NON-MODS	G	1,196
STRAPPING	NON-MODS	H	82
STRAPPING	NON-MODS	M	17,442
STRAPPING	NON-MODS	U	5,341
STRAPPING	NON-MODS	W	2,555
STRAPPING	BMC	A	73,166
STRAPPING Total			2,297,204
TRAY TRANSPORT	MODS	A	14,050,097
TRAY TRANSPORT	MODS	B	170,435
TRAY TRANSPORT	MODS	C	537,719
TRAY TRANSPORT	MODS	D	2,237
TRAY TRANSPORT	NON-MODS	D	1,184
TRAY TRANSPORT	NON-MODS	F	378
TRAY TRANSPORT	BMC	A	257,954
TRAY TRANSPORT Total			15,020,004
GEN LOG BMC	BMC	A	19,592,366
GEN LOG BMC Total			19,592,366

FY96 Mail Processing Equipment Annual Depreciation by Category
by Office Type and CAG

EQUIPMENT TYPE	OFFICE TYPE	CAG	ANNUAL DEPRECIATION
GEN LOG NON-BMC	MODS	A	44,395,334
GEN LOG NON-BMC	MODS	B	428,757
GEN LOG NON-BMC	MODS	C	1,020,363
GEN LOG NON-BMC	MODS	D	41,238
GEN LOG NON-BMC	MODS	E	3,248
GEN LOG NON-BMC	NON-MODS	A	100,594
GEN LOG NON-BMC	NON-MODS	B	90,658
GEN LOG NON-BMC	NON-MODS	C	445,115
GEN LOG NON-BMC	NON-MODS	D	219,568
GEN LOG NON-BMC	NON-MODS	E	351,154
GEN LOG NON-BMC	NON-MODS	F	319,325
GEN LOG NON-BMC	NON-MODS	G	328,986
GEN LOG NON-BMC	NON-MODS	H	206,220
GEN LOG NON-BMC	NON-MODS	J	62,933
GEN LOG NON-BMC	NON-MODS	K	11,333
GEN LOG NON-BMC	NON-MODS	L	450
GEN LOG NON-BMC	NON-MODS	M	1,998,159
GEN LOG NON-BMC	NON-MODS	N	118,442
GEN LOG NON-BMC	NON-MODS	S	138
GEN LOG NON-BMC	NON-MODS	U	645
GEN LOG NON-BMC	NON-MODS	W	848,557
GEN LOG NON-BMC Total			50,991,217
Powered Trans. Equip.	MODS	A	4,893,210
Powered Trans. Equip.	MODS	B	92,393
Powered Trans. Equip.	MODS	C	136,115
Powered Trans. Equip.	MODS	D	21,504
Powered Trans. Equip.	NON-MODS	A	120,169
Powered Trans. Equip.	NON-MODS	B	28,283
Powered Trans. Equip.	NON-MODS	C	104,355
Powered Trans. Equip.	NON-MODS	D	54,382
Powered Trans. Equip.	NON-MODS	E	76,445
Powered Trans. Equip.	NON-MODS	F	30,122
Powered Trans. Equip.	NON-MODS	G	7,190
Powered Trans. Equip.	NON-MODS	H	667
Powered Trans. Equip.	NON-MODS	J	450
Powered Trans. Equip.	NON-MODS	M	103,965
Powered Trans. Equip.	NON-MODS	N	12,895
Powered Trans. Equip.	NON-MODS	S	378
Powered Trans. Equip.	NON-MODS	U	7,320
Powered Trans. Equip.	NON-MODS	W	27,305
Powered Trans. Equip.	BMC	A	1,376,227
Powered Transport Equip. Total			7,093,375
Grand Total			448,791,608

Attachment 2

Estimated Impact on Base Year Volume Variable Costs by Category
 Due to Shifting \$1.4 million Annual Depreciation from
 General & Logistics Non-BMC to General & Logistics BMC

	Net Impact	Total Volume Variable Costs in USPS-T-5
First Class:		
Letters and Parcels	(663,895)	12,046,631,000
Presort Letters	(148,547)	3,804,528,000
Single Piece Cards	(21,889)	429,135,000
Presort Cards	(5,646)	125,994,000
	-	
	-	
Priority Mail	(50,586)	1,584,229,000
Express Mail	(10,993)	342,623,000
Mailgrams	(15)	432,000
	-	
Second Class	-	
In-county	(2,050)	75,056,000
Outside County:	-	
Regular	(21,507)	1,448,904,000
Nonprofit	(1,236)	317,766,000
Classroom	1,286	14,874,000
	-	
Third Class:	-	
Single Piece	24,658	188,355,000
Regular Car Rt Presort	10,395	1,821,927,000
Regular Other Presort	192,404	4,164,366,000
Non-prof Car Rt Presort	533	136,575,000
Non-profit Other Presort	9,478	969,720,000
	-	
Fourth Class	-	
Zone Rate Parcel Post	201,985	694,997,000
Bound Printed Matter	90,346	285,041,000
Special Fourth	114,559	226,526,000
Library Rate	24,577	47,835,000
	-	
Penalty Mail USPS	(673)	196,097,000
	-	
Free Mail	4,546	26,406,000
	-	
	-	
International Mail	46,408	1,158,518,000
	-	
Registry	(15,184)	83,098,000
Certified	(6,819)	283,016,000
Insurance	(109)	36,296,000
COD	(629)	19,683,000
Special Delivery	(199)	3,494,000
Money Orders		122,986,000
Stamped Envelopes		10,930,000
Special Handling	(48)	1,136,000
Post Office Boxes		529,560,000
Other	(16,302)	146,217,000
TOTALS	(245,153)	31,342,951,000

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.

A handwritten signature in cursive script, appearing to read "Scott L. Reiter", is written above a horizontal line.

Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
September 23, 1997