

DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
Docket No. R97-1

ERRATA TO RESPONSE OF WITNESS TAYMAN  
TO INTERROGATORY DMA/USPS-T9-27(C)

The United States Postal Service hereby files the attached correction of witness Tayman's response to DMA/USPS-T9-27(c), originally filed on September 18, 1997. That subpart was redirected to witness Macdonald, who provided a response on September 17, 1997. Witness Tayman's answer to the interrogatory is being corrected to indicate the redirection.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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October 8, 1997

Revised  
10/8/97

I am informed that the reduction to FY 1997 workers' compensation expense relates primarily to prior year injury costs which is not expected to be repeated in FY 1998. Efforts to return employees injured in prior years to work were very successful during FY 1997, and this was the major cause of lower expenses. FY 1997 medical costs were also reduced due to refunds of prior year payments which resulted from audits of medical service providers. Both of these efforts are believed to have run their course and will generate little additional savings during FY 1998. A new program is underway which emphasizes returning recently injured employees to work while they are still in a 45 day continuation of pay status. However, savings from this program are unproved and will take time to materialize. In view of the above, I do not believe it would be prudent to reduce the test year revenue requirement based on lower than estimated FY 1997 workers' compensation expenses which are mainly due to non-recurring events.

FY 1998 program related non-personnel expense levels were zero based and consequently are not reduced by lower than estimated program related non-personnel expenses for FY 1997.

- c. *Redirected to witness Macdonald (USPS-T-10).*
- d. See my response to part b.
- e. I have not revised all of the variables required to update the test year revenue requirement estimates submitted in this filing. Some updated factors would result in higher net income in the test year while others would result in lower net income in the test year. Changes which might be considered to imply a reduced revenue requirement should be

## 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.



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