

**ORIGINAL**

BEFORE THE  
POSTAL RATE COMMISSION RECEIVED  
WASHINGTON, D.C. 20268-0001 FEB 4 3 33 PM '99

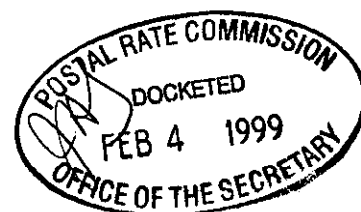
MAILING ONLINE SERVICE

Docket No. MC98-1

REVISED ATTACHMENTS TO REVISED RESPONSE OF  
UNITED STATES POSTAL SERVICE WITNESS PLUNKETT TO  
INTERROGATORY OCA/USPS-T5-10,  
AND TO RESPONSE OF WITNESS PLUNKETT TO  
INTERROGATORY PB/USPS-T5-5  
(February 4, 1999)

The United States Postal Service hereby provides a revised attachment to the revised response of witness Plunkett to interrogatory OCA/USPS-T5-10, filed on January 14, 1999. This revision reflects the inclusion of inserter costs, and the addition of \$48,305 in telecommunications cost by witness Lim in response to interrogatory OCA/USPS-ST9-12(b), filed February 2, 1999. The impact of the inclusion of inserter costs is discussed in witness Plunkett's response to interrogatory PB/USPS-T5-5. The impact of witness Lim's change is minor. The changed numbers in the attachment are highlighted.

The first page of the attachment also serves as the revised attachment to witness Plunkett's response to PB/USPS-T5-5. This page is therefore provided twice,



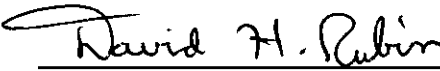
first as an attachment for interrogatory OCA/USPS-T5-10, and second, as a replacement attachment for interrogatory PB/USPS-T5-5.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

A handwritten signature in black ink that reads "David H. Rubin". The signature is written in a cursive style with a large, sweeping initial "D".

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David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2986; Fax -5402  
February 4, 1999

Revised February 4, 1999

Page 1

Revenues Including Variable Information Systems Costs

	Note	1999	2000	Total 1999-2000
<b>Impression Costs</b>				
Total Impression Costs	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 25			
Fixed Info Systems Costs (BW, 8.5x11 & 8.5x14)	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 7	\$ 1,845,942	\$ 3,221,664	\$ 5,067,605
Fixed Info Systems Costs (BW, 11x17)	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 15	\$ 518,211	\$ 904,417	\$ 1,422,628
Fixed Info Systems Costs (Spot Color, 8.5x11 & 8.5x14)	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 23	\$ 1,686,464	\$ 2,943,333	\$ 4,629,797
<b>Total Impression Costs excl. fixed info systems costs</b>	=(a) - (b) - (c) - (d)			
<b>Paper Costs</b>				
8.5x11 B&W pages	USPS T-2A page 9 line 45	541,001,192	944,192,341	1,485,193,533
8.5x11 Spot Color pages	USPS T-2A page 10 line 71	433,424,586	756,442,279	1,189,866,865
Pages printed on 8.5x11 paper	=(f) + (g)	974,425,778	1,700,634,620	2,675,060,398
8.5x11 paper - Price per piece	USPS T-2A page 28	\$ 0.0049	\$ 0.0050	
8.5x11 paper - Total cost	=(h) * (i)	\$ 4,762,993	\$ 8,578,708	\$ 13,341,702
8.5x14 B&W pages	USPS T-2A page 9 line 49	60,416,029	105,442,192	165,858,221
8.5x14 Spot Color pages	USPS T-2A page 10 line 75	48,402,467	84,475,301	132,877,768
Pages printed on 8.5x14 paper	=(k) + (l)	108,818,496	189,917,493	298,735,989
8.5x14 paper - Price per piece	USPS T-2A page 28	\$ 0.0053	\$ 0.0055	
8.5x14 paper - Total cost	=(m) * (n)	\$ 580,568	\$ 1,045,672	\$ 1,626,240
11x17 B&W pages	USPS T-2A page 9 line 53	84,417,856	147,331,826	231,749,682
11x17 Spot Color pages	USPS T-2A page 10 line 79	67,631,597	118,035,295	185,666,892
Pages printed on 11x17 paper	=(p) + (q)	152,049,453	265,367,121	417,416,574
11x17 paper - Price per piece	USPS T-2A page 28	\$ 0.0102	\$ 0.0105	
11x17 paper - Total cost	=(r) * (s)	\$ 1,552,851	\$ 2,796,866	\$ 4,349,717
Total Pages	=(h) + (m) + (r)	1,235,293,727	2,155,919,234	3,391,212,961
<b>Total Paper Cost</b>	=(j) + (o) + (t)	\$ 6,896,412	\$ 12,421,246	\$ 19,317,658
<b>Envelope Costs</b>				
First-Class Letters	USPS T-2A page 6 line 92	77,672,143	135,558,745	213,230,888
Standard Mail (A) Letters	USPS T-2A page 6 line 94	172,640,919	301,304,758	473,945,677
Total letter size pieces	=(w) + (x)	250,313,062	436,863,503	687,176,565
# 10 Envelope no window and logo - Price per piece	USPS T-2A page 28	\$ 0.0272	\$ 0.0281	
Envelope Costs - letter size pieces	=(y) * (z)	\$ 6,820,530	\$ 12,284,574	\$ 19,105,104
First-Class flats	USPS T-2A page 6 line 93	14,072,713	24,560,663	38,633,376
Standard Mail (A) flats	USPS T-2A page 6 line 95	31,279,247	54,590,685	85,869,932
Total flat size pieces	=(bb) + (cc)	45,351,960	79,151,348	124,503,308
Flat sized envelope no window and no logo - Price per piece	USPS T-2A page 28	\$ 0.0468	\$ 0.0483	
Envelope Costs - flat size pieces	=(dd) * (ee)	\$ 2,122,000	\$ 3,821,971	\$ 5,943,971
Total Envelopes	=(y) + (dd)	295,665,022	516,014,851	811,679,873
<b>Total Envelope Cost</b>	=(aa) + (ff)	\$ 8,942,530	\$ 16,106,544	\$ 25,049,075
<b>Transportation Costs</b>				
First-Class Letters	USPS T-2A page 6 line 92	77,672,143	135,558,745	213,230,888
First-Class Letters - Transportation cost per piece	USPS T-2A page 7 line 140	\$ 0.00055	\$ 0.00054	
Total First-Class letter transportation costs	=(ii) * (jj)	\$ 42,594	\$ 73,423	\$ 116,017
First-Class flats	USPS T-2A page 6 line 93	14,072,713	24,560,663	38,633,376
First-Class flats - Transportation cost per piece	USPS T-2A page 7 line 141	\$ 0.00083	\$ 0.00082	
Total First-Class flats letter transportation costs	=(ll) * (mm)	\$ 11,717	\$ 20,198	\$ 31,915
Standard Mail (A) Letters	USPS T-2A page 6 line 94	172,640,919	301,304,758	473,945,677
Standard Mail (A) Letters - Transportation cost per piece	USPS T-2A page 7 line 142	\$ 0.00120	\$ 0.00119	
Total Standard Mail (A) letter transportation costs	=(oo) * (pp)	\$ 207,925	\$ 358,421	\$ 566,347
Standard Mail (A) flats	USPS T-2A page 6 line 95	31,279,247	54,590,685	85,869,932
Standard Mail (A) flats - Transportation cost per piece	USPS T-2A page 7 line 143	\$ 0.01586	\$ 0.01567	
Total Standard Mail (A) flat transportation costs	=(rr) * (ss)	\$ 496,104	\$ 855,185	\$ 1,351,289
<b>Total Transportation Costs</b>	=(kk) + (nn) + (qq) + (tt)	\$ 758,340	\$ 1,307,227	\$ 2,065,567
<b>Inserter Costs</b>				
Total Printing, Transportation, and Inserter Costs	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 3	\$ 8,593,250	\$ 14,882,676	\$ 23,475,926
<b>Total Printing, Transportation, and Inserter Costs</b>	=(e) + (v) + (hh) + (uu) + (vv)			
25% Markup on printing and transportation costs	=(ww) * 25%	\$ 18,009,512	\$ 30,663,768	\$ 48,673,280
<b>Total Revenue Including Markup</b>	=(ww) + (xx)			
<b>Net Contribution</b>	=(yy)-(ww)			

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## Revenues Excluding Variable Information Systems Costs

	Note	1999	2000	Total 1999-2000
<b>Impression Costs</b>				
(a) Total Impression Costs	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 25			
(b) Fixed Info Systems Costs (BW, 8.5x11 & 8.5x14)	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 7 Rev 1/14/99	\$ 1,845,942	\$ 3,221,664	\$ 5,067,605
(c) Fixed Info Systems Costs (BW, 11x17)	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 15 Rev 1/14/99	\$ 518,211	\$ 904,417	\$ 1,422,628
(d) Fixed Info Systems Costs (Spot Color, 8.5x11 & 8.5x14)	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 23 Rev 1/14/99	\$ 1,686,464	\$ 2,943,333	\$ 4,629,797
(e) Variable Info Systems Costs (BW, 8.5x11 & 8.5x14)	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 6 Rev 1/14/99			
(f) Variable Info Systems Costs (BW, 11x17)	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 14 Rev 1/14/99			
(g) Variable Info Systems Costs (Spot Color, 8.5x11 & 8.5x14)	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 22 Rev 1/14/99			
(h) <b>Total Impression Costs excl. info systems costs</b>	=(a) - (b) - (c) - (d) - (e) - (f) - (g)			
<b>Paper Costs</b>				
(i) 8.5x11 B&W pages	USPS T-2A page 9 line 45	541,001,192	944,192,341	1,485,193,533
(j) 8.5x11 Spot Color pages	USPS T-2A page 10 line 71	433,424,586	756,442,279	1,189,866,865
(k) Pages printed on 8.5x11 paper	=(i) + (j)	974,425,778	1,700,634,620	2,675,060,398
(l) 8.5x11 paper - Price per piece	USPS T-2A page 28	\$ 0.0049	\$ 0.0050	\$ 0.0099
(m) 8.5x11 paper - Total cost	=(k) * (l)	\$ 4,762,993	\$ 8,578,708	\$ 13,341,702
(n) 8.5x14 B&W pages	USPS T-2A page 9 line 49	60,416,029	105,442,192	165,858,221
(o) 8.5x14 Spot Color pages	USPS T-2A page 10 line 75	48,402,467	84,475,301	132,877,768
(p) Pages printed on 8.5x14 paper	=(n) + (o)	108,818,496	189,917,493	298,735,989
(q) 8.5x14 paper - Price per piece	USPS T-2A page 28	\$ 0.0053	\$ 0.0055	\$ 0.0108
(r) 8.5x14 paper - Total cost	=(p) * (q)	\$ 580,568	\$ 1,045,672	\$ 1,626,240
(s) 11x17 B&W pages	USPS T-2A page 9 line 53	84,417,856	147,331,826	231,749,682
(t) 11x17 Spot Color pages	USPS T-2A page 10 line 79	67,631,597	118,035,295	185,666,892
(u) Pages printed on 11x17 paper	=(s) + (t)	152,049,453	265,367,121	417,416,574
(v) 11x17 paper - Price per piece	USPS T-2A page 28	\$ 0.0102	\$ 0.0105	\$ 0.0208
(w) 11x17 paper - Total cost	=(u) * (v)	\$ 1,552,851	\$ 2,796,866	\$ 4,349,717
(x) Total Pages	=(k) + (p) + (u)	1,235,293,727	2,155,919,234	3,391,212,961
(y) <b>Total Paper Cost</b>	=(m) + (r) + (w)	\$ 6,896,412	\$ 12,421,246	\$ 19,317,658
<b>Envelope Costs</b>				
(z) First-Class Letters	USPS T-2A page 6 line 92	77,672,143	135,558,745	213,230,888
(aa) Standard Mail (A) Letters	USPS T-2A page 6 line 94	172,640,919	301,304,758	473,945,677
(bb) Total letter size pieces	=(z) + (aa)	250,313,062	436,863,503	687,176,565
(cc) # 10 Envelope no window and logo - Price per piece	USPS T-2A page 28	\$ 0.0272	\$ 0.0281	\$ 0.0554
(dd) Envelope Costs - letter size pieces	=(bb) * (cc)	\$ 6,820,530	\$ 12,284,574	\$ 19,105,104
(ee) First-Class flats	USPS T-2A page 6 line 93	14,072,713	24,560,663	38,633,376
(ff) Standard Mail (A) flats	USPS T-2A page 6 line 95	31,279,247	54,590,685	85,869,932
(gg) Total flat size pieces	=(ee) + (ff)	45,351,960	79,151,348	124,503,308
(hh) Flat sized envelope no window and no logo - Price per piece	USPS T-2A page 28	\$ 0.0468	\$ 0.0483	\$ 0.0951
(ii) Envelope Costs - flat size pieces	=(gg) * (hh)	\$ 2,122,000	\$ 3,821,971	\$ 5,943,971
(jj) Total Envelopes	=(bb) + (gg)	295,665,022	516,014,851	811,679,873
(kk) <b>Total Envelope Cost</b>	=(dd) + (ii)	\$ 8,942,530	\$ 16,106,544	\$ 25,049,075
<b>Transportation Costs</b>				
(ll) First-Class Letters	USPS T-2A page 6 line 92	77,672,143	135,558,745	213,230,888
(mm) First-Class Letters - Transportation cost per piece	USPS T-2A page 7 line 140	\$ 0.00055	\$ 0.00054	\$ 0.00109
(nn) Total First-Class letter transportation costs	=(ll) * (mm)	\$ 42,594	\$ 73,423	\$ 116,017
(oo) First-Class flats	USPS T-2A page 6 line 93	14,072,713	24,560,663	38,633,376
(pp) First-Class flats - Transportation cost per piece	USPS T-2A page 7 line 141	\$ 0.00083	\$ 0.00082	\$ 0.00165
(qq) Total First-Class flats letter transportation costs	=(oo) * (pp)	\$ 11,717	\$ 20,198	\$ 31,915
(rr) Standard Mail (A) Letters	USPS T-2A page 6 line 94	172,640,919	301,304,758	473,945,677
(ss) Standard Mail (A) Letters - Transportation cost per piece	USPS T-2A page 7 line 142	\$ 0.00120	\$ 0.00119	\$ 0.00239
(tt) Total Standard Mail (A) letter transportation costs	=(rr) * (ss)	\$ 207,925	\$ 358,421	\$ 566,347
(uu) Standard Mail (A) flats	USPS T-2A page 6 line 95	31,279,247	54,590,685	85,869,932
(vv) Standard Mail (A) flats - Transportation cost per piece	USPS T-2A page 7 line 143	\$ 0.01586	\$ 0.01567	\$ 0.03153
(ww) Total Standard Mail (A) flat transportation costs	=(uu) * (vv)	\$ 496,104	\$ 855,185	\$ 1,351,289
(xx) <b>Total Transportation Costs</b>	=(nn) + (qq) + (tt) + (ww)	\$ 758,340	\$ 1,307,227	\$ 2,065,567
(yy) <b>Inserter Costs</b>	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 3	\$ 8,593,250	\$ 14,882,676	\$ 23,475,926
(zz) <b>Total Printing, Transportation, and Inserter Costs</b>	=(h) + (y) + (kk) + (yy)	\$ 66,610,452	\$ 116,646,425	\$ 183,256,877
(aaa) 25% Markup on printing and transportation costs	=(zz) * 25%	\$ 16,652,613	\$ 29,161,606	\$ 45,814,219
(bbb) <b>Total Revenue Including Markup</b>	=(zz) + (aaa)	\$ 83,263,065	\$ 145,808,031	\$ 229,071,097
(ccc) <b>Net Contribution</b>	=(bbb)-(zz)	\$ 16,652,613	\$ 29,161,606	\$ 45,814,219

Revised February 4, 1999

Page 1

Revenues Including Variable Information Systems Costs

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<b>Impression Costs</b>				
Total Impression Costs	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 25	\$ 50,000,000	\$ 15,000,000	\$ 65,000,000
Fixed Info Systems Costs (BW, 8.5x11 & 8.5x14)	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 7	\$ 1,845,942	\$ 3,221,664	\$ 5,067,605
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Fixed Info Systems Costs (Spot Color, 8.5x11 & 8.5x14)	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 1 line 23	\$ 1,686,464	\$ 2,943,333	\$ 4,629,797
<b>Total Impression Costs excl. fixed info systems costs</b>	= (a) - (b) - (c) - (d)	\$ 46,847,513	\$ 77,937,379	\$ 124,784,893
<b>Paper Costs</b>				
8.5x11 B&W pages	USPS T-2A page 9 line 45	541,001,192	944,192,341	1,485,193,533
8.5x11 Spot Color pages	USPS T-2A page 10 line 71	433,424,586	756,442,279	1,189,866,865
Pages printed on 8.5x11 paper	= (f) + (g)	974,425,778	1,700,634,620	2,675,060,398
8.5x11 paper - Price per piece	USPS T-2A page 28	\$ 0.0049	\$ 0.0050	
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Standard Mail (A) flats	USPS T-2A page 6 line 95	31,279,247	54,590,685	85,869,932
Total flat size pieces	= (bb) + (cc)	45,351,960	79,151,348	124,503,308
Flat sized envelope no window and no logo - Price per piece	USPS T-2A page 28	\$ 0.0468	\$ 0.0483	
Envelope Costs - flat size pieces	= (dd) * (ee)	\$ 2,122,000	\$ 3,821,971	\$ 5,943,971
Total Envelopes	= (y) + (dd)	295,665,022	516,014,851	811,679,873
Total Envelope Cost	= (aa) + (ff)	\$ 8,942,530	\$ 16,106,544	\$ 25,049,075
<b>Transportation Costs</b>				
First-Class Letters	USPS T-2A page 6 line 92	77,672,143	135,558,745	213,230,888
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Standard Mail (A) flats - Transportation cost per piece	USPS T-2A page 7 line 143	\$ 0.01586	\$ 0.01567	
Total Standard Mail (A) flat transportation costs	= (rr) * (ss)	\$ 496,104	\$ 855,185	\$ 1,351,289
Total Transportation Costs	= (kk) + (nn) + (qq) + (tt)	\$ 758,340	\$ 1,307,227	\$ 2,065,567
<b>Insertor Costs</b>				
Total Printing, Transportation, and Insertor Costs	Attachment to witness Seckar's updated response to hearing question Tr. 7/1733-34, Worksheet 3	\$ 8,593,250	\$ 14,882,676	\$ 23,475,926
25% Markup on printing and transportation costs	= (ww) * 25%	\$ 18,009,512	\$ 30,663,768	\$ 48,673,280
Total Revenue Including Markup	= (ww) + (xx)	\$ 90,047,558	\$ 153,318,841	\$ 243,366,399
Net Contribution	= (yy) - (ww)	\$ 18,009,512	\$ 30,663,768	\$ 48,673,280

## 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.



David H. Rubin  
David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2986; Fax -5402  
February 4, 1999