

ORIGINAL

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS PATELUNAS TO INTERROGATORIES OF
THE AMERICAN POSTAL WORKERS UNION, AFL-CIO
(APWU/USPS-T5-1-2)

The United States Postal Service hereby provides responses of witness Patelunas to the following interrogatories of the American Postal Workers Union, AFL-CIO: APWU/USPS-T5-1-2, filed on August 13, 1996.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Chief Counsel, Ratemaking


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August 26, 1996

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Answer of Richard Patelunas to the Interrogatories of
American Postal Workers Union
to United States Postal Service

APWU/USPS-T5-1 On page 10 and 11 of your testimony you indicate that

The final set of changes involves Special Delivery in Segment 9, Remote Barcode Center Sorting (RBCS) mail processing costs in Segment 3, and the factors used to develop space-related costs. The assignment of costs to Special Delivery Messengers was modified in the Fiscal Year 1995 CRA such that clerks and carriers working in MODS operations 614 and 744 were assigned to Segment 9 from Segments 3, 6, and 7. Also, tallies for Special Delivery Messengers in MODS offices not working in those operations were assigned to Segments 6 and 7. . .

a. Please explain your rationale for the assignment of costs of clerks and carriers working in MODS operations 614 and 744 from segments 3, 6, and 7 to segment 9.

b. Please explain your rationale for the assignment of costs of Special Delivery Messengers working in offices not working MODS operations 614 and 744 to Segments 6 and 7.

c. Please explain what impact these two changes each had on attributable cost.

d. When would a clerk or carrier be placed in MODS 614 or 744?

APWU/USPS-T5-1 Response:

a. See my errata to line 21 on page 10. Tallies associated with clerks and carriers working in MODS operations 614 and 744 were assigned to Segment 9 from Segments 3, 6, and 7 because these MODS operations are dedicated to Special Delivery operations. As such, tallies in these

Answer of Richard Patelunas to the Interrogatories of
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APWU/USPS-T5-1 Response continued:

operations were used in the key for the Segment 9 distribution of costs. No costs were reassigned between segments.

b. As in the situation described in part a to this response, no costs were reassigned between segments, rather, tallies were reassigned. Special Delivery Messengers not working in the MODS Special Delivery operations are understood to be working in city carrier related activities. As such, it is proper to treat these tallies as part of the distribution key to distribute city carrier costs.

c. Attachment 1 to this interrogatory shows the direct tally adjustments that were made for the situations described in parts a and b of this interrogatory.

d. A clerk or carrier would be placed in MODS 614 or 744 if they were engaged in specific Special Delivery operations.

FISCAL YEAR 1995 - UNWEIGHTED TALLIES

TABLE OF FROMSEG BY TOSEG

FROMSEG	TOSEG			Total
Frequency	C/S 06	C/S 07	C/S 09	
C/S 03	0	0	80	80
C/S 06	0	0	199	199
C/S 07	0	0	316	316
C/S 09	61	148	0	209
Total	61	148	595	804

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APWU/USPS-T5-2 In your exhibit 5A in Cost Segment 13, you indicate that miscellaneous operating costs include Segment 13.2, Carfare and Driveout in connection with Express Mail. How are these costs incurred and how are they attributed to Express Mail?

APWU/USPS-T5-2 Response

Carfare (account 52451) is used to record the cost of carrier drive out agreements involving carrier-owned vehicles. Driveout (account 52453) is used to record carfare for vehicles other than carrier-owned. The account includes the cost of local transportation of city delivery carriers and other post office employees, including bus fare, streetcar fare, and other local transportation by employees who are not in authorized travel status away from their permanent duty station.

The attribution of these costs can be understood by following through my workpapers as described on the following page:

Answer of Richard Patelunas to the Interrogatories of
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APWU/USPS-T5-2 Response continued:

Account: 52451

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WP B-13 W/S 13.2.3

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WP B-13 W/S 13.2.2

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WP B-13 W/S 13.2.1 C6L7-11

WP B-13 W/S 13.2.1 C5L3

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WP A-1 page 58 col 1-5

WP A-1 page 60 col 1-2

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V

WP A-2 pages 91-92 col 3

WP A-2 pages 79-80 col 4

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V

Exhibit USPS-5A page 39

52453

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WP B-13 W/S 13.2.3

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WP B-13 W/S 13.2.2

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WP B-13 W/S 13.2.1 C6L1-5

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WP A-1 page 62 col 1-7

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WP A-2 pages 93-94 col 6

WP A-2 pages 79-80 col 5

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Exhibit USPS-5A page 39

DECLARATION

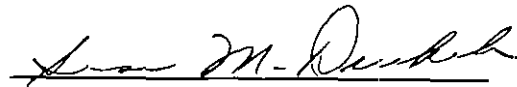
I, Richard Patelunas, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.



Dated: 8-26-96

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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