

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

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
ALEXANDROVICH TO INTERROGATORY OF THE OFFICE OF THE CONSUMER
ADVOCATE
(OCA/USPS-T5-1)

The United States Postal Service hereby provides the response of witness Alexandrovich to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T5-1, filed on July 28, 1997.

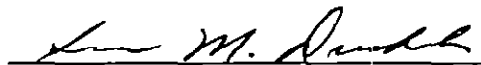
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


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August 11, 1997

Answer of Joe Alexandrovich to the Interrogatories of
Office of the Consumer Advocate
to United States Postal Service

OCA/USPS-T5-1. The following interrogatory refers to Postal Service library reference H-7, data file FY96mods.dat, USPS-T-5 workpapers A and B and USPS library reference H-9. In each of the following instances, the data file appears to disagree with the workpapers and the library reference cited in USPS-T-5 workpaper B. Please indicate which information is correct and provide corrected library references, workpapers, and a data file as appropriate. (Trailing zero's have been omitted from the data.)

- a. The Postal Service's library reference H-7, data file FY96mods.dat, indicates that the segment 3, cost component 228, "Time and Attendance" total "other" is "203,904." Both workpaper A at 20 and workpaper B at W/S 3.04 indicate that cost component 228 is "207,830." Please indicate what the correct amount is.
- b. The Postal Service's library reference H-7, data file FY96mods.dat, indicates that the segment 18, cost component 204, "Worker Comp Cur Liability" total "other" 617,556." Both workpaper A at 82 and Postal Service library reference H-9 at 159 indicate that cost component 204 is "629,166". Please indicate what the correct amount is.
- c. The Postal Service's library reference H-7 data file FY96mods.dat, indicates that the segment 18, cost component 241, "Unemployment Compensation" total "other " is 36,624." Both workpaper A at 84 and Postal Service library reference H-9 at 157 indicate that cost component 241 is "83,333." Please indicate what the correct amount is.
- d. The Postal Service's library reference H-7 data file FY96mods.dat, indicates that the segment 18, cost component 199, "Repriced Annual Leave" total "other" is "46,427." Both workpaper A at 80 and Postal Service library reference H-9 at 159 indicate that cost component 199 is "47,300." Please indicate what the correct amount is.
- e. The Postal Service's library reference H-7 data file Fy96mods.dat, indicates that the segment 18, cost component 200, "Holiday Leave Variance" total "other" is "2,650." Both workpaper A at 80 and Postal Service library reference H-9 at 157 indicate that cost component 200 is "2,700." Please indicate what the correct amount is.
- f. The Postal Service's library reference H-7 data file FY96mods.dat, indicates that the segment 18, cost component 201, "CS Ret Fund Deficit Current "other" is "223,898." Both workpaper A at 80 and Postal Service library reference H-9 at 159 indicate that cost component 201 is "228,108." Please indicate what the correct amount is.
- g. The Postal Service's library reference H-7 data file FY96mods.dat, indicates that the segment 18, cost component 202, "CS Ret Fund Deficit Pri" total "other" is

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"408,080." Both workpaper A at 80 and Postal Service library reference H-9 at 159 indicate that cost component 202 is "928,521." Please indicate what the correct amount is.

OCA/USPS-T5-1 a-g. Response:

It appears that the questions are referring to "total" costs rather than "other" costs for these components. Assuming that this is the correct interpretation, the "total" costs for these components will be discussed.

The components listed in the question are a subset of the following group of components:

Component 0029	E & LR Supervision
Component 0009	Time & Attendance Supervision
Component 0029	Time & Attendance Clerks
Component 0201	CSRS Retirement Current
Component 0202	CSRS Retirement Prior
Component 0064	FERS Retirement Current
Component 0065	FERS Retirement Prior
Component 0204	Workers' Comp Current
Component 0200	Holiday Leave Variance
Component 0199	Repriced Annual Leave
Component 0241	Unemployment Compensation

As described in USPS Library Reference H-4, Base Year / Roll Forward Input Data Files, pages 59-72, file member B, these components have a portion of their "other" costs distributed to classes of mail and the result is seen in the "B" Report, Workpaper WP A-4 associated with my testimony. These calculations are also described in the footnotes provided with Workpaper WP A-4. As a result of these

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OCA/USPS-T5-1 a-g. Response continued:

calculations, the total amounts for these components are not equal when comparing the "I" Report and the "D" Report. In your questions, you refer to Workpaper A and Library Reference H-9 and both are associated with the "I" and "A" Reports in the base year model. The matrix shown in Library Reference H-7 though, is associated with the "D" Report that includes all of the calculations performed in the base year model.

There is a direct comparison among these reports if the explanation in the LR-H-4 is followed. The comparison between the "I" Report and the "D" Report can be made using the following component numbering:

"I" or "A" Report	"D" Report
0029	0528
0009	0483
0228	0477
0201	0529
0202	0530
0064	0037
0065	0023
0204	0531
0199	0292
0241	0453

Thus, if the total amounts in the "I" or "A" file for the components listed in the left column are compared to the total amounts in the "D" file for the components listed in the right column, it will be shown that they are equal.

DECLARATION

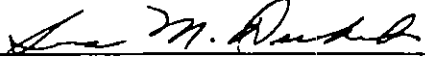
I, Joe Alexandrovich, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Joe Alexandrovich", is written over a horizontal line.

Dated: 8/11/97

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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