

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

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OFFICE OF THE SECRETARY

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POSTAL RATE AND FEE CHANGES, 1997

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Docket No. R97-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS O'HARA  
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE AND  
MOTION FOR LATE ACCEPTANCE  
(OCA/USPS-T30-1 - 4)**

The United States Postal Service hereby files the responses of witness O'Hara to the following interrogatories of the Office of the Consumer Advocate, dated July 30, 1997: OCA/USPS-T30-1 through T30-4.

The interrogatories are stated verbatim and are followed by the responses.

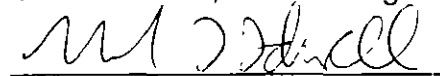
The responses were due to have been filed on August 13, 1997. It was not possible to file them on that date because they depend on reference to exhibits and workpapers that have been in the process of being revised. The revised exhibits and workpapers has been finalized and are being filed today, making responses to OCA/USPS-T30-1 through T30-4 possible. The Postal Service regrets this unavoidable delay and moves for late acceptance of this response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



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August 22, 1997

**RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO THE  
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

**OCA/USPS-T30-1.** The following interrogatory refers to USPS-T-30, W/P III, Revised 7-23-97. In each of the following instances, the data appears to disagree with the source cited. Please indicate which information is correct and provide corrected workpapers and sources as appropriate.

- a. USPS-T-30, W/P III, Revised 7-23-97, indicates the following cost adjustments to Priority Mail: Delivery Confirmation - 78,949, Package Services - 1,776, and Standard A Single Piece - 24,174. (Trailing zeros have been omitted.) USPS-T-33, Table 6 at 23 indicates the following cost adjustments to Priority Mail: Delivery Confirmation - 69,755,871, Package Services - 1,793,669, and "Third Class Single Piece 12 to 16 ounce Conversion" - 24,416,810. Please indicate what the correct amount is. If the numbers in W/P III, Revised 7-23-97, are calculated, please show the derivation of each, cite all sources and provide copies of source documents not previously submitted.
- b. USPS-T-30, W/P III, Revised 7-23-97, indicates the following cost adjustments to Express Mail: Delivery Confirmation - (5,029) and Package Services - 532. (Trailing zeros are omitted.) USPS-T-33 at 13 indicates the following cost adjustments to Express Mail: Delivery Confirmation - (5,079,750) and Packaging Services - 537,184. Please indicate what the correct amount is. If the numbers in W/P III, Revised 7-23-97, are calculated, please show the derivation of each, cite all sources and provide copies of source documents not previously submitted.
- c. USPS-T-30, W/P III, Revised 7-23-97, cites "USPS-T-38, WP BPM 1" as the source of the 13,443, however, "USPS-T-38 WP BPM 1" does not indicate a 13,443 cost adjustment for Standard (B) Bound Printed Matter. Please show the derivation of the 13,443, cite all sources and provide copies of source documents not previously submitted.
- d. USPS-T-30, W/P III, Revised 7-23-97, indicates that the data reflected in the exhibit is "(\$000's, before contingency)." A review of each cite in USPS-T-38 includes the contingency. Please explain the apparent inconsistency between the "before contingency" notation on USPS-T-30, W/P III, Revised 7-23-97, and what is stated on USPS-T-38, WP-BPM1, WP-SR1 and WP-Lib1.
- e. USPS-T-30, W/P III, Revised 7-23-97, cites "USPS-T-38, WP SR 1" as the source of the (698), however, "WP SR 1" does not appear to indicate a (698) cost adjustment for Standard (B) Special. Please show the derivation of the (698), cite all sources referenced and provide copies of all source documents not previously submitted.

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**OCA/USPS-T30-1 (continued):**

- f. USPS-T-30, W/P III, Revised 7-23-97, cites "USPS-T-38, Lib 1" as the source of the Library: Delivery Confirmation - 31, "Parcel/Spec. Serv. Reform" - (21), and the Total - 10, however, "USPS-T-38 WP Lib 1" does not appear to provide the breakdown of the Standard (B) Library rate. Please show the derivation of the 31 and the (21), cite all sources referenced and provide copies of all source documents not previously submitted.
- g. USPS-T-30, W/P III, Revised 7-23-97, cites "USPS-T-15" as the source of the "Single Cards Parcel/Spec. Serv. Reform" amount of (4,540). Please provide the specific cite within USPS-T-15. If the (4,540) is the result of a calculation, please show its derivation, cite all sources referenced and provide copies of all source documents not previously submitted.

**RESPONSES:**

- (a)-(f) The data in my WP III are correct, and are correctly headed "before contingency." The data in the sources cited in the question include the 1% contingency (as noted in part (d) of the question for USPS-T-38). The data in my WP III are derived from the source data by dividing by 1.01. Additional detail on individual parts of the question follows:
- (b) Note that the Delivery Confirmation adjustment for Priority Mail is the sum of line 26 and line 27 on p. 23 of USPS-T-33, not line 26 alone.
- (c) USPS-T-38 WP-BPM1 shows "Cost including contingency" for "Final TYAR [3]" and "Forecast TYAR [2]," the difference between which is \$13,576,992. When the contingency is removed by dividing by 1.01, the result is the \$13,443(000) figure appearing in my WP III.
- (e) Please refer to USPS-T-38, WP-SR1. This shows "Cost including contingency" for "Final TYAR [3]" and "Forecast TYAR [2]," the difference between which is

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\$705,102. When the contingency is removed by dividing by 1.01, the result is the \$698(000) figure appearing in my WP III.

- (f) Please refer to USPS-T-38, WP-Lib8, page 2 on which the adjusted cost with contingency for unbarcoded volume is shown as \$47,766,949, and the TYAR forecast cost with contingency for unbarcoded volume is shown as \$48,682,806, the difference between which is -\$915,857. The cost with contingency shown for the "Additional Volume Barcoded from Market Research" is shown as \$894,227. The difference between the cost decrease in unbarcoded volume (-\$915,857) and the cost for the newly barcoded volume (\$894,227) is -\$21,630. The cost with contingency from "New Volume from Delivery Confirmation" is shown as \$31,753. When the contingency is removed from the \$31,753 and the -\$21,630 figures, the results are the \$31(000) and -\$21(000) figures appearing in my WP III.
- (g) Please refer to Exhibit USPS-15H, p. 49. Note, however, this is not a "final adjustment" in the conventional use of that term, but simply a shift of CRA stamped card manufacturing costs from the single-piece card line to the "Stamped Card" special service line. Therefore, in my revised Exhibits and Workpapers (filed August 22, 1997), this has been moved from WP III to Exhibit USPS-30F.

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**OCA/USPS-T30-2.** Please cite the source documents used to support the (222,080) shown on USPS-T-30, W/P III, Revised 7-23-97, for Standard Mail A Single Piece. If the number is a result of a calculation, please show the derivation, cite all sources referenced and provide copies of all documents not previously submitted.

**RESPONSE:**

*This row simply subtracts out the costs of single-piece Standard (A), the elimination of which is proposed. These costs are distributed to First-Class Mail (192,549), Priority Mail (24,174), and BPRS (5,357, which is corrected in my 8-22-97 revised WP III from the 4,783 originally shown). See USPS-T-32, WP I, p.3.*

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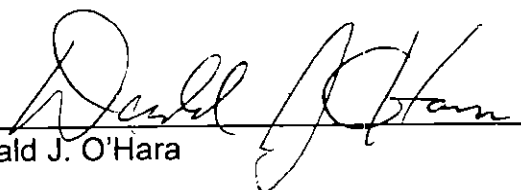
**OCA/USPS-T30-4.** USPS-T-30, W/P III cites USPS-T-40, WP 13 as the source of the Insurance adjustment of 6,585 for "Parcel/Spec.Serv. Reform." A review of USPS-T-40, WP-13 indicates a total cost of 48,288,139 for insurance. Please show the derivation of the 6,585, cite all sources referenced and provide copies of all documents not previously submitted.

**RESPONSE:**

The correct adjustment is 6,303, which is developed in USPS-T-40, WP 15, filed August 18, 1997; this is incorporated in my revised WP III filed August 22, 1997.

**DECLARATION**

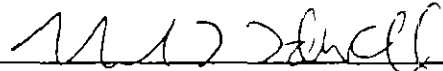
I, Donald J. O'Hara, hereby declare, under penalty of perjury, that the foregoing Docket No. R97-1 interrogatory responses are true to the best of my knowledge, information, and belief.

  
Donald J. O'Hara

8-22-97  
Date

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

  
Michael T. Tidwell

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
August 22, 1997