

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

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

POSTAL RATE AND FEE CHANGES, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
ALEXANDROVICH TO INTERROGATORIES OF THE OFFICE OF THE
CONSUMER ADVOCATE
(OCA/USPS-T5-7 AND 8)

The United States Postal Service hereby provides responses of witness Alexandrovich to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T5-7 and 8, filed on August 13, 1997. Interrogatories OCA/USPS-T5-5 and 6 were redirected to witness Patelunas.

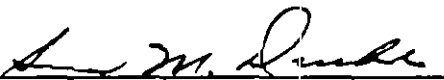
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990; Fax -5402
August 27, 1997

Response of United States Postal Service Witness Alexandrovich
to
Interrogatories of OCA

OCA/USPS-T5-7. Workpaper A-3, pages 4 through 14.1 indicates that many of the space and rental distribution key variabilities are either 70 or 80 percent. Please provide the derivation of each of the 70 and 80 variability percentages shown on those pages. Include in each derivation cites to all source documents and the rationale for using each variability.

Response to OCA/USPS-T5-7

These variabilities stem from the work of witness Sarikas, USPS-T-9, in Docket No. R76-1. As discussed in USPS LR-G-1 of Docket No. R94-1, pages 15-2 to 15-4, the work of witness Sarikas was adapted for the FY 1992 facility space survey categories. The variability for each new category was the same as the variability for the most similar former category. Prior to R94-1 facility space for parcel sorting and related activities was essentially 70 percent variable and facility space for non-parcel sorting was 80 percent variable (see USPS LR-E-1 of Docket No. R87-1, page 15-3).

Response of United States Postal Service Witness Alexandrovich
to
Interrogatories of OCA

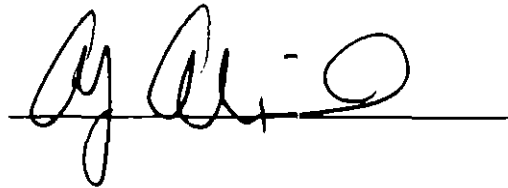
OCA/USPS-T5-8. Please refer to your workpaper A-3, Base Year 1996 Factor Report. **State whether the capital amounts for equipment in column 1 on page 0.3 (used to calculate the capital factors) are the original equipment cost or the cost less depreciation.**

Response to OCA/USPS-T5-8

The capital factors are based on FY1996 depreciation as shown at USPS LR-H-127, page IV-4.

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 cursive script, appearing to read "Joe Alexandrovich", is written over a horizontal line.

Dated: 8/27/97

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.



Susan M. Duchek

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