

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  
TO INTERROGATORY OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-11)

The United States Postal Service hereby provides the response to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-11, filed on August 14, 1997.

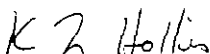
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
\_\_\_\_\_  
Kenneth N. Hollies

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(202) 268-3083; Fax -5402  
August 28, 1997

**OCA/USPS-11.** Please refer to the AMMA Bulletin (50-96), dated October 25, 1996, and the article, "Merit-Based Pay Instituted For Postmasters."

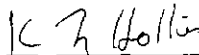
- a. Please confirm that the agreement described in the article was implemented by the Postal Service, and give its effective date. If you do not confirm, please explain.
- b. Please confirm that the agreement will "acknowledge differences in postmasters who oversee large and small post offices . . . ." If you do not confirm, please explain.
- c. Please identify and describe "large and small post offices."
- d. Please provide, and file as a library reference, a copy of the agreement described in the article.
- e. Please provide, and file as a library reference, a copy of any other documents concerning the determination of "large and small post offices."

**Response:**

- a. On February 3, 1996, a new compensation package was made effective that provides the framework for a performance-based pay system and eliminates pay practices of the past which entitled postmasters to general increases and COLA. The article in the AMMA Bulletin (50-96) discusses both the EAS Merit Pay Program for all postmasters and the Economic Value Added (EVA) variable pay program covering FLSA exempt employees.
- b. The EAS Merit Pay Program does not differ for any level postmaster, but the variable pay program is only available to FLSA exempt postmasters.
- c. In the context of the article in the AMMA, it would appear that the difference between large and small post offices is the FLSA status of the postmaster. A FLSA non-exempt postmaster supervises less than two full time employees.
- d. The pay package dated October 9, 1996, has been incorporated as Library Reference H-238, *Postmaster Compensation Package*.
- e. The USPS has no documents concerning the determination of "large and small post offices."

## 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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Kenneth N. Hollies

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