

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

RÉÇÉIVED

AUG 29 5 06 PM '97

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 INTERROGATORIES OF THE OFFICE OF THE
CONSUMER ADVOCATE REDIRECTED FROM WITNESS LION
(OCA/USPS-T24-53(c) AND 56(a)-(c))

The United States Postal Service hereby provides the responses of witness Alexandrovich to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T24-53(c) and 56(a)-(c), filed on August 15, 1997, and redirected from witness Lion.


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

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August 29, 1997

Response of United States Postal Service Witness Alexandrovich
to
Interrogatories of OCA
(Redirected from Witness Lion, USPS-T24)

OCA/USPS-T24-53. Please refer to your testimony at page 1, lines 17-22.

- c. Please confirm that the costs of highway contract delivery are contained in Cost Segment 10. If you do not confirm, please explain.

Response to OCA/USPS-T24-53c

Not confirmed. Highway contract delivery costs are contained in Cost Segment 14, Purchased Transportation.

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OCA/USPS-T24-56. Please refer to your testimony at page 1, lines 17-22, and the table below.

COST SEGMENT	1992	% Chg.	1993	% Chg.	1994	% Chg.	1995	% Chg.	1996
C/S 6&7	\$9,994,791	4.7%	\$10,460,864	5.6%	\$11,043,423	3.8%	\$11,462,483	0.0%	\$11,461,472
C/S 10	\$2,614,273	6.4%	\$2,780,993	9.4%	\$3,042,304	5.7%	\$3,216,823	5.0%	\$3,377,062

Source: CRA, FY 1992-96

- a. Please confirm that the figures for Cost Segment 6&7 and Cost Segment 10 are correct. If you do not confirm, please explain.
- b. Please confirm that rural carrier costs (C/S 10) are growing at a relatively faster rate than city carrier costs (C/S 6&7) during the fiscal years indicated. If you do not confirm, please explain.
- c. What explains the relatively faster growth of rural carrier costs than city carrier costs?

Response to OCA/USPS-T24-56

- a. Confirmed.
- b. Confirmed.
- c. It is my understanding that a number of factors account for the relatively higher growth rate in rural carrier costs over this time period. I am informed that these factors include:
 - i. faster growth in possible deliveries for rural routes relative to city routes;
 - ii. a greater proportion of delivery point sequenced mail on city routes, and;


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Response to OCA/USPS-T24-56 (cont.)

- iii. a larger rate of increase in the average hourly wage paid to rural carriers.

DECLARATION

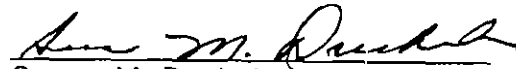
I, Joe Alexandrovich, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

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

Dated: 8/29/97

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

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