

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

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS JOE ALEXANDROVICH
(OCA/USPS-T5-17-29)
September 9, 1997

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories 1-7 to the United States Postal Service dated July 16, 1997, are hereby incorporated by reference.

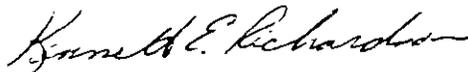
Respectfully submitted,



GAIL WILLETTE

Director

Office of the Consumer Advocate



KENNETH E. RICHARDSON

Attorney

OCA/USPS-T5-17. Please provide the cost components of segment 3 of the FY 1996 CRA and the BY 1996 segments and components reports separately for MODS offices, non-MODS offices, and BMCs.

OCA/USPS-T5-18. Please refer to the description of accrued mail processing costs (section 3.1.2) on page 3-6 of library reference H-1. This section describes the roster designation codes, uniform operation codes, and activity codes used to define accrued mail processing costs.

- a. Please identify the library reference, program name, and line numbers of the *program that calculates the accrued mail processing cost for clerks and mailhandlers* for (1) the FY 1996 CRA costing methodology and (2) the BY 1996 costing methodology.
- b. Please provide a citation to the portion of the library reference which documents the program that calculates the accrued mail processing cost for clerks and mailhandlers for (1) the FY 1996 CRA methodology and (2) the BY 1996 costing methodology.
- c. Please refer to witness Degen's costing methodology for non-MODS offices. Please list all differences between the FY 1996 CRA calculation of accrued costs for cost component 3.1 and witness Degen's methodology for developing non-MODS accrued costs.
- d. Please refer to witness Degen's costing methodology for non-MODS offices. Please list all similarities between the FY 1996 CRA calculation of accrued costs

for cost component 3.1 and witness Degen's methodology for developing non-MODS accrued costs.

- e. If documentation or programs have not been provided as library references in this docket, but were provided in whole or in part in a previous docket, please provide the citations requested in parts a and b of this interrogatory to such previous dockets.
- f. In addition to any citations to library references or other documents provided in parts a, b, and e of this interrogatory, please provide citations to relevant portions of library references H-196 and H-215.

OCA/USPS-T5-19. Please refer to the description of accrued window service costs (section 3.2.2) on pages 3-9 and 3-10 of library reference H-1. This section describes the roster designation codes, uniform operation codes, and activity codes used to define accrued window service costs.

- a. Please identify the library reference, program name, and line numbers of the program that calculates the accrued window service cost for (1) the FY 1996 CRA costing methodology and (2) the BY 1996 costing methodology.
- b. Please provide a citation to the portion of the library reference which documents the program that calculates the accrued window service cost for (1) the FY 1996 CRA methodology and (2) the BY 1996 costing methodology.
- c. Please refer to witness Degen's costing methodology for non-MODS offices. Please list all differences between the FY 1996 CRA calculation of accrued costs

for cost component 3.2 and witness Degen's methodology for developing non-MODS accrued costs for window service.

- d. Please refer to witness Degen's costing methodology for non-MODS offices. Please list all similarities between the FY 1996 CRA calculation of accrued costs for cost component 3.2 and witness Degen's methodology for developing non-MODS accrued costs for window service.
- e. If documentation or programs have not been provided as library references in this docket, but were provided in whole or in part in a previous docket, please provide the citations requested in parts a and b of this interrogatory to such previous dockets.
- f. In addition to any citations to library references or other documents provided in parts a, b, and e of this interrogatory, please provide citations to relevant portions of library references H-196 and H-215.

OCA/USPS-T5-20. Please refer to the description of accrued administrative and support activities costs (section 3.3.2) on pages 3-14 and 3-15 of library reference H-1. This section describes the roster designation codes, uniform operation codes, and activity codes used to define accrued administrative and support activities costs.

- a. Please identify the library reference, program name, and line numbers of the program that calculates the accrued administrative and support activities cost for (1) the FY 1996 CRA costing methodology and (2) the BY 1996 costing methodology.

- b. Please provide a citation to the portion of the library reference which documents the program that calculates the accrued administrative and support activities cost for (1) the FY 1996 CRA methodology and (2) the BY 1996 costing methodology.
- c. Please refer to witness Degen's costing methodology for non-MODS offices. Please list all differences between the FY 1996 CRA calculation of accrued costs for cost component 3.3 and witness Degen's methodology for developing non-MODS accrued administrative and support activities costs.
- d. Please refer to witness Degen's costing methodology for non-MODS offices. Please list all similarities between the FY 1996 CRA calculation of accrued costs for cost component 3.3 and witness Degen's methodology for developing non-MODS accrued administrative and support activities costs.
- e. If documentation or programs have not been provided as library references in this docket, but were provided in whole or in part in a previous docket, please provide the citations requested in parts a and b of this interrogatory to such previous dockets.
- f. In addition to any citations to library references or other documents provided in parts a, b, and e of this interrogatory, please provide citations to relevant portions of library references H-196 and H-215.

OCA/USPS-T5-21. Please confirm that the total component 3.1 costs increase by \$791,019,000 under the base year costing methodology, as compared to the library reference H-1 methodology for FY 1996. If you do not confirm, please provide the

correct figure and its derivation. In any event, please provide a breakdown of the cost change by MODS, non-MODS, and BMCs.

OCA/USPS-T5-22. Please confirm that the total component 3.2 costs decrease by \$106,586,000 under the base year costing methodology, as compared to the library reference H-1 methodology for FY 1996. If you do not confirm, please provide the correct figure and its derivation. In any event, please provide a breakdown of the cost change by MODS, non-MODS, and BMCs.

OCA/USPS-T5-23. Please confirm that the total component 3.3 costs decrease by \$685,425,000 under the base year costing methodology, as compared to the library reference H-1 methodology for FY 1996. If you do not confirm, please provide the correct figure and its derivation. In any event, please provide a breakdown of the cost change by MODS, non-MODS, and BMCs.

OCA/USPS-T5-24. Please confirm that for each of the segment 2 components, there is no change in the determination of accrued costs between the base year and the FY 1996 CRA (library reference H-1) methodologies. If you do not confirm, please provide the difference for each component along with its derivation.

OCA/USPS-T5-25. There appears to be no change between the FY 1996 CRA and the base year accrued cost for supervision of mail processing (cost component 2.1), yet the

accrued cost increases significantly for clerk and mailhandler mail processing (cost component 3.1).

- a. Please explain why a change in clerk and mailhandler mail processing accrued cost should not be accompanied by a corresponding change in accrued cost for their supervisors.
- b. Would you normally expect that the accrued cost of supervising an activity would hold constant if the accrued cost of that activity increased or decreased significantly. Please explain.
- c. Do the supervisors now supervise more clerks and mailhandlers under the base year methodology? Please explain your response.

OCA/USPS-T5-26. Please refer to page 3-2 of library reference H-1. This states that segment 3 accrued costs are classified into mail processing, window service, and administrative and support activities. On page 7 of USPS-T-12, witness Degen states, "The compensation totals for the BMC and non-MODS groups are partitioned into the mail processing, administrative, and window service components using IOCS dollar totals for the collections of IOCS operation codes that defined the components in the old methodology."

- a. Please confirm that the definition of accrued costs of each of his partitions for non-MODS offices is the same as the segment 3 components described in library reference H-1, page 3-2. If you do not confirm, please explain any differences. Provide citations to the lines of computer code that implement any changes between the two methodologies.

- b. Please confirm that for non-MODS offices, witness Degen's administrative partition is equivalent to component 3.3, administrative and support activities, as described in H-1. If you do not confirm, please explain and list all differences between the two.

OCA/USPS-T5-27. Please list all BY 1996 cost segments and components (other than segment 3) for which the level of attribution is determined in whole or in part by the total segment 3 attribution level, or by the attribution level of a segment 3 component. In each case, indicate which component is used or whether the segment 3 total is used.

OCA/USPS-T5-28. Please list all BY 1996 cost segments and components (other than segment 3) for which the attributable costs are distributed (in whole or in part) to the classes and subclasses according to the distribution of costs for segment 3 totals.

OCA/USPS-T5-29. Please list all BY 1996 cost segments and components (other than segment 3) for which the attributable costs are distributed (in whole or in part) to the classes and subclasses according to the distribution of costs for one of the segment 3 components. In each case, indicate which component is used to distribute the attributable costs.

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.

A handwritten signature in cursive script, appearing to read "Kenneth E. Richardson".

KENNETH E. RICHARDSON
Attorney

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