

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 THE UNITED STATES POSTAL SERVICE
WITNESS CRUM TO INTERROGATORIES OF
UNITED PARCEL SERVICE
(UPS/USPS-T28-19-21)

The United States Postal Service hereby provides the response of witness Crum to the following interrogatories of United Parcel Service: UPS/USPS-T28-19-21, filed on August 27, 1997.

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



Scott L Reiter

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September 9, 1997

U.S. POSTAL SERVICE WITNESS CHARLES L. CRUM
RESPONSE TO INTERROGATORIES
OF UNITED PARCEL SERVICE

UPS/USPS-T28-19. Please refer to page 2 of your testimony in MC97-2, and page 3 of your testimony in R97-1. Confirm that total DBMC cost savings were 35.1 cents in MC97-2, and 46.9 cents in R97-1, and explain why this number has changed.

RESPONSE

Confirmed for DBMC non-transportation savings. The MC97-2 analysis was based on fiscal year 1995 data while the R97-1 analysis is based on fiscal year 1996 data. Also, as stated in my testimony on lines 11-12 of page 2, "The costs were calculated in a slightly different way because of the new volume variability/cost pool approach incorporated into the Base Year CRA".

U.S. POSTAL SERVICE WITNESS CHARLES L. CRUM
RESPONSE TO INTERROGATORIES
OF UNITED PARCEL SERVICE

UPS/USPS-T28-20. Please refer to page 4 of your testimony in MC97-2, and page 4 of your testimony in R97-1. Confirm that total OBMC savings were 49.8 cents in MC97-2, and 57.2 cents in R97-1, and explain why this number has changed.

RESPONSE

Confirmed. Since DBMC savings are one component of OBMC savings, please refer to my response to UPS/USPS-T28-19. Also, the BMC presort related savings component changed.

U.S. POSTAL SERVICE WITNESS CHARLES L. CRUM
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UPS/USPS-T28-21. Please confirm that the reference to LR-H-146 in part "D" (Test Year/Base Year Adjustment) of your Exhibit C is correct. If not confirmed, please provide the accurate reference.

RESPONSE

Confirmed. Please see page VIII-2.

DECLARATION

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

Charles L. Crum

Dated: 9 SEPTEMBER 1997

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.



Scott L Reiter

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