

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

RECEIVED  
SEP 11 4 59 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 HUME TO INTERROGATORY OF  
THE MAJOR MAILERS ASSOCIATION  
(MMA/USPS-T18-2)

The United States Postal Service hereby provides the response of witness Hume to the following interrogatory of the Major Mailers Association: MMA/USPS-T18-2, filed on August 28, 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

  
Richard T. Cooper

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2993; Fax -5402  
September 11, 1997

Response of United States Postal Service Witness Peter Hume  
to  
Interrogatories of MMA

MMA/USPS-T18-2 Please refer to USPS-29C, p. 1.

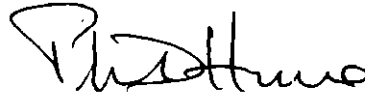
- (A) Please confirm that the unit delivery costs for all of the categories of First-Class letters shown there were derived under the USPS proposed cost methodology that assumes that labor costs are not 100% variable with volume. If you cannot confirm, please explain.
- (B) Please provide the unit delivery costs for all of the categories of First-Class letter shown there under the current accepted cost methodology whereby labor costs are assumed to be 100% variable with volume.

Response:

- (A) Not confirmed. See USPS-5 (witness Alexandrovich) at p5, lines 10-15. The "... USPS proposed cost methodology that assumes that labor costs are not 100% variable with volume..." does not apply to the city and rural delivery carrier costs covered by my testimony. In particular, city delivery carrier "office direct labor" costs are treated as 100% variable, the same treatment as in my previous testimonies in Docket Nos. MC95-1 and MC96-2.
- (B) Not applicable: see my response to (A).

DECLARATION

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

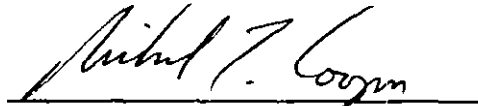


---

Dated: 9-11-97

**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.

A handwritten signature in cursive script, appearing to read "Richard T. Cooper", is written over a horizontal line.

Richard T. Cooper

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
September 11, 1997