

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 WITNESS  
ALEXANDROVICH TO INTERROGATORY OF THE OFFICE OF THE CONSUMER  
ADVOCATE REDIRECTED FROM WITNESS LION  
(OCA/USPS-T24-69(b)-(e))

The United States Postal Service hereby provides the response of witness Alexandrovich to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T24-69(b)-(e), filed on September 2, 1997 and redirected from witness Lion.

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

  
Susan M. Duchek

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(202) 268-2990; Fax -5402  
September 16, 1997

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

**OCA/USPS-T24-69.** Please refer to your testimony at page 20, line 7, "All Other" costs.

- a. For Cost Segments 6 & 7, city delivery carriers, please confirm that the figure, \$353,000, post office box attributable costs, is obtained by summing \$259,000 (Component 6.1, In-Office Direct Labor), \$49,000 (Component 6.2, In-Office Support), and \$45,000 (Component 7.5, Street Support). If you do not confirm, please explain and provide the correct figures.
- b. Please describe, for post office boxes, the tasks and activities performed under Components 6.1, 6.2 and 7.5.
- c. Please confirm that highway contract carriers engage in the same tasks and activities described in part b. above. If you do not confirm, please explain.
- d. Please confirm that the cost of highway contract carriers (Cost Segment 14) is not an attributable cost of post office boxes. If you do not confirm, please explain.
- e. Please explain why the tasks or activities giving rise to costs of highway contract carriers that are similar or identical to the costs of city delivery carriers are not included in post office box attributable costs.

**Response to OCA/USPS-T24-69**

- a. Answered by witness Lion.
- b. Costs associated with post office boxes for city carriers are captured in IOCS by activity codes 5020, 6020, and 6030. These codes represent window service and window-related activities associated with post office boxes and caller service. LIOCATT distributes these costs to component grouping 6.1 (In-Office Direct Labor). Component grouping 6.1 is used to distribute volume variable costs for component 6.2 (In-Office Support). See USPS Exhibit-5A, page 26.1. Component grouping 6.1 is also used

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**Response to OCA/USPS-T24-69 (cont.)**

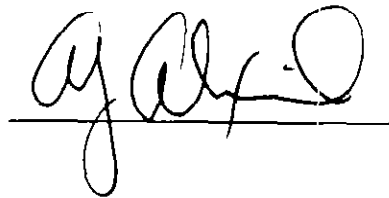
as part of the key to distribute volume variable costs for component grouping 7.5 (Street Support). See USPS Exhibit-5A, page 28.1.

The IOCS tallies for city carriers involved in activity codes 5020, 6020, and 6030 occur only for route type 99 (In-Office - Not Assigned to Route or Assisting Carriers).

- c. Not confirmed. Highway contract routes have no equivalent to city carrier route type 99.
- d. Confirmed.
- e. As explained in part (c) above, the tasks and activities performed by highway contract carriers are not similar or identical to those performed by city 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 cursive script, appearing to read "Joe Alexandrovich", is written over a horizontal line.

Dated: 9/16/97

**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.

  
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Susan M. Duchek

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