

DOCKET SECTION

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

RECEIVED

SEP 23 4 52 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 (OCA/USPS-T5-24 and 25)

The United States Postal Service hereby provides responses of witness Alexandrovich to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T5-24 and 25, filed on September 9, 1997. Interrogatories OCA/USPS-T5-17-23 and 26 were redirected to witness Degen and interrogatories OCA/USPS-T5-27-29 were redirected to witness Patelunas.

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

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990; Fax -5402
September 23, 1997

Response of United States Postal Service Witness Alexandrovich
to
Interrogatories of OCA

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.

Response to OCA/USPS-T5-24

Confirmed.

Response of United States Postal Service Witness Alexandrovich
to
Interrogatories of OCA

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.

Response to OCA/USPS-T5-25

a-b. As explained in the testimony of witness Degen, USPS-T12, the methodology for developing mail processing clerk and mailhandler costs was modified in the base year. The methodology for developing mail processing supervisor costs, on the other hand, was not changed. In the base year, segment 3 mail processing costs were developed using MODS data, while segment 2 mail processing supervisory costs continued to be IOCS-based.

Since the change in segment 3 mail processing costs was not based on any workload difference between the fiscal year and the base year, one would not necessarily expect the supervisor costs for mail processing to change.

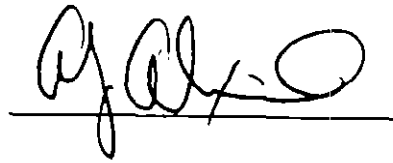
**Response of United States Postal Service Witness Alexandrovich
to
Interrogatories of OCA**

Response to OCA/USPS-T5-25 (cont.)

- c. **No.** As explained above, the change in segment 3 mail processing costs was not based on workload differences between the fiscal year and base year.

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: 9/23/97

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

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990; Fax -5402
September 23, 1997