

DOCKET SECTION

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 DEGEN TO INTERROGATORY OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T12-50a.i, b.i)

The United States Postal Service hereby provides the response of witness Degen to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T12-50a.i, b.i, filed on September 9, 1997. All other parts of the set of OCA interrogatories 43-55 to witness Degen have been redirected.

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



Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992; Fax -5402
September 23, 1997

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

OCA/USPS-T12-50. Please refer to your response (September 2, 1997) to POIR No. 2, question 1.

- a. Attachment 1 presents nominal Standard (B) Library rate (LR) unit costs. Show the derivation of the Segment 14 unit costs for each year, FY 1990 through FY 1996.
 - i. For each figure used in the derivation, provide a citation to source documents used and furnish copies of such documents if they are not already on file with the Commission.
 - ii. State which postal data systems generated the information used to derive the segment 14 unit costs.
- b. Present the same information requested in part a. (including subparts i. and ii.) of this interrogatory for each of the remaining cost segments in Attachment 1 (for LR mail).
- c. In the last paragraph of your response, you conclude that: "Library rate costs, like Classroom, suffer from some instability due to the small volume and the nature of the IOCS sampling procedure." Please address the same issues, i.e.,
 - i. "the small volume [of LR mail] and the nature of the...sampling procedure" with respect to the data systems noted in subpart a.ii. of the instant interrogatory (for segment 14);
 - ii. the number of tallies involved in generating segment 14 costs for LR mail;
 - iii. whether tallies "occurr[ed] in proportion to volume" in segment 14 data collection;
 - iv. provide "tallies per dollar of unit cost" for segment 14 costs.

Response to OCA/USPS-T12-50

- a.
 - i. The unit costs shown in Attachment 1 are obtained by dividing the Library rate and Special rate totals for each cost segment by the volumes for the respective class. The volumes are from the "Statistics By Class of Mail" section of the CRA and the costs are

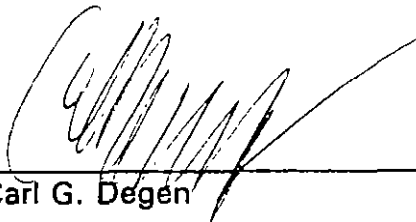
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from the "cost segment summary" where each cost segment appears as a column and Special and Library rate are subclasses appearing as rows under "Fourth-Class Mail." These reports have all been filed with the Commission by the Postal Service under the periodic reporting requirements. Note that a revised attachment 1 was filed on September 19, 1997.

- ii. Redirected.
- b.
- i. See my response to part a.i.
 - ii. Redirected
- c. Redirected.

DECLARATION

I, Carl G. Degen, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

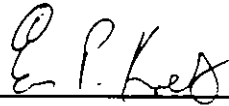


Carl G. Degen

Date: 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.



Eric P. Koetting

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