

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 ALEXANDROVICH
TO INTERROGATORIES OF UNITED PARCEL SERVICE
(UPS/USPS-T5-3, 4, 5 AND 11)

The United States Postal Service hereby provides responses of witness Alexandrovich to the following interrogatories of United Parcel Service: UPS/USPS-T5-3, 4, 5 and 11, filed on September 15, 1997. Interrogatories UPS/USPS-T5-6-10 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



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September 29, 1997

Answer of United States Postal Service Witness Alexandrovich
to the Interrogatories of
United Parcel Service

UPS/USPS-T5-3 On pages 15-16 of Workpaper A-1, the Mail Processing (Components 35 & 546) and Window Service (Component 40) cost distributions do not match with the source documents: Worksheets 3.1.1 and 3.2.1 of Workpaper B-3. Please indicate which are the correct cost distributions.

UPS/USPS-T5-3 Response:

The cost distributions shown in Workpaper B-3, worksheet W/S 3.1.1 and 3.2.1, are the correct distributions. Note also, that the greatest difference in any class or subclass of mail is three thousand dollars in First Class Mail and that is quite minor.

Answer of United States Postal Service Witness Alexandrovich
to the Interrogatories of
United Parcel Service

UPS/USPS-T5-4 On pages 19-20 Workpaper A-1, the Other (Component 41) cost distributions do not match with the source documents: Worksheets 3.0.4 of Workpaper B-3. Please indicate which are the correct cost distributions.

UPS/USPS-T5-4 Response:

The cost distribution shown in Workpaper B-3, worksheet W/S 3.3.1, is the correct distribution. Note also, that the greatest difference in any class or subclass of mail is five thousand dollars in First Class Mail and that is quite minor.

Answer of United States Postal Service Witness Alexandrovich
to the Interrogatories of
United Parcel Service

UPS/USPS-T5-5 On page 20 of Workpaper A-1, Training Mail Proc Parcels (Component 469) total cost is listed as 407. However, on Worksheet 3.0.4 of Workpaper B-3 it is listed as 405. Please indicate which is the correct value.

UPS/USPS-T5-5 Response:

The total cost amount shown in Workpaper B-3, worksheet W/S 3.0.4, is correct. Note also, that the difference of two thousand dollars is quite minor.

Answer of United States Postal Service Witness Alexandrovich
to the Interrogatories of
United Parcel Service

UPS/USPS-T5-11 In Workpaper B, the hard copy of Worksheet 4.1.1 does not correspond with the electronic version provided in LR-201. In the electronic version column 6 contains all zeros, resulting in a different Total Variable cost by Class and Subclass. Furthermore, the footnotes and some of the column headers are different in the electronic version. Similar discrepancies appear in various other worksheets from Workpaper B. Please explain these discrepancies and provide updated electronic and/or hard copy versions of Workpaper B as appropriate.

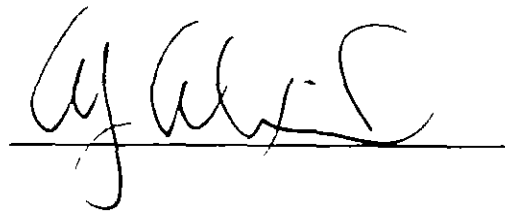
UPS/USPS-T5-11 Response:

Included with this response are revised Workpaper B-3, worksheet W/S 3.1.1, pages 3 and 4. While correcting the references used in the W/S 4.1.1 worksheet, it was discovered that at line 26, column (1) there was an incorrect title for Third-Class Mail and it now correctly reads "Third-Class Mail." It was also noted that Total Volume Variable, Other and Total Costs on lines 50-52 in columns (9) and (11) were incorrect. The equations for these cells were corrected and the revised workpaper pages reflect the correct amounts. In the revised electronic version that is being filed for USPS LR-H-201, the above changes were made to Workpaper B in files: W/S03.xls (W/S 3.1.1 pages 3 and 4), W/S04.xls (W/S 4.1.1 pages 1 and 2) and WS_Link.xls (Sheet WS03)

Your question indicates that there are similar discrepancies in other worksheets from Workpaper B, but other than those items listed above, no other discrepancies have been discovered. If there are other apparent discrepancies that you are referring to besides those corrections listed above, please identify specially what they are so that they can be explained or corrected.

DECLARATION

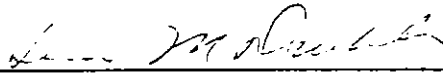
I, Joe Alexandrovich, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Joe Alexandrovich", is written over a horizontal line.

Dated: 7/29/97

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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