

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
TO INTERROGATORY OF
THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS LION
(OCA/USPS-T24-92(E))

The United States Postal Service hereby provides the response to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T24-92(e), filed on September 17, 1997, and redirected from witness Lion.

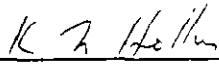
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Kenneth N. Hollies

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October 1, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE
CONSUMER ADVOCATE, REDIRECTED FROM WITNESS LION

OCA/USPS-T24-92. Please refer to the supplement to LR-H-188, Workbook "Cost98.xls," Sheet "Unit Costs."

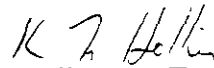
- e. Please explain why the Postal Service does not treat the attributable allocated costs of Fee Group E as an institutional cost.

RESPONSE:

- e. Fee Group E post office box volume variable costs are incurred in the same manner as any other fee group post office box volume variable costs. Total post office box volume variable costs vary directly and indirectly with changes in mail volume. See Patalunas response to OCA/USPS-T15-14. There is no reason to treat Fee Group E volume variable costs any differently from the other fee groups' volume variable costs.

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 "K N Hollies", is written above a horizontal line.

Kenneth N. Hollies

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