

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 MAGAZINE PUBLISHERS OF AMERICA AND MOTION FOR LATE ACCEPTANCE (MPA/USPS-T5-2 AND 3)

The United States Postal Service hereby provides responses of witness Alexandrovich to the following interrogatories of Magazine Publishers of America: MPA/USPS-T5-2 and 3, filed on September 16, 1997. The Postal Service moves that these responses be accepted one day late. The press of other discovery resulted in the responses being ready too late to be copied and filed on the due date.

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

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October 1, 1997

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

MPA/USPS-T5-2. Please refer to Witness Baron's responses to MPA/USPS-T17-2 and 3, Table 1 of this interrogatory, the FY 1996 Costs Segments and Components report, and the BY 1996 Cost Segments and Components report.

- a. Please confirm that Table 1 accurately reflects the before final adjustments distribution of Rural Carrier costs to mail classes in FY 1996 and BY 1996.
- b. Please confirm that the distribution of attributable costs to classes of mail changed from FY 1996 to BY 1996.
- c. Please explain fully why the distribution of attributable Rural Carrier costs to mail classes changed between FY 1996 and BY 1996.
- d. Was there any change in the distribution key? If so, please describe the change.

Response to MPA/USPS-T5-2

- a. Confirmed.
- b. Confirmed, volume variable costs changed from FY 1996 to BY 1996.
- c. Redirected to witness Baron.
- d. Redirected to witness Baron.

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

MPA/USPS-T5-3. Please refer to Docket No. R90-1, USPS-T13, Appendix F, Section III. This section describes the FY 1989 Rural Carrier mail shape adjustment. This adjustment reclassified 1 out of every 6.0106 letters as flats so that 2858R survey data had the same percentages of letters and flats as the National Mail Count.

- a. Please confirm that the Postal Service made this mail shape adjustment in the current case before distributing attributable costs to classes and subclasses of mail.
- b. If part a. is confirmed, please identify where this adjustment is documented.
- c. If part a. is confirmed, please provide the proportion of letters in the Base Year 1996 that were reclassified as flats.
- d. If part a. is confirmed, and the reclassified proportion of letters is smaller than in Docket R90-1, please explain fully why the proportion has decreased.
- e. If part a. is not confirmed, please explain fully why the Postal Service did not make the rural carrier mail shape adjustment.
- f. If part a. is not confirmed, please state whether there is still a discrepancy between the 2858R survey and the National Mail Count in terms of percentages of letters and flats.

Response to MPA/USPS-T5-3

- a. Confirmed, the mail shape adjustment is made before volume variable costs for rural carriers are distributed.
- b. The adjustment is made in my Workpaper B, worksheet 10.0.3. It has come to my attention that the printed version of this worksheet, submitted in a supplemental filing on August 29, 1997, omitted the calculation of the ratio. A revised worksheet is being filed today.
- c. In BY 1996, 1 out of every 6.81994 letters were reclassified as flats.
- d. Not applicable.
- e. Not applicable.

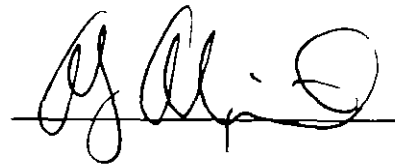
Response of United States Postal Service Witness Alexandrovich
to
Interrogatories of MPA

Response to MPA/USPS-T5-3 (cont.)

f. Not applicable.

DECLARATION

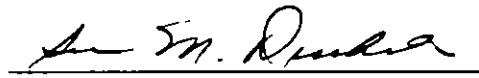
I, Joe Alexandrovich, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

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

Dated: 10/1/97

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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