DOCKET SECTION

BEFORE THE RECEIVED POSTAL RATE COMMISSION 4 52 PM '97 WASHINGTON, D.C. 20268-0001

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 DEGEN
(OCA/USPS-T12-50(C)(ii)-(iv))

The United States Postal Service hereby provides the response to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T12-50(c)(ii)-(iv), filed on September 9, 1997, and redirected from witness Degen.

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

Anne B. Reynolds

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2970; Fax –5402 October 3, 1997

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE (REDIRECTED FROM WITNESS DEGEN)

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.
- 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 uniut cost" for segment 14 costs.

RESPONSE

- a-b. Witness Alexandrovich responded to these questions in a response filed September 23.
- c.i. Witness Nieto is responding to this question.
- cii-iv. Tallies are recorded observations in IOCS. IOCS is not used in development of segment 14 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.

Anne B. Reynolds

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 October 3, 1997