

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 INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE AND MOTION FOR LATE
ACCEPTANCE
(OCA/USPS-81-83 AND 86)

The United States Postal Service hereby provides responses to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-81-83 and 86 (partial response), filed on September 19, 1997. An objection to OCA/USPS-84-85 and a partial objection to OCA/USPS-86(i) was filed on September 29, 1997. The Postal Service moves for acceptance of these responses two business days late. The press of other discovery as well as a need to coordinate among functional groups resulted in this brief delay.

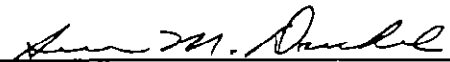
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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October 8, 1997

Response of the United States Postal Service
to
Interrogatories of OCA

OCA/USPS-81. Please refer to the response to OCA/USPS-T5-11-13, Attachment 1, which provides for FY 1996 the "Total" year-end number of USPS employees of 875,352. For FY 1996, please provide the year-end number and proportion of employees for each craft that comprise the "Total" figure of 875,352.

Response to OCA/USPS-81

See Attachment 1. Please note that revised and supplemental attachments to OCA/USPS-T5-11-13 were filed on September 25, 1997. In the revised page 1 of Attachment 1 to OCA/USPS-T5-11-13, the year-end total number of USPS employees on the rolls was 885,874.

Response of the United States Postal Service
to
Interrogatories of OCA

OCA/USPS-82. Please refer to the response to OCA/USPS-T5-11-13, Attachment 1, which provides for FY 1996 the "Total" year-end number of USPS employees of 875,352. For FY 1996 for each CAG, please provide the year-end number and proportion of employees for each craft that comprise the "Total" figure of 875,352.

Response to OCA/USPS-82

Please see response to OCA/USPS-81.

Response of the United States Postal Service
to
Interrogatories of OCA

OCA/USPS-83. For FY 1996, please provide the average annual cost per employee for each craft listed in response to OCA/USPS-81 above.

Response to OCA/USPS-83

Dividing personnel costs by the number of employees can result in distorted averages. First, fiscal year total personnel costs may not be consistent with year end employee counts. For example, the number of employees at the end of the year (a point in time) may be much higher or lower than at other times during the year. Fiscal year personnel costs are a cumulative total for the entire fiscal year and relate to the number of employees paid during each of the periods that comprise the fiscal year. Second, part time, transitional, and casual employees in many cases are paid for less than 40 hours per week. This can result in relatively low average costs which seem inconsistent with the number of employees. On the other hand, some employees may work a large amount of overtime. Dividing personnel costs that include large amounts of overtime by the number of employees can result in relatively high average costs which seem inconsistent with the number of employees. In determining average personnel costs, the use of full time equivalents or workyears is preferred. The use of workyears to determine averages compensates for the number of hours paid, changes in the number of employees throughout the year, and part time employment. The average annual cost per workyear by employee type for FY 1996 is provided on page 294 of USPS LR-H-12.

Response of the United States Postal Service
to
Interrogatories of OCA

OCA/USPS-84. For FY 1996 for each CAG, please provide the average annual cost per employee for each craft listed in response to OCA/USPS-82 above.

Response to OCA/USPS-84

An objection has been filed to this interrogatory.

Response of the United States Postal Service
to
Interrogatories of OCA

OCA/USPS-85. For FY 1996 for each CAG, please provide the average annual cost per employee for each Cost Segment.

Response to OCA/USPS-85

An objection has been filed to this interrogatory.

Response of the United States Postal Service
to
Interrogatories of OCA

OCA/USPS-86. Please refer to the response to OCA/USPS-T5-11, where it states that "USPS personnel databases do not contain cross-reference information on CAG and salary levels." Please also refer to LR-H-1, Table A-1.

- a. Please confirm that the total annual salaries for postmasters are reported by finance number. If you do not confirm, please explain.
- b. Please confirm that the total annual wages for clerks are reported by finance number. If you do not confirm, please explain.
- c. Please confirm that the total annual wages for mailhandlers are reported by finance number. If you do not confirm, please explain.
- d. Please confirm that the total annual wages and/or salaries for supervisors are reported by finance number. If you do not confirm, please explain.
- e. Please confirm that in addition to total annual salaries and wages, other compensation and benefit expenses for the employee crafts referred to in parts a. - d. above are reported by finance number. If you do not confirm, please explain.
- g. Please confirm that total annual salaries and wages and other compensation and benefit expenses for employee crafts other than those referred to in parts a. - d. above are reported by finance number. If you do not confirm, please explain.
- h. Please confirm that expense account data are reported by finance number. If you do not confirm, please explain.
- i. Please confirm that cost or expense data is reported by finance number and that the finance number can be associated with a CAG. If you do not confirm, please explain. If you confirm, please provide the cost/expense figures in Appendix A of LR-H-1 by CAG.

Response to OCA/USPS-86

- a. Confirmed for accounting periods 1 through 13 only. Finance number reports are not available on a GFY basis, and do not include accounting period 14 expenses, year end audit adjustments, or account reallocations.

See Opposition of the USPS to OCA motion to compel responses to interrogatories OCA/USPS-T5-34-36.
- b. Confirmed for accounting periods 1 through 13 only. Finance number reports are not available on a GFY basis, and do not include accounting period 14 expenses, year end audit adjustments, or account reallocations.

Response of the United States Postal Service
to
Interrogatories of OCA

Response to OCA/USPS-86 (cont.)

See Opposition of the USPS to OCA motion to compel responses to interrogatories OCA/USPS-T5-34-36.

- c. Confirmed for accounting periods 1 through 13 only. Finance number reports are not available on a GFY basis, and do not include accounting period 14 expenses, year end audit adjustments, or account reallocations.

See Opposition of the USPS to OCA motion to compel responses to interrogatories OCA/USPS-T5-34-36.

- d. Confirmed for accounting periods 1 through 13 only. Finance number reports are not available on a GFY basis, and do not include accounting period 14 expenses, year end audit adjustments, or account reallocations.

See Opposition of the USPS to OCA motion to compel responses to interrogatories OCA/USPS-T5-34-36.

- e. Confirmed. However, a number of employee compensation expenses are charged at the national level rather than the field or headquarters finance number level. These expenses are referred to as corporate-wide personnel compensation (component grouping 18.3), and include repriced annual leave, holiday leave, Civil Service Retirement System unfunded liability, workers' compensation, unemployment compensation, and certain annuitant benefits.

- g. (f missing) Confirmed. However, please see (a-e) above.

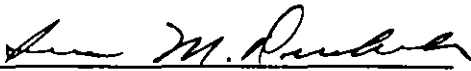
Response of the United States Postal Service
to
Interrogatories of OCA

Response to OCA/USPS-86 (cont.)

- h. Confirmed for accounting periods 1 through 13 only. Finance number reports are not available on a GFY basis, and do not include accounting period 14 expenses, year end audit adjustments, or account reallocations. See Opposition of the USPS to OCA motion to compel responses to interrogatories OCA/USPS-T5-34-36.
- i. A partial objection has been filed to this question. Confirmed for accounting periods 1 through 13 only. Finance number reports are not available on a GFY basis, and do not include accounting period 14 expenses, year end audit adjustments, or account reallocations. See Opposition of the USPS to OCA motion to compel responses to interrogatories OCA/USPS-T5-34-36.

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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October 8, 1997