

# DOCKET SECTION

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

RECEIVED  
Nov 4 4 33 PM '97

POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
Docket No. R97-1

NOTICE OF UNITED STATES POSTAL SERVICE  
OF FILING CORRECTED  
RESPONSES TO INTERROGATORIES  
(OCA/USPS-T24-96, 98)  
(November 4, 1997)

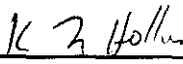
On October 14, 1997, the responses of witness Lion to interrogatories OCA/USPS-T24-96 and 98 were filed with the Commission. Parts b and d of the response to OCA/USPS-T24-96 and the response to OCA/USPS-T24-98 are being revised, largely to remove incorrect references to the implementation date. Attached hereto is a summary of the changes, followed by restatements of the interrogatories and complete answers.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
\_\_\_\_\_  
Kenneth N. Hollies

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-3083; Fax -5402  
November 4, 1997

**ERRATA  
RESPONSE TO OCA/USPS-T24-96-98  
DOCKET NO. R97-1**

1. page 1, OCA/USPS-T24-96 part b now reads:

“Not confirmed. The 1.9 percent represents the estimated growth from April 1997 to the “implementation date,” which has not been determined.”

should read:

“Not confirmed. The 1.9 percent represents the estimated growth from mid-1997 to mid-1998, to provide a box count that is representative of the test year.”

2. page 1, OCA/USPS-T24-96 part d now reads:

“Please see my response to OCA/USPS-T24-22.”

should read:

“Please see my response to OCA/USPS-T24-22 and the revised response to OCA/USPS-T24-87i.”

3. page 1, OCA/USPS-T24-98 now reads:

“Not confirmed. The growth factor in the instance cited would depend in part on the time interval between September 1997 and the likely implementation date. If the implementation date were to remain the same, one would need to reduce the growth rate to reflect the fact that the

growth between April and September 1997 has already been accounted for.”

should read:

“Not confirmed. The 1.9 percent provides a representative box count for the test year by estimating the growth from April 1997 to the middle of the test year. One would need to reduce the growth rate to reflect the fact that the growth between April and September 1997 has already been accounted for.”

**OCA/USPS-T24-96.** Please refer to your response to OCA/USPS-T24-87.

- a. Please confirm that the 1.2 [percent] annual growth rate from April 1996 to April 1997 represents a monthly growth rate of 0.0995 percent  $((0.012001+1)^{1/12})$ . If you do not confirm, please explain and provide the correct figures.
- b. Please confirm that the 1.9 percent growth factor represents the estimated growth for the 18-month period April 1997 to October 1998. If you do not confirm, please explain.
- c. Please confirm that the growth factor, assuming a monthly growth rate of 0.0995 percent for an 18 month period, is 1.8056 percent  $(1.000995^{18}-1)$ . If you do not confirm, please explain and provide the correct figures.
- d. Please provide the formula and all calculations used to derive the 1.9 percent estimated growth factor from the observed growth rate between April 1996 and April 1997. Please provide citations to any figures used.

**RESPONSE:**

- a. Confirmed that a monthly rate of .0995 percent, compounded over 12 months is equivalent to 1.2 percent annual growth.
- b. Not confirmed. The 1.9 percent represents the estimated growth from mid-1997 to mid-1998, to provide a box count that is representative of the test year.
- c. Confirmed that a monthly rate of .0995 percent, compounded over 18 months is equivalent to 1.8056 percent sesquiannual growth.
- d. Please see my response to OCA/USPS-T24-22 and the revised response to OCA/USPS-T24-87i.

**OCA/USPS-T24-98.** Please refer to your response to OCA/USPS-T24-87. Suppose that Tables 3-8 of your testimony were produced from the PO Box Survey data and the September 97 DSF data contained in LR-H-278, instead of June 97 DSF in LR-H-188, and that the expansion factors of Table 3 are constructed to adjust data to the September 97 DSF. Please confirm that the 1.9 percent estimated growth factor would still apply for Table 8, developed from LR-H-278. If you do not confirm, please explain. If the 1.9 percent estimated growth factor would no longer apply, please provide the appropriate factor and formulas for computing it.

**RESPONSE:**

Not confirmed. The 1.9 percent provides a representative box count for the test year by estimating the growth from April 1997 to the middle of the test year. One would need to reduce the growth rate to reflect the fact that the growth between April and September 1997 has already been accounted for.

**DECLARATION**

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

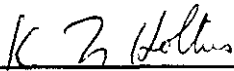
*Paul M Lion*

---

Dated: 11/4/97

**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.

  
\_\_\_\_\_  
Kenneth N. Hollies

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
November 4, 1997