

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

ORIGINAL

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-75)

The United States Postal Service hereby provides the response to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-75, filed on September 16, 1996. This response is provided despite the Postal Service's belief that this interrogatory's request for detailed information about the Postal Service's FY 1997 Operating Budget is objectionable. The information lacks relevance to a case in which the test year is FY 1996, and some details might contain proprietary information.

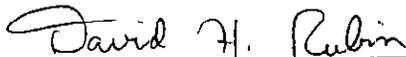
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

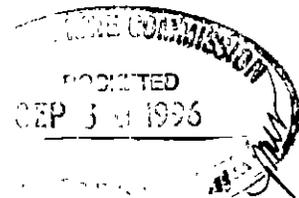
By its attorneys:

Daniel J. Foucheaux, Jr.
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September 30, 1996



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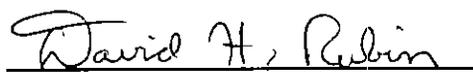
OCA/USPS-75. Please provide a copy of the Postal Service's recently approved FY 1997 operating budget presented to the Governors. Please include in your response a copy of all underlying workpapers.

RESPONSE:

Please refer to library reference SSR-152, which shows the September 10, 1996 presentation of the Postal Service's FY 1997 Operating Budget, including its major assumptions. Workpapers showing the development of the FY 97 Operating Budget similar to those typically provided to the Commission in support of a rate filing are not available. The formulation of the Operating Budget is not based simply on mechanical calculations that can be reduced to a comprehensive set of workpapers. Instead, budgets are established through a complex management process that has incorporated the Postal Service's CustomerPerfect program. In connection with this, operating budget targets involve negotiation, judgement, linkage to and support of operating goals, and the tactical allocation and re-allocation of resources to organizational units and programs.

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.


David H. Rubin

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