

ORIGINAL

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

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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
WITNESS NEEDHAM TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T7-5-6)

The United States Postal Service hereby provides responses of witness
Needham to the following interrogatories of the Office of the Consumer Advocate:
OCA/USPS-T7-5-6, filed on June 27, 1996.

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

Respectfully submitted,

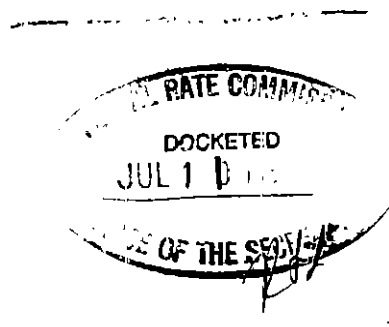
UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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David H. Rubin
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July 11, 1996



RESPONSE OF POSTAL SERVICE WITNESS NEEDHAM TO
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OCA/USPS-T7-5. Refer to page 25, lines 1 - 3, of your testimony where it states: "The proposed \$18.00 semi-annual fee for non residents would be applied in all offices, and would reflect the added value of service non-residential box customers receive."

- a. Please identify what, if any, costs of providing box service for non-residents are the basis of the proposed \$18.00 semi-annual non-resident fee.
- b. Please explain the considerations that caused you to choose an \$18.00 semi-annual, non-resident fee, rather than some other amount.
- c. In choosing the \$18.00 semi-annual, non-resident fee, did you reject higher or lower non-resident fees? If yes, please explain what considerations caused you to reject the higher or lower fees.
- d. What alternatives to imposing a semi-annual, non-resident fee did you consider to alleviate the problems caused by non-resident post office box holders? Please explain.

RESPONSE:

- a) While the \$18.00 fee was not determined based on costs, witness Landwehr discusses the additional workload that can result from providing box service to non-residents. USPS-T-3 at 4-5, 7-8, 9-10.
- b) I chose to propose the \$18.00 semi-annual fee because when broken down to a monthly fee, three dollars is a reasonable fee to pay for the value associated with box service at an office of the customer's choosing. If a customer discontinues box service during the service period and is due a box fee refund, the \$3.00 additional monthly fee for non-residents would be administratively easy to refund.

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- c) In choosing the \$18.00 semi-annual non-resident fee, I rejected one higher fee and one lower fee. I determined \$3.00 a month was a fair fee for the value and there was no reason why it should be higher. The lower fee I considered was not divisible by six in a whole dollar amount, and therefore I decided it would be administratively burdensome with respect to refunds when box service is terminated before the period has expired.

- d) I could not identify any meaningful alternatives to a non-resident fee that would reflect the value of non-resident box service, and alleviate the problems caused by non-resident box service customers.

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OCA/USPS-T7-6. Refer to page 24, lines 13 - 19, or your testimony concerning the applicability of the non-resident fee.

- a. Does the proposed non-resident fee apply to customers who seek post office box service at offices outside their 5-digit ZIP Code delivery area because of circumstances within the control of the Postal Service, i.e., inconvenient hours of access to boxes, inadequate parking, etc.?
- b. Does the proposed non-resident fee apply to customers who seek post office box service at offices outside their 5-digit ZIP Code delivery area because of concern for safety related to the location [sic] their post office?

RESPONSE:

- a) Yes.
- b) Yes.

DECLARATION

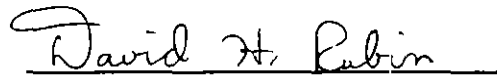
I, Susan W. Needham, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Susan W Needham

Dated: July 11, 1996

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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