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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001
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-T7-7-12 AND
OCA/USPS-T1-11 REDIRECTED FROM WITNESS LYONS)

The United States Postal Service hereby provides responses of witness
Needham to the following interrogatories of the Office of the Consumer Advocate:
OCA/USPS-T7-7-12, filed on July 5, 1996; and OCA/USPS-T1-11, filed on July 9,
1996, and redirected from witness Lyons.

Each 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

David H. Rubin
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July 19, 1996



RESPONSE OF U.S. POSTAL SERVICE WITNESS NEEDHAM TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T7-7. A review of USPS LR-SSR-111 shows that box holders were asked why they rented post office boxes.

- a) Did the Postal Service conduct a survey of non-resident boxholders to ascertain why they rented post office boxes outside their 5-digit ZIP?
- b) If the Postal Service conducted such a survey, please provide it.
- c) If the Postal Service failed to conduct such a survey, please explain why not.
- d) Why weren't non-resident boxholders contacted during the LR-SSR-111 survey and asked why they rented boxes outside of their 5-digit ZIP code?

RESPONSE:

- a) No.
- b) Not applicable.
- c) and d) A survey, or additional question in the LR-SSR-111 survey, was not considered necessary because qualitative information was already available.

See my testimony, USPS-T-7 at 23 and 25-28 and the testimony of witness Landwehr, USPS-T-3.

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OCA/USPS-T7-8. Other than material already submitted in this proceeding, are there any other documents that provide information on why non-residents rent boxes outside of their 5-digit ZIP code area? To the extent these documents are not voluminous or burdensome to produce, please provide these documents. Please provide a brief description of documents not provided.

RESPONSE:

No.

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OCA/USPS-T7-9. Refer to page 23, lines 13-18, concerning non-resident boxholders. Other than the survey described in the testimony of witness Ellard, has the Postal Service interviewed non-resident boxholders to determine why they rent boxes outside of their 5-digit ZIP Code area? To the extent information gathered from these interviews has not already been supplied, is not voluminous, or is not burdensome to produce, please provide all documents pertaining to these interviews.

RESPONSE:

No.

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OCA/USPS-T7-10. Refer to page 25, lines 3-5, of your testimony where it states that "residents [are] unable to obtain boxes in their own delivery area due to non-resident boxholders."

- a) Please explain whether the unavailability of boxes for residents could be alleviated by giving priority to residents over non-residents when (1) initially renting boxes, or (2) renewing box rental agreements.
- b) Please explain whether giving priority to residents over non-residents when (1) initially renting boxes or (2) renewing box rental agreements, was considered as an alternative to the non-resident fee. If this alternative was considered and rejected, please explain why.

RESPONSE:

- a) Provided there are no regulations or legal requirements preventing it, giving priority to residents would help make boxes more available for residents.

However, charging a fee for non-resident box customers would allow these customers to continue their box service and make a revenue contribution that could eventually alleviate the problems this segment of the boxholder population can cause residents and the Postal Service. Administratively, determining when to give priority to residents would appear to be very burdensome, and would probably be met with much more non-resident customer dissatisfaction than a modest fee increase.
- b) No, this alternative was not considered since a major goal was to set prices to reflect customer demand, rather than to limit customer options.

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OCA/USPS-T7-11. Refer to page 26, lines 1-4, of your testimony. Please provide a list of towns and cities (with ZIP Codes), and ZIP Code areas, that constitute "vanity address areas."

RESPONSE:

I do not know all vanity address areas in the United States, but examples include those reported in Library Reference SSR-105. Vanity addresses are really personal choices about a town or city name or ZIP Code that is desirable. Therefore, it is possible that every city or town or ZIP Code area with a box section is a vanity address.

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OCA/USPS-T7-12. Refer to page 28, lines 8-9, of your testimony. Please provide a list of towns and cities (with ZIP Codes) bordering Canada and Mexico that "attract large numbers of non-residents seeking post office box service."

RESPONSE:

I do not know all United States border towns and cities that "attract large numbers of non-residents seeking post office box service," but examples are Blaine, Washington and San Luis, Arizona, discussed in witness Landwehr's testimony (USPS-T-3). I would not be surprised if all United States border cities and towns with box sections serve Mexican and Canadian residents, and that many of these border cities and towns attract large numbers of Mexican and Canadian residents seeking box service in the United States.

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OCA/USPS-T1-11. In your testimony at 17, footnote 10, you indicate that "customers, for the most part, could avoid this large increase by switching their box to their local post office."

- a. If a customer's local post office does not have any available post office boxes available for rent, will the customer have to pay the non-resident fee for a post office box at the next nearest post office? Please explain your response.
- b. If a customer's local post office does not have a vacant post office box of the size requested by a customer, does the customer have to pay the applicable rate for the next available size box, or does the customer get the next available size box at the same rate as the box initially requested? Please explain your response.

RESPONSE:

- a. No. Please see USPS-T-7, page 24, lines 16-19, for an explanation.
- b. If a customer's local post office does not have a box available in the size requested by the customer, the customer can choose a box at the next smaller or larger available size. The customer would then pay for that size box, as required by Fee Schedule SS-10.

DECLARATION

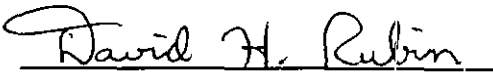
I, Susan W. Needham, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Susan W Needham

Dated: July 19, 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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