

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 STEIDTMANN TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T2-3-4)

The United States Postal Service hereby provides responses of witness Steidtmann to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T2-3-4, filed on July 15, 1996.

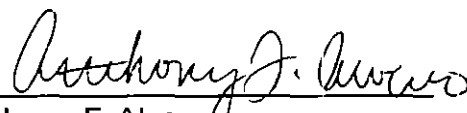
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Anthony F. Alverno

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July 29, 1996

POSTAL RATE COMMISSION  
DOCKETED  
JUL 29 1996  
BY  
OFFICE OF THE SECRETARY

U.S. POSTAL SERVICE WITNESS CARL E. STEIDTMANN  
RESPONSE TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T2-3  
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OCA/USPS-T2-3. In your testimony at 1, you state "In the context of the Postal Service, it also allows special service pricing to be addressed without being overshadowed by other rate and classification issues."

- a. In past omnibus rate cases, has special service pricing been overshadowed by other rate and classification issues?
- b. If your response to part a of this interrogatory is affirmative, please identify the case(s) and the issue(s) that overshadowed special service pricing.
- c. If your response to part a of this interrogatory is negative, please explain the basis for your statement.

OCA/USPS-T2-3 Response.

- a. Although I am not familiar with all past classification and rate proceedings, I am unaware of any past proceedings in recent years that have included a major redesign of special services. Since this proceeding presents a major special services redesign, however, we avoid the risk of overshadowing the proposals for special services at issue here with other rate and classification issues. The narrow scope of this proceeding also enables the Postal Service to focus its internal resources on these proposals. This is beneficial from a retailing perspective because it ensures a complete and thorough evaluation of the products under review.

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b. N/A

c. As noted in my testimony, from a retailing perspective, it is beneficial to periodically perform selective reviews of products and prices. By incrementally reviewing a retailer's product line, the retailer is able to focus resources on a subset of its product line under review, thereby ensuring that proper attention is devoted to identifying the most beneficial adjustments for the product and/or prices under review.

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OCA/USPS-T2-4. In your testimony at 2, you state, ". . . it appears that CMRAs provide a greater array of services than post office boxes."

- a. Please specifically identify the greater array of services offered by the CMRAs to which you are referring.
- b. For those services identified in part a of this interrogatory, please rank the services from highest to lowest value.

OCA/USPS-T2-3 Response.

- a. As referenced in my testimony at page 2, my statement is in reference to the services identified in USPS-T-4 tables 8A and 13 (e.g., call-in checking, notary, and telephone answering).
- b. I am assuming that you are referring to the value of these services from a market perspective, (*i.e.* how do consumers rank these ancillary services). The value of these services will vary depending upon the needs of the individual customer. For example, while a small business customer may place greater value on faxing, a graphic artist customer might place greater value on color copying. In order to determine the respective market value of these services it would be necessary to perform a market research study. I have not undertaken such a study, and

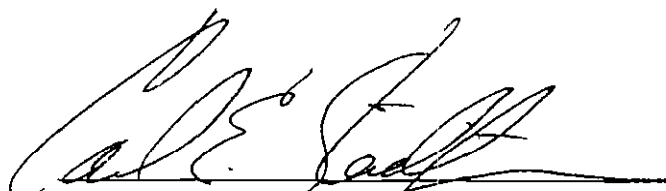
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therefore cannot accurately determine the relative market value of these ancillary services.



**DECLARATION**

I, Carl E. Steidtmann, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

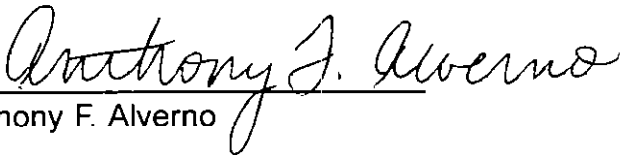


CARL E. STEIDTMANN

Dated: July 29, 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.

  
Anthony F. Alverno

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