

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 LYONS TO INTERROGATORIES OF
THE NATIONAL ASSOCIATION OF POSTMASTERS OF THE U.S.,
THE OFFICE OF THE CONSUMER ADVOCATE,
AND UNITED PARCEL SERVICE,
(NAPUS-T1-1-2, OCA-T1-25, AND UPS/USPS-T1-2)

The United States Postal Service hereby provides responses of witness Lyons to the following interrogatories of the National Association of Postmasters of the United States (NAPUS/USPS-T1-1-2, filed on July 31, 1996), the Office of the Consumer Advocate (OCA/USPS-T1-25, filed on July 30, 1996), and United Parcel Service (UPS/USPS-T1-2, filed on August 2, 1996). A motion for extension of time to respond to NAPUS/USPS-T1-1-2 and OCA/USPS-T1-25 was filed on August 13, 1996. Interrogatory UPS/USPS-T1-1 was redirected to witness Lion.

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

David H. Rubin

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2986; Fax -5402
August 16, 1996



**RESPONSE OF POSTAL SERVICE WITNESS LYONS
TO INTERROGATORIES OF
THE NATIONAL ASSOCIATION OF POSTMASTERS OF THE UNITED STATES**

NAPUS/USPS-T1-1. Your testimony states that, in offices where there is no carrier delivery option, boxholders will not be charged anything. How much annual revenue will the Postal Service lose as a result of this policy change?

RESPONSE:

According to USPS-T-1, WP D, page 8, the revenue loss is estimated at \$5,415,928.

This does not include any after-rates revenue from Group E nonresident boxholders or Group E boxholders eligible for delivery, which cannot be accurately estimated.

**RESPONSE OF POSTAL SERVICE WITNESS LYONS
TO INTERROGATORIES OF
THE NATIONAL ASSOCIATION OF POSTMASTERS OF THE UNITED STATES**

NAPUS/USPS-T1-2. In offices with rural carrier routes, has the Postal Service done any studies regarding the number of boxholders who may drop their boxes and opt, instead for carrier service? If so, what were the results? If not why not?

RESPONSE:

Yes. The Postal Service used witness Ellard's customer survey findings (USPS-T-6) to estimate acceptance rates for the proposed fees at the Group and Box Size levels, and used these acceptance rates to estimate changes in box usage. See USPS-T-1, Appendix. USPS-T-1, WP C, shows this analysis. USPS-T-1, WP D, page 8 gives the box count for "before rates" and "after rates" for Group D in the test year. The difference between the two, 905,584, is the number of boxes that are expected to be dropped out of use due to the proposed fee increase. This result would be offset to the extent boxes are filled later by new customers.

OCA/USPS-T1-25. Refer to your response to Presiding Officer's Information Request No. 1, question 10. Please provide the "number of box customers at both postal and contract non-delivery post offices . . . [who] will be paying \$0 under the Postal Service's proposal.

RESPONSE:

This information is not available. Postal information systems do not reflect customer eligibility for carrier delivery, so there is no way to project the number of customers who will be paying \$0. *See also*, the responses to Presiding Officer's Information Request 2, questions 4,5 and 7.

RESPONSE OF POSTAL SERVICE WITNESS LYONS
TO INTERROGATORY OF UNITED PARCEL SERVICE

UPS/USPS-T1-2. Please refer to page 18 of your testimony at lines 10-13. Confirm that no carrier delivery for any class, subclass or category of mail is provided in the “relatively few offices” without carrier delivery or for the “boxholder[s] who [are] not eligible for carrier service.” If you cannot confirm, list each and every class, subclass or category of mail for which carrier delivery is provided for such offices and boxholders.

RESPONSE:

Confirmed, assuming your question refers to regular carrier delivery. It is my understanding that Postal Service employees may occasionally make special efforts to deliver specific pieces of Express Mail or Priority Mail, or mail that the addressee is known to be eager to receive; such efforts are not uniform or regular attributes of postal delivery.

DECLARATION

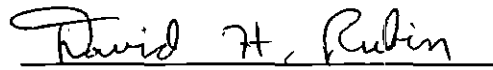
I, W. Ashley Lyons, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in cursive script, reading "W. Ashley Lyons", is written over a horizontal line.

Dated: 8-16-96

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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