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

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POSTAL RATE COMMISSION OFFICE OF THE SEGRETARY

Docket No. MC96-3

SPECIAL SERVICES REFORM, 1996

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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS LANDWEHR TO INTERROGATORIES OF DOUGLAS F. CARLSON (DFC/USPS-T3-1-10)

The United States Postal Service hereby provides responses of witness

Landwehr to the following interrogatories of Douglas F. Carlson: DFC/USPS-T3-1-

10, filed on August 9, 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

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Kenneth N. Hollies

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–3083; Fax –5402 August 22, 1996



DFC/USPS-T3-1. On page 10, lines 14-16, you stated, "My experience leads me to conclude that while these offices are atypical in the pool of all post offices, there are also many similar offices nationwide."

a. Please identify the approximate number of "similar" post offices nationwide that constitutes "many."

b. Please identify, by city or post-office name, these "similar" post offices.

c. Please confirm that these "similar" post offices are, nevertheless, atypical in the pool of all post offices. If you do not confirm, please explain how post offices that are similar to "atypical" post offices are not also, themselves, "atypical."

RESPONSE:

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a-b. I have no basis for projecting the approximate number of "similar" post offices nationwide. The qualitative statement in my testimony is based on my personal experience as a postmaster.

c. Please see USPS-T-3, page ten, lines 14-16.

DFC/USPS-T3-2. On page 10, lines 8-11, you stated, "Non-residents are often late in paying box fees and sometimes return after their boxes have been closed, demanding their old box number back--notwithstanding that new box customers are already receiving service."

a. Please identify the approximate percentage of <u>nonresident</u> boxholders who pay their fees late.

b. Please identify the approximate percentage of <u>resident</u> boxholders who pay their fees late.

c. Please identify the approximate percentage of <u>nonresident</u> boxholders who pay their fees late, lose their boxes, and then return to the post office and demand their old box number back.

d. Please identify the approximate percentage of <u>resident</u> boxholders who pay their fees late, lose their boxes, and then return to the post office and demand their old box number back.

RESPONSE:

I have no basis for answering these questions. See also my responses to DBP/USPS-T3-1

and 5.

DFC/USPS-T3-3. On page 7, lines 16-20, you stated, "Many San Luis customers are the recipients of benefit checks from federal and state authorities, who typically verify the physical addresses of clients who use post office boxes. The process for responding to these requests under the Freedom of Information Act is resource intensive. This office typically receives from 80 to 100 such requests every four weeks."

a. Please identify the percentage of <u>resident</u> boxholders in San Luis whose addresses are verified by federal and state authorities.

b. Please identify the percentage of <u>nonresident</u> boxholders in San Luis whose addresses are verified by federal and state authorities.

c. Is the federal and state authorities' practice of verifying the physical addresses of clients who use post-office boxes unique to San Luis, Arizona?

d. If the clients described in (c) were instead residents (as defined for this rate case) of another city and had a post-office box in that city, would that post office expect to receive verification requests similar to those that the government agencies serve on the San Luis post office?

e. If your answer to (d) is yes, is the client's status as resident or nonresident, as defined for purposes of this rate case, at all relevant to assessing the burden these clients cause for the Postal Service?

f. If you are unable to provide data for (a) and (b) above, please explain the basis for the implication in your testimony that responding to these verification requests is a challenge "rooted in the non-resident customer base." USPS-T-3 at p. 7, line 10.

RESPONSE:

a-b. I have no basis for answering these questions. See also my responses to DP/USPS-T3-1

and 5. While the San Luis postmaster estimates that 85 percent of the FOI address

verification requests she receives are local residents, it is not clear how she defines

"local" or "resident."

- c. No. See 39 CFR 265.
- d. I am unable to answer this question, which calls for speculation.
- e. Not applicable.
- f. See my responses to DBP/USPS-T3-1 and 5.

DFC/USPS-T3-4. On page 7, lines 25-26, and page 8, line 1, you stated, "Use of the box is difficult to control, since many box holders routinely allow other parties to use their boxes."

a. Please identify the percentage of <u>nonresident</u> boxholders who allow other parties to use their box and, as a consequence, create added administrative burdens on the post office.

b. Please identify the percentage of <u>resident</u> boxholders who allow other parties to use their box and, as a consequence, create added administrative burdens on the post office.

RESPONSE:

Please see my responses to DBP/USPS-T3-1 and 2.

DFC/USPS-T3-5. On page 8, lines 2-3, you stated, "Infrequent use of the box results in a higher than normal incidence of lost or forgotten box keys."

a. Please identify the percentage of <u>nonresident</u> boxholders who use their boxes infrequently and lose or forget their keys.

b. Please identify the percentage of <u>resident</u> boxholders who use their boxes infrequently and lose or forget their keys.

RESPONSE:

Please see my responses to DBP/USPS-T3-1 and 2.

DFC/USPS-T3-6. On page 9, lines 15-18, you stated that nonresident customers tend to call for their mail infrequently and irregularly, thus causing their mail to accumulate and exceed the capacity of the box.

a. Please define "infrequently" in terms of calendar days.

b. Please identify the percentage of <u>nonresident</u> boxholders who call for their mail infrequently and irregularly, causing their mail to accumulate and exceed the capacity of the box.

c. Please identify the percentage of <u>resident</u> boxholders who call for their mail infrequently and irregularly, causing their mail to accumulate and exceed the capacity of the box.

RESPONSE:

a. The term "infrequently" was used qualitatively, not quantitatively. I did, however, speak to the Blaine postmaster who stated that "infrequently" to him meant once or twice a month. In some cases, mail pickup is more frequent, but he does not log box customer pickups.

b-c. Please see my responses to DBP/USPS-T3-1 and 2.

DFC/USPS-T3-7. On page 9, lines 20-23, you stated that nonresident customers often open their mail in the lobby and summarily discard envelopes and packaging materials, creating lobby clutter and the need for additional custodial resources.

a. Please identify the percentage of <u>nonresident</u> boxholders who "summarily discard envelopes and packaging materials in the lobby."

b. Please identify the percentage of <u>resident</u> boxholders who "summarily discard envelopes and packaging materials in the lobby."

c. Please explain the methods you used to determine that the boxholders who behaved as you described in lines 20-23 were, in fact, nonresident boxholders.

d. Please state the number of boxholders on whom you performed the investigatory methods described in your answer to (c).

e. Do you confirm that post offices who experience the problems you described in lines 15-23 spend more on custodial resources than they would if these offending boxholders checked their mail daily instead of only infrequently? If yes, please explain why the time spent cleaning up a large quantity of mail on an infrequent basis would be greater than the time that would be spent if these boxholders left a smaller amount of mail in the lobby each day but did so more frequently.

f. Is the problem you described on page 9, lines 20-23 related in any way to the size of the customer's box?

RESPONSE:

a-b. Please see my responses to DBP/USPS-T3-1 and 2.

- c. I acquired this information by talking to the postmasters from the three post offices mentioned my testimony. I also visited these offices and made observations of their post office box operations. The term "nonresident" has yet to be fully defined; my understanding is that it is used subjectively by postmasters to mean any boxholder not permanently residing in a local delivery area.
- d. Not applicable.
- e. Unable to confirm. However, the respective postmasters confirm their understanding that the sheer volume of discarded box mail requires many custodial trips to the trash dumpster.
- f. No.

DFC/USPS-T3-8. On page 8, lines 6-8, you stated, "Many customers are unable to fill out the necessary forms without assistance, and require time consuming [sic] explanations of the services available."

a. Do you claim that nonresident boxholders are less able to fill out the forms without assistance than resident boxholders?

b. If your answer to (a) is yes, does this generalization hold for post offices nationwide?

c. If your answer to (a) is yes, please explain how you determined that the customers described on page 8, lines 6-8 were nonresidents, as defined for this rate case.

d. If your answer to (b) is yes, can you offer a possible explanation?

RESPONSE:

a. No. The cited section of my testimony relates to the San Luis Post Office, where many non-native speakers of English come into the office to complete various forms. They require additional assistance.

e

b-d. Not applicable.

DFC/USPS-T3-9. On page 3, lines 24-26, and page 4, lines 1-2, you stated that the post office in Middleburg, VA, has 1,856 boxes and a waiting list of 15 to 20 prospective customers. You characterized demand for additional boxes in Middleburg as "strong." On page 8, lines 18-22, you stated that the Blaine, WA, post office has 4,724 boxes and a waiting list of 150 prospective customers. You characterized demand for additional boxes in Blaine as "strong."

a. Please provide examples of waiting lists that you would characterize as representing, respectively, "moderate" and "weak" demand.

b. Please explain briefly how you calculated demand. Is demand a relationship between the number of boxes in the post office and the size of the waiting list? Is the time a prospective customer must spend on the waiting list a factor in your calculation of demand?

RESPONSE:

I do not have the requested information. The use of the term "strong" is qualitative, not quantitative, comparing the Blaine and Middleburg Post Offices to other offices. I performed no calculations to determine demand.

DFC/USPS-T3-10. In OCA/USPS-T3-1(a) and OCA/USPS-T3-2(a), the OCA requested that you provide the number of boxes held by resident and nonresident businesses and nonbusinesses at, respectively, the Villa Rica, GA, post office and the Middleburg, VA, post office. You replied that the only information that is available about these box customers is their box application. Response to Interrogatories OCA/USPS-T3-1(a) and OCA/USPS-T3-2(a). You replied further that "The current post office box application does not provide any other information that would identify nonprofit or residence status." <u>Id</u>. Given the Postal Service's apparent inability to identify the residence status of box customers, please explain the basis for the following statements in your original testimony:

a. Page 10, lines 8-11: "Non-residents are often late in paying box fees and sometimes return after their boxes have been closed, demanding their old box number back-notwithstanding that new box customers are already receiving service."

b. Page 7, lines 25-26, and page 8, line 1, referring to nonresident box customers: "Use of the box is difficult to control, since many box holders routinely allow other parties to use their boxes."

c. Page 8, lines 2-3, referring to nonresident box customers: "Infrequent use of the box results in a higher than normal incidence of lost or forgotten box keys."

d. Page 9, lines 15-18, where you stated that nonresident customers tend to call for their mail infrequently and irregularly, thus causing their mail to accumulate and exceed the capacity of the box.

e. Page 9, lines 20-23, where you stated that nonresident customers often open their mail in the lobby and summarily discard envelopes and packaging materials, creating lobby clutter and the need for additional custodial resources.

f. Page 8, lines 6-8, referring to nonresident box customers: "Many customers are unable to fill out the necessary forms without assistance, and require time consuming [sic] explanations of the services available."

RESPONSE:

I acquired information by talking to the postmasters from the three post offices mentioned

my testimony. I also visited these offices and observed their post office box operations. The

term "nonresident", is subjectively defined as any boxholders not residing in the local area.

DECLARATION

I, John F. Landwehr, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.

John F. Landwehr

Dated: _____8/22/96

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.

Kenneth N. Hollies

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260-1137 August 22, 1996