

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

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
THE OFFICE OF THE CONSUMER ADVOCATE WITNESS COLLINS
(USPS/OCA-T400-12-20)

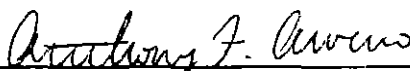
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to the Office of the Consumer Advocate witness Collins: (USPS/OCA-T400-12-20).

Respectfully submitted,

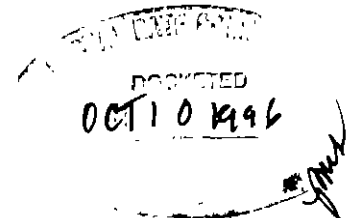
UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Anthony F. Averno

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October 10, 1996



USPS/OCA-T400-12. Please refer to your testimony at page 23 lines 18-21.

- a. Please provide your definition of "implicit cost coverage."
- b. Using the definition in (a), what is the "implicit cost coverage" of:
 - i. stamped envelopes? Please show all calculations with citations to figures.
 - ii. single-sale stamped envelopes? Please show all calculations and provided citations for figures.
- c. Please provide underlying calculations, with citations for all figures, for the 289 percent cost coverage on line 21.

USPS/OCA-T400-13. Please refer to your testimony at page 24 lines 5-16.

- a. Does the denominator of the fraction that underlies the 263 percent cost coverage figure include *all* postal card manufacturing costs?
- b. What percentage of the manufacturing costs of postal cards are in fact included in the attributable costs of postal cards? Please show all calculations.
- c. What percentage of the manufacturing costs of postal cards are borne by categories other than postal cards? Please show all calculations.

USPS/OCA-T400-14. Please refer to your testimony at page 24 lines 16-19.

- a. Please quantify the "manufacturing costs" to which you refer on lines 16-17.
- b. Please show all calculations underlying the 303 percent cost coverage on line 19.

USPS/OCA-T400-15. Please refer to your testimony at page 29 lines 15-21. Is your statement that witness Needham applied a "price the market can bear" pricing approach to insured mail fees based solely on witness Needham's response to OCA/USPS-T8-38? If your answer is negative, please cite all sources for your observation.

USPS/OCA-T400-16. Please refer to your testimony at page 31 line 5.

- a. Please provide your definition of an "indemnity analysis."
- b. What is the citation for your statement that "[n]o indemnity analyses were performed."?
- c. If your response to (b) is a statement from witness Needham, please provide a quotation of the complete sentence from which your statement is derived, along with the citation.
- d. What is the proportion of paid domestic insurance claims to insurance volumes in FY 1995?

USPS/OCA-T400-17. Is your statement at page 32 lines 26-27 based on your claim that no information has been provided by the Postal Service on the maximum paid Express Mail document reconstruction insurance claim for the most recent fiscal year?

USPS/OCA-T400-18. Please refer to your testimony at page 31 lines 10-12.

- a. Please define "appropriate data by insurance indemnity levels" with specificity.
- b. Did the OCA ask for the information in (a) through discovery? If your response is affirmative, please provide a citation.
- c. How would you go about obtaining "appropriate data by insurance indemnity levels"?
- d. Can this information be ascertained from information on the record? If not, please state the extent to which such information is on the record (with appropriate citations), and identify all information that you claim is not on the record that you would need to derive "appropriate data by insurance indemnity levels."

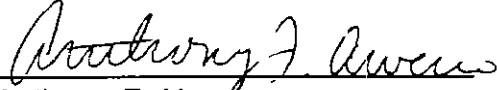
USPS/OCA-T400-19. Please refer to page 29 line 18 to page 30 line 2. Please identify all of the facts that inform your conclusion that "somewhat lower fees might still provide a contribution to institutional costs and allow the Postal Service to improve its competitive position."

USPS/OCA-T400-20.

- a. Is it your testimony that postal card customers should not incur the same postage and stationery costs as private postcard mailers? If your answer is no, please explain.
- b. As a general principle, is it your view that identifiable costs attributable to a hypothetical product be subsidized by other products that do not share characteristics that contribute to the hypothetical product's attributable costs? Please explain your response.

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.


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