

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 CALLOW  
(USPS/OCA-T300-1-17)

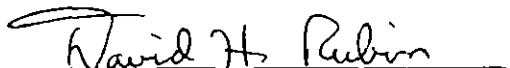
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to the Office of the Consumer Advocate witness Callow: (USPS/OCA-T300-1-17).

Respectfully submitted,

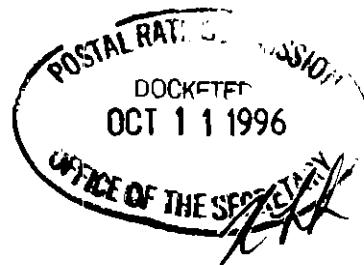
UNITED STATES POSTAL SERVICE

By its attorneys:

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October 11, 1996



**USPS/OCA-T300-1.** Please refer to our testimony at page 4, lines 17-19. Do you agree that “these greater administrative burdens” would represent extra costs? If no, please explain fully.

**USPS/OCA-T300-2.** Please refer to your testimony at page 8, lines 18-20 and to Transcript volume 3, page 691. Is it possible to justify a fee on the basis of “cost-causing” behavior by non-residents even if you cannot determine the precise amount of the cost? If your response is in the negative, please explain fully.

**USPS/OCA-T300-3.** Please refer to your testimony at page 9, lines 13-15. Is it your claim that witness Needham relied only on newspaper articles to “establish a link between the unavailability of post office boxes and non-resident usage?”

**USPS/OCA-T300-4.** Please refer to your testimony at page 10, lines 2-4.

(a) In what way(s) would non-residents be forced to move their box service under the Postal Service’s proposal? Please provide all evidentiary support for your response.

(b) Provide all information you have to support a claim that “forcing non-residents to move would simply shift box shortages to other post offices.”

**USPS/OCA-T300-5.**

(a) Please refer to page 11, lines 3 to 7 of your testimony, where you refer to witness Lion’s finding that 38 percent of postal facilities have all boxes in use for at least one size category. Please confirm that such a situation does present a “post office box

shortage problem" for the customer that wants a box of the particular size that is unavailable, at the prescribed fee for that box size. If you do not confirm, please explain.

(b) Please refer to your testimony at page 12, lines 3-5, where you state that "a more realistic measure is to count only where no boxes of any size are available" (emphasis added). Please explain why this is a more realistic measure for those customers interested in a particular box size at the specified price.

**USPS/OCA-T300-6.** Please refer to your testimony at page 11, lines 12-13.

(a) Please provide any evidence you have to support your assertion that potential boxholders in post offices where all size 1 boxes are in use may still be willing to use a size 2 or size 3 box.

(b) Do you believe that the potential boxholder would not care about the facts that size 2 boxes are at least 45 percent more expensive than size 1 boxes, and size 3 boxes are over 150 percent more expensive than size 1 boxes?

**USPS/OCA-T300-7.** Please refer to page 12, lines 12-14 of your testimony.

(a) Please explain why there is "no nationwide box availability problem" for those customers at facilities that have no boxes or that have boxes only in a size not wanted.

**USPS/OCA-T300-8.** Please refer to your testimony at page 15, lines 20-21, and page 16, lines 1-2.

- (a) Are the current Group I fees with subgroups A, B, and C discriminatory? If no, please explain fully.
- (b) Since Group I and Group II both offer carrier delivery, is the large fee discrepancy between these two groups discriminatory? If no, please explain fully.

**USPS/OCA-T300-9.** Please refer to your testimony at page 16, lines 13-15, witness Carlson's testimony, and LR-SSR-105.

- (a) Does witness Carlson anywhere in his testimony provide reasons why customers desire non-resident box service? Please identify all cites.
- (b) Does LR-SSR-105 provide reasons why customers desire non-resident box service? Please identify all cites.

**USPS/OCA-T300-10.** Please refer to your testimony at page 24, lines 10-13. Why would proposed fees that are below the fees recommended by the Commission and approved by the Governors in Docket No. R94-1 be "presumptively fair and equitable"?

**USPS/OCA-T300-11.** Please refer to your testimony at page 24, lines 19-21.

Assume you proposed the Postal Service's proposed box fees for Subgroups IA and IB. Could your proposed Group IC fees have then been adjusted down from the Postal Service's proposal to move the Subgroup IC cost coverage closer to the Subgroups IA and IB cost coverages?

**USPS/OCA-T300-12.** Please refer to your testimony at page 25, lines 15-20 and your Table 2. Why do you feel it is necessary to propose a cost coverage below 100 percent for Subgroup IA, sizes 4 and 5, and Subgroup IB, sizes 4 and 5?

**USPS/OCA-T300-13.** Please refer to your testimony at page 26, lines 8-10. Would the disparity between Group I and Group II fees still be reduced under the Postal Service's proposal. Please explain your answer fully.

**USPS/OCA-T300-14.** Please refer to page 26, line 19 of your testimony.

- (a) Please explain why "post office box service offers relatively low value".
- (b) Does this mean low relative to alternatives such as CMRAs.
- (c) Does this imply a low or high price elasticity?

**USPS/OCA-T300-15.** Witness Sherman at page 29, lines 19-21 of his testimony argues that it "would not be unreasonable" to raise Group II fees to cover costs.

- (a) Do you agree with witness Sherman's statement? If not, please explain.
- (b) Why are you proposing Group II box fees that are below cost?

**USPS/OCA-T300-16.** Please refer to your testimony at page 27, lines 15-17.

- (a) Why do you propose a lower cost coverage for post office box and caller service than the 115 percent cost coverage recommended by the Commission in Docket No. R94-1?
- (b) What changes in post office box service justify this decrease in cost coverage?

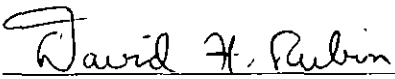
- (c) Do you believe that post office box and caller service have a lower value of service now than during Docket No. R94-1?
- (d) Has the Commission ever recommended a cost coverage for post office box and caller service as low as the 115 percent cost coverage recommended by the Commission in Docket No. R94-1?
- (e) Please explain why there should be no markup to cover institutional costs on post office box and caller service.

**USPS/OCA-T300-17.** How does your post office box fee proposal reflect the fact, as presented by witness Needham (USPS-T-7 at 11-13), that CMRAs generally charge considerably more for boxes than the Postal Service.

### 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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