BEFORE THE RECEIVED POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001 Oct 23 4 28 PM '96

> POSTAL RATE COMMISSION OFFICE OF THE SECRETARY

Docket No. MC96-3

SPECIAL SERVICES REFORM, 1996

UNITED STATES POSTAL SERVICE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO OFFICE OF THE CONSUMER ADVOCATE WITNESS COLLINS (USPS/OCA-T400-25-29)

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 Office of the

Consumer Advocate witness Collins: (USPS/OCA-T400-25-29).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

Annon Dauble

Susan M. Duchek

## 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.

-m. Wanker

Susan M. Duchek



475 L'Enfant Plaza West, S.W. Washington, D.C. 20260-1137 (202) 268-2990; Fax -5402 October 23, 1996

## ORIGINAL

USPS/OCA-T400-25. At page 6, lines 9-11 of your testimony, you state that "no fee increase for certified mail should be approved until all of the evidence regarding the costing of this service is fully explained on the record."

- a. What is your understanding of what is included in the certified mail costs total attributable cost contained in USPS-T-5C, page 16. Please explain in detail.
- b. If only certified mail costs are contained in the certified mail total attributable cost contained in USPS-T-5C, page 16, then what further information is necessary to fully explain on the record the costing of certified mail? Please explain in detail.

USPS/OCA-T400-26. At page 10, lines 17-19 of your testimony, you state that there has been "no clear and complete explanation of the methodology for developing certified mail costs."

- a. Please explain in detail to what "methodology" you are referring?
- b. Is it your testimony that the certified mail total attributable cost
  presented in USPS-T-5C, page 16, include costs other than for
  certified mail? If so, what other costs do you believe are included? If
  not, then please explain in detail why you believe there has been "no
  clear and complete explanation" of certified mail costs in this docket.

USPS/OCA-T400-27. At page 10, line 26 - page 11, line 2 of your testimony, you state, "Witness Patelunas also confirmed that the unit costs for certified mail have declined 17.6 percent from FY 1994 to FY 1995."

- a. In making this statement did you review and/or consider witness Patelunas's response to OCA/USPS-13 (Tr.2/271-77). If not, why not?
- b. Please confirm that witness Patelunas stated that approximately 39.4 percent of the decline in certified mail unit costs between FY 1994 and FY 1995 is due to an RPW reporting change concerning return receipt for merchandise volumes. If you do not confirm, please explain in detail.
- c. Assuming as a fact that approximately 39.4 percent of the decline in certified mail unit costs between FY 1994 and FY 1995 is due to the RPW reporting change concerning return receipt for merchandise volumes cited by witness Patelunas, does this portion of the decline in unit attributable costs represent the "declining attributable costs" you refer to on page 11, lines 4-5 of your testimony?
- Is it your testimony that total attributable costs for certified mail decreased between FY 1994 and FY 1995? If so, please explain in detail.

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USPS/OCA-T400-28. At page 22, lines 15-17 of your testimony, you state that "the manufacturing costs are already attributed to postal cards and are covered by the 20-cents postage paid by users of postal cards." Please confirm that the manufacturing costs of postal cards are covered by the 20-cent postage paid by users of the postal and post cards subclass as a whole. If you do not confirm, please explain in detail.

USPS/OCA-T400-29. At page 22, line 21 - page 23, line 14 of your testimony, you discuss witness Patelunas's "speculative reasons" for the cost difference between postal cards and private cards cited in his response to OCA/USPS-T5-11, Tr. 2/252-53. You state that postal cards "are more compatible with postal processing equipment than post cards." You also state that "[a]ddress hygiene may be better."

- a. Please confirm that in his response to interrogatory OCA/USPS-T5-11,
  Tr. 2/252-53, witness Patelunas also states that it is possible "that postal cards are misidentified as private cards during data collection."
  If you do not confirm, please explain in detail.
- b. Do you have any basis to dispute witness Patelunas's statement that it is possible "that postal cards are misidentified as private cards during data collection?" If so, please explain in detail.

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