

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-T400-49-52)

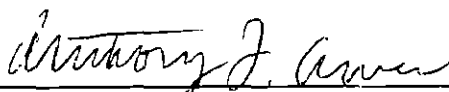
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to the Office of the Consumer Advocate witness Collins: (USPS/OCA-T400-49-52).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Anthony F. Alverno

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(202) 268-2997; Fax -5402
October 31, 1996



USPS/OCA-T400-49. Please refer to your response to USPS/OCA-T400-16(b-c). You state that "information the Postal Service may have regarding claims on higher value registered mail is not an appropriate proxy to use for insured mail because of the difference in security between the two services." Please confirm that the Postal Service did not attempt to use claims data compiled for registered mail as a proxy for estimated claims costs for insured mail in this docket.

USPS/OCA-T400-50. Please refer to your response to USPS/OCA-T400-16(a). Please confirm that Lyons WP A is an example of an indemnity analysis that estimates claims costs for insured mail for the new proposed value increments.

USPS/OCA-T400-51. Please refer to your response to USPS/OCA-T400-15. Your response indicates that witness Needham applied a "price the market can bear pricing approach" to the new proposed insured mail fees.

a. Please confirm that at p. 53 lines 10-13 of USPS-T-8, witness Needham stated, "if the [insurance] fee is not consistent with the price the market can bear, customers will use the abundant postal and alternative delivery options which are currently available"

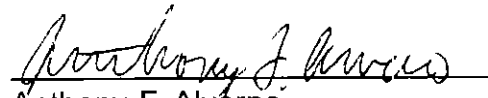
b. Is it your testimony that witness Needham's statement at page 53 of USPS-T-8 conveys that she applied a "price the market can bear" pricing approach? Please explain your response.

c. Is it your testimony that witness Needham's statement at page 53 of USPS-T-8 does not leave open the possibility that fees for insured mail could be less than the market can bear? Please explain your response.

USPS/OCA-T400-52. Please refer to your response to USPS/OCA-T400-14, where you provide calculations for the implicit cost coverage for postal cards using costs excluding manufacturing costs. How does the cost coverage for the postal and postcard subclass compare to the implicit cost coverage for postal cards when postal cards manufacturing costs are excluded? Please show all calculations.

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.


Anthony F. Alverno

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