

ORIGINAL

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

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OFFICE OF THE SECRETARY

Special Services Fees and Classifications) Docket No. MC96-3

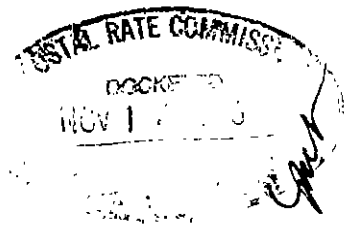
SECOND REVISION TO RESPONSE OF  
OFFICE OF THE CONSUMER ADVOCATE  
WITNESS CALLOW TO USPS/OCA-T300-19  
(November 14, 1996)

The Office of the Consumer Advocate hereby submits the second revision to the response of witness Callow to interrogatory USPS/OCA-T300-19. The first revision, filed November 13, 1996, was inadvertently printed with two lines missing from the response. The revised response to USPS/OCA-T300-19 is hereby submitted in its entirety and is attached.

The OCA regrets any inconvenience.

Respectfully submitted,

*Shelley S. Dreifuss*  
SHELLEY S. DREIFUSS  
Attorney



ANSWERS OF OCA WITNESS JAMES F. CALLOW  
TO INTERROGATORIES USPS/OCA-T300-18-21

USPS/OCA-T300-19. Please refer to your testimony at page 26, line 17, to page 27, line 1. Are you saying that post office box customers receive a lower value of service from their post office box service than they get from carrier delivery? If so, why do you think these customers are choosing post office box service, instead of or in addition to carrier delivery?

A. My post office box fee proposal raised virtually no additional revenue in order to maintain contribution neutrality, i.e., I designed post office box fees so that the cost coverage resulting from my proposed fees is virtually the same as that recommended by the Commission in the test year under current fees. Consequently, I have effectively adopted the Commission's value of service determinations for post office boxes. Having said that, however, I do not necessarily believe box service is of lower value than carrier service.

Potential boxholders face trade-offs between the privacy and security of box service at a price, and free delivery to their home. Valued box features, such as privacy and security, are offset by limited hours of access to post office box sections. OCA-T-300 at 27. By contrast, mail delivered via carrier to the home is available 24 hours a day. Moreover, "free" delivery may not be cost free. Theft of carrier-delivered mail may create negative value. For such boxholders, box service is marginally more valuable than free delivery, but it does not follow that box service has a high value—merely that there is some positive

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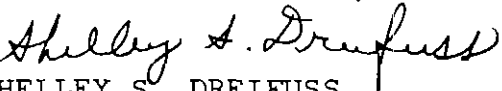
CONTINUATION OF ANSWER TO USPS/OCA-T300-19:

value. The magnitude of that value cannot be determined solely from the decision to purchase the service.

Nevertheless, considerations of the value of box service relative to carrier service, and other postal services, are more appropriate for an omnibus rate case.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 3.B(3) of the special rules of practice.

  
SHELLEY S. DREIFUSS  
Attorney

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November 14, 1996