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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Special Services Fees and Classifications

Docket No. MC96-3

ANSWERS OF THE OFFICE OF THE CONSUMER ADVOCATE
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
WITNESS: SHERYDA C. COLLINS (USPS/OCA-T400-49-52)
(NOVEMBER 14, 1996)

The Office of the Consumer Advocate hereby submits the answers of Sheryda C. Collins to interrogatories USPS/OCA-T400-49-52, dated October 31, 1996. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

Shelley S. Dreifuss
SHELLEY S. DREIFUSS
Attorney
Office of the Consumer Advocate

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ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T400-49-52

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.

A. Confirmed. I did not imply that the Postal Service had used this data as a proxy.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T400-49-52

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.

A. Confirmed that page 5 of WP A contains an "Estimation of Increased Indemnity Claims Cost Due to Increased Volume in the \$600.01 to \$5,000 Range based on FY95 Current Claims Cost Analysis Average Value at Current Maximum Step." See also my answer to b.-c. of the cited interrogatory.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T400-49-52

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.

A. a. Confirmed.

b. Yes. Please see witness Needham's answer to OCA/USPS-T8-38(b), Tr. 4/1121-22.

c. Anything is possible, however, I am concerned that the proposed fees are too high. See my response to USPS/OCA-T400-19.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T400-49-52

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.

A. I do not know. I have not made that calculation.

DECLARATION

I, Sheryda C. Collins, declare under penalty of perjury that the answers to interrogatories USPS/OCA-T400-49-52 of the United States Postal Service are true and correct, to the best of my knowledge, information and belief.

Executed November 14, 1996

Sheryda C. Collins

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
SHELLEY S. DREIFUSS
Attorney

Washington, DC 20268-0001
November 14, 1996