

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

DOUGLAS F. CARLSON
INTERROGATORIES TO THE UNITED STATES POSTAL SERVICE
(DFC/USPS-1-6)

November 11, 1996

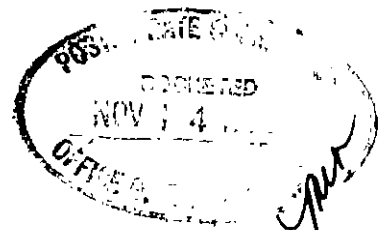
Pursuant to section 25 of the Rules of Practice, I,
Douglas F. Carlson, hereby submit interrogatories to the
United States Postal Service.

Respectfully submitted,

Dated: November 11, 1996



DOUGLAS F. CARLSON



DFC/USPS-1. Please confirm that the Postal Service stopped printing postal cards in a single-color design after a former postmaster general complained during the 1980's that the single-color postal cards were, in his opinion, unattractive, and he suggested or directed that the Postal Service, from that point on, produce only postal cards that were more attractive than the single-color postal cards that he did not like. If you do not confirm, please explain.

DFC/USPS-2.

(a) During the year 1985, the Postal Service produced two single-color postal cards, Charles Carroll and George Wythe (both in the Patriot series), and one multi-color postal card, Clipper Flying Cloud. Please confirm that the per-unit manufacturing cost of producing these single-color Patriot postal cards was less than the per-unit manufacturing cost of producing the Clipper Flying Cloud postal card. If you do not confirm, please explain fully.

(b) If, for any reason, you are not able to make the comparison requested in (a), please select an appropriate period of time during which both single-color and multi-color postal cards were produced and then confirm that the per-unit manufacturing cost of producing the single-color postal cards was less than the per-unit manufacturing cost of producing the multi-color postal cards. If you cannot confirm, please explain fully.

DFC/USPS-3.

(a) On September 9, 1996, the presiding officer asked Postal Service witness Lyons whether the Postal Service has considered producing single-color postal cards, since those cards might cost less to produce than multi-color cards. Tr. 2/184-85. As of November 11, 1996, has the Postal Service considered whether to develop a less-expensive postal card?

(b) If the answer to (a) is yes, please explain the status of this consideration.

(c) If the answer to (a) is no, please explain why the Postal Service has not considered producing a less-expensive postal card.

DFC/USPS-4.

(a) Please confirm that all postal cards are manufactured by the Government Printing Office.

(b) Please confirm that some postage stamps are produced by outside contractors, rather than the Government Printing Office, because these contractors can produce the stamps at a cost lower than the Government Printing Office would charge. If you do not confirm, please explain fully.

(c) Please confirm that the Government Printing Office purchased a color press primarily or exclusively for production of multi-color postal cards for the Postal Service. If you confirm, please provide the year of purchase.

DFC/USPS-5. Subparts (a) and (b) request that the Postal Service confirm a practice or event that has actually happened, not respond by discussing the proper procedure that should be followed.

(a) Please confirm that the Postal Service, at some time in the past 12 months, has, pursuant to a written or unwritten agreement, understanding, or procedure, delivered to at least one private company, individual, or government agency other than the Postal Service letters, flats, or parcels with Form 3811, Domestic Return Receipt, still attached and allowed the recipient, at a later time and not under the visual supervision of a postal employee, to sign the Forms 3811, indicate the date of receipt on the Forms 3811, and then deposit the Forms 3811 in the mail.

(b) Please confirm that the Postal Service, at some time in the past 12 months, has, pursuant to a written or unwritten agreement, understanding, or procedure, delivered to at least one private company, individual, or government agency other than the Postal Service letters, flats, or parcels with Form 3811, Domestic Return Receipt, still attached and allowed the recipient, at a later time and not under the visual supervision of a postal employee, to sign the Forms 3811, indicate the date of receipt on the Forms 3811, and then return the Forms 3811 to a Postal Service employee for that employee to review to verify that the Forms 3811 were filled out accurately and completely.

(c) If you confirm neither (a) nor (b), please reconcile your answer with Attachment 1 to DBP/USPS-T1-3. Your answer should explain why you cannot confirm (a) or (b), given that the first and fourth bulleted paragraphs of Attachment 1 to DBP/USPS-T1-3 suggest that the practices described in (a) and/or (b) do, in fact, exist.

DFC/USPS-6. Please refer to Presiding Officer's Information Request No. 4 (Question 8).

(a) Does the Postal Service agree with Witness Lyons' response? If the answer is anything other than an unqualified yes, please explain fully.

(b) For this question, please assume the following: (1) The Postal Service believes that some nonresident boxholders would be willing to pay a higher fee for their box than the Postal Service presently charges them; (2) the Postal Service's only goal in proposing a nonresident fee is to increase its total revenue by charging a fee to nonresident boxholders that would be higher than the fee that presently applies to nonresident boxholders. Does the Postal Service believe that a boxholder who initially rejected a fee increase would subsequently accept the fee increase if he

understood that the fee increase were motivated solely by the Postal Service's desire to increase its revenues? If the answer is yes, please explain fully and cite any studies on which the Postal Service relies in support of its answer.

(c) For this question, please assume the following: (1) The Postal Service concludes that nonresident boxholders impose greater costs on the Postal Service than resident boxholders; (2) the Postal Service's only goal in proposing a nonresident fee is to recover the additional costs that nonresident boxholders impose on the Postal Service; (3) the nonresident boxholder to which the following sentence refers does not, by any objective or subjective measure, impose costs on the Postal Service greater than the average cost imposed by resident boxholders in the post office in which the nonresident has his post-office box. Under these three assumptions, does the Postal Service believe that a nonresident boxholder who initially rejected a fee increase would subsequently accept the fee increase if he were told that the nonresident fee was being imposed to recover the additional costs that nonresident boxholders impose on the Postal Service? If the answer is yes, please explain fully and cite any studies on which the Postal Service relies in support of its contention.

(d) The three assumptions in (c) apply to this question. Does the Postal Service believe that a nonresident boxholder who initially rejected a fee increase would subsequently accept the fee increase if he were told that (1) the nonresident fee was designed to recover the additional costs that nonresident boxholders impose on the Postal Service and (2) no studies were conducted to measure and compare the costs that resident and nonresident boxholders impose on the Postal Service? If the answer is yes, please explain fully and cite any studies on which the Postal Service relies in support of its contention.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the required participants of record in accordance with section 12 of the Rules of Practice and sections 3(B)(3) and 3(C) of the Special Rules of Practice.



DOUGLAS F. CARLSON

November 11, 1996
Emeryville, California