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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 REFORM, 1996

Docket No. MC96-3

RESPONSE OF UNITED STATES POSTAL SERVICE
TO REQUEST OF COMMISSIONER LeBLANC
MADE DURING HEARINGS ON DECEMBER 16
(December 23, 1996)

During oral cross-examination of Postal Service witness Ashley Lyons, Commissioner LeBlanc cited to the First Status Report's statement that permanent general delivery service is expected to be eliminated as a general entitlement in Group 2 offices and then inquired:

- 13 Now, are there any data available on the effect
14 this move will have on the box usage and demand and, if so,
15 could you provide it to us and, if not, could you develop
16 some best estimates and get that to us pretty quickly?

Tr. 9/3426.

In discussing this request, counsel for the Postal Service correctly surmised that no such data are available, but indicated that estimates would be provided "in a week." Tr. 9/3427-28.

Counsel had hoped that some national compendium would contain counts of general delivery customers at Group 2 offices, which could shed light on the number of general delivery customers who might be impacted by elimination of that option, and for whom box service would be one ready alternative. Unfortunately, no such counts of general delivery customers are available.¹

¹ Counsel was advised that a single district recently estimated that it had approximately 10,000 general delivery customers. The source and reliability of this

(continued...)



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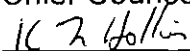
The Postal Service therefore examined the underlying question, the impact upon box usage and demand, and concluded there is not likely to be much impact. The reasons for this are several fold. First, a substantial but unknown number of general delivery customers are transients or homeless who would still be entitled to general delivery service under the rules now applied to Group 1 offices. Second, where the demand for boxes outstrips the supply, general delivery is expected to handle the surfeit -- at least until the imbalance between supply and demand are corrected. Third, box service is only one alternative for a former general delivery customer such that only some and not all of them would be expected to avail themselves of box service.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Kenneth N. Hollies

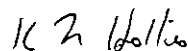
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December 23, 1996

¹ (...continued)

estimate are unknown, but a knowledgeable postal official also ventured that this particular district, owing to the number and types of its offices and the economic status of its customers, is one of the two districts that lie at the extreme upper end of the range of districts; in other words, with one possible exception, no district would have as many general delivery customers and virtually all would have substantially fewer. So if one assumes that districts have an average of 2,000 such customers, this can be multiplied by the number of districts (85) to arrive at a very loose estimate of 170,000 general delivery customers. This estimate pales in comparison to the approximately sixteen to twenty million box customers.

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.



Kenneth N. Hollies

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