

UNITED STATES OF AMERICA
Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 2000)

Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS: KIRK T. KANEER (OCA/USPS-T40-1-7)
February 15, 2000

Pursuant to sections 26 and 27 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-1-14 dated January 24, 2000, are hereby incorporated by reference.

Respectfully submitted,



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OCA/USPS-T40-1. Please refer to your testimony at pages 9 and 10, lines 19-23, and lines 1-2, respectively, and Figure 1.

- (a) Please explain why you chose to classify average rental cost per square foot into seven cost groups.
- (b) Did you consider classifying average rental cost per square foot into less than or more than seven cost groups? If so, please explain fully why you rejected less than or more than seven cost groups. If not, please explain why you did not consider alternatives.
- (c) Please explain why you chose to use the mean of the cost distribution rather than the median to center cost group IV.

OCA/USPS-T40-2. Please refer to your testimony at page 10, lines 14-17, and Figure 1. In the absence of "fee shock mitigation," do you view the seven cost groups in Figure 1 as the ideal fee groups for post office boxes? Please explain why or why not.

OCA/USPS-T40-3. Please refer to your testimony at page 11, lines 14-17.

- (a) Please explain why you decided not to propose capacity utilization as a factor determining post office box fees at this time.
- (b) Do you intend to propose capacity utilization as a factor determining post office box fees in a future Commission proceeding? In your answer, please identify the information needed or issues to be considered when deciding to propose capacity utilization as a factor determining post office box fees.

OCA/USPS-T40-4. Please refer to your testimony at page 12, lines 13-15, where it states that "average rent in column (e) [of Exhibit C, table 2] declines uniformly from Cost Group I to Cost Group VII."

- (a) Please confirm that the difference in average rent between Groups I and II, Groups II and III, Groups III and IV, Groups IV and V, Groups V and VI, and Groups VI and VII is \$6.75, \$2.99, \$2.24, \$2.45, \$1.79, and \$1.70, respectively.
- (b) Please explain what you mean by “declines uniformly.”
- (c) Please confirm that uniformity of decline in the average rent from Cost Group I to Cost Group VII was a goal in selecting your cost groups. If you do not confirm, please explain.

OCA/USPS-T40-5. Please refer to your testimony at page 12, lines 19-23. .

- (a) Please explain why you chose to assign “post office box service ZIP Codes to [] six location cost-based groups.”
- (b) Did you consider assigning post office box service ZIP Codes to less than or more than six location cost-based groups? If so, please explain fully why you rejected less than or more than six location cost-based groups. In your answer, please explain why you specifically rejected seven location cost-based groups. If not, please explain why you did not consider alternatives.


OCA/USPS-T40-6. Please refer to your testimony at page 13, lines 6-7. Please explain and give examples of how “the cost groups can become increasingly cost homogeneous as ZIP Codes are appropriately reassigned.”

OCA/USPS-T40-7. Please refer to your testimony at page 17, lines 5-8.

- (a) Please provide the proportion of individual and business boxholders for each box size.
- (b) Please provide any data to support your assumption about the tendency of individual customers to use size 1 boxes.

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 12 of the rules of practice.


Stephanie Wallace

Washington, D.C. 20268-0001
February 15, 2000