

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

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID B. POPKIN (DBP/USPS-13),
AND CORRECTED PAGES FOR RESPONSES TO DBP/USPS-9 AND 89 [ERRATUM]

The United States Postal Service hereby provides its response to the following interrogatory of David B. Popkin: DBP/USPS-13, filed on March 3, 2000. This answer is filed in response to David B. Popkin's March 31, 2000 motion to compel, in which Mr. Popkin stated that he would accept the response offered in the Postal Service's March 16, 2000 objection. The interrogatory is stated verbatim and is followed by the response.

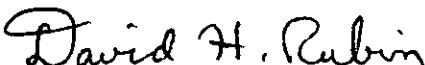
In preparation for hearings, the Postal Service is also including corrected copies of the first page of its response to interrogatory DBP/USPS-9, in order to correct the interrogatory number, and the response to interrogatory DBP/USPS-89, in order to correct the header.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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April 7, 2000

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID B. POPKIN**

DBP/USPS-13

USPS-LR-I-200 provides Audit Reports on Special Services in the Northeast Area. Please provide me with copies of any Special Services audits that have been conducted since 1990 [the date on which the Postal Service was to conduct a study of return receipts] in any area in the country, including the Northeast Area.

RESPONSE:

Based on discussions with the Manager, Special Services, the Postal Service does not believe that any such audits (concerning certified mail and return receipt service) exist, except for the report that has already been provided as library reference I-200.

INTERROGATORY NUMBER CORRECTED APRIL 7, 2000
RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-9.

- a. Confirm that many facilities with Post Office Boxes are located in government-owned buildings.
- b. Confirm that the Englewood, NJ 07631 post office is located in a government owned building.
- c. What percentage of postal facilities with Post Office Box Service are located in government owned buildings?
- d. Please provide, in detail, the procedure that will be utilized to determine the equivalent rental fee for space located in government owned buildings.
- e. Please provide the calculations with specific numbers that will be used to determine the Fee Group for Englewood, NJ 07631.
- f. Explain and discuss any subparts you are not able to confirm.

RESPONSE:

Post office boxes are located in buildings owned by the Postal Service, other government agencies (GSA, Department of Defense, etc.), and the private sector. Except for those privately owned, all are "government-owned." Consideration of their ownership status, however, was immaterial to the development of new post office box fee groups; accordingly, percentage breakdowns by ownership type was not collected for use in the analysis. The new fee groups proposed by the Postal Service are based upon imputation of a rental value for all facilities that contain post office boxes; this is true both of government owned and privately owned facilities.

This interrogatory seems to query how rental values are determined for owned facilities, since there would be no lease. Unlike the limited fee group changes for 29 facilities that occurred on January 10, 1999 (see the response to DPB/USPS-7) which required the existence of lease data, the wholesale restructuring of fee groups in this docket depends simply upon a calculation of

HEADER CORRECTED - 4/7/00
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DBP/USPS-89 [a] Please confirm, or discuss and explain if you are unable to, that there are a number of post offices where there are two or more separate facilities having post office box service while being under the jurisdiction of the same Postmaster. For each of the following situations of multiple box sections under the same Postmaster, advise whether the fee determination was performed for all of the separate facilities as a group or for each facility separately [b] Main post office and a branch with the same ZIP Code [c] Main post office and a station with the same ZIP Code [d] Main post office and an annex facility in the same area and with the same ZIP Code [e] Main post office and a CPU with the same ZIP Code [f] Same as subpart b except with different ZIP Codes [g] Same as subpart c except with different ZIP Codes [h] Same as subpart d except with different ZIP Codes [i] Same as subpart e except with different ZIP Codes [j] In those instances where two or more separate facilities had a single rate established for them, please explain the procedure that was utilized. [k] Confirm, or explain if you are unable to do so, that there are facilities where post office boxes have a separate ZIP Code from the street addresses. [l] How will this condition affect the determination of box rents?

Response:

[a] Confirmed that a post office and postmaster may have administrative responsibility for subordinate stations, branches, contract units, etc.

[b-e] In cases where a ZIP Code has more than one facility, all facilities were treated the same based on witness Yezer's rental value estimate for the facility having the most boxes.

[f-i] Each facility would be treated separately, since classifications are specified by ZIP Code.

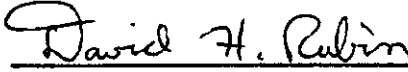
[j] See response to [b-e]

[k] Confirmed.

[l] Witness Yezer estimated cost per square foot values for the physical facilities by their ZIP Code. These estimates of space costs by physical ZIP Code were used, in part, to specify the proposed fee groups. Box sections located inside a facility, having a non-physical ZIP Code that is numerically different from that of the facility in which they are located, are assigned the cost per square foot for the physical ZIP Code. In simple terms, the ZIP Code of the building is utilized, not the ZIP Codes of the boxes located inside.

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.


David H. Rubin

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April 7, 2000