

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

OBJECTION OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES DFC/USPS-T31-8, 10-13, 15, AND 17
OF DOUGLAS F. CARLSON
(April 20, 2000)

The United States Postal Service hereby objects to interrogatories DFC/USPS-T31-8, 10 to 13, 15, and 17, filed by Douglas F. Carlson on April 10, 2000, and directed to witness Yezer, on the grounds of relevance and timeliness. These interrogatories were filed more than two weeks after the close of discovery on the Postal Service's direct case. Many of these interrogatories are presented as follow-up to witness Yezer's responses to DFC/USPS-T31-2, but in fact they all concern issues that were presented in the Postal Service's original testimony, filed January 12, 2000.

Interrogatories DFC/USPS-T31-8, 10, 11, 12, 13, and 15 all ask about shortages of boxes at particular locations, and the Postal Service's approach to expanding box service. Witness Kaneer discussed how his reclassification proposal would improve the incentive for the Postal Service to address post office box shortages in his direct testimony. USPS-T-40 at 6, 27-29. For example, witness Kaneer stated that "people who prefer box service in costly locations can better be accommodated because fees that better reflect costs encourage the addition of new boxes in those areas." *Id.* at 27. While witness Yezer's response to interrogatory DFC/USPS-T31-2 expresses his opinion as an economist that the absence of cost-based prices will prevent the Postal Service from having the "proper incentive to expand services", this response should not open up an area that was raised initially in the Postal Service's initial filing.

Interrogatory DFC/USPS-T31-13 purports to be follow-up on LR-I-241, which, according to Mr. Carlson, shows some facilities with the same number of boxes installed as in use. But witness Kaneer discussed this circumstance in his direct testimony, when he stated that "some post offices may have waiting lists of customers seeking post office boxes." USPS-T-40 at 6. Library reference I-241 thus does not open up, for discovery at this late date, Mr. Carlson's question about whether a shortage of boxes exists at such facilities.

While Mr. Carlson could have presented this discovery on witness Kaneer or Mayo during the period for discovery on the Postal Service's direct case, the Postal Service also finds issues of box shortages and expansion to be of limited relevance to the Postal Service's post office box service proposal in this proceeding. The Postal Service seeks to make its pricing of post office boxes more cost-based, in response to the Commission's expressed interest in Docket No. R97-1, as well as statutory pricing criterion 3. The extent to which this proposal will affect the management of post office box shortages is at most a minor concern for a rate proceeding, and should not be a focus of review.

It is not clear on what interrogatory DFC/USPS-T31-17 follows up, but this *interrogatory's concern about customers using a postal facility for reasons other than the convenience of the facility's location* could have been addressed to witness Kaneer or Mayo during the regular discovery period. For example, witness Mayo's testimony

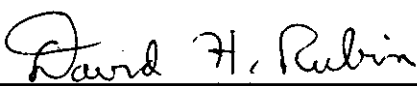
addresses the possibility that customers would choose box service near their place of employment, or desire a prestigious address. USPS-T-39 at 103-104.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

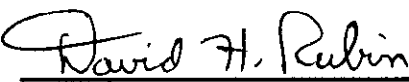
Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



David H. Rubin

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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