

Before The  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

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Postal Rate and Fee Changes

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Docket No. R2000-1

OPPOSITION OF THE UNITED STATES POSTAL SERVICE  
TO POPKIN MOTION TO COMPEL RESPONSES TO  
INTERROGATORIES DBP/USPS-135, 136  
(May 2, 2000)

The United States Postal Service hereby opposes the motion of David B. Popkin to compel responses to interrogatories DBP/USPS-135 and 136. These interrogatories request detailed explanations of numerous terms contained on one page of USPS-LR-I-231, a portion of a contract between the Postal Service and certain MBE Contract Stations. For example, interrogatory 136 questions the wisdom of a contractual term requiring a minimum of 60 hours a week service, and requests an explanation as to why this requirement was placed in the contract. The Postal Service objected to these interrogatories on the grounds of relevance, contending that the specific details of MBE Contract Station operations are not sufficiently related to the matters at issue in this case to justify the burden of preparing a response, as they have little bearing on the rates and classifications to be determined in this proceeding.

In his Motion, Mr. Popkin contends that his inquiries are intended to discover why certain MBE facilities are *purportedly* allowed to charge rates for postal services that exceed the rates recommended by the Commission and approved by the Governors of

the Postal Service. Motion at 1. In support of his Motion, Mr. Popkin points to his personal experience of paying \$1.80 to mail a 4.48 ounce letter at an unspecified MBE franchise, and desires an explanation of the reasons for the difference between this charge and the \$1.21 that he would have been charged at a post office to mail a letter of identical weight. *Id.*

As interesting as these issues may be to Mr. Popkin, a close look at the library reference he cites demonstrates not only that his questions are based on a false premise, but that they have nothing to do with the rates and classifications at issue in this case. Page three of the MBE contract found in LR-I-231 has been attached to this Opposition for the convenience of the Presiding Officer. The highlighted paragraph B.1, governing the "value added services" of interest to Mr. Popkin, clearly states that MBE franchises "may not increase or decrease the rates and fees established in the DMM for postal goods and services." This contractual term should put to rest Mr. Popkin's allegation that such affiliates have been "authorized to charge rates over and above those that have been recommended by the Postal Rate Commission and approved by the USPS Board of Governors." *Id.* It also completely undercuts the rationale he puts forward in support of his interrogatories. The contract clearly establishes that if MBE affiliates wish to offer services in addition to postal services (for which they must charge authorized rates), it is up to MBE to establish the charge for such additional services, not the Postal Service, and it is up to MBE to make clear to the customer what the additional charge or charges are for. If that was not done in the case of Mr. Popkin's MBE transaction, that is regrettable, and steps will be taken within the Postal Service to

inform the appropriate officials of Mr. Popkin's allegations.<sup>1</sup> Nevertheless, it is clear that MBE contract affiliates must charge the same rates for the same postal services as those found in post offices, and that is as far as the inquiry should properly go. MBE's structure and rates for its "value added services" are not the subject of this proceeding, and are plainly outside the Commission's jurisdiction.

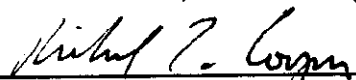
The motion to compel should be denied.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

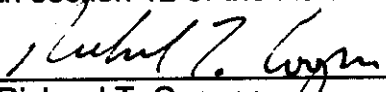
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May 2, 2000

**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.

  
Richard T. Cooper

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Washington, D.C. 20260-1137  
May 2, 2000

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<sup>1</sup> The Postal Service's contracting officers are charged with monitoring compliance with the terms of Postal Service contracts.

## SECTION B - SPECIFICATIONS/STATEMENT OF WORK

### B.1 GENERAL REQUIREMENTS

#### General Requirements

- a. The supplier must provide the postal goods and services specified herein in accordance with the provisions of the Domestic Mail Manual (DMM) concerning those goods and services, including its mailing rates and service fees. The supplier may not increase or decrease the rates and fees established in the DMM for postal goods and services. If value added services are offered or provided in conjunction with postal goods and services, fees and charges for them must be separately assessed and clearly identified as such to the persons paying them. If transaction or handling fees or charges are assessed upon transactions that consist in whole or in part of postal goods or services, the fees or charges shall be separately assessed and clearly identified as such to the persons paying them. Fees and charges assessed for value added services and transaction or handling fees and charges are not postal funds for any purposes herein.
- b. The supplier is responsible for ensuring compliance with this contract by its employees.

### B.2 SERVICE DAYS AND HOURS

The Contract Postal Unit (CPU) must be open to the public a minimum of 60 hours per calendar week, Monday through Friday from \_\_\_\_\_ to \_\_\_\_\_ (insert opening and closing times) and Saturday from \_\_\_\_\_ to \_\_\_\_\_ (insert opening and closing times). If the retail business is open to the public on Sundays and Holidays, the CPU must be open to the public from \_\_\_\_\_ to \_\_\_\_\_ (insert opening and closing times). Hours of operation may not be reduced or increased without the prior approval of the contracting officer.

### B.3 APPEARANCE

The Contract Postal Unit area must be kept clean, neat, uncluttered and in good repair. Windows must be clean and unobstructed. Facility identification and logo will be appropriately placed, visible and in good condition. Lighting must be adequate and properly maintained. Counters must be attractively organized to facilitate customer transactions. Signs (Hours of Operation and Collection Times, etc.) and promotional displays must be current and appropriate for the season. Trash receptacles must be available and clean.

### B.4 LOCATION

The Contract Postal Unit must not be located in or directly connected to a room where intoxicating beverages are sold for consumption on the premises.

### B.5 SECURITY

When the Contract Postal Unit is closed, all moneys and postage supplies must be locked in a security container with a combination lock which requires at least three complete turns of the dial to open. Envelopes and postal cards may be kept in any suitable locked cabinet.

### B.6 SERVICES STANDARDS

The supplier must provide the services listed in Attachment 1 - Requirements

### B.7 CONTRACT POSTAL UNIT PROPERTY REQUIREMENTS

The property required for the operation of this Contract Postal Unit and provided by the Postal Service is identified in Part III, Property/Equipment/Supplies, of Attachment 1.