

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

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
THE OFFICE OF THE CONSUMER ADVOCATE WITNESS COLLINS
(USPS/OCA-T8-10-17)


Pursuant to rules 25 and 26 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to Office of the Consumer Advocate witness Collins: USPS/OCA-T8-10-17.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


David H. Rubin

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June 15, 2000

USPS/OCA-T8-10. Please refer to your testimony on insurance fees, at page 13, lines 17 to 19, where you state that “[t]he Postal Service provided no cost justification in Docket No. MC96-3; neither was there cost justification in Docket No. R97-1; and there is no cost justification in Docket No. R2000-1.” Also, please refer to your response to USPS/OCA-T8-4, where you state that “there has been no demonstration of a cost basis for any of the fees.”

- (a) Please confirm that in Docket No. R97-1, witness Plunkett (USPS-T-40, page 6) provided a table labeled “Table 1, 1996 Indemnity Costs” which provided data on the number and amount of claims by value increment for insured mail. If you do not confirm, please explain why not.
- (b) Was this table, and the other insurance-related information provided in Docket No. R97-1, an adequate cost basis for the Commission’s recommendation to increase the incremental fee from 90 cents to 95 cents in Docket No. R97-1? If not, please explain why not.
- (c) Please confirm that in Docket No. R2000-1 witness Davis provides a cost basis for the unnumbered and numbered (\$50-100) fees in USPS-LR-I-108, page 43, as revised April 17, 2000. If you do not confirm, please explain.
- (d) Please confirm that in Docket No. R2000-1, the attachment to witness Mayo’s response to OCA/USPS-T39-5 provides a table, “FY 1998 Insurance Indemnity Costs,” which presents data on the number and amount of claims by value increment for insured mail. If you do not confirm, please explain why not.
- (e) Please describe any raw data, other than the data described in parts (c) and (d), that are needed as a basis to design insurance fees.

- (f) Other than your discussion of claims processing costs at page 14 of your testimony, do you have any cost basis to believe that the incremental indemnity cost per \$100 of value is less for items valued above \$1000 than for items valued up to \$1000? If so, please provide this cost basis.

USPS/OCA-T8-11. Please refer to USPS-LR-I-168, WP-32, which shows witness Mayo's proposed insurance fees of \$1.35 (unnumbered), \$2.10 (\$50-100), and a \$1.00 incremental fee per \$100 generating \$106,070,000 of test year revenue (including the international revenues at the bottom of column (4)). Assume that the revenue target for insurance remains at \$106,070,000. Also assume that the unnumbered insurance fee cannot exceed \$1.35, and that the fee for the \$50-\$100 level cannot exceed \$2.10. Please confirm that the average incremental fee must be more than \$0.95 per \$100 in order to generate the target revenue. If you do not confirm, please explain why.

USPS/OCA-T8-12. Please refer to your response to USPS/OCA-T8-2, where you state that "the Commission uses non-fee revenues when calculating the cost coverage of money orders. Based on the most recent rate case (Docket No. R97-1), what non-fee revenues does the Commission use when calculating the cost coverage for money orders?"

OCA/USPS-T8-13. Please explain the derivation of the number 224,831 in the last line of your exhibit OCA-8A.

USPS/OCA-T8-14. Please refer to page 2, lines 13 to 15, where you state the purpose of your testimony is to demonstrate why money order fees should be decreased five cents from the current fees. Does this statement apply to the money order inquiry fee? Please explain.

USPS/OCA-T8-15. Please refer to page 7 of your testimony, where you offer examples of money order providers and corresponding fees. Did you check the money order fees charged by any banks? If so, please provide your knowledge of the fees charged by banks. If not, why did you not check on fees charged by banks?

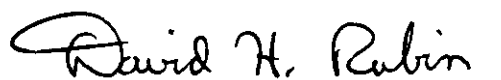
USPS/OCA-T8-16. Please refer to your exhibit OCA-8D.

- (a) Please provide the fee paid for each of the three \$1.00 money orders.
- (b) What would the fee be for a money order valued at \$700 at each of these three establishments?

USPS/OCA-T8-17. Please refer to your response to USPS/OCA-T8-5. Would it be accurate to rephrase your testimony at page 17, lines 31 to 33, as asking the Commission to “recommend that the no-charge status for provision of electronic Delivery Confirmation service to bulk Priority Mail users be applied to individuals who access the service from the Postal Service’s web site, just as electronic Delivery Confirmation service is currently applied to individuals who access the service from the websites of certified vendors?” If you do not agree that this phrase accurately summarizes your proposal, please explain why not.

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.

A handwritten signature in cursive script that reads "David H. Rubin". The signature is written in black ink and is positioned above a horizontal line.

David H. Rubin

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