

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

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OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 2000

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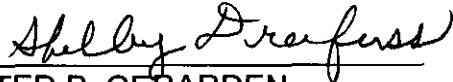
Docket No. R2000-1

ANSWERS OF THE OFFICE OF THE CONSUMER ADVOCATE TO
INTERROGATORIES OF UNITED STATES POSTAL SERVICE
WITNESS: SHERYDA C. COLLINS (USPS/OCA-T8-18-23)
(July 3, 2000)

The Office of the Consumer Advocate hereby submits the answers of Sheryda C. Collins to interrogatories of United States Postal Service, dated June 19, 2000. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

OFFICE OF THE CONSUMER ADVOCATE



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ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T8-18-23

USPS/OCA-T8-18. Please refer to your testimony on page 9, lines 3-4 and page 4, lines 1-10, where you compare money order fees and cost coverages in this case with those in prior rate cases.

- (a) Confirm that the costing methodology for money orders used by the Commission prior to Docket No. R97-1 is different from the costing methodology for money orders recommended by the Commission in Docket No. R97-1. If you do not confirm, please explain.
- (b) Confirm that the new costing methodology lowered money order costs in Docket No. R97-1, and, if applied, likely would have lowered money order costs in prior dockets. If you do not confirm, please explain why.
- (c) Please confirm that your proposed money order cost coverage is based on the new money order costing methodology, rather than the methodology used prior to Docket No. R97-1. If you do not confirm, please explain why.
- (d) Please confirm that it would be more appropriate to compare your 123 percent proposed money order cost coverage with the cost coverage recommended by the Commission in Docket No. R97-1, rather than the cost coverages in prior dockets. If you do not confirm, please explain.

RESPONSE TO USPS/OCA-T8-18

- a. Confirmed. Please see my testimony at page 4, lines 8-10.
- b. Confirmed.
- c. Confirmed.
- d. Not confirmed. Please see my testimony at page 8, lines 21-25 and page 9, lines 1-2.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T8-18-23

USPS/OCA-T8-19.

- (a) Please explain the significance of each of the five cost coverages presented in your Exhibit OCA-T-8B.
- (b) Please confirm that the money order cost coverage in Docket No. R97-1, using total money order revenues comparable to the revenues used in the last two cost coverages you present in your Exhibit 8B (i.e., including float), would be $\$293,457/\$156,798 = 187.2$ percent. See PRC Op., R97-1, App. G, pages 1, 24. If you do not confirm, please explain why.

RESPONSE TO USPS/OCA-T8-19

- a. The first four calculations demonstrate that money orders cover volume variable costs under the stated scenarios. The last one demonstrates that total revenue exceeds volume variable and incremental costs (as presented by USPS witness Kay).
- b. Confirmed.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T8-18-23

USPS/OCA-T8-20. Please refer to page 10, lines 8-10.

- (a) Confirm that cashing a money order at a postal facility would be considered a retail transaction. If you do not confirm, please explain.
- (b) Confirm that cashing a money order purchased at an APO/FPO at a domestic post office would be considered a retail transaction. If you do not confirm, please explain.
- (c) Confirm that there would be retail transaction costs for the Postal Service for cashing the money order in both (a) and (b) above. If you do not confirm, please explain.

RESPONSE TO USPS/OCA-T8-20

- a. Confirmed.
- b. Confirmed.
- c. Confirmed. However, please note that money orders can also be redeemed at any bank in the United States. See DMM § S020.2.2.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T8-18-23

USPS/OCA-T8-21. Given your proposed cost coverage of 123 percent, and the fact that your proposed APO/FPO money order fee would be two-thirds less than your proposed domestic money order fee, do you believe that APO/FPO money orders would generate sufficient revenue to cover their related costs? If so, please explain the basis of your belief. If not, please justify your proposal to reduce the fee for APO/FPO money orders, with respect to pricing criterion 3.

RESPONSE TO USPS/OCA-T8-21

I have no information regarding the specific costs of APO/FPO money orders. My proposal covers all the reported costs of money order service and provides an appropriate contribution to institutional costs.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T8-18-23

USPS/OCA-T8-22. Please confirm that it would be reasonable for postal employees to spend more time processing a claim for a \$5000 item than processing a claim for a \$200 item. If you do not confirm, please explain why.

RESPONSE TO USPS/OCA-T8-22

I do not think that the absolute value of an item is the only determinant of claim processing time. It may be reasonable for a postal employee to spend more time processing a claim for a \$5000 item than a \$200 under some circumstances. In others, it may take longer to process a less expensive claim than a more expensive claim. Some things that might affect the amount of time needed are: the quality and amount of documentation provided about the cost/value of the item; the number of items in the claim; whether the multiple items were identical or different; whether items had been purchased in a foreign country and exchange rates needed to be calculated; whether the item had been broken or lost; and whether the item was repairable, if broken, and how this could be determined.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T8-18-23

USPS/OCA-T8-23. Please refer to your testimony at page 17, lines 6-7. Describe how electronic Delivery Confirmation service has "matured sufficiently to be effectively provided over the Internet." Please furnish all materials you used to support your statement.

RESPONSE TO USPS/OCA-T8-23

I have used delivery confirmation service on the Internet and was satisfied with the transaction. Also, several of my colleagues have used delivery confirmation over the Internet.

DECLARATION

I, Sheryda C. Collins, declare under penalty of perjury that the answers to interrogatories USPS/OCA-T8-18-23 of the United States Postal Service are true and correct, to the best of my knowledge, information and belief.

Executed July 3, 2000

Sheryda C. Collins

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.


SHELLEY DREIFUSS

Washington, D.C. 20268-0001
July 3, 2000