

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, 1997)

Docket No. R97-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS PAUL M. LION
(OCA/USPS-T24-26-36)
August 1, 1997

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories 1-7 to the United States Postal Service dated July 16, 1997, are hereby incorporated by reference.

Respectfully submitted,

Gail Willette

GAIL WILLETTE

Director

Office of the Consumer Advocate

Emmett Rand Costich for

SHELLEY S. DREIFUSS

Attorney

OCA/USPS-T24-26. Please refer to your testimony at page 11, Table 6C, and PRC Op. MC96-3, Appendix D, Schedule 3, Table 13.

- a. In Table 6C, please confirm that the total number of paid and free post office boxes in use, pre-MC96-3, is 15,648,462. If you do not confirm, please explain.
- b. In Table 13, please confirm that the TYBR total number of paid and free post office boxes is 15,550,019 (15,650,789 "Subtotal" less 100,770 "Caller Service," from Column (5)). If you do not confirm, please explain.

OCA/USPS-T24-27. Please refer to your testimony at page 10, Tables 6A. and 6B., and PRC Op. MC96-3, Appendix D, Schedule 3, Tables 12 and 13.

- a. Please explain why you did not use the Commission's TYBR number of boxes, shown in Tables 12 and 13 as your "Estimated Boxes in Use, Pre-MC96-3" by Fee Group.
- b. Please explain in detail any disagreements or differences you have with the Commission's methodology, as shown in PRC Op. MC96-3, Appendix C, Part 1, Tables 1-4, and Appendix D, Schedule 3, Tables 12 and 13.

OCA/USPS-T24-28. Please refer to your testimony at page 13, Table 7B. For the Fee Groups "D-2, Noncity Contract eligible" and "D-3, Nondelivery eligible," please confirm that the elasticities (unrounded) are calculated as follows:

Box Size 1	$-0.05357143 = (((1 + 0.25) / 2) - 1) / 7.00$
Box Size 2	$-0.06916667 = (0.17 - 1) / 12.00$
Box Size 3	$-0.03608696 = (0.17 - 1) / 23.00$
Box Size 4	$-0.02441176 = (0.17 - 1) / 34.00$
Box Size 5	$-0.01537037 = (0.17 - 1) / 54.00$

where the figures, 0.25 and 0.17, represent the acceptance percentages (rounded to two digits) from POIR No. 5, question 2 in Docket No. MC96-3, and the figures, 7.00, 12.00, 23.00, 34.00, and 54.00, represent the percentage increase in fees proposed by the Postal Service for "Group 3 Offices Assigned to Group 2" in Docket No. MC96-3. If you do not confirm, please explain.

OCA/USPS-T24-29. Please refer to your testimony at page 10, Tables 6A. and 6B.

- a. Please provide by CAG the percentage of post office boxes, by box size, in the column "E-0."
- b. Please provide by CAG the percentage of post office boxes, by box size, in the column "E-1."
- c. Please provide by CAG the percentage of post office boxes, by box size, in the column "E-2."
- d. Please provide by CAG the percentage of post office boxes, by box size, in the column "E-3."

OCA/USPS-T24-30. Please refer to your testimony at page 10, Tables 6A. and 6B., and page 26, Table 12.

- a. Please refer to Table 6B. Please confirm that Fee Group E consists of post office boxes from (i) "City-other" delivery offices, (ii) "Non-city" delivery offices and (iii) "Non-Delivery" offices. If you do not confirm, please explain.

- b. Please confirm that the average rental cost per square foot for the three types of offices, identified in part a. (i), (ii) and (iii) above, differ. If you do not confirm, please explain.
- c. Please refer to Table 12, and the column "Average Rent." Please confirm that the average rent for Fee Group E reflects the differing costs associated with the three types of offices identified in part a. (i), (ii) and (iii) above. If you do not confirm, please explain.

OCA/USPS-T24-31. Please refer to your testimony at page 1, lines 17-22.

- a. Please provide a tabulation of the total number of post offices by city delivery offices, non-city delivery offices, and nondelivery offices.
- b. Please describe the process by which a post office is converted from
 - (i) a non-city delivery office to a city delivery office;
 - (ii) a nondelivery office to a non-city delivery office; and,
 - (iii) a nondelivery office to a city delivery office.
- c. Please provide a tabulation of the number of post offices by conversion process as described in (i), (ii) and (iii) above by fiscal year for the past five fiscal years.
- d. Please confirm that no post offices have been converted from a city delivery office to a non-city delivery office, from a city delivery office to a nondelivery office, and from a non-city delivery office to a nondelivery office during the past five fiscal years. If you do not confirm, please explain and provide a tabulation of the number of offices by conversion process by fiscal year for the past five fiscal years.

OCA/USPS-T24-32. The following interrogatory refers to the classification of post offices by CAG.

- a. Please describe the process by which a post office receives a new CAG rating.
- b. Please provide a tabulation of the total number of post offices by CAG rating for the most recent fiscal year.
- c. Please provide the number of post offices receiving a new CAG rating during each of the past five fiscal years, showing the old CAG rating and the new CAG rating.

OCA/USPS-T24-33. Please refer to LR-H-188, and the table on page 15.

- a. Please confirm that the column "Average Rental Cost (\$/sq.ft.)" is the average rental cost per square foot for each *carrier delivery group*. If you do not confirm, please explain the assumptions made and used to allocate rental costs from carrier delivery groups "City-other" and "Non-city" to Fee Group E.
- b. Assuming rental costs are allocated from carrier delivery groups "City-other" and "Non-city" to Fee Group E, please explain whether the average rental cost for Fee Groups C, D and E would be higher or lower than the average rental cost for carrier delivery groups "City-other," "Non-city" and "Non-Delivery," respectively.

OCA/USPS-T24-34. Please refer to LR-H-188, and the table on page 15.

- a. Please confirm that Fee Group A consists only of post offices rated CAG A. If you do not confirm, please explain and provide a tabulation of the number of post offices by CAG for Fee Group A.
- b. Please confirm that Fee Group B consists of post offices rated CAG A-D. If you do not confirm, please explain and provide a tabulation of the number of post offices by CAG for Fee Group B.
- c. Please confirm that Fee Group C consists of post offices rated CAG A-K. If you do not confirm, please explain and provide a tabulation of the number of post offices by CAG for Fee Group C.
- d. Please confirm that Fee Group D consists of post offices rated CAG A-L. If you do not confirm, please explain and provide a tabulation of the number of post offices by CAG for Fee Group D.
- e. Please confirm that Fee Group E consists of post offices rated CAG A-L. If you do not confirm, please explain and provide a tabulation of the number of post offices by CAG for Fee Group E.

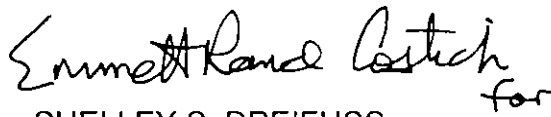
OCA/USPS-T24-35. Please refer to PRC Op. MC96-3 at 63, where "the Commission encourages the Postal Service to explore alternative post office box groupings in the future." Please identify and describe any and all such efforts to explore alternative post office box groupings, and file as a library reference any documents prepared by or for the Postal Service as a result of these efforts.

OCA/USPS-T24-36. Please refer to USPS Library Reference F-183, at 15, from Docket No. R90-1, where it states "that CAG A and B offices tend to be located in higher-rent urban areas, while CAG K and L offices tend to be located in lower-rent rural areas."

- a. Do you agree with the statement quoted above?
- b. If you do not agree, please explain, and provide citations and references to any reports, studies, analysis or other documents (and file as a library reference) that support your disagreement. If your disagreement is based upon discussions with Postal Service employees or knowledgeable persons not in the employ of the Postal Service, please identify such employees or persons.
- c. Please define the terms "urban" and "rural" as used in the statement quoted above.

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 S. DREIFUSS
Attorney

Washington, D.C. 20268-0001
August 1, 1997