

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R97-1

DOUGLAS F. CARLSON
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS SUSAN W. NEEDHAM
(DFC/USPS-T39-5-13)

August 25, 1997

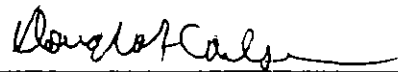
Pursuant to sections 25 and 26 of the *Rules of Practice*, I, Douglas F. Carlson, hereby submit interrogatories to United States Postal Service witness Susan W. Needham.

If the witness is unable to provide a complete, responsive answer to a question, I request that the witness redirect the question to a witness who can provide a complete, responsive answer. In the alternative, I request that the question be redirected to the Postal Service for an institutional response.

The instructions contained in my interrogatories to witness Fronk (DFC/USPS-T32-1-7) are incorporated herein by reference.

Respectfully submitted,

Dated: August 25, 1997



DOUGLAS F. CARLSON

DFC/USPS-T39-5.

- a. Please refer to your response to DFC/USPS-T39-1. Please explain the significance of your statement that “the cost coverages at the proposed fees were calculated using the before rates per box costs.” Does use of before-rates costs somehow reduce the usefulness or reliability of the cost coverages that you provided?
- b. Please confirm that the chart in Attachment to Response to DFC/USPS-T39-1 indicates that Postal Service costs for providing box service have not increased since Docket No. R94-1. If you do not confirm, please provide the costs and cost coverages that were the basis for the box fees that were approved in Docket No. R94-1.

DFC/USPS-T39-6. Please provide all evidence in support of your testimony at p. 66, lines 2-4, that post-office-box service provides an “extremely high value[] of service.” In your answer, please explain in detail the implications for ratemaking of the difference between a “high value of service” and an “extremely high value of service.”

DFC/USPS-T39-7. Please explain the significance of your testimony at p. 66, lines 19-21, that CMRA fees are considerably higher than the Postal Service’s box fees.

DFC/USPS-T39-8. Please refer to your testimony at p. 66, lines 21-23, and p. 67, lines 1-2.

- a. Does your testimony reflect a general principle or attitude toward postal ratemaking whenever customers may decline a service that they perceive as being overpriced if some alternative exists?
- b. Please explain why this approach to ratemaking is in the public interest.

DFC/USPS-T39-9. Please refer to your response to DFC/USPS-T39-4.

- a. Do customers expect the Postal Service to compensate them for loss or damage to uninsured, nonregistered (i) First-Class Mail, (ii) Priority Mail, or (iii) Parcel Post? If your answer for any of these three classes is no, please explain the basis for

your answer and for your statement in DFC/USPS-T39-4 that customers expect the Postal Service to compensate them for loss or damage to uninsured registered mail.

b. Why doesn't the Postal Service require customers to purchase insurance for all items of value?

c. Under the current rate structure, why might a customer who elected to purchase registered mail without postal insurance *reasonably* expect to be compensated for loss or damage?

d. If satisfying expectations of customers to be compensated for loss or damage of registered mail is a motivation for requiring all customers to purchase insurance for registered mail of declared value greater than \$0, why should all customers be required to purchase insurance just to avoid disappointing customers whose mail was lost or damaged and who specifically chose not to purchase insurance?

e. Your response to DFC/USPS-T39-4 explains a benefit to the private insurer and suggests that the customer may benefit as well because the insurance company will be reimbursed for the claim. Why is the Postal Service unwilling to give the customer the option of declining postal insurance and taking responsibility for an increase in his insurance premium that may or may not occur if a claim is paid?

DFC/USPS-T39-10.

a. Please confirm that a customer will be required to pay 23 cents to purchase a stamped card if your proposed two-cent fee for stamped cards is approved.

b. Please refer to your testimony at p. 89. Suppose the cost of manufacturing a stamped card were (i) 1.15 cents, (ii) 1.30 cents, or (iii) 1.50 cents. For each case, would the Postal Service still have proposed a two-cent stamped-card fee? Please explain your answer.

c. Please provide all studies that have been conducted to support the conclusion that stamped cards have a value that is sufficiently high to justify a 200-percent cost coverage.

d. Please provide copies of all documents or directives that have been issued to inform postal employees that postal cards are now called stamped cards.

e. Please offer an explanation as to why window clerks in Richmond, Virginia, and Emeryville, California, had no idea what I was talking about when I asked to buy a stamped card in August 1997.

DFC/USPS-T39-11. Please provide the percentage of certified-mail volume for which the sender did not request or receive proof of mailing (see ¶ 2 on the reverse side of PS Form 3800 (April 1995); see also DMM § S912.2.5(d)).

DFC/USPS-T39-12. Please provide the cost of each element or activity related to certified mail (I am seeking information that is similar to the information that witness Plunkett provided in Attachment to DFC/USPS-T40-5).

DFC/USPS-T39-13. Please provide all studies, reports, or other information that would allow for a comparison of the delivery performance (measured in days) for the first delivery attempt for certified First-Class mail versus noncertified First-Class Mail.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the required participants of record in accordance with section 12 of the *Rules of Practice* and sections 3(B) and 3(C) of the *Special Rules of Practice*.



DOUGLAS F. CARLSON

August 25, 1997
Emeryville, California