

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-T24-78-86)
September 11, 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.

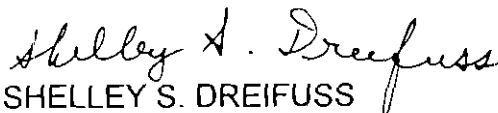
Respectfully submitted,



GAIL WILLETTE

Director

Office of the Consumer Advocate



SHELLEY S. DREIFUSS

Attorney

OCA/USPS-T24-78. Please refer to your testimony at page 20, lines 5-8.

- a. Please confirm that total TYBR attributable costs for post office boxes is \$607,733,000 (see response of witness Patelunas to OCA/USPS-T15-3). If you do not confirm, please explain.
- b. Please confirm that total TYBR attributable All Other costs for post office boxes is \$104,575,000 (see response of witness Patelunas to OCA/USPS-T15-2b, revised 8/20/97). If you do not confirm, please explain.
- c. Please confirm that the total TYBR attributable All Other costs for post office boxes at page 20, line 7 of your testimony is \$104,580,000. If you do not confirm, please explain.
- d. Please show the derivation of the figure \$104,580,000 at page, line 7 of your testimony. Please show all calculations, and provide citations to any figures used.
- e. Please confirm that the total TYBR attributable Space Support costs for post office boxes is \$279,928,000. If you do not confirm, please explain.
- f. Please confirm that the total TYBR attributable Space Provision costs for post office boxes is \$223,226,000. If you do not confirm, please explain.
- g. Please confirm that the sum of TYBR attributable Space Support and Space Provision, and the total of All Other costs from part b. above, is \$607,729,000 ($\$279,928,000 + \$223,226,000 + \$104,575,000$). If you do not confirm, please explain.
- h. Please show the derivation of, and reconcile any discrepancies between, the figure \$607,734,000 at page 20, line 8 of your testimony and the sum of Space

Support, Space Provision and All Other costs referred to in part g. above.

Please show all calculations, and provide citations to any figures used.

- i. Please show the derivation of, and reconcile any discrepancies between, the TYBR attributable costs for post office boxes of \$607,733,000, referred to in part a. above, and the sum of Space Support, Space Provision and All Other costs referred to in part g. above.

OCA/USPS-T24-79. Please refer to your response to OCA/USPS-T24-10e.

- a. Please provide by CAG the number of post offices that contain no city routes, no rural routes and no highway contract routes.
- b. Please provide by CAG the number of finance numbers that contain no city routes, no rural routes and no highway contract routes.
- c. Please provide by CAG the number of ZIP Codes that contain no city routes, no rural routes and no highway contract routes.
- d. Please provide by CAG the number of facilities that contain no city routes, no rural routes and no highway contract routes.
- e. For parts a. - d., please provide copies of underlying source documents if they are not already on file with the Commission.

OCA/USPS-T24-80. Please refer to your response to OCA/USPS-T24-62, where it is stated,

No actual customers experienced such [fee] increases, but the estimates of customers in the respective groups did change. This constitutes an improvement of (or correction to) our previous analysis. Any "movement"

of post office box customers from one group to another is only an improved estimate of the correct numbers.

- a. Please confirm that the net increase in revenue for post office boxes in the TYAR is the result of two changes: 1) the increase in fees for post office boxes, and 2) the improvement of (or correction to) the Postal Service's previous analysis of the number of post office boxes in Docket No. MC96-3. If you do not confirm, please explain.
- b. In the absence of the improvement referred to in the quote above, please confirm that the TYAR net increase in revenue for post office boxes as proposed in Docket No. R97-1 would be smaller. If you do not confirm, please explain.
- c. What would the total net revenue for post office boxes be in the absence of the improvement referred to in the quote above?

OCA/USPS-T24-81. Please refer to the table below, and your testimony at 8-15.

Boxes in Use, Pre MC96-3						
"Source" Delivery Groups	"Destination" Delivery Groups					
	City-A	City-B	City-other	Non-city	Nondelivery	Total
City-A	78,010					78,010
City-B		165,053				165,053
City-other			8,307,648		83,915	8,391,563
Non-city				5,239,271	411,367	5,650,638
Nondelivery				954,238	408,959	1,363,197
Total	78,010	165,053	8,307,648	6,193,509	904,241	15,648,461

Please confirm that the table above correctly summarizes your shifts of boxes between fee groups to account for customers who are and are not eligible for carrier delivery. The figures in the *column* labeled "Total" are taken from USPS-T-24, Table 4. The numbers in the *row* labeled "Total" are taken from USPS-T-24, Table 7. If you do not confirm, please provide a correct shift matrix.

OCA/USPS-T24-82. Please refer to your testimony at page 20, lines 5-8.

- a. Please confirm that 82.8 percent $((\$279,928 + \$223,226) / \$607,734)$ of total TYBR attributable post office box costs are space related. If you do not confirm, please explain.
- b. Please confirm that attributable Space Provision costs constitute 36.7 percent of total TYBR attributable post office box costs. If you do not confirm, please explain.
- c. Please confirm that attributable All Other costs constitute 17.2 percent of total TYBR attributable post office box costs. If you do not confirm, please explain.

OCA/USPS-T24-83. Please refer to your testimony at page 1, lines 19-22.

- a. Please confirm that city delivery offices provide postal and city carrier delivery service in urban and rural locations. If you do not confirm, please explain.
- b. Please confirm that rural delivery offices provide postal and rural carrier delivery service in urban and rural locations. If you do not confirm, please explain.

c. Please confirm that nondelivery offices provide postal services in rural locations.

If you do not confirm, please explain.

OCA/USPS-T24-84. Please refer to Table 12 (revised August 11, 1997), and your testimony at page 20, lines 19-21, where it states that "since Space Provision costs include rent paid for leased space or imputed rent for owned space, they vary also with location . . ."

- a. Please explain the basis for the statement that "rent paid for leased space or imputed rent for owned space . . . vary . . . with location." What factors or conditions would cause rent paid or imputed rent to vary between locations? Is population density a factor?
- b. Is it your testimony that an average rent of \$23.49 per square foot paid for postal leased space or imputed rent for postal-owned space is found in locations where population density is high? Fully explain your answer.
- c. Is it your testimony that an average rent of \$6.00 per square foot paid for postal leased space or imputed rent for postal-owned space is found in locations where population density is low? Fully explain your answer.
- d. Are you aware of postal leased space or imputed rent for postal-owned space with an average rent of \$6.00 per square foot in areas of high population density? If you answer in the affirmative, please provide a list of finance numbers and ZIP Codes for the facilities so identified.
- e. Are you aware of postal leased space or imputed rent for postal-owned space with an average rent of \$23.49 per square foot in areas of low population

density? If you answer in the affirmative, please provide a list of finance numbers and ZIP Codes for the facilities so identified.

OCA/USPS-T24-85. Please refer to your testimony at page 20, lines 19-21.

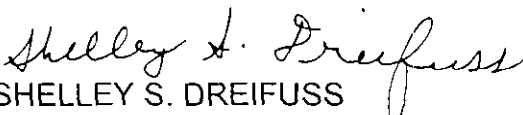
- a. Please confirm that CAG A-C post offices tend to be located in higher rent areas. If you do not confirm, please explain fully, and provide the basis for your contrary view.
- b. Please confirm that CAG K and L post offices tend to be located in lower rent areas. If you do not confirm, please explain and provide the basis for your contrary view.

OCA/USPS-T24-86. Please refer to your testimony at page 7, table 3.

- a. Please provide the number of boxes installed from the entire DSF 97 by CAG for Delivery Groups City-A, City-B, City-other, Non-city and Nondelivery. Please provide in an electronic file the data used to develop this information.
 - b. Please provide the expansion factors by CAG for the Delivery Groups City-other, Non-city and Nondelivery. Please provide in an electronic file the data used to develop this information.
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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

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September 11, 1997