

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF
NIAGARA TELEPHONE COMPANY
REDIRECTED FROM WITNESS TOLLEY
(NTC/USPS-T6-1)

The United States Postal Service hereby provides the response to the following interrogatory of Niagara Telephone Company: NTC/USPS-T6-1, filed on September 11, 1997, and redirected from witness Tolley.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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September 25, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE NIAGARA TELEPHONE COMPANY
REDIRECTED FROM WITNESS TOLLEY

NTC/USPS-T6-1 Niagara Telephone Company is interested in the fact that the USPS intends to charge the same postage for mail which it transports significant distances as for mail which essentially is not transported by the USPS from the Post Office to which the mail is deposited by the consumer. Please describe the United States Postal Service's rules and policies regarding the establishment, operation, and maintenance of "Local Only" mail boxes and mail slots found in Post Offices throughout the country. Areas of discussion should include, in addition to anything else you might think relevant:

- a) How many Post Offices are there in the United States and how many of those Post Offices, either as a raw number or as a percentage of the total number of Post Offices, utilize either an on premises "Local Only" mail box or mail slot?
- b) Does the USPS have any written rules or policies concerning the establishment of "Local Only" depositories? If the answer is yes, please provide a copy or a reference citation. If the answer is no, please explain the cost control mechanism which monitors ad hoc implementation by individual Post Offices of "Local Only" mail depositories.
- c) What purposes do the "Local Only" mail depositories serve? That is, are the "Local Only" mail depositories established for efficiency and cost saving reasons?
- d) In developing the instant rate proposal, was any consideration given to establishing a discounted rate for mail deposited into "Local Only" depositories?
- e) Is the USPS currently conducting, or has the USPS conducted since January 1, 1990, any studies or experiments concerning cost savings or efficiencies realized through the implementation of "Local Only" mail depositories? If the answer is yes, please provide a copy of the report(s) generated as a result of such studies or experiments. Also, please explain how such information was incorporated into the instant rate proposal for purposes of determining that "Local Only" and other mail should be charged at the same rates.

Response:

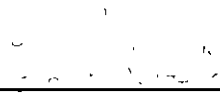
All Post Offices are required to have a lobby drop for local mail. The specific rules concerning the establishment of these drops, as well as their purpose, are located in section 312 of the Postal Operations Manual which was filed in Docket No. MC96-3 as USPS LR-SSR-161. As indicated in the above reference, local drops are provided for

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the deposit of mail for which the local postmark is desired. Also, we are aware that some Post Offices designate mail drops for the deposit of local mail that will not leave the local service area. However, the primary reason that local offices implement these kind of "local drops" is service as opposed to cost savings and/or gains in efficiencies. The volume of mail deposited in these boxes represents only a minute portion of the overall mail volume processed by the Postal Service. Accordingly, the Postal Service has not conducted any studies or experiments concerning cost savings or efficiencies realized through the implementation of "Local Only" mail depositories. Therefore, no consideration was given to establishing a discounted rate for mail deposited into "Local Only" depositories.

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.



Eric P. Koetting

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