

DOCKET SECTION
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

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS NEEDHAM TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T39-19-20
AND OCA/USPS-T24-88-89 REDIRECTED FROM WITNESS LION)

The United States Postal Service hereby provides responses of witness Needham to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T39-19-20, filed on September 12, 1997; and OCA/USPS-T24-88-89, filed on September 12, 1997, and redirected from witness Lion.

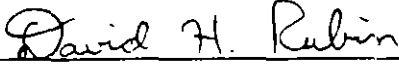
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



David H. Rubin

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September 26, 1997

RESPONSE OF POSTAL SERVICE WITNESS NEEDHAM TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T39-19. Please refer to Docket No. MC96-3, rebuttal testimony of witness Taufique (USPS-RT-2), at page 14.

- a. Witness Taufique states, "The Postal Service acknowledges that a 'one price fits all' approach may not be the most efficient method of pricing post office boxes." Please confirm that this statement continues to reflect the views of the Postal Service. If you do not confirm, please explain.
- b. In Docket No. R97-1, please explain how the Postal Service has reduced its reliance on a "one price fits all" approach in developing fees for post office boxes.
- c. In Docket No. R97-1, please explain how the post office box fee proposal has taken differences in costs and demand into account.

RESPONSE:

- a. Confirmed.
- b. & c. Docket No. R97-1 was filed too soon after Docket No. MC96-3 for the Postal Service to redesign the post office box fee structure. The Postal Service has proposed fees set at more equal intervals between fee groups A to D, which will set the stage for better reflecting varying levels of costs and demand in different post offices.

RESPONSE OF POSTAL SERVICE WITNESS NEEDHAM TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T24-20. Please refer to Docket No. MC96-3, rebuttal testimony of witness Taufique (USPS-RT-2), at page 14. Witness Taufique states,

A comprehensive consideration of the demand, supply, and cost difference of post office boxes could evolve into local adjustments to prices at each facility depending upon market factors.

- a. If "local adjustments to prices at each facility" would present administrative burdens to the Postal Service, what options short of local adjustments would reduce Postal Service reliance on a "one price fits all" approach to pricing post office boxes.
- b. For any options identified in response to part a. above, please explain whether and how those options were addressed in the Postal Service's post office box fee proposal in Docket No. R97-1.

RESPONSE:

- a. Please see Docket No. MC96-3, USPS-RT-2, at 14, lines 16-19.
- b. Please see my response to OCA/USPS-T39-19(b&c) above.

RESPONSE OF POSTAL SERVICE WITNESS NEEDHAM TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(REDIRECTED FROM WITNESS LION)

OCA/USPS-T24-88. Please refer to Docket No. MC96-3, rebuttal testimony of witness Taufique (USPS-RT-2), at page 14.

- a. Witness Taufique states, "The Postal Service acknowledges that a 'one price fits all' approach may not be the most efficient method of pricing post office boxes." Please confirm that this statement continues to reflect the views of the Postal Service. If you do not confirm, please explain.
- b. In Docket No. R97-1, please explain how the Postal Service has reduced its reliance on a "one price fits all" approach in developing fees for post office boxes.
- c. In Docket No. R97-1, please explain how the post office box fee proposal has taken differences in costs and demand into account.

RESPONSE:

Please see my response to OCA/USPS-T39-19.

RESPONSE OF POSTAL SERVICE WITNESS NEEDHAM TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(REDIRECTED FROM WITNESS LION)

OCA/USPS-T24-89. Please refer to Docket No. MC96-3, rebuttal testimony of witness Taufique (USPS-RT-2), at page 14. Witness Taufique states,
A comprehensive consideration of the demand, supply, and cost difference of post office boxes could evolve into local adjustments to prices at each facility depending upon market factors.

- a. If "local adjustments to prices at each facility" would present administrative burdens to the Postal Service, what options short of local adjustments would reduce Postal Service reliance on a "one price fits all" approach to pricing post office boxes.
- b. For any options identified in response to part a. above, please explain whether and how those options were addressed in the Postal Service's post office box fee proposal in Docket No. R97-1.

RESPONSE:

Please see my response to OCA/USPS-T39-20.

DECLARATION

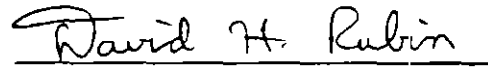
I, Susan W. Needham, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Susan W Needham

Dated: September 26, 1997

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.



David H. Rubin

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
September 26, 1997