

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

**FOLLOW-UP INTERROGATORIES OF
NIAGARA TELEPHONE COMPANY
TO THE UNITED STATES POSTAL SERVICE
REDIRECTED FROM WITNESS TOLLEY**

Niagara Telephone Company (NTC), Intervenor, by its attorneys, pursuant to Rule 2.D. of the Special Rules of Practice governing this proceeding, hereby submits follow-up interrogatories relating to the September 25, 1997 Response of the United States Postal Service, NTC/USPS-T6-1.

Respectfully submitted,
Niagara Telephone Company


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Its Attorney

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October 1, 1997

NTC/USPS-T6-2

The response to NTC/USPS-T6-1 was an institutional response. Please identify the person or persons responsible for preparation of the response to NTC/USPS-T6-1. Moreover, please identify the person or persons responsible for preparing the responses to the interrogatories contained in the instant follow-up interrogatory set.

NTC/USPS-T6-3

The USPS's response to NTC/USPS-T6-1 indicates that "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. MC 96-3 as USPS LR-SSR-161." In the USPS's November 6, 1995 Initial Brief of the United States Postal Service in Docket No. MC 95-1, at 415, the USPS argued that Niagara Telephone Company "did not define how the term 'local' should be defined for purposes of administering the discount."

Please indicate when "all Post Offices" were required to implement "a lobby drop for local mail." That is, on what date did the USPS adopt section 312, or a predecessor regulation, which defined, described and required "a lobby drop for local mail."

NTC/USPS-T6-4

The USPS responded that "the primary reason that local offices implement these kind of 'local drops' is service as opposed to cost savings and/or gains in efficiencies."

Please discuss the rationale which supports the USPS' position that the USPS may provide services without consideration of the underlying costs and, more precisely, cost avoidance, of the local drop service.

NTC/USPS-T6-5

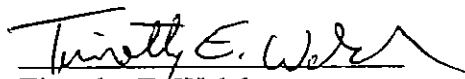
The USPS' response to NTC/USPS-T6-1 states that "the Postal Service has not conducted any studies or experiments concerning cost savings or efficiencies realized through the implementation of 'Local Only' mail depositories." After speaking with a person in the USPS' marketing department, it is Niagara Telephone Company's understanding that the USPS is currently implementing an experimental program in the Philadelphia, PA area called "Neighborhood Mail," the "Southeast Pennsylvania Marketing Test," or something similar. It is Niagara Telephone

Company's understanding that "Neighborhood Mail" is a local mail service priced at \$0.18 for the first ounce.

- a) Please indicate whether there is a discounted local mail service currently being marketed in the Philadelphia area or whether a discounted local mail service was previously utilized in Philadelphia area.
- b) If the USPS is utilizing, or has utilized, a discounted local mail service in the Philadelphia area, please describe whether discounted local mail service provided in Philadelphia is, or was, an evaluation program to test the service. Otherwise, indicate that the discounted local mail service is, or was, a permanent mail service which is, or was, peculiar to the Philadelphia, PA area because Philadelphia is the only city in the United States which qualifies to receive such service. Please describe the circumstances which caused the Philadelphia area to be entitled to this service while other communities are not entitled to such service.
- c) Please explain the mailing procedures involved in the "Neighborhood Mail" program, that is, please describe such things as the prices and classes of mail utilized for the service, where the mailer deposits the mail, any mailing procedures which differ from First-Class mailing procedures, the USPS' processing routine for the mail, and where the mail is delivered. Please identify whether this experiment has resulted in any reports and provide us with copies of any such reports.
- d) Please explain the methodology, and identify the associated costs factors, underlying the determination of the prices associated with the "Neighborhood Mail."
- e) Please explain why this experimental program was not disclosed in the USPS's response to NTC/USPS-T6-1.

CERTIFICATE OF SERVICE

I hereby certify that I have this 1st day of October 1997 supervised the service of the foregoing document as required in the Presiding Officer's Ruling No. R97-1/4.


Timothy E. Welch