

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 2005)

Docket No. R2005-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
(OCA/USPS-186-193)
(June 28, 2005)

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, and Presiding Officer's Ruling No. R2005-1/11, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatory OCA/USPS-T1-1, dated April 12, 2005, are hereby incorporated by reference.

Respectfully submitted,

SHELLEY S. DREIFUSS
Director
Office of the Consumer Advocate

KENNETH E. RICHARDSON
Attorney

1333 H Street, N.W.
Washington, D.C. 20268-0001
(202) 789-6830; Fax (202) 789-6819
e-mail: richardsonke@prc.gov

OCA/USPS-186. With respect to the single-piece First-Class first-ounce rate implemented June 30, 2002, and pursuant to this rate change:

- a. Please identify the different nondenominated (i.e., U.S. Flag and Antique Toy, etc.) stamps issued having a postage value of \$0.37.
- b. Please provide the total number of nondenominated stamps printed.
- c. Please provide the total number of nondenominated stamps distributed for sale.
- d. Please provide the total number of nondenominated stamps sold.
- e. Please provide the total number of (1) the nondenominated stamps having a postage value of \$0.37 identified in subpart a. above, and (2) the \$0.34 denominated stamps issued prior to June 30, 2002, recalled from distribution as unneeded inventory.
- f. Please provide the total number of (1) the nondenominated stamps having a postage value of \$0.37 identified in subpart a. above, and (2) the \$0.34 denominated stamps issued prior to June 30, 2002, destroyed as unneeded inventory.
- g. Please provide the total cost of designing the different nondenominated stamps identified in subpart a., above.
- h. Please provide the total cost to print the nondenominated stamps.
- i. Please provide the total cost to distribute the nondenominated stamps.
- j. Please provide the total cost to sell the nondenominated stamps.
- k. Please provide the total cost to recall from distribution as unneeded inventory (1) the nondenominated stamps having a postage value of \$0.37 identified in

subpart a. above, and (2) the \$0.34 denominated stamps issued prior to June 30, 2002.

- I. Please provide the total cost to destroy as unneeded inventory (1) the nondenominated stamps having a postage value of \$0.37 identified in subpart a. above, and (2) the \$0.34 denominated stamps issued prior to June 30, 2002.

Please explain all subparts that the Postal Service is unable to answer.

OCA/USPS-187. With respect to the single-piece First-Class first-ounce rate implemented June 30, 2002, and pursuant to this rate change:

- a. Please identify the different nondenominated make-up rate stamps issued having a postage value of \$0.03.
- b. Please provide the total number of nondenominated make-up rate stamps printed.
- c. Please provide the total number of nondenominated make-up rate stamps distributed for sale.
- d. Please provide the total number of nondenominated make-up rate stamps sold.
- e. Please provide the total number of (1) nondenominated make-up rate stamps having a postage value of \$0.03 identified in subpart a., above, and (2) \$0.01 denominated make-up rate stamps issued between January 7, 2001, and June 30, 2002, recalled from distribution as unneeded inventory.
- f. Please provide the total number of (1) nondenominated make-up rate stamps having a postage value of \$0.03 identified in subpart a., above, and (2) \$0.01

- denominated make-up rate stamps issued between January 7, 2001, and June 30, 2002, destroyed as unneeded inventory.
- g. Please provide the total cost to print the nondenominated make-up rate stamps identified in subpart a., above.
 - h. Please provide the total cost to distribute the nondenominated make-up rate stamps.
 - i. Please provide the total cost to sell the nondenominated make-up rate stamps.
 - j. Please provide the total cost to recall from distribution as unneeded inventory (1) nondenominated make-up rate stamps having a postage value of \$0.03 identified in subpart a., above, and (2) \$0.01 denominated make-up rate stamps issued between January 7, 2001, and June 30, 2002.
 - k. Please provide the total cost to destroy as unneeded inventory (1) nondenominated make-up rate stamps having a postage value of \$0.03 identified in subpart a., above, and (2) \$0.01 denominated make-up rate stamps issued between January 7, 2001, and June 30, 2002,.

Please explain all subparts that the Postal Service is unable to answer.

OCA/USPS-188. With respect to the single-piece First-Class first-ounce rate implemented January 7, 2001, and pursuant to this rate change:

- a. Please identify the different nondenominated stamps issued having a postage value of \$0.34.
- b. Please provide the total number of nondenominated stamps printed.

- c. Please provide the total number of nondenominated stamps distributed for sale.
- d. Please provide the total number of nondenominated stamps sold.
- e. Please provide the total number of (1) the nondenominated stamps having a postage value of \$0.34 identified in subpart a., above, (2) the \$0.33 denominated stamps issued prior to January 7, 2001, and (3) the nondenominated "H" rate stamps issued prior to January 7, 2001, recalled from distribution as unneeded inventory.
- f. Please provide the total number of (1) the nondenominated stamps having a postage value of \$0.34 identified in subpart a., above, (2) the \$0.33 denominated stamps issued prior to January 7, 2001, and (3) the nondenominated "H" rate stamps issued prior to January 7, 2001, destroyed as unneeded inventory.
- g. Please provide the total cost of designing the different nondenominated stamps identified in subpart a., above.
- h. Please provide the total cost to print the nondenominated stamps.
- i. Please provide the total cost to distribute the nondenominated stamps.
- j. Please provide the total cost to sell the nondenominated stamps.
- k. Please provide the total cost to recall from distribution as unneeded inventory (1) the nondenominated stamps having a postage value of \$0.34 identified in subpart a., above, (2) the \$0.33 denominated stamps issued prior to January 7, 2001, and (3) the nondenominated "H" rate stamps issued prior to January 7, 2001.

- I. Please provide the total cost to destroy as unneeded inventory (1) the nondenominated stamps having a postage value of \$0.34 identified in subpart a., above, (2) the \$0.33 denominated stamps issued prior to January 7, 2001, and (3) the nondenominated "H" rate stamps issued prior to January 7, 2001.

Please explain all subparts that the Postal Service is unable to answer.

OCA/USPS-189. With respect to the single-piece First-Class first-ounce rate implemented January 7, 2001, and pursuant to this rate change:

- a. Please identify the different nondenominated make-up rate stamps issued having a postage value of \$0.01.
- b. Please provide the total number of nondenominated make-up rate stamps printed.
- c. Please provide the total number of nondenominated make-up rate stamps distributed for sale.
- d. Please provide the total number of nondenominated make-up rate stamps sold.
- e. Please provide the total number of (1) nondenominated make-up rate stamps having a postage value of \$0.01 identified in subpart a., above, and (2) \$0.01 denominated make-up rate stamps issued between January 10, 1999, and January 7, 2001, recalled from distribution as unneeded inventory.
- f. Please provide the total number of (1) nondenominated make-up rate stamps having a postage value of \$0.01 identified in subpart a., above, and (2) \$0.01 denominated make-up rate stamps issued between January 10, 1999, and January 7, 2001, destroyed as unneeded inventory.

- g. Please provide the total cost to print the nondenominated make-up rate stamps identified in subpart a., above.
- h. Please provide the total cost to distribute the nondenominated make-up rate stamps.
- i. Please provide the total cost to sell the nondenominated make-up rate stamps.
- j. Please provide the total cost to recall from distribution as unneeded inventory (1) nondenominated make-up rate stamps having a postage value of \$0.01 identified in subpart a., above, (2) \$0.01 denominated make-up rate stamps issued between January 10, 1999, and January 7, 2001, and (3) the nondenominated "H" rate make-up stamps issued between January 10, 1999, and January 7, 2001.
- k. Please provide the total cost to destroy as unneeded inventory (1) nondenominated make-up rate stamps having a postage value of \$0.01 identified in subpart a., above, (2) \$0.01 denominated make-up rate stamps issued between January 10, 1999, and January 7, 2001, and (3) the nondenominated "H" rate make-up stamps issued between January 10, 1999, and January 7, 2001.

Please explain all subparts that the Postal Service is unable to answer.

OCA/USPS-190. With respect to the single-piece First-Class first-ounce rate implemented (a) January 7, 2001, and (b) June 30, 2002, please identify all USPS incremental costs associated with these rate changes, such as advertising, public

information, stamp production and distribution, window time, overtime, customer call center expense, collection of postage due, etc.

OCA/USPS-191. Please provide any economic, marketing, or other research, studies or reviews available to the Postal Service concerning the experience of foreign postal administrations that offer nondenominated postage to retail postal customers for single-piece items.

OCA/USPS-192.

- a. Has the Board of Governors' approved a policy opposing the issuance of a nondenominated single-piece, First-Class first-ounce stamp that would be sold to postal customers at a price equal to the single-piece, First-Class rate at the time of sale, and that postal customers could use that stamp without regard to subsequent changes in the single-piece, First-Class rate? If so, please elaborate.
- b. Is Postal Service management opposed to the issuance of a nondenominated single-piece, First-Class first-ounce stamp that would be sold to postal customers at a price equal to the single-piece, First-Class rate at the time of sale, and that postal customers could use that stamp without regard to subsequent changes in the single-piece, First-Class rate? If so, please elaborate and provide any supporting research, analysis, studies, or other documents on which the Postal Service management bases its reasoning.

OCA/USPS-193.

- a. Assume the Postal Service has issued a nondenominated single-piece, First-Class first-ounce stamp that is sold to postal customers at a price equal to the

- single-piece, First-Class rate at the time of sale, and that postal customers may use that stamp without regard to subsequent changes in the single-piece, First-Class rate. Is it the Postal Service's expectation that postage in the hands of the public would rise in anticipation of a subsequent increase in the single-piece, First-Class rate? Please explain and quantify the response.
- b. Assume the Postal Service has issued a nondenominated single-piece, First-Class first-ounce stamp that is sold to postal customers at a price equal to the single-piece, First-Class rate at the time of sale, and that postal customers may use that stamp without regard to subsequent changes in the single-piece, First-Class rate. Is it the Postal Service's expectation that postage in the hands of the public would rise more if the expected percentage increase in the single-piece, First-Class rate is "large?" Please explain and quantify the response.
- c. Assume the Postal Service has issued a nondenominated single-piece, First-Class first-ounce stamp that is sold to postal customers at a price equal to the single-piece, First-Class rate at the time of sale, and that postal customers may use that stamp without regard to subsequent changes in the single-piece, First-Class rate. Is it the Postal Service's expectation that it will earn more interest income for the time value of additional prepaid postage should postage in the hands of the public rise in anticipation of a subsequent increase in the single-piece, First-Class rate? Please explain and quantify the response.