

# 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

OPPOSITION OF UNITED STATES POSTAL SERVICE TO DAVID B. POPKIN'S  
MOTION TO DISMISS THE UNITED STATES POSTAL SERVICE'S  
REVISED ATTACHMENTS 1 AND 2 TO SUPPLEMENTAL  
RESPONSE TO DBP/USPS-66[A]  
(November 12, 1997)

The United States Postal Service hereby opposes David B. Popkin's Motion to Dismiss the United States Postal Service's Revised Attachments 1 and 2 to Supplemental Response to DBP/USPS-66[a], filed on November 10, 1997 (Motion). That supplemental response provides the fees for several types of envelopes (or notes that the envelopes are not available), and explains, in response to Mr. Popkin's motion to compel, how the fee is derived from the stamped envelope fee schedule. In addition, to minimize confusion that was indicated by Mr. Popkin's question, witness Needham attached a simplified restatement of proposed Fee Schedule 961, for stamped envelopes. That restatement reorganizes the listing of fees to reflect the aggregation of fee categories proposed by witness Needham, and specifically includes the proposed fee (\$15.50) for bulk sales of plain hologram stamped envelopes. A second attachment presents a corrected page 92 of witness Needham's testimony, thereby adding the same proposed fee to that page. That page presents a table with the current and proposed groupings and fees for stamped envelopes. As discussed below, these attachments do not change the Postal Service's proposed stamped envelope fees, but instead make the fee schedule and page 92 of witness Needham's testimony consistent with the rest of the materials

filed with the Request on July 10, 1997. These attachments should be considered when the Commission prepares its Recommended Decision.

As background, on September 10, 1997, Mr. Popkin asked, in interrogatory DBP/USPS-54(d), for confirmation, or an explanation if not confirmed, that “plain hologram stamped envelopes will only be available in single sales.” In a response filed October 2, 1997, witness Needham stated: “Not confirmed. See USPS-T-39, page 96, lines 4–13.” That testimony states clearly that:

For both the 10 inch printed *and plain* bulk units, \$4.00 higher fees were developed for holograms over the respective proposed bulk unit fees.

(Emphasis added). Since there is no alleged uncertainty concerning the proposed plain bulk hologram fee of \$11.50 (see Request, Attachment B, page 63; USPS-T-39 at 92 (last proposed fee)), the response, by referring to witness Needham’s filed testimony, clearly indicates that the proposed fee for plain bulk hologram envelopes is \$15.50.

In interrogatory DBP/USPS-66(a), Mr. Popkin asked:

if you arrive at a price for any of the following types of envelopes in response to the subparts of DBP/USPS-54, explain how that price was arrived at utilizing the data which is provided in the specific Fee Schedule for stamped envelopes: subparts d, e, k, and w.

Witness Needham initially interpreted this interrogatory to be requesting how the proposed stamped envelope fees were developed consistently with the statutory pricing criteria, so she referred to the relevant portion of her testimony in response. In response to Mr. Popkin’s October 7, 1997 motion to compel a more responsive answer, however, witness Needham filed a supplemental response, including the

attachments at issue in this motion, to explain the relationship between the proposed stamped envelope fees, and the proposed stamped envelope fee schedule 961.

Contrary to Mr. Popkin's motion, these attachments do not seek to establish a fee "which was *not* provided for in the original Testimony," Motion at 1, or to "make a change in their [the Postal Service's] desired rates," Motion at 2. Instead, they make the fee schedule and Table 16 consistent with the rest of her testimony, her workpapers, the revenue figures provided by witnesses Patelunas (USPS-T-15) and O'Hara (USPS-T-30), and library reference H-107. As stated above, witness Needham's testimony at page 96 indicates the higher fee for 10-inch plain bulk hologram stamped envelopes. Moreover, her workpaper WP-15 uses the proposed \$15.50 fee for 10-inch plain bulk hologram envelopes to calculate after rates revenues for stamped envelopes. These revenues are included in witness O'Hara's Exhibit USPS-30B, as revised 8/22/97, and witness Patelunas' Exhibit USPS-15J, as revised 8/22/97. Library reference H-107, at pages 48 and 55, provides a separate cost for plain bulk hologram stamped envelopes, along with each of the other types of stamped envelopes for which witness Needham is proposing fees.<sup>1/</sup> Thus, the Postal

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<sup>1/</sup> Contrary to Mr. Popkin's claim, Motion at 2, witness Needham's workpapers and LR-H-107 are not in conflict with any part of the Postal Service's testimony. Mr. Popkin has not, and cannot, claim that the Postal Service has in any way proposed a fee other than \$15.50 for bulk plain hologram stamped envelopes. In this regard, the original Table 16 in witness Needham's testimony, while listing each type of stamped envelope in its current and proposed fee group, does not include bulk plain hologram stamped envelopes in any group. Proposed fee schedule 961 does not include this type of envelope in the listing for any other proposed fee. Instead, in both cases, bulk plain hologram stamped envelopes were simply omitted. Thus, no other proposed fee has been associated with this type of stamped envelope.

Service has provided adequate notice that it is proposing a \$15.50 fee for bulk plain hologram stamped envelopes.

Given these other indications of the Postal Service's proposed \$15.50 fee for bulk plain hologram stamped envelopes, Mr. Popkin is wrong to claim that the Postal Service is supplementing its Request "at this late date when the ability to conduct written and oral cross examination is affected." Motion at 2. Mr. Popkin should have been able to figure out what the Postal Service is proposing, and, if not, could have asked the Postal Service for its proposed fee. He chose not to, instead trying a strategy of showing that the proposed fee could not be derived from the stamped envelope fee schedule in the Postal Service's Request. The fact that he chose this strategy does not mean that he has not had an adequate opportunity to conduct written and oral cross examination on the Postal Service's proposed fee of \$15.50.

In any case, the attachments are not intended to supplement the Postal Service's filing, but simply to clarify the Postal Service's proposed stamped envelope fees. The proposed stamped envelope fee schedule, as filed in the Request, maintains the form of the current fee schedule. Attachment 1 to the supplemental response to interrogatory DBP/USPS-66(a) reorganizes the fee schedule to reflect the simplification proposed by witness Needham in her testimony, and Attachment 2 corrects a simple omission. Thus, the attachments will assist the Commission in deciding what classifications and fees to recommend for stamped envelopes.<sup>2/</sup>

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<sup>2/</sup> The Commission does not need to have these attachments entered as evidence in order to recommend the Postal Service's proposed stamped envelope fee schedule, or  
(continued...)

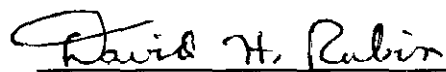
For all these reasons, Mr. Popkin's Motion should be denied.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

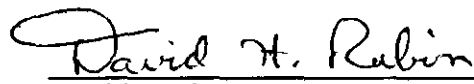
Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
David H. Rubin

### 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.

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November 12, 1997

  
David H. Rubin

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<sup>2/</sup> (...continued)

a different one. The Postal Service's proposed fee is clear from other testimony. While the Postal Service believes it would be better for witness Needham's supplemental response, with its attachments, to be entered into evidence, that response has not been so entered yet. Thus, there is nothing to "dismiss" or "strike" (Motion at 2), as Mr. Popkin requests.