

DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
DOUGLAS F. CARLSON
(USPS/DFC-T1-19-29)

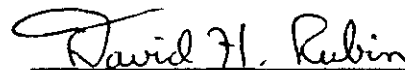
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to Douglas F. Carlson:
USPS/DFC-T1-19-29.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



David H. Rubin

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January 15, 1998

USPS/DFC-T1-19. Please refer to your testimony at page 2, lines 11 to 25, where you quote part of the response of witness Patelunas to interrogatory OCA/USPS-T5-11 from Docket No. MC96-3.

- (a) Please confirm that you did not quote the beginning of witness Patelunas' response, which states:

There are no certain reasons for the difference in unit costs, although there are some speculative reasons. Part of the explanation may be that . . .

- (b) Please confirm that your testimony omits the second half of witness Patelunas' response, which states:

It is also possible that postal cards are misidentified as private cards during data collection. The relatively small volume of postal cards compared to the total volume of cards processed could cause data collection errors biased towards categorizing cards as private even if they aren't. This is not a new development nor has it gone unnoticed. Since Fiscal Year 1990, the unit cost of postal cards has been less than one-half of the unit cost of private cards. A remedy to the misidentification problem is proposed in this case: simply treat cards as cards without the postal-private distinction. As this question seems to postulate, there should be no distinction in costs other than the manufacturing costs. Providing a special service line item for stamped cards similar to stamped envelopes accomplishes this.

Docket No. MC96-3, Tr. 2/253 (Attached). If you do not confirm, please explain why not. When you respond, please include the attachment with the question.

- (c) Transcript volume 19F, containing materials designated from prior proceedings, contains only the first page of witness Patelunas' response, omitting the

material quoted in part (b) above. Please confirm that you intended to designate the entire response to OCA/USPS-T5-11 into the record.

- (d) If you do not confirm part (c), please explain why your motion to designate evidence from Docket No. MC96-3, dated October 17, 1997, did not discuss your intent to include only the first page of the response in the Docket No. R97-1 record.
- (e) If you confirm part (c), would it have been better to cite both pages of the response in your motion to designate (Tr. 2/252-53), rather than just citing the first page of the response (Tr. 2/252)? Please explain your answer.

USPS/DFC-T1-20. Please refer to your testimony at page 2, lines 27 through 31, where you state that some private post cards do not meet the automation compatibility requirements in specified DMM sections, and not all private post cards meet the reflectance requirements of DMM § C830.3.2.

- (a) Please confirm that some private cards do meet the automation requirements in the DMM sections you cite. If you do not confirm, please explain why not.
- (b) Please confirm that some private post cards meet the reflectance requirements in DMM § C830.3.2. If you do not confirm, please explain why not.

USPS/DFC-T1-21. Please refer to your testimony at page 10, lines 3 to 5.

- (a) Why do you believe that some private post card customers will find a three-cent price differential a sufficient incentive to switch to stamped cards?

- (b) Please confirm that the private post card category includes a wide variety of types of cards, such as cards used for billing purposes, and picture post cards. If you do not confirm, please explain why not.
- (c) What types of private post cards do you believe would be most likely to switch to stamped cards?
- (d) Please confirm that the average cost for the private post card category includes a wide variety of costs, including the costs for cards used for billing purposes, and the costs for picture post cards. If you do not confirm, please explain why not.
- (e) Do you believe that private post cards which switch to stamped cards are likely to have costs below the average costs for all private post cards? Please explain your answer.

USPS/DFC-T1-22. Please confirm that some stamped cards contain handwritten addresses, and some contain typed addresses. If you do not confirm, please explain fully.

USPS/DFC-T1-23. Please refer to page 9, lines 25-26 of your testimony. How will the classification you propose “lower costs”?

USPS/DFC-T1-24. Please refer to page 13, lines 11-12 of your testimony.

- (a) Does the transcript cite in footnote 62 refer to the following?

Q And if that business wanted to receive its mail at 8:30 a.m. but that mail were not available until 11:00 o'clock a.m., that business would value receiving the mail at 8:30 higher than receiving it at 11 o'clock?

A Probably. -

- (b) If your response to "a" above is no, please provide the exact cite.
- (c) If your response to "a" above is yes, is your statement on lines 11-12 presupposed on any conditional information such as the business wanting to receive its mail at 8:30 a.m.? If so, please specify.

DFC/USPS-T1-25. Please refer to page 13, lines 16-20 of your testimony. Please provide all information, reports, dispatch time schedules, or other bases to support your statement that "transportation constraints would not prevent an earlier cutoff time".

DFC/USPS-T1-26. Please refer to page 13, footnote 65 of your testimony. Do you believe that the only support for a claim of extremely high value of service for post office box service is that customers uniformly receive box mail early. If yes, please explain fully.

USPS/DFC-T1-27. Please refer to your testimony at page 14, lines 7 to 11.

- (a) Quote the language by which witness Needham acknowledged that a customer would value his box service higher if the mail was placed in his box consistently by the posted cutoff time.

- (b) Quote the language by which witness Needham acknowledged that the reasons for a customer making multiple visits would be inconsistent delivery or the post office's failure to meet the posted cutoff time.

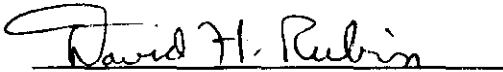
USPS/DFC-T1-28. Please refer to your testimony at page 20, lines 1 to 4.

- (a) Is Express Mail the only alternative to return receipt service? Are there any non-postal alternatives? Please explain.

USPS/DFC-T1-29. Please refer to your testimony at page 20, lines 8 to 10, and footnote 87. Please confirm that at the transcript cite you provide (Tr. 3/850) witness Plunkett did not acknowledge that "customers often use return receipt service because the Postal Service supposedly acts as a 'disinterested third party' in confirming the date on which an article was delivered." If you do not confirm, please explain why not.

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

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