

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

Postal Rate and Fee Changes, 2006)

Docket No. R2006-1

**INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO TO
USPS WITNESS DONALD J. O'HARA (APWU/USPS-T31-1-8)
(July 14, 2006)**

Pursuant to Rules 25, 26, and 27 of the Rules of Practice, The American Postal Workers Union, AFL-CIO directs the following interrogatories to USPS witness Donald O'Hara. If the witness is unable to respond to any interrogatory, APWU requests that a response be provided by an appropriate person capable of providing an answer.

Respectfully submitted,

Darryl J. Anderson
Counsel for American Postal Workers Union, AFL-CIO

O'Donnell, Schwartz & Anderson, P.C.
1300 L Street NW Suite 1200
Washington, DC 20005-4126
Voice: (202) 898-1707
Fax: (202) 682-9276
DAnderson@odsalaw.com

APWU/USPS-T31-1 On page 4 of your testimony you make the statement “[i]n re-examining the relationship between costs and prices, it became clear that the current rate structures did not adequately reflect the greater costs of handling a flat or parcel as compared to a letter.”

- a) What prompted the re-examination of these relationships?
- b) Weren't these relationships clear to the Postal Service five years ago when the previous realignment of rates was done?
- c) How was the decision reached to begin the deaveraging of costs as seen in this docket?
- d) Was it your decision to deaverage costs using shape and other factors as presented in this docket? If not, which witness(es) made those decisions?

APWU/USPS-T31-2 Does deaveraging costs and increasing the number of rates in the schedules tend to make it more difficult for users to determine the correct postage for a given mail piece?

APWU/USPS-T31-3 On page 20 of your testimony you make the following statement about the First Class cards subclass “[t]he proposed rate level reflects a balanced consideration of all the relevant criteria: it is fair and equitable (criterion 1).” On page 19 of your testimony you make the statement about the First Class letters subclass that the “proposed rate level is fair and equitable (criterion 1); it reflects a careful consideration of the §3622(b) criteria.” These statements seem to imply that it is your understanding that the first criterion of §3622(b) is determined by how well the other eight criterion in the section are followed. Is that a correct understanding of these statements?

APWU/USPS-T31-4 In your testimony, you discuss the nine criteria listed in section 3622(b) of the Postal Reorganization Act (PRA). You will observe that the first paragraph of section 3622(b) requires that the Commission make a recommended decision “in accordance with the policies of this title and the following factors:”

- a) Is it the position of the Postal Service that the phrase “in accordance with the policies of this title” adds nothing to the requirement that the recommendation be in accordance with the nine listed factors?
- b) If your answer to a above is yes, why did Congress refer to the “policies of this title” in 3622(b) instead of just referring to the nine factors?
- c) Does your testimony make reference to any policy of the PRA other than those stated in the nine factors listed in 3622(b)?
- d) If your answer to c above is yes, point out the place or places in your testimony where that reference(s) is made, point out where in the Act the

policy in question is stated, and explain how your reference weighs the policy in question.

- e) In your testimony, did you make any reference to the requirements of section 3622(a) of the PRA that the Postal Service's requested rate changes must "be ... in accordance with the policies of this title"?
- f) If your answer to e above is yes, point out the place or places in your testimony where that reference(s) is made.
- g) If your testimony makes reference to the requirement of section 3622(a) that the Postal Service request be "in accordance with the policies of this title," does it make reference to any specific policy of the PRA that is not one of the nine factors listed in 3622(b)?
- h) If your answer to g above is yes, point out the place or places in your testimony where that reference(s) is made point out where in the Act the policy in question is stated, and explain how your reference weighs the policy in question.

APWU/USPS-T31-5 Section 101(a) of the PRA states, in part:

"The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people."

- a) Do you agree that this provision of the PRA states a policy of Title 39 of the United States Code within the meaning of section 3622(a) of the Act?
- b) If your answer to a above is yes, does your testimony discuss or consider this policy?
- c) If your answer to b above is yes, point to the statement or statements in your testimony that discuss or consider this policy.

APWU/USPS-T31- 6 Section 101(a) of the PRA states, in part:

"The Postal Service...shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities."

- a) Do you agree that this provision of the PRA states a policy of Title 39 of the United States Code within the meaning of section 3622(a) of the Act?
- d) If your answer to a above is yes, does your testimony discuss or consider this policy?

- e) If your answer to b above is yes, point to the statement or statements in your testimony that discuss or consider this policy.

APWU/USPS-T31- 7 Section 101(a) of the PRA states, in part:

“The costs of establishing and maintaining the Postal Service shall not be apportioned to impair the overall value of such service to the people.”

- a) What is your understanding of the term “the people” in the passage of the Act quoted above?

- b) On pages 3-4 of your testimony, you state:

“[I]n this case as in previous cases, the Postal Service's overall objective has been to craft a price and classification proposal that not only addresses concerns about the relationships between cost drivers and prices but that also provides its customers with an increased number of choices allowing them to elect the postal products and services that have the most value in meeting their business needs.”

Does the Postal Service’s “overall objective” take into consideration the value of postal services to all “the people” or only to business people?

- c) If your answer to b above is that the Postal Service’s overall objective takes the value of postal services to all the people into consideration, where in your testimony is there any discussion of the value of postal services to people who are not in business?

APWU/USPS-T31-8 Section 101(b) of the PRA states, in part:

“The Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities and small towns where Post offices are not self-sustaining. No small post office shall be closed solely for operating at a deficit, it being the specific intent of the Congress that effective postal services be insured to residents of both urban and rural communities.”

- a) Do you agree that this provision of the PRA states a policy of Title 39 of the United States Code within the meaning of section 3622(a) of the Act?
- b) If your answer to a above is yes, does your testimony discuss or consider this policy?
- c) If your answer to b above is yes, point to the statement or statements in your testimony that discuss or consider this policy.