

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

RECEIVED  
JUN 9 3 39 PM '00  
POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

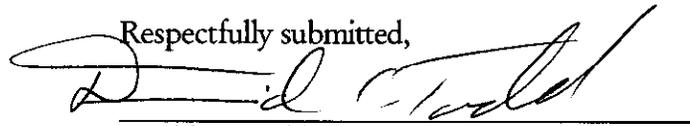
POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

FIRST SET OF INTERROGATORIES OF  
MAIL ORDER ASSOCIATION OF AMERICA  
TO AMERICAN BANKERS ASSOCIATION  
AND NATIONAL ASSOCIATION OF PRESORT MAILERS WITNESS CLIFTON  
(MOAA/ABA&NAPM-T-1-1-11)

Pursuant to Sections 25 and 26 of the rules of practice, the Mail Order Association of America (MOAA), submits the following interrogatories to American Bankers Association and National Association of Presort Mailers witness Clifton (ABA&NAPM-T-1).

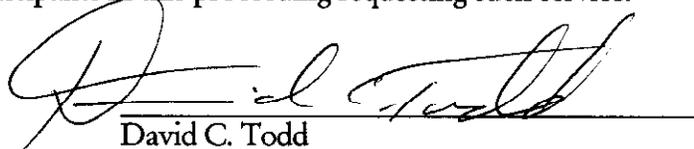
Respectfully submitted,



David C. Todd  
PATTON BOGGS LLP  
2550 M Street, NW  
Washington, DC 20037-1350  
Telephone: (202) 457-6410  
Counsel for Mail Order Association of America

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon the Postal Service by hand and by First-Class Mail upon all participants in this proceeding requesting such service.



David C. Todd

Date: June 9, 2000

INTERROGATORIES OF MAIL ORDER ASSOCIATION OF AMERICA  
TO AMERICAN BANKERS ASSOCIATION  
AND NATIONAL ASSOCIATION OF PRESORT MAILERS WITNESS CLIFTON

MOAA/ABA&NAPM-T-1-1      Please confirm that you are the same James A. Clifton that presented testimony on behalf of the Greeting Card Association, Inc. in Postal Rate Commission Docket No. MC95-1.

MOAA/ABA&NAPM-T-1-2      Please confirm that that testimony and your responses to written and oral cross examination are found in volume twenty-six at 11810 ff of the official transcript of the proceedings in Docket No. MC95-1.

MOAA/ABA&NAPM-T-1-3      Please confirm that the purpose of your testimony in Docket No. MC95-1 was to attempt to persuade the Commission that costing and pricing automation mail as a subclass would harm single piece mailers and should therefore be rejected.

MOAA/ABA&NAPM-T-1-4      Please confirm that your position in Docket No. MC95-1 was that single piece mail should not be deprived of the benefit of being costed and priced together with automation mail because to do otherwise would show that single piece mail has much higher costs and therefore its rates would have to be much higher.

MOAA/ABA&NAPM-T-1-5      Please confirm that in your testimony you presented a simulation of a possible outcome for First-Class rates based on the acceptance of the Postal Service's proposed classification reforms predicting the following rate levels:

Postal Rates in Cents Per Piece

<u>Representative Rate</u>	U.S.P.S. Proposed Rates (MC95-1)	<u>Rates as of January 1</u>		
		<u>1998</u>	<u>2001</u>	<u>2004</u>
First-Class Retail Letter	32.0	39.0	45.0	50.0
First-Class Automation Letter (5-Digit PBC)	23.5	17.0	15.0	16.0

Source: MC95-1 Tr. 26/11860.

MOAA/ABA&NAPM-T-1-6      Please confirm that the above rates were premised upon the cost coverage ratios shown below:

Cost Coverage Ratios

<u>Representative Rate</u>	1996 Based On U.S.P.S. Rates	<u>Rates as of January 1</u>		
		<u>1998</u>	<u>2001</u>	<u>2004</u>
First-Class Retail	1.482	1.703	1.816	1.850
First-Class Automation	3.111	2.464	2.011	1.969

Source: MC95-1 Tr. 26/11861

MOAA/ABA&NAPM-T-1-7      Please confirm that treating First-Class Automation Letter mail as a subclass, and basing its rates upon its actual costs and the application of the pricing factors which you deemed to be likely, resulted, under your simulation, in First-Class Automation rates that were only one-third of the level of First-Class Retail rates as of 2001.

MOAA/ABA&NAPM-T-1-8 Please confirm that had the Postal Rate Commission accepted the Postal Service's proposed classification reform of First-Class mail the rates for automation First-Class mail would be considerably lower than either existing or USPS proposed rates for that type of mail.

MOAA/ABA&NAPM-T-1-9 Please confirm that you testified in that proceeding that "the proposed automation subclass for First-Class letter mail will not have any ECSI value as that criterion has been applied by the Commission. . ." (Tr. 26/12021).

MOAA/ABA&NAPM-T-1-10 Please confirm that your use of the term First-Class mail single piece in your testimony in this proceeding refers to the same type of mail referred to as First-Class Retail in your testimony in Docket No. MC95-1.

MOAA/ABA&NAPM-T-1-11 In your testimony in this proceeding you contend that "the growing disparate trends between cost coverages for single piece versus workshared mail in the allocation of institutional costs, workshared mail is being singled out in an arbitrary and almost punitive way." (at 60).

a. Please confirm that class or subclass treatment has as its fundamental purpose permitting the costs of the class or subclass to be allocated on the basis of the Postal Service's costing systems and the pricing factors of the Act to be applied to that class or subclass.

b. Please provide any reference in the Commission's decisions that support the proposition that the application of the pricing factors of the Act to arrive at proper cost coverages is appropriate at anything other than the class or subclass level.

c. Please confirm that in your table fourteen on page 62 of your testimony you are comparing what you label as cost coverages for “FCM single piece” and “FCM presort,” which are not subclasses, to “Standard A Mail” and “Standard A Mail Commercial” even though by doing so you are combining four Standard Mail A subclasses.

d. Please confirm that the cost coverages for Standard Mail A nonprofit ECR and regular are to be determined by a mathematical statutory scheme and not by the Commission’s independent evaluation of the pricing factors of the Act.

MOAA/ABA&NAPM-T-1-12 With reference to page 63 of your testimony, please provide the cost coverage for the First Class mail subclass of “Letters and Sealed Parcels” that would result from your proposed adjustments.

MOAA/ABA&NAPM-T-1-13 Please confirm that the Standard Mail A ECR subclass was initiated in 1996.

MOAA/ABA&NAPM-T-1-14 Please explain why you have presented Table Twelve purporting to show various results for Standard Mail A ECR for the years 1994 and 1995.

MOAA/ABA&NAPM-T-1-15 Please confirm that the cost coverage for the Standard Mail A ECR subclass has exceeded the cost coverage for the First-Class Letters and Sealed Parcels subclass in every year since the initiation of the ECR subclass.