

**ORIGINAL**

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

MAILING ONLINE SERVICE

RECEIVED  
Docket No. **MC98-13** 95 11 99

UNITED STATES POSTAL SERVICE  
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO  
MAIL ADVERTISING SERVICE ASSOCIATION INTERNATIONAL  
AND PITNEY BOWES WITNESS PRESCOTT  
(USPS/MASAPB-T1-13)

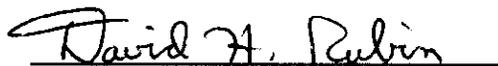
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to Mail Advertising Service Association International and Pitney Bowes witness Prescott: USPS/MASAPB-T1-13.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
David H. Rubin

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February 16, 1999



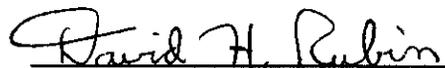
### **USPS/MASAPB-T1-13**

Please refer to your testimony at page 24, lines 15 to 16, where you claim that the Postal Service "has not shown that the Mailing Online contribution is maximized with a 25 percent mark-up."

- (a) Do you consider contribution maximization to be a relevant criterion in establishment of rates and fees under the Postal Reorganization Act? Please explain your answer.
- (b) Please confirm that the aggregate cost figure of \$194.7 million you use in your Table 4 excludes those costs characterized as "fixed" by the Postal Service. If you do not confirm, please explain.
- (c) Please confirm that your Table 4 assumes that aggregates costs drop in proportion to the drop in volume when moving from a 25 percent to a 50 percent mark-up ratio. If you do not confirm, please explain.
- (d) Please reconcile your assumption about the relationship between volumes and aggregate costs with the evidence that high-cost options, such as documents over 10 pages, 11 x 17 inch documents, and spot color documents, decrease disproportionately when moving from a 25 percent to a 50 percent markup. See Tables 15 and 16 of witness Rothschild's testimony (USPS-T-4), and Tables 1, 2, and 3 of witness Seckar's testimony (USPS-T-2).

**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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