

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

RECEIVED

Nov 8 3 34 PM '99
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

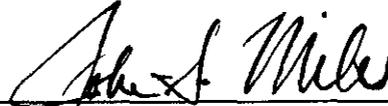
Experimental "Ride-Along")
Classification Change for Periodicals)

Docket No. MC2000-1

COX TARGET MEDIA, INC.
AND COX CONSUMER SAMPLING
SECOND INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO POSTAL SERVICE WITNESS ALTAH H. TAUFIQUE (CC/USPS-T1-8-20)
(November 8, 1999)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Cox Target Media, Inc. and Cox Consumer Sampling, proceeding jointly herein as the "Cox Companies," hereby submit interrogatories and document production requests. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

Respectfully submitted,



William J. Olson
John S. Miles
WILLIAM J. OLSON, P.C.
8180 Greensboro Drive, Suite 1070
McLean, Virginia 22102-3823
(703) 356-5070

Counsel for Cox Target Media, Inc.
and Cox Consumer Sampling

CERTIFICATE OF SERVICE

I hereby certify that I have this day served by hand delivery or mail the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.


John S. Miles

November 8, 1999

CC/USPS-T1-8.

In reference to your testimony at page 4 (lines 22-23) and page 5 (line 1):

- a. Please specify each way in which the physical requirements for the Ride-Along classification are more stringent than for Standard (A) attachments or enclosures; and
- b. Please explain the rationale for each such different requirement.

CC/USPS-T1-9.

Please confirm that an automatable periodical weighing the amounts shown here, presorted to 3-digits, entered at the SCF of delivery, and consisting of 40 percent editorial content and 60 percent advertising, would pay the rates shown below. If you do not confirm, please supply the correct rates.

Weight (ounces)	Pound Rate (cents)	Piece Rate (cents)	Total (cents)
2	2.14	22.44	24.58
4	4.28	22.44	26.72
6	6.42	22.44	28.86
8	8.56	22.44	31.00
10	10.70	22.44	33.14
12	12.84	22.44	35.28
14	14.98	22.44	37.42

CC/USPS-T1-10.

Please confirm that a periodical similar to that referred to in interrogatory CC/USPS-T1-9, but including one Ride-Along insert, would pay the rates shown below. If you do not confirm, please supply the correct rates.

Weight (ounces)	Periodical Rate (cents)	Ride-Along Rate (cents)	Total (cents)
2	24.58	10	34.58
4	26.72	10	36.72
6	28.86	10	38.86
8	31.00	10	41.00
10	33.14	10	43.14
12	35.28	10	45.28
14	37.42	10	47.42

CC/USPS-T1-11.

Please confirm that a Standard (A) Regular Automation flat prepared to the 3/5 digit level with SCF entry would pay the rates shown below. If you do not confirm, please supply the correct rates.

Weight (ounces)	Piece Rate (cents)	Pound Rate (cents)	Total (cents)
2	18.2	0	18.2000
4	6.3	14.4250	27.7250
6	6.3	21.6375	29.9375
8	6.3	28.8500	35.1500
10	6.3	36.0625	42.3625
12	6.3	43.2750	49.5750
14	6.3	50.4875	56.7875

CC/USPS-T1-12.

- a. Please compare the rates set forth in interrogatories CC/USPS-T1-10 and 11 and confirm that, up to 10 ounces, the Standard (A) Regular Automation flat rate is less than the Periodicals rate with one Ride-Along. If you do not confirm, please explain fully.
- b. For the weight interval where the Standard (A) Regular Automation flat rate is less than the Periodicals rate with one Ride-Along inset or on-sert, please provide all reasons why, to the best of your knowledge, a periodical publisher would opt to mail at the Periodicals rate rather than the Standard (A) rate.

CC/USPS-T1-13.

For purposes of your response to this interrogatory, assume the following hypothetical situation. Periodical A consists of 192 pages plus one Ride-Along insert weighing 3 ounces, while periodical B consists of 192 pages (of the same trim size and paper weight) plus one Ride-Along insert weighing 0.75 ounces and one Standard (A) insert weighing 0.75 ounces. Assume further that periodicals A and B are both automatable, both have the same percentage of editorial content, and both have the same presort and entry level characteristics; *i.e.*, except for the inserts, periodicals A and B have identical mailing characteristics.

- a. Please confirm that the rate for periodical B would exceed the rate for periodical A by an amount equal to the applicable Standard (A) rate for the second insert. If you do not confirm, please explain fully why not, stating what would be the applicable difference in rates between the two periodicals.
- b. Would you agree that the Postal Service's cost of handling periodical B should not exceed the cost of handling periodical A? Please explain fully any answer that is not an unqualified affirmative.
- c. To the extent that weight affects costs (assume that the volume of each insert in periodicals A and B is proportional to weight of the insert), would you agree that the cost of processing, transporting and delivering periodical A could exceed the cost of handling periodical B? Please explain fully any answer that is not an unqualified affirmative.

- d. If periodical A is deemed to pay processing and delivery costs for one piece (*i.e.*, not counting the Ride-Along insert as a separate piece), would you agree that periodical B would be paying the processing and delivery costs for two pieces (*i.e.*, counting the Standard (A) insert as a separate piece, but not counting the Ride-Along insert as a separate piece)? Please explain fully any answer that is not an unqualified affirmative.
- e. Referring to your testimony at page 4, lines 16-22, would you agree that the comparison between periodicals A and B provides an equally compelling reason to permit two Ride-Along pieces in one periodical? Unless your answer is an unqualified affirmative, please explain fully why the logic of your argument is not equally compelling in this example.

CC/USPS-T1-14.

Is there any limit to the number of inserts printed on paper material, such as heavier weight stock (designed to meet mailing requirements for post cards), that can be bound into a periodical? If so, please state what that limit is, give the relevant DMM reference(s) regarding that limit, and explain the rationale for the limit.

CC/USPS-T1-15.

Is there any limit on the thickness or weight of paper material that can be bound into a periodical without paying any additional Ride-Along or Standard (A) fee? If so, please state what that limit is, give the relevant DMM reference(s) regarding that limit, and explain the rationale for the limit.

CC/USPS-T1-16.

- a. As between (i) magazine A with a number of “eligible” inserts composed of rather thick, heavy-weight paper material and (ii) magazine B with an equal number of “ineligible” inserts composed of cloth or leather, please explain fully how the “ineligible” inserts would clutter up magazine B more than the “eligible” inserts in magazine A. When responding to this interrogatory, assume that the “eligible” and “ineligible” inserts have the same weight and trim size.
- b. Would the “ineligible” inserts in magazine B be likely to cause any significant additional mail processing or delivery costs in comparison to the “eligible” inserts in magazine A? Please explain fully any answer that is not an unqualified negative.

CC/USPS-T1-17.

At page 4 of your testimony, you state that “Neither the Periodicals industry nor the Postal Service wishes to provide an incentive to the customers to clutter up magazines with numerous advertising pieces or other ineligible enclosures or attachments.”

- a. In the above-quoted sentence, does the word “customers” refer to publishers or advertisers?
- b. Please state all reasons why the Postal Service does not want to provide an incentive to customers to “clutter up magazines” with numerous advertising pieces or other ineligible enclosures or attachments.

- c. In your opinion, would it “clutter up magazines” in a negative way if a single issue of a magazine included, for example, a cosmetic product as well as a CD-ROM? Please explain the basis for your answer.
- d. Please produce copies of all documents written and/or transmitted between January 1, 1998 and the present, mentioning, reflecting, or commenting on the concern recited at page 4 of your testimony about not providing an incentive to customers to “clutter up magazines” with advertising pieces, and the like.

CC/USPS-T1-18.

- a. Will the proposed Ride-Along rate be applicable or available to all periodicals? If not, please explain which specific types are not eligible, and why not.
- b. Please confirm that, if all other requirements are met, the proposed Ride-Along rate will be available for inserts or on-serts with the following publications mailed at the appropriate Periodicals rate. Please explain briefly any answer that is not an unqualified confirmation.
 - (i) General publications.
 - (ii) Publications of institutions and societies.
 - (iii) Publications of State Departments of Agriculture.
 - (iv) Non-profit publications.
 - (v) Requester publications.
 - (vi) Foreign publications.

CC/USPS-T1-19.

At page 11 of your testimony you state “paraphrasing witness Schwartz (See USPS-T-2), these units have been historically designed for inclusion with periodicals and are not sent independently of periodicals.” Aside from your reliance on witness Schwartz, please provide all independent knowledge and evidence which you and the Postal Service have as to whether the “units” to which you refer have or have not been sent through the mail independently of periodicals. Please cite all examples of which you are aware of “units” that are designed for inclusion with periodicals and are not sent independently of periodicals.

CC/USPS-T1-20.

Your testimony at page 7, lines 12-13, states that in FY98 the average Standard (A) rate per insert mailed in a periodical was approximately 21.6 cents. Witness Schwartz, USPS-T-2, page 3, line 22, states that Conde Nast’s current average price is approximately \$0.1985 per piece. Since the proposed Ride-Along rate is about one-half the minimum rate paid for a Standard (A) piece, please state all reasons why the Postal Service has allowed Ride-Along pieces to weigh up to 3.3 ounces, instead of, say 1.7 ounces.