

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

RECEIVED
FEB 10 3 58 PM '00

POSTAL RATE POLICY
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES

Docket No. R2000-1

**MAJOR MAILERS ASSOCIATION'S
FIRST SET OF INTERROGATORIES AND DOCUMENT PRODUCTION REQUESTS
TO USPS WITNESS GEORGE S. TOLLEY**

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, Major Mailers Association herewith submits the following interrogatories and document production requests to United States Postal Service witness George S. Tolley:

MMA/USPS-T6-1-4. If the designated witness is unable to answer any of these questions, please direct them to the appropriate witness who can provide a complete response.

Respectfully submitted,

MAJOR MAILERS ASSOCIATION

By: 

Michael W. Hall
34693 Bloomfield Road
Round Hill, Virginia 20141
540-554-8880
Counsel for
Major Mailers Association

Dated: Round Hill, VA
February 9, 2000

**Major Mailers Association's First Set Of Interrogatories
And Requests For Production Of Documents
To USPS Witness George S. Tolley**

MMA/USPS-T6-1 In Table 1 on page 5 of your prepared testimony, you provide volume projections for all subclasses of mail on a Before-Rates and After-Rates basis. For First-Class Single Piece you show a small decline, whereas for First-Class Workshared you show a significant gain.

- (a) Is the volume growth in First-Class Workshared letters coming from the Single Piece category? Please explain your answer.
- (b) Assuming your answer to part (a) is yes, is the migration from Single Piece to Workshared increasing, staying about the same, or decreasing? Please explain your answer.

MMA/USPS-T6-2 On page 37 of your prepared testimony, you state, "It is estimated that a one percent increase in the average discount for workshared letters leads to a 0.139 percent decline in the volume of single-piece letters."

- (a) Is it true that your statement applies so long as the average discount for workshared letters remains within a certain, narrow range? Please explain your answer.
- (b) For what range of average discount amounts does your estimate apply?
- (c) Is there a minimum average discount amount at which point the elasticity will decrease very quickly, i.e., the discount will be so low that the Single Piece volume will no longer decline? If so, please state what that discount amount is.
- (d) Is there a maximum average discount amount at which point the elasticity will increase very quickly, i.e., the discount will be so high that the Single Piece volume will decline at a much greater rate? If so, please state what that discount amount is.
- (e) What kinds of mail migrate from First-Class Single Piece to Workshared? Please provide all Postal Service studies, analyses, and other documents that discuss migration of mail from First-Class Single Piece to Workshared.

MMA/USPS-T6-3 On page 41 of your prepared testimony you discuss the increased role of presort bureaus as a major source for workshared letters.

- (a) What portion of workshared letters will come from presort bureaus in the Test Year? Please support your answer.
- (b) For First Class letters that you have found are increasingly being converted to prebarcoded automation letters by presort bureaus, please describe the degree of mail preparation such letters received and postal system entry methods single piece mailers used before such mail began to be commingled with other First Class letters by presort bureaus.
- (c) How many bulk metered mail (BMM) letters will be sent out at the First-Class Single Piece rate in the Test Year?

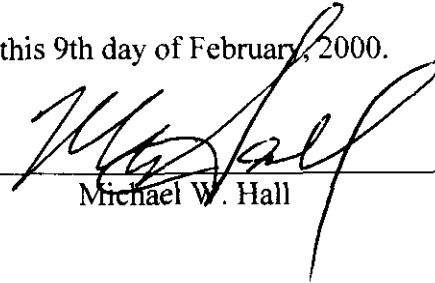
MMA/USPS-T6-4 On page 39 of your testimony you note that MC95-1 imposed greater workshare requirements on mailers while also providing them with greater workshare discounts.

- (a) Was one of those new workshare requirements to increase the minimum number of pieces needed to qualify for the to a 3-digit zip code discount, from 50 pieces to 150 pieces?
- (b) Was one of those new workshare requirements to increase the minimum number of pieces needed to qualify for the 5-digit zip code discount, from 10 pieces to 150 pieces?
- (c) Would the imposition of such new workshare requirements tend to shift mail from one presort category to another presort category, resulting in the mailer receiving a lower discount? If not, please explain your answer.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing discovery request upon the United States Postal Service, Ted P. Gerarden, Director of the Office of the Consumer Advocate, and participants who requested service of all discovery documents, in compliance with Rules 12, 25, and 26 of the Commission's Rules of Practice And Procedure.

Dated at Round Hill, VA this 9th day of February, 2000.



Michael W. Hall