

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

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POSTAL RATE AND FEE CHANGES, 2000 )  
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Docket No. R2000-1

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

FIRST SET OF INTERROGATORIES AND REQUESTS FOR  
PRODUCTION OF DOCUMENTS BY THE ASSOCIATION OF  
ALTERNATE POSTAL SYSTEMS TO THE UNITED STATES POSTAL  
SERVICE WITNESS JOSEPH D. MOELLER  
(AAPS/USPS-T35-1-10)

Pursuant to the Commission's Rules of Practice, the Association of Alternate Postal Systems hereby submits the attached interrogatories and requests for production of documents to the United States Postal Service witness Moeller. If any request should be answered by a different witness, it should be referred to that witness.

Respectfully submitted,

*Bonnie S. Blair*

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing documents in accordance with Section 12 of the Commission's Rules of Practice.

*Bonnie S. Blair*

Bonnie S. Blair, Esq.

Dated: February 23, 2000

FIRST INTERROGATORIES AND REQUEST  
FOR PRODUCTION OF DOCUMENTS  
OF ASSOCIATION OF ALTERNATE POSTAL SYSTEMS (AAPS)  
TO THE UNITED STATES POSTAL SYSTEM  
WITNESS JOSEPH D. MOELLER (USPS-T-35)  
(AAPS/USPS-T35-1-10)

AAPS/USPS-T35-1. At pages 19 and 20 of your testimony, you assert that the Postal Service has addressed the objections to the proposed ECR pound rate reduction raised by “private alternatives” in Docket No R97-1.

(a). Is it your understanding that the objections raised by AAPS were to the form of the proposed rate or to the fact that, as proposed, the effective rate against which its members compete would actually be reduced?

(b). Please confirm that the proposed rates for saturation ECR pieces are lower than current rates for pieces weighing 5 ounces and above at both SCF and DDU entry.

(c). Please confirm that the proposed rate for saturation ECR pieces at both SCF and DDU entry can be lower than current rates by more than 10%.

(d). How would yet another proposed reduction in the pound rate, and a resulting rate reduction in the postage rate for saturation ECR pieces weighing 5 ounces or more, meet the objections raised by competitors in prior cases?

AAPS/USPS-T35-2. Does your table at the top of page 21 mean that, on average, pound rated ECR pieces contribute approximately 10.3 cents to institutional costs?

AAPS/USPS-T35-3. You conclude at page 21 that the pound rate must be too high, because revenue from one 8-ounce piece is the same as the revenue from two 4-ounce pieces. If indeed this is an incorrect relationship, wouldn't that “anomaly” also be eliminated by raising the piece rate instead of lowering the pound rate?

AAPS/USPS-T35-4. Please enumerate the cost functions that are significantly different in amount between processing one 8-ounce saturation piece entered at the DDU and two 4-ounce saturation pieces entered at the DDU

AAPS/USPS-T35-5. You state at page 23 that at the Basic level, an ECR piece would have to weigh more than 6 ounces to realize a rate reduction and that the percentage of ECR pieces over 6 ounces is 6.4%. What is the percentage of saturation ECR pieces that weighs five ounces or more?

AAPS/USPS-T35-6. Would you expect that with a rate increase for piece-rated pieces and lighter weight pound rated pieces, accompanied by a rate decrease for heavier pound-rated pieces, the percentage of pieces that will actually experience a rate decrease as pieces migrate to pound-rated pieces will increase?

AAPS/USPS-T35-7. Has the Postal Service estimated the revenue that will be lost as light weight saturation pieces paying the full piece rate migrate to pound-rated pieces where the postage cost per ounce will be much lower?

AAPS/USPS-T35-8. Have you read the "SAI Study" of alternate delivery commissioned by the Postal Service that was the subject of significant controversy in recent cases? If so, when? Also, if you have read it, please explain how you relied upon its discussion and conclusions concerning the impact of the proposed rates on alternate delivery companies.

AAPS/USPS-T35-9. Has the SAI Study been updated since the close of the record in Docket No. R97-1. If so, please make a copy of the study available.

AAPS/USPS-T35-10. Since the close of the record in Docket No. R97-1, has the Postal Service conducted or caused to be conducted any study of competition from the private sector for the carriage of saturation advertising material? If so, please make a copy of that study available. If there is such a study and the Postal Service intends once again to object to its release, in response to this question please provide the name and employer of the person or persons that conducted the study, a summary of its content and a copy of the study plan or outline of its scope.