

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

RECEIVED

FEB 23 12 45 PM '00

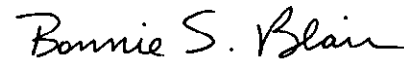
POSTAL RATE AND FEE CHANGES, 2000)
_____))
_____)

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R2000-1

**FIRST SET OF INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS BY THE ASSOCIATION OF
ALTERNATE POSTAL SYSTEMS TO THE UNITED STATES POSTAL
SERVICE WITNESS VIRGINIA J. MAYES
(AAPS/USPS-T32-1-12)**

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 Mayes. If any request should be answered by a different witness, it should be referred to that witness.

Respectfully submitted,

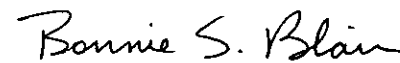


Bonnie S. Blair, Esq.
THOMPSON COBURN LLP
700 14th Street, N.W., Suite 900
Washington, D.C. 20005

Counsel for the Association
of Alternate Postal Systems

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, 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 VIRGINIA J. MAYES (USPS-T-32)
(AAPS/USPS-T32-1-12)

AAPS/USPS-T32-1. Your testimony addresses, among other issues, the effect of the proposed rates on Postal Service competitors. 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. 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-T32-2. 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 updated study available.

AAPS/USPS-T32-3. 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.

AAPS/USPS-T32-4. With respect to your testimony at page 8, lines 14-17, please explain to what extent it is relevant whether rates "were designed with the specific goal of harming a competitor or group of competitors" as opposed to whether the rates have that effect, whether intentionally or unintentionally.

AAPS/USPS-T32-5. Please define "unfair price competition" as you use the term at page 8, line 18. Can there ever be "unfair price competition" if the price of a postal service covers its incremental costs" ? If so, under what circumstances?

AAPS/USPS-T32-6. At page 13, you address the Postal Service's decision to depart from its traditional approach toward pricing Nonprofit ECR mail, which would otherwise have suffered an increase in excess of 30%.

(a). Is there private sector competition for the delivery of Nonprofit ECR mail?

(b). If Congress and the Commission permit the rate treatment that you propose for Nonprofit ECR mail, what other mailers will pay the revenues that would have been paid by these Nonprofit ECR mailers had they faced a 30% increase?

AAPS/USPS-T32-7. At page 38, you reveal a desire to reduce the cost coverage of ECR mail. In arriving at this goal, to what extent did you consider the per piece contributions of this and other classes, as opposed to the percentage cost coverages?

AAPS/USPS-T32-8. With respect to honoring requested in-home delivery dates, please explain the difference, if any, between the words "may attempt to satisfy" used on page 35, line 19, with respect to Standard (A) Regular and "may be able to accommodate," used on page 38, line 12, with respect to ECR mail.

AAPS/USPS-T32-9. Please confirm that the Postal Service tries very hard to meet the requested in-home dates for ECR mail and provide an estimate of the percentage of success in meeting those dates.

AAPS/USPS-T32-10. You state that accommodating in-home delivery dates requires "mailer preparation, coordination and planning." Does it also require Postal Service preparation, coordination and planning? If so, are all of the costs associated with such coordination and planning attributed to ECR mail? If not, what percentage are institutional costs?

AAPS/USPS-T32-11. At pages 38 and 39 you address ECR mail, competitors and competition.

(a). Please confirm that the Postal Service (actually, the Post Office Department) has defined the term "letter" in such a way that an alternate delivery company may not deliver a supermarket advertisement to half of the people living in a given neighborhood without paying the postage.

(b). Please confirm that, under the definition of "letter" implemented by the Postal Service, that supermarket brochure (unless it exceeds 32 pages) may be delivered by an alternate delivery company (without paying postage) only if it is delivered to every address.

(c). Please confirm that, given the Private Express Statutes and the Postal Service's definitions implementing them, the most relevant rate for determining impact on private delivery companies such as AAPS members is the rate for saturation ECR at weight levels above the break point.

(d). If the Postal Service's proposal for rate reductions as high as double digits for saturation ECR mail are approved, do you believe that such rate reductions will adversely affect Postal Service competitors? If so, please explain what steps, if any, the Postal Service took to determine the extent of that adverse affect.

AAPS/USPS-T32-12. In Docket No. R97-1, AAPS witness Bradstreet quoted (Tr. 11911) with alarm former Postmaster General Runyon's apparent glee at having forced a private, hard-copy delivery firm out of business. Under the leadership of Postmaster General Henderson, has the Postal Service abandoned the views expressed by Mr. Runyon, or is it still considered to be a sign of Postal Service success when private sector competitors are forced to shut down?