

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TAUFIQUE TO INTERROGATORIES OF
THE ALLIANCE OF NONPROFIT MAILERS
(ANM/USPS-T38-2, 4)

The United States Postal Service hereby provides the responses of witness Taufique to the following interrogatories of the Alliance of Nonprofit Mailers: ANM/USPS-T38-2 and 4, filed on February 16, 2000. Objections to interrogatories ANM/USPS-T38-1 and 3, and partial objections to ANM/USPS-T38-5 and 6, were filed on February 28, 2000. Interrogatories ANM/USPS-T38-5 and 6 have been redirected to the Postal Service.

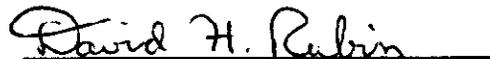
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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March 1, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS

ANM/USPS-T38-2. Please produce a table showing the rate changes for nonprofit Periodicals mail that would follow from the Postal Service's proposed cost estimates if the existing statutory constraints on preferred rates remain unchanged. Please use a format comparable to the schedule on pages 25-26 of Attachment B to the USPS Request.

RESPONSE

The attached table presents the rates prepared in response to POIR No. 2, Question 1. As stated in my response to POIR No. 2, these rates were specifically prepared to meet the requirements of the POIR and do not constitute an alternate proposal of the Postal Service.

The underlying data linking these rates to the proposed mark-up, volume variable costs and volume forecasts for the test year are included in library reference I-203, in hardcopy and electronic form.

Periodicals Nonprofit Subclass

		Current	ANM/USPS-T38-2
	Postage Rate Unit	Rate (cents)	Rate (cents)
Per Pound			
Nonadvertising Portion:	Pound	15.6	18.2
Advertising Portion:			
Delivery Office	Pound	15.5	16.9
SCF	Pound	17.8	19.9
1&2	Pound	21.5	23.3
3	Pound	22.9	24.8
4	Pound	26.3	28.7
5	Pound	31.6	34.5
6	Pound	37.1	40.6
7	Pound	43.8	48.0
8	Pound	49.5	54.4
Per Piece			
Less Nonadvertising Factor		4.4	5.1
Required Preparation	Piece	25.1	27.7
Presorted to 3-digit	Piece	20.8	24.7
Presorted to 5-digit	Piece	18.3	21.5
Presorted to Carrier Route	Piece	11.3	13.4
Discounts:			
Prepared to Delivery Office	Piece	0.7	1.3
Prepared to SCF	Piece	0.4	0.7
High Density	Piece	1.9	3.2
Saturation	Piece	3.7	4.7
Automation Discounts for Automation Compatible Mail			
From Required:			
Prebarcoded letter size	Piece	6.2	5.3
Prebarcoded flats	Piece	4.6	3.3
From 3-Digit:			
Prebarcoded letter size	Piece	4.7	5.7
Prebarcoded flats	Piece	2.4	2.8
From 5-Digit:			
Prebarcoded letter size	Piece	3.5	4.3
Prebarcoded flats	Piece	2.1	2.2

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TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS

ANM/USPS-T38-4. This question refers to page 4, lines 21-22 of USPS-T-38, where you state that "The statistical systems that are used to estimate cost data for the various subclasses will become even more reliable if the Regular, Nonprofit and Classroom subclasses are combined into a single larger subclass. Both the volume and cost for the Outside County subclass should attain greater stability as a result of this combination."

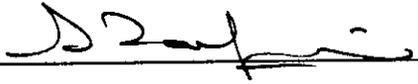
- (a) In the phrase "even more reliable," what measures of reliability and stability did you have in mind?
- (b) Please produce (or cite, if already filed in this docket) all data, studies and analyses that support your belief that the cost data for nonprofit Periodicals mail are already "reliable" by those measures.
- (c) If the cost data are reliable, please explain why there is a problem with their stability.

RESPONSE

a-c. The quoted section of my testimony conveys the common sense notion that over time the repeated sampling of a larger, more stable population will exhibit less variation than the repeated sampling of a smaller, less stable population. This statement is purely comparative and makes no qualitative or quantitative statement about the current state of reliability. However, I understand other witnesses do address postal data systems, the uses to which postal data can be put, and why such uses may be appropriate.

DECLARATION

I, Altaf H. Taufique, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

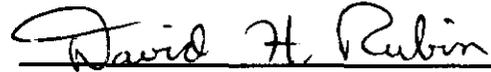


A handwritten signature in black ink, appearing to read 'Altaf H. Taufique', is written over a horizontal line.

Dated: MARCH 1, 2000

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.

A handwritten signature in cursive script that reads "David H. Rubin". The signature is written in black ink and is positioned above a horizontal line.

David H. Rubin

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