

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C.

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POSTAL RATE AND FEE CHANGES, 2000

DOCKET NO. R2000-1

FIRST INTERROGATORIES AND REQUEST FOR PRODUCTION
OF DOCUMENTS FROM GREETING CARD ASSOCIATION TO
UNITED STATES POSTAL SERVICE WITNESS MAYES
(GCA/USPS-T32-1 THROUGH 10)
(MARCH 3, 2000)

Pursuant to Section 20 of the Commission's Rules of Practice, Greeting Card Association ("GCA") hereby serves the following interrogatories and request for production of documents directed to United States Postal Service witness Mayes: GCA/USPS-T32-1 through 10. GCA incorporates by reference the instructions in OCA interrogatories OCA/USPS-1-14 (January 24, 2000).

Respectfully submitted,



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GCA INTERROGATORIES TO
USPS WITNESS MAYES (USPS-T-32)

GCA/USPS-T-32-1. Please refer to page 22, lines 20-22, and page 23, lines 1-2, of your prepared testimony (USPS-T-32). Please describe fully your understanding of the educational, cultural, scientific, and informational value (hereinafter, "ECSI" value) to the recipient, of First-Class letters.

GCA/USPS-T-32-2.

- a. Please explain which of the four components — educational, cultural, scientific, and informational — of ECSI value you believe are applicable to —
 - i. First-Class letters of a business or transactional nature; and
 - ii. First-Class letters of a non-business or personal-correspondence nature.
- b. Please provide any studies your response relies upon.

GCA/USPS-T-32-3. You testify, at page 23, lines 1-2, that the Postal Service has considered the informational value of First-Class mail.

- a. Please describe fully the manner in which the Postal Service considered the informational value of First-Class Mail.
- b. Did the Postal Service consider the cultural value of First-Class letters to the recipient? If your answer is not an unqualified "no," please describe fully the analyses made and any conclusions reached with respect to such cultural value to recipients.
- c. In the course of its consideration of the ECSI value of First-Class mail, did the Postal Service consider personal (non-transactional) correspondence by First-Class letter mail separately from business correspondence by First-Class letter mail? If your answer is not an unqualified "no," please describe fully the separate analyses made and any separate conclusions reached with respect to these types of mail.

GCA INTERROGATORIES TO
USPS WITNESS MAYES (USPS-T-32)

GCA/USPS-T-32-4.

- a. Is it your position that the rates the Postal Service has proposed in this proceeding would promote the use of First-Class mail so as to increase ECSI value to recipients?
- b. If your answer to part a. is other than an unqualified "no," please describe which categories or uses of First-Class mail you believe would be promoted so as to increase ECSI value to recipients.

GCA/USPS-T-32-5.

- a. Have you compared the markup over attributable costs (or over volume variable costs) sought by the Postal Service for First-Class mail in this proceeding with that recommended by the Commission in prior rate cases?
- b. If your answer to part a. is other than an unqualified "no," please state which prior rate cases you used as vehicles for comparison and describe fully the conclusions you drew from the comparison.
- c. If your answer to part a. is other than an unqualified "no," please state whether the result of the comparison influenced your conclusion as to the appropriate markup for First-Class mail in the present case.

GCA/USPS-T-32-6. Please refer to your prepared testimony at page 2, line 10, through page 3, line 12. Section 3622(b) of the Postal Reorganization Act directs the Commission to render a recommended decision "in accordance with the policies of this title and the following factors:" — after which phrase, the nine criteria you reproduce at pages 2-3 of your testimony are listed. Please describe fully your understanding of the phrase "in accordance with the policies of this title".

GCA/USPS-T-32-7. Please refer to your prepared testimony at page 19, lines 7-21.

- a. Please explain fully what is meant by "formal use" (line 17).
- b. Did you make any use other than "formal use" of witness Bernstein's Ramsey prices, or of any other set of prices purporting to be Ramsey prices?

GCA INTERROGATORIES TO
USPS WITNESS MAYES (USPS-T-32)

- c. If your answer to part b. is other than an unqualified "no," please identify and provide (i) any set of prices purporting to be Ramsey prices, other than witness Bernstein's, of which you made use, and (ii) any modification you made or caused to be made in witness Bernstein's Ramsey prices before making other-than-formal use of them.

GCA/USPS-T-32-8. Did you use any set of prices, other than a set which would be covered by interrogatory GCA/USPS-T32-7, as either (i) a starting point, or (ii) a vehicle for comparison, for the prices you recommend? If your answer is other than an unqualified "no," please provide or describe such set(s) and explain fully the use you made of such set(s).


GCA/USPS-T-32-9. Please refer to page 19, lines 17-19, of your prepared testimony. Do you believe that movement toward Ramsey prices would be beneficial in terms of achieving any objective of the Postal Reorganization Act other than that potentially served by the allocative efficiency effects of Ramsey pricing? If your answer is other than an unqualified "no," please explain fully which objective(s) you believe would be served and how movement toward Ramsey prices would serve such objective(s).

GCA/USPS-T-32-10. Please refer to your prepared testimony at page 5, line 3, through page 6, line 21.

- a. Is it your testimony that the prices you have proposed reflect, in a manner consistent with the principles you set out at page 5, lines 7-17, the *differing price elasticities set out in tabular form on page 6*?
- b. You state at page 19, lines 19-21, that "movement toward or away from Ramsey prices was considered in the development of the rate level proposals in this case but did not significantly affect conclusions." If your answer to part a. was other than an unqualified "no," please explain fully whether your use of price elasticities as described in your testimony at pages 5 and 6 is the reason why movement toward or away from Ramsey prices did not significantly affect your conclusions.
- c. i. Please define "significantly" as used in the passage which is quoted from page 19 of your prepared testimony at the beginning of part b.
- ii. In particular, does "significantly" mean that no rate in First-Class mail was changed as a result of consideration of movement toward or away from Ramsey prices? If any rate was so changed, please identify it and state the magnitude and direction of the change.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Alan R. Swendiman