

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

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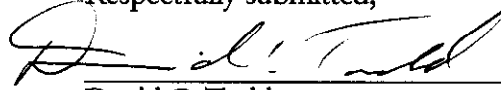
POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

FIRST SET OF INTERROGATORIES OF
MAIL ORDER ASSOCIATION OF AMERICA
TO USPS WITNESS BERNSTEIN (MOAA/USPS-T41-1-4)

Pursuant to Sections 25 and 26 of the rules of practice, the Mail Order Association of America (MOAA), submits the following interrogatories to USPS witness Bernstein (USPS-T-41).

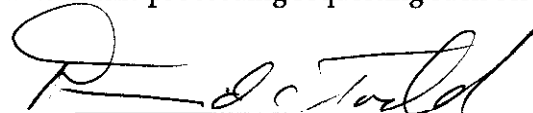
Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon the Postal Service by hand and by First-Class Mail upon all participants in this proceeding requesting such service.



David C. Todd

Date: March __, 2000

INTERROGATORIES OF MAIL ORDER ASSOCIATION OF AMERICA
TO UNITED STATES POSTAL SERVICE WITNESS BERNSTEIN

MOAA/USPS-T-41-1 In your view would the economic viability of the Postal Service be enhanced by the adoption of Ramsey prices, i.e. is it your view that minimizing volume loss resulting from increased prices would serve, all other factors being equal, to enhance the ability of the Postal Service to carry out its overall mission while at the same time enhancing consumer surplus?

MOAA/USPS-T-35-2 Is it a correct interpretation of your testimony at page 102 that the economic cost of across-the-board rate increases will be larger if before-rate prices do not take account of differences in demand elasticities?

MOAA/USPS-T-35-3 Do you agree that if there have been significant changes in relative costs an across-the-board approach to rate increases will inevitably produce uneconomic rates even if each rate produces revenues at least equal to volume variable costs?

MOAA/USPS-T-35-4 Is it not inevitable that a failure of a multi-product enterprise to establish rates at or near Ramsey levels will inevitably cause a weakening in the economic viability of such enterprise?