

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

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OFFICE OF THE ATTORNEY GENERAL

Postal Rate and Fee Changes, 2000

Docket No. R2000-1

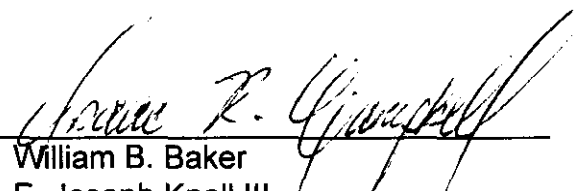
**NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS
GEORGE S. TOLLEY (NAA/USPS-T6-1-10)
March 14, 2000**

The Newspaper Association of America hereby submits the attached interrogatories to United States Postal Service witness George S. Tolley (NAA/USPS-T6-1-10) and respectfully requests a timely and full response under oath.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants requesting such service in this proceeding in accordance with section 12 of the Rules of Practice.

March 14, 2000


Isaac R. Campbell

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NAA/USPS-T6-1: Please refer to Table 2 in your testimony on page 36. Please cite the specific source containing the data used to calculate each of the following percentages under the column "Percent Change in Variable."

- a. Single-piece first class letters prices.
- b. Workshare discount price.
- c. Single piece cards price.
- d. *Permanent income.*
- e. Transitory income (lag 3).
- f. Adult population.

NAA/USPS-T6-2: Please refer to Table 3 in your testimony on page 62. Please cite the specific source containing the data used to calculate each of the following percentages under the column "Percent Change in Variable."

- a. Workshared first class letters price.
- b. Workshare discount price. Note that the percent change given differs from that in Table 2. Why is that?
- c. Workshared cards price.
- d. Standard A Regular price.
- e. Transitory income.
- f. Adult population. Note that the percent change given differs from that in Table 2. Why is that?

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NAA/USPS-T6-3: Please refer to Table 11 in your testimony on page 115.

Please cite the specific source containing the data used to calculate each of the following percentages under the column "Percent Change in Variable."

- a. Standard A Regular price. Note that the percent change given differs from that in Table 3. Why is that?
- b. Workshared letters price. Note that the percent change given differs from that in Table 3. Why is that?
- c. Consumption.
- d. Price of Newspaper Advertising. If this refers to data from the BLS, what was the specific BLS series used?
- e. Computer Price.

NAA/USPS-T6-4: Please refer to Table 12 in your testimony on page 132.

Please cite the specific source containing the data used to calculate each of the following percentages under the column "Percent Change in Variable."

- a. Standard A ECR price.
- b. Consumption. Note that the percent change given differs from that in Table 11. Why is that?

NAA/USPS-T6-5: Please refer to your testimony on page A-13:

- a. Please confirm that you do not use any net trends for Standard A Regular and ECR subclasses.
- b. Does this indicate that you felt it unnecessary to apply a net trend term to these subclasses?
- c. How did you choose which subclasses to apply Net Trends to and which subclasses not to apply net trends to (e.g., you have a net

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trend for Standard A nonprofit subclasses but not Standard A, as described in your testimony on page A-13)?

NAA/USPS-T6-6: Please refer to pages A-20 and A-21 of your testimony, where you state that "P0 is the weighted average of deflated prices for 1999Q1 through 1999Q4... P1 is the weighted average of deflated prices for 1998Q4 through 1999Q3, P2 is the weighted average of deflated prices for 1998Q3 through 1999Q2, P3 is the weighted average of deflated prices for 1998Q2 through 1999Q1."

- a. Why did you use the weighted average of four quarters and lag one quarter, rather than, say, use just the quarter average and lag one quarter?
- b. Does Witness Thress in USPS-T-7 use the same methodology (i.e., weighted average of four quarters for prices, with one quarter lags) for creating his prices and his lagged prices? If so, please cite the source for your answer. If not, please explain why you chose a different methodology than used by Witness Thress.

NAA/USPS-T6-7: Please confirm that you do not provide separate estimates of Standard A piece-rated and pound-rated pieces in your analysis. Please explain why not.

NAA/USPS-T6-8: Please confirm that your volume calculations do not allow for the possibility of migration between Standard A piece-rated and pound-rated pieces. If you cannot confirm, please explain why not.

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NAA/USPS-T6-9. Please refer to page 26, Chart B, of your testimony. Please indicate what proportion of the 42.7 percent of First Class Mail that is "Nonhouseholds to Other Nonhouseholds" mail consists of:

- a. Advertising Only.
- b. Notice of Order.
- c. Bill/Invoice/Premium.
- d. Invitation or Announcement.

NAA/USPS-T6-10. Please refer to page 126, lines 10-22 of your testimony. Are you aware of, or have you relied upon, any reports more recent than 1996 regarding the demand for catalogs weighing more than 3 ounces?