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

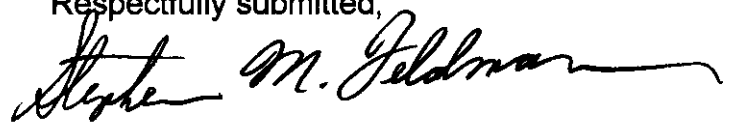
POSTAL RATE AND FEE CHANGES, 2000)

) Docket No. R2000-1

**FIRST INTERROGATORIES OF THE COALITION OF RELIGIOUS PRESS
ASSOCIATIONS (CRPA) TO USPS WITNESS MAYES (CRPA/USPS-T-32-1-11)**

CRPA respectfully submits the attached interrogatories and document requests to USPS Witness Mayes (USPS-T-32). If Witness Mayes is not the appropriate witness to answer a particular question, CRPA requests that the interrogatory be re-directed for response.

Respectfully submitted,



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March 23, 2000

CRPA/USPS -T-32-1

On p.3 of your testimony, you refer to criterion number 9, "Other Factors", as one of the pricing criteria considered in postal rate-setting. Do you think that the historical record of why a mail classification was created, and thus why its rates over a period of time were higher or lower than the rates applied to other classifications, is an "other factor" that USPS should consider in proposing rate changes (and classification changes that may accompany a rate change) and that the Commission therefore should also consider?

CRPA/USPS -T-32-2

Confirm that your testimony does not review or comment on the legislative, regulatory (including the Postal Rate Commission) or other history and rationale of a separate mail classification for second-class (now Periodical) Nonprofit mail. If your testimony does review or comment on this history, please identify the location of this testimony.

CRPA/USPS -T-32-3

(a) On pp.4-5 of your testimony you discuss the "value of service" criterion of the Postal Reorganization Act. You summarize that criterion as having an operational component and economic demand component.

Please specify any value of service differences that you perceive, have studied, or are aware of, between regular-rate and non-profit periodicals. In your response, please identify whether you are referring to the "operational" feature of value of service, the economic, e.g., "the degree to which usage of the service declines in response to price increases", USPS-T-32, p.5, or both.

(b) Do you agree that "value of service" must also be judged by the requirements of section 101 (a) of the Postal Reorganization Act which states that the "basic function" of the Postal Service is to "bind the Nation together" and that "costs of establishing and maintaining the Postal Service shall not be apportioned to impair the overall *value* of such service to the people."? [Emphasis supplied].

CRPA/USPS -T-32-4

Please explain why you do not show any price elasticity data for either Periodical or for Standard A Nonprofit Mail in Table 2, on p.6 of your testimony.

CRPA/USPS -T-32-5

Please confirm that Witness Tolley, USPS-T-6, presents the following information in his written testimony:

(a) A separate section (IV C) that discusses Nonprofit Periodical Mail as distinct from

Regular Rate Periodical Mail (IV B).

(b) Separate own-price elasticities for Nonprofit Periodical Mail as distinct from Regular Rate Periodicals.

(c) Separate Before and After Test Year Volume Forecasts for the Nonprofit and Regular Rate subclasses of Periodical Mail.

(d) Separate projections of volume declines (-2.25%) for Periodical Non-Profit Mail (after-rates, test year) which are twice as much as compared to Tolley's projected "Postal Rate Impact" volume decreases (-1.03%) for Periodical Regular Rate Mail (after rates, test year).

(e) Did the Tolley or other data, information or history about Nonprofit Periodical Mail cause you to analyze the impact, fairness, or other aspects of proposed rate increases on this subclass alone, separate from Regular Rate Periodical Mail? If your answer is yes, produce all documents and data relevant to that analysis. If your answer is no, why did you not make this analysis? (If another USPS witness, employee, contractor or agent made such analysis, identify this person(s) and produce their analyses.)

CRPA/USPS -T32-6

On p.6 of your testimony you claim that cost is the "most objective" of the nine pricing criteria. Do you agree with the following statement found in Vol I. Opinion and Recommended Decision, Docket R97-1, para. 3194 made in connection with higher-than-average growth in recent years in the unit costs of periodicals: "The analysis [in R97-1] presented thus far by the Service is incomplete, not well developed or examined, and may be selective." Is it your opinion that costs that are so described are "objective"?

CRPA/USPS -T-32-7

On p.10 of your testimony you state: "Worksharing removes attributable costs but leaves institutional costs unchanged". If two periodicals in the same subclass are identical in every respect, except that one is more workshared (prepared to avoid postal costs) than the other, and the workshared periodical qualifies for a presort discount which reflects cost savings *in excess* of 100% of the costs avoided by the workshared periodical, what is the effect on (1) the attributable costs of each of the two periodicals (2) the contribution to institutional costs paid by each of the two periodicals and (3) the cost coverage for the subclass as a whole?

CRPA/USPS -T-32-8

Produce all reports, testimony, briefing papers, memoranda or correspondence (including fax or e-mail) that USPS has sent to or received from members of Congress, Congressional staff, USPS governmental affairs staff, representatives of trade, industry, professional or lobbying groups since January 1, 1999 regarding "legislative amendments to the RFRA" to which you refer on p. 12 of your testimony. If such documentation does not exist, please identify all individuals who do not work for USPS,

along with their organizational affiliation, who have conversed and/or met with USPS headquarters personnel since January, 1999, particularly in government affairs, pricing and marketing divisions, about this particular proposed amendment to RFRA.

CRPA/USPS -T-32-9

What information has USPS received, and from whom has it received it, that would justify your making the following statement: "As discussed below, the Postal Service is proposing that these circumstances be addressed in this proceeding in a manner consistent with legislative amendments to the RFRA, which the Postal Service expects will be enacted." USPS-T-32, p. 12; see also, p.14, lines 2-8.

CRPA/USPS-T-32-10

(a) According to an article on p.2 of the *Business Mailers Review*, March 20, 2000, Chairman McHugh of the House Postal Service Subcommittee prefers that the kind of amendment to RFRA, which you discuss and support, be part of H.R. 22, the omnibus postal reform bill. Since H.R. 22 has been under consideration for three years, and has yet to be voted on by the full House, and has never been formally considered by the Senate at all, would USPS want to link a major classification change like the elimination of Nonprofit and Classroom Periodical mail to this controversial and uncertain- to- pass legislation?

(b) Is the above-referenced article inaccurate? If so, what are the inaccuracies?

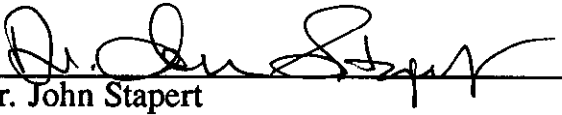
(c) Has USPS, or to the knowledge of USPS any other party, provided any member of Congress or any Congressional staff employee with legislative language to effect the reclassification of Periodicals Mail, either as separate legislation or as an amendment to H.R. 22 or any other bill that has been or is before the 106th Congress? If your answer is affirmative, please provide all drafts of such legislation.

CRPA/USPS -T-32-11

If USPS favors amendment of the RFRA, why does it want to change it in one respect but not another: i.e., provide a 5% rate differential between regular-rate and non-profit rate periodicals calculated on the postage paid on the non-advertising portion of those respective periodicals, but not provide a 5% rate difference between these subclasses that could be applied to "advertising pounds", which are excluded from USPS' proposal so as to be "consistent" with RFRA *current* provisions? USPS-T-32, p. 14, n.5.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding in accordance with Section 12 of the Rules of Practice.



Dr. John Stapert

March 23, 2000