

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C.

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OFFICE OF THE SECRETARY

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POSTAL RATE AND FEE CHANGES, 2000

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DOCKET NO. R2000-1

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FOURTH INTERROGATORIES AND REQUEST FOR PRODUCTION  
OF DOCUMENTS FROM GREETING CARD ASSOCIATION TO  
UNITED STATES POSTAL SERVICE WITNESS PETER BERNSTEIN  
(GCA/USPS-T41-65 THROUGH 76)  
(MARCH 23, 2000)

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Pursuant to Section 20 of the Commission's Rules of Practice, Greeting Card Association ("GCA") hereby serves the following further interrogatories and request for production of documents directed to United States Postal Service witness Peter Bernstein: GCA/USPS-T41-65 through 76. GCA incorporates by reference the instructions in OCA interrogatories OCA/USPS-1-14 (January 24, 2000).

Respectfully submitted,



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GCA FOURTH INTERROGATORIES TO  
USPS WITNESS BERNSTEIN (USPS-T-41)

GCA/USPS-T41-65            Please refer to your response to GCA/USPS-T41-4.

- a.    Is the set of "pure Ramsey prices" referred to in this response the only alternative set of prices you considered? If not, please describe fully any others.
- b.    Did you prepare a set of "pure Ramsey prices" before deciding not to present such prices? If so, please provide it.

GCA/USPS-T41-66            Please refer to your response to GCA/USPS-T41-6(b) and (c).

- a.    Under the approach you describe in your answer to part (a) of this interrogatory, is it possible to quantify *separately* the value to the recipient which you state is jointly reflected, along with value to the mailer, in the demand curve?
- b.    If your answer to part a. is negative, do you assert that the value recipients attach to the receipt of mail is identical with the value to the mailer?

GCA/USPS-T41-67            In GCA/USPS-T41-7, you were asked to confirm that your testimony does not provide or reflect quantified consideration of "losses, *whether or not of an economic nature* associated with increases in mailing costs" (emphasis added). Your response discusses dead-weight losses but does not appear to state whether losses of a non-economic nature were considered. Were they?

GCA/USPS-T41-68            Please refer to your response to GCA/USPS-T41-8(a). Please confirm that your reference to table 11, as regards First-Class mail, is to a sum of \$18,304.2 million, and that your reference to table 13, as regards First-Class mail is to a sum of \$2,611.1 million. If you do not so confirm, please supply the correct values for First-Class mail.

GCA/USPS-T41-69            Please refer to your response to GCA/USPS-T41-9. Please provide your understanding, if any, of the effect on Postal Service revenues of any cross-elasticities that affect the volume of (i) First-Class mail, and (ii) single-piece First-Class mail.

GCA FOURTH INTERROGATORIES TO  
USPS WITNESS BERNSTEIN (USPS-T-41)

GCA/USPS-T41-70 Please refer to your response to GCA/USPS-T41-10. Given that the range of possible sets of prices is limited by the constraint imposed by the requirement that the Postal Service breakeven, do you assert that your Ramsey-based prices would provide the optimal sum of Postal Service net revenues and total consumer (mailer) surplus which is possible under the breakeven constraint?

GCA/USPS-T41-71 Please refer to your response to GCA/USPS-T41-11. Would you agree that marginal benefit to an individual (i) is sometimes path-determined, and (ii) may not be governed by, or expressible in, economic terms? Please explain your answers.

GCA/USPS-T41-72 Please refer to your response to GCA/USPS-T41-15. Please assume that certain costs of the Postal Service both (i) are not attributable to classes and services and (ii) are inefficiently incurred. As to these costs, please confirm that, if they were allocated to classes and services on the basis of Ramsey pricing, they will be allocated preferentially to captive (inelastic demand) customers. If you do not so confirm, please provide and explain your understanding as to why Ramsey prices would not place on inelastic classes most of the burden of the productive inefficiency represented by these costs.

GCA/USPS-T41-73 In your response to GCA/USPS-T41-19(d) you state that the "impacts of these higher prices [viz., for subscriptions to periodicals] are captured by the analysis presented in my testimony." Are the "impacts" referred to in the quotation only reduced volumes of mail sent in the affected subclasses? If your answer is not an unqualified "yes," please describe any other impacts and state where they are discussed in your testimony.

GCA/USPS-T41-74 Please refer to your response to GCA/USPS-T41-20(a). Do you have an opinion regarding the level of the first-ounce rate for First-Class single-piece letters (i.e., the rate corresponding to the present 33-cent letter stamp) which is implied by your Ramsey-derived fixed-weighted index price for First-Class letters? If you do, please state it and indicate how it was derived.


GCA/USPS-T41-75 Please describe and provide any materials you rely on for your conclusion that "the logarithmic constant elasticity demand specification has an excellent record of explaining the response of mail volumes to changes in postal rates."

GCA FOURTH INTERROGATORIES TO  
USPS WITNESS BERNSTEIN (USPS-T-41)

GCA/USPS-T41-76            Please refer to your response to GCA/USPS-T41-30(c). Does the term "worth," in the example you give there, refer to (i) the willingness of a person to pay for an apple, (ii) the ability of a person to pay for an apple, (iii) the combination of such willingness and ability, or (iv) some other referend. If your answer is affirmative to subpart (iv), please explain fully.

**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 *by 0027*