

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C.

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OFFICE OF THE SECRETARY


POSTAL RATE AND FEE CHANGES, 2000

DOCKET NO. R2000-1

SIXTH INTERROGATORIES AND REQUEST FOR PRODUCTION
OF DOCUMENTS FROM GREETING CARD ASSOCIATION TO
UNITED STATES POSTAL SERVICE WITNESS PETER BERNSTEIN
(GCA/USPS-T41-85 THROUGH 88)
(MARCH 29, 2000)

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-T41-85 through 88. GCA incorporates by reference the instructions in OCA interrogatories OCA/USPS-1-14 (January 24, 2000).

Respectfully submitted,



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

GCA/USPS-T41-85 Please refer to your response to GCA/USPS-T41-50. a. Would you agree that the continuity you assume in your utility functions is a cardinal, and not an ordinal, property of those functions? If your answer is "no", please explain why not. If your answer is "yes", can you state that the \$1,272.0 increase in total consumer surplus in your Summary Table 3 is a clearcut Pareto improvement in welfare?

GCA/USPS-T41-86 Please refer to your response to GCA/USPS-T41-52. You state that the total demand for a mail product that you measure is "the sum of the individual mailer demands".

- a. Would you agree that what underlies individual mailer demands are individual utility functions as you seem to imply in your response to GCA/USPS-T41-50?

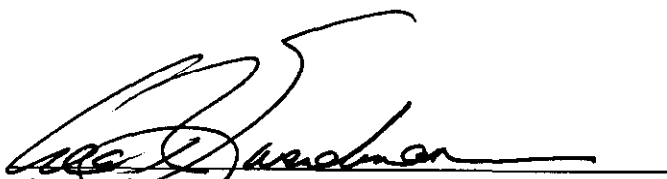
- b. If your response to a. is in the affirmative and if these individual utility functions are cardinal utility functions, can you state that the \$1,272.0 increase in total consumer surplus in your Summary Table 3 is a clearcut Pareto improvement in social welfare?

GCA/USPS-T41-87 Please refer to your response to GCA/USPS-T41-53. Would you agree that some of the individual mailers in your analysis are not individual consumers in households but very large mailer organizations, e.g. publishing houses or public utilities, whose cost to mail a monthly bill may be as much as 50% of the total cost of generating the bill? If you agree, is it not true that your use of uncompensated rather than compensated demand curves could have more than a "trivial" adverse impact on such organizations?

GCA/USPS-T41-88 Please refer to your response to GCA/USPS-T41-61. b. Is there a marginal cost approach to cost accounting, for example as found in a standard textbook: Cost Accounting, a managerial emphasis, by Charles T. Horngren and George Foster?

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