

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OCA,
REDIRECTED FROM WITNESS MAYO
(OCA/USPS-T39-10)

The United States Postal Service hereby provides its response to the following interrogatory of the OCA: OCA/USPS-T39-10, filed on March 16, 2000, and redirected from witness Mayo.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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March 30, 2000

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OCA
(REDIRECTED FROM WITNESS MAYO)**

OCA/USPS-T39-10. The "Notice of the United States Postal Service of Filing of the Second Set of Revisions to Library Reference USPS-LR-I-150 and the Testimony and Workpapers of Witness Kay – Errata," filed on March 13, 2000 details fiscal year 1998 advertising costs. According to this document, the Postal Service spent \$8.9 million on advertising for money orders.

a. Please provide specifics of this advertising campaign, including copies of advertisements, and a breakdown of the \$8.9 million total by type of media (e.g., broadcast television, newspapers, magazines, radio, internet, other).

b. Please describe the markets where advertising was directed.

RESPONSE:

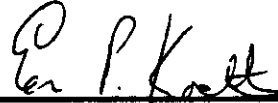
a.-b. Revised page 5a of LR-I-150, attached to the document cited in the question, shows that the \$8.9 million figure is an estimate based on the total amount of advertising expenses allocated to Special Services, and the proportion of the Special Services total judgmentally estimated by the Special Services product manager to relate to Money Orders. The previous page, revised page 5, shows that the Special Services total amount, in turn, is based on the amount in the Special Services line item, plus a judgmental allocation of a portion of Specialty Markets, Retail Channel, and Area expenses, made by the responsible channel managers. Due to the nature of this estimation process, there is no information available to "breakdown" the \$8.9 million figure in the manner requested by this question, even if such a breakdown were not commercially sensitive.

Examples of FY 1998 advertisements that feature Money Orders are being provided in USPS-LR-I-254. As the examples show, the media involved included outdoor posters, public transportation posters, newspaper ads, and radio. Similar posters would be displayed in post office lobbies. Direct mail would also be involved,

and an example would be the advertisement attached to UPS/USPS-T34-9 (redirected to the Postal Service). For Money Orders specifically, advertising was focused in three major metropolitan markets, and advertising was directed at the demographic segments most likely to use the product.

CERTIFICATE OF SERVICE

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



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