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

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TOLLEY TO INTERROGATORY OF
THE ASSOCIATION OF AMERICAN PUBLISHERS
(AAP/USPS-T6-20)

The United States Postal Service hereby provides the response of witness Tolley to the following interrogatory of the Association of American Publishers:

AAP/USPS-T6-20, filed on March 17, 2000. Interrogatory AAP/USPS-T6-21 was redirected to the Postal Service.


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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Eric P. Koetting

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March 31, 2000

**RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO INTERROGATORIES OF ASSOCIATION OF AMERICAN PUBLISHERS**

AAP/USPS-T6-20 Please refer to your response to AAP/USPS-T6-1. With respect to your response:

- (a) Please confirm that other than the chart produced, you did not rely upon any study, report, data or other evidence to support your statement, on pages 167 and 168 of your testimony, that "[m]uch of this long-term growth in Bound Printed Matter ("BPM") volume is due to the mail order boom and the expansion of the catalog industry." Please explain any response which does not confirm this statement.
- (b) Please identify the underlying data and sources upon which you relied to create the chart attached to your response.
- (c) Please explain what, exactly, constitutes "mail-order retail sales" as that phrase is used in your response.

RESPONSE:

- (a) Generally confirmed, though general reading about mail order and catalogs have contributed to my understanding of this topic.
- (b) The variable identified as "mail-order retail sales" in the figure accompanying AAP/USPS-T6-1 was calculated from a variable obtained from DRI/McGraw-Hill named S5961NS, which is identified as "Retail Sales – Total Mail orders." DRI identifies the source of this variable as "U.S. Department of Commerce, Bureau of the Census, Current Business Report, 'Monthly Retail Trade'." In the figure accompanying AAP/USPS-T6-1, values of the variable were deflated and divided by adult population before plotting.
- (c) The Census Bureau defines "mail-order retail sales" (S5961NS) as sales generated by "establishments with normally 50 or more employees primarily engaged in the retail sale by catalog and mail order of a general line of merchandise similar to that sold by department stores" and "establishments primarily engaged in the retail sale of a *specialized or limited line of merchandise such as food, automotive merchandise, apparel, books stationery, etc., by catalog and mail order.*"

DECLARATION

I, George Tolley, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.



(Signed)

3-30-00

(Date)

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.



Eric P. Koetting

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