

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

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
THE GREETING CARD ASSOCIATION, INC. WITNESS ERICKSON
(USPS/GCA-T1-1-7)

Pursuant to rules 25 and 26 of the Rules of Practice and Procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to the Greeting Card Association, Inc. witness Erickson: USPS/GCA-T1-1-7.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:


Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Eric P. Koetting

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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May 31, 2000

USPS/GCA-T1-1. Please refer to the following passage which appears on page

8 of your testimony:

It has been suggested that one -- perhaps the only -- "objective" way to measure the value of greeting cards to recipients is at the point of sale of a stamp. The economist witness Bernstein, in response to GCA/USPS-T41-6, writes that sending a birthday card "reflects the mailer's view of the value of the birthday card to the recipient." While this may in some respects be true, the mailer's and the recipient's views of the value of that birthday card to the recipient are not necessarily congruent.

a. With respect to the first sentence of that passage, please identify your understanding of exactly who made the suggestion to which you refer in this sentence, and exactly where that suggestion appears.

b. Please confirm that witness Bernstein, in his response to GCA/USPS-T41-6, identifies at least three cost factors which the sender implicitly or explicitly weighs against the perceived value of sending a birthday card -- the cost of the time it takes, the cost of the card itself (e.g., \$1.75), and the cost of the postage (e.g., 33 or 34 cents). If you cannot confirm, please explain fully.

c. Would you agree that the time it takes to send a greeting card may include the time it takes to get to a retail location, the time it takes to select a card, the time it takes to purchase the card once selected, the time it takes to sign or otherwise annotate the card, the time it takes to retrieve the recipient's complete address and address the envelope, the time it takes to obtain postage (if none is already on hand), and the time it takes to mail the card? If you do not agree, please explain fully.

d. Please confirm that individuals who mail greeting cards are also likely to be the recipient of greeting cards. If you cannot confirm, please explain fully.

USPS/GCA-T1-2.

a. Do you agree that your testimony describes at some length what you believe to be the cultural value (e.g. social value, symbolic value, etc.) of greeting cards? If you do not agree, please explain fully.

b. Would you agree that the consumer research you discuss in section VIII of your testimony indicates that consumers are quite cognizant of the cultural value of greeting cards? If you do not agree, please explain fully.

c. Please confirm that consumers can reasonably be expected to take the cultural value of greeting cards into account when deciding whether to send a greeting card on any particular occasion. If you do not confirm, please explain fully.

USPS/GCA-T1-3. Please refer to page 9 of your testimony, where you discuss gifts and other material goods that arrive in the mail without being paid for by the recipient.

a. Would you agree that a material good (for example, a piece of jewelry) that arrives in the mail has different cultural value to the recipient depending upon whether it is a gift or has merely been ordered by the recipient from a catalog? If you do not agree, please explain fully.

b. Do you believe that the Postal Rate Commission should attempt to determine what proportion of material goods traveling in various subclasses of mail are gifts, in order to have the requisite information on cultural value to be able to recommend appropriate rates for each subclass? If not, please explain fully.

USPS/GCA-T1-4. Please refer to page 9 of your testimony, where you discuss gifts and other material goods that arrive in the mail without being paid for by the recipient.

a. Do you believe that advertising catalogs received in the mail (for which recipients do not pay) have different value to different recipients? Please explain your answer fully.

b. Do you believe that advertising catalogs (for which recipients do not pay) have cultural value? Please explain your answer fully.

c. Are you aware of any studies, by anthropologists or anyone else, addressing the cultural value of advertising? If so, please identify those studies, discuss your general understanding of their conclusions, and indicate how those conclusions compare with your conclusions regarding greeting cards.

d. Would you agree with a restatement of the sentence on lines 18-20 on page 10 of your testimony to the effect that “[f]rom design to disposal, an *advertising catalog* can come to have multiple kinds of cultural value placed upon it by the people who interact with it and through it”? If not, why not.

e. Are you aware of any studies that examine the “itinerary” of an advertising catalog? If so, please provide a citation for any such studies, and state their general conclusions.

USPS/GCA-T1-5. At the top of page 9 of your testimony, you identify the item of American culture that you are addressing in your testimony as “the greeting card that is sent through the mail.” The explicit limitation of your analysis to cards that travel

through the mail appears in several parts of your testimony (e.g., pg. 4, line 12; pg. 8, line 11; page 10, lines 14-15).

a. Is the cultural value of a greeting card exchanged in person different than the cultural value of a greeting card that is mailed? Please explain your answer fully.

b. Wouldn't your "itinerary" methodology be the ideal way to explore any differences in the cultural value of cards that are mailed and cards that are not? Please explain your answer fully.

c. For purposes of setting postal rates, wouldn't you agree that differences in cultural value which relate specifically to the ability to send greeting cards by mail would be much more relevant than the general proposition that greeting cards have cultural value (upon which you claim, at line 10, page 8, that an apparent consensus already exists)? Please explain your answer fully.

USPS/GCA-T1-6. You present your testimony as an apparent response to the question "how can one measure the value to recipients of greeting cards that come in the mail," which is posed at lines 10-11 on page 8 of your testimony.

a. Would you agree that, at least in the context in which the term appears in your testimony, the primary purpose of "measuring" an item or category of items is to create a frame of reference by which other items or category of items can be compared to the item or category of items under analysis? If not, please explain fully.

b. What is the unit of measure of cultural value that you employ in your testimony? Please explain fully.

c. If someone were interested in comparing the cultural value of greeting cards sent through the mail with the cultural value of other items sent through the mail, such as magazines, books, collectibles, tapes, museum catalogs, goods ordered from museum catalogs, newspapers, etc., how would your testimony assist in that objective? Please explain fully.

USPS/GCA-T1-7. Please refer to lines 8-9 on page 20 of your testimony, where you poses the question “[i]f the price of sending a greeting card through the mail were to increase, what would that mean to people for whom greeting cards are especially salient?”

a. Please confirm that the cultural value of a greeting card is unaffected by the price of the postage at which it is sent. (In other words, even if the price of mailing a greeting card were to increase from 33 cents to 34 cents on a given date, the cultural value of any particular card sent by the same sender to the same recipient would be the same whether it was sent before or after the rate increase.) If you cannot confirm, please explain fully.

b. Please confirm that the aggregate cultural value of greeting cards is affected by an increase in the rate of postage only to the extent that the rate increase causes fewer cards to be sent. If you cannot confirm, please explain fully.

c. Does your testimony provide any basis to assess the extent to which the relevant rate increase proposed by the Postal Service to send a greeting card (33 cents to 34 cents) would cause fewer cards to be sent? Please explain your answer fully, unless it is an unqualified “No.”