

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 NATIONAL NEWSPAPER ASSOCIATION WITNESS HEATH
(USPS/NNA-T1-1-4)

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 National Newspaper Association witness Heath:

USPS/NNA-T1-1-4.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

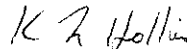
Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Kenneth N. Hollies

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.



Kenneth N. Hollies

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June 13, 2000

INTERROGATORIES OF UNITED STATES POSTAL SERVICE TO
NATIONAL NEWSPAPER ASSOCIATION WITNESS HEATH

USPS/NNA-T1-1. Please refer to your testimony on pages 14 (lines 23 & 24) & 15 (lines 2 & 3) where you state, "But rather than extend that same logic to the DDU rate, the Postal Service has persisted in demanding that small newspapers either apply for additional entry or enter into Plant Verified Drop Shopping (sic) Agreements, which lead down the same path."

- a. How do additional entry and PVDS lead down the same path? Please specify and explain fully the differences and similarities between PVDS, additional entry and exceptional dispatch from your perspective as a mailer.
- b. Please confirm that under a PVDS agreement, an additional entry (which requires a fee when opened) is only required at the post office where classification, rate eligibility, preparation and presort are verified if that office is not also the periodicals original entry point (DMM § P750.1).
- c. Please confirm that a PVDS agreement does not require a mailer to establish a deposit account in each of the offices of destination entry or to provide marked copies and mailing statements at each of the destination entry offices.
- d. Please confirm that under PVDS postage is paid at the post office where the copies are presented for verification (DMM § P750.1.2(b)).

USPS/NNA-T1-2. Please refer to your testimony on Page 16, line 19 where you indicate, "little tolerance for an additional step."

- a. Please confirm that "additional step" is verification of mail. If not please explain what is meant by "additional step".
- b. Please confirm that logistically the only difference between exceptional dispatch and PVDS agreement is that with PVDS mail is verified by the Postal Service either at the origin DMU or the origin post office rather than after deposit at each exceptional dispatch office. Please explain any negative answer completely.
- c. Please confirm that using PVDS would allow the mailer to obtain worksharing dropship discounts with mail verification prior to dispatch to destination entry offices as compared with exceptional dispatch (which places added administrative duties on postal personnel at each accepting office per Postal Handbook DM-701, section 2-8.7.6).

USPS/NNA-T1-3. Please refer to your testimony on page 8, lines 3-4, where you state, "In R97-1, NNA asked the Commission to recommend a discount equivalent to the DDU rate for periodicals volumes utilizing exceptional dispatch."

- a. What is your estimate of periodicals volume that currently utilizes exceptional dispatch? What additional volume would use exxceptional dispatch if your proposal is adopted? Please explain and document your estimates completely, showing all calculations. If you do not know the answers, please propose a method that would allow the Commission to estimate the volume.

INTERROGATORIES OF UNITED STATES POSTAL SERVICE TO
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- b. How much of the exceptional dispatch volume identified in part (a) would take advantage of any DDU rate for periodicals volumes utilizing exceptional dispatch?
- c. What is your estimate of periodicals revenue that utilizes exceptional dispatch? Please explain and document your estimate completely, showing all calculations. If you do not know the answer, please propose a method that would allow the Commission to estimate the revenue.
- d. How much of the exceptional dispatch revenue identified in part (c) would be lost because of any DDU rate for periodicals volumes utilizing exceptional dispatch?
- e. How much of the revenue identified in parts (c) and (d) is in the In-County subclass?
- f. What percent of In-County revenue utilizes exceptional dispatch?

USPS/NNA-T1-4. Please refer to your testimony on page 8, lines 3-4, where you state, "In R97-1, NNA asked the Commission to recommend a discount equivalent to the DDU rate for periodicals volumes utilizing exceptional dispatch."

- a. How much of the volume identified in response to part (a) of USPS/NNA-T1-3 is in the In-County subclass?
- b. What percent of In-County volume utilizes exceptional dispatch?
- c. What is the average circulation of periodicals that use exceptional dispatch?
- d. Is it your testimony that all periodicals subclasses should be allowed to claim DDU discount when they use exceptional dispatch? Please explain completely.
- e. Do you believe that any DDU discount for exceptional dispatch volume should be limited to In-County publications? Please explain completely.
- f. Do you believe that any DDU discount for exceptional dispatch volume should be limited to publications with relatively small circulation?
- g. If your response to part (f) is affirmative, what circulation limit would you propose for the publications eligible for a DDU discount when they use exceptional dispatch?
- h. What percent of In-County revenue utilizes exceptional dispatch?