

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

:

RESPONSES OF AMERICAN BANKERS ASSOCIATION AND NATIONAL
ASSOCIATION OF PRESORT MAILERS WITNESS CLIFTON TO INTERROGATORIES
OF ASSOCIATION OF POSTAL COMMERCE
(POSTCOM/ABA&NAPM-T1-1-3)

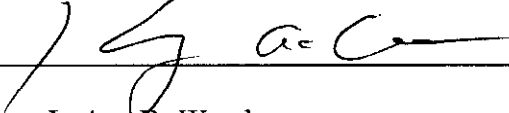
(June 15, 2000)

The American Bankers Association ("ABA") and the National Association of Presort Mailers ("NAPM") hereby provide the responses of witness Clifton to the following interrogatories of the Association of Postal Commerce, which were filed on June 1, 2000: PostCom/ABA&NAPM-T1-1-3.

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

Respectfully submitted,

AMERICAN BANKERS ASSOCIATION
NATIONAL ASSOCIATION OF PRESORT MAILERS

By:  _____

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RESPONSE OF ABA&NAPM WITNESS CLIFTON TO PostCom INTERROGATORIES

PostCom/ABA & NAPM-T1-1. Do you believe that the “Postal Service’s . . . identical–piece-but-for presorting . . . “ (ABA & NAPM-T1-1, 18 line 21) standard overstated or understated work sharing discounts? Please explain the basis for your answer.

RESPONSE:

The “standard” you reference does not overstate or understate discounts, but rather cost avoidance or cost difference, which is one but only one input into the decision to set a discount.. I assume cost avoidance is what you meant. See my testimony at page 19, lines 3-7. See also, e.g., ABA-RT-1 in R94-1, and MC-95-1, O&RD, Section IV.D., esp. para. 4223.

RESPONSE OF ABA&NAPM WITNESS CLIFTON TO PostCom INTERROGATORIES

PostCom/ABA & NAPM-T1-2. Please provide a citation to the quotation from the Recommended Decision in R90-1 cited at lines 21 – 23 of page 19 of your testimony.

RESPONSE:

Throughout this paragraph, the quotations are from MC-95-1 at para. 4302, as indicated on line 16 at the start of the paragraph, including the lines you cite and also lines 19-20 and 25-26. In lines 20-23, I am quoting what the PRC said in MC95-1 about its R90-1 O&RD.

RESPONSE OF ABA&NAPM WITNESS CLIFTON TO PostCom INTERROGATORIES


PostCom/ABA & NAPM-T1-3. Do you believe that “the lack of capacity for the Service to handle massive surges in nonpresorted mail”, Opinion and Recommended Decision, Docket No. R90, V-51, remains an important consideration in evaluating the appropriate discount for nonpresorted automation mail. Please explain your answer if it is anything but an unqualified “Yes”.

RESPONSE:

In light of my clients’ response to the Postal Service’s proposed cut in the real value of discounts in this case, its threat to cut the nominal value of such discounts in the next rate case and beyond, and the diversion of workshared mail to electronic delivery forecasted between 2003 and 2008 in the GAO report (L.R. I-179) even in the absence of such price/discount disincentives, absolutely yes.

DECLARATION

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

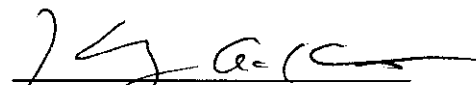

James A. Clifton

Dated: 5-15-00

June 15, 2000
Washington, D.C.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.


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June 15, 2000