

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 ASSOCIATION OF ALTERNATE POSTAL
SYSTEMS WITNESS WHITE TO INTERROGATORIES OF
MAIL ORDER ASSOCIATION OF AMERICA
(MOAA/AAPS-T1-1-9)**

The Association of Alternate Postal Systems hereby provides the responses of witness White to the following interrogatories of the Mail Order Association of America:

MOAA/AAPS-T1-1-9.

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

Respectfully submitted,



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June 16, 2000

CERTIFICATE OF SERVICE

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



Bonnie S. Blair

**RESPONSE OF ASSOCIATION OF ALTERNATE POSTAL SYSTEMS WITNESS WHITE
TO INTERROGATORIES OF MAIL ORDER ASSOCIATION OF AMERICA**

MOAA/AAPS-T-1-1. You claim that the Postal Service proposal will “do even greater harm” to “our industry” for the “heavier weight material for which we compete” (at 2, 3).

a. Please provide the annual volumes for 1995-1999 of materials carried by Distribution Systems of Oklahoma (DSO) that “would qualify as Standard Mail Saturation advertising pieces” (at 2).

b. Please provide the annual volumes for 1995-1999 of materials carried by DSO that are phone books and the percentage of those phone books that weight more than sixteen ounces.

c. Please provide the annual volumes of materials carried by DSO for the years 1995-1999 that would qualify as Standard Mail A ECR pieces only at the basic B (rather than the Saturation or High Density levels).

d. Please provide a copy of the rate schedule (or schedules) that reflect the current rates charged by DSO, including the effect of the weight of a piece upon rates.

Response

a.	1995	11,504,000
	1996	11,463,000
	1997	14,985,000
	1998	15,401,000
	1999	15,924,000
b.	1995	54,000 (>16 oz. is 100%)
	1996	54,000 (>16 oz. is 100%)
	1997	101,000 (>16 oz. is 100%)
	1998	77,000 (>16 oz. is 100%)
	1999	722,000 (>16 oz. is 95%)
c.	zero	
d.	<u>Quantity</u>	<u>Cost Per Piece</u>
	<25,000	10.8¢ to 13.8¢ ea.
	25,001 – 50,000	9.4¢ to 12.4¢ ea.
	50,001 – 150,000	8.3¢ to 11.3¢ ea.
	>150,000	7.3¢ to 10.3¢ ea.

- Size & weight: All publications and product samples must be no larger then 8 ½ X 11 folded size, and can weigh up to 5 oz. without extra change.
- Rates based on customized delivery areas according to geographic or demographic needs.

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- All quantities and rates are based on a one-day delivery basis.

High Density (Per Piece)

No published rate schedule. Rates are based on weight, geography, of delivery area, dimensions of product, frequency of the delivery and, which is often the case, special needs or requests.

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MOAA/AAPS-T-1-2. In preparing your testimony, were you provided with rate information by members of the Association of Alternate Postal Systems?

- a. If so, please provide copies of all such rate information.
- b. If not, is it your contention that the rates charged by members of the Association are irrelevant to the Commission's evaluation of your testimony?

Response

(a) No.

(b) No.

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MOAA/AAPS-T-1-3. In preparing your testimony did you request data from members of your Association about the effect of weight upon the rates charged by those members?

- a. If so, please provide copies of all such rate information.
- b. If not, is it your contention that the effect of weight upon rates of the members is irrelevant in the Commission's evaluation of your testimony?

Response

(a) No.

(b) No.

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MOAA/AAPS-T-1-4. Is it your position that the revenue loss that you claim resulted from "reducing the postage rates for the most densely delivered magazines" (at 3) is relevant to the Commission's consideration of Standard Mail A rates?

Response

The specific amount of the revenue loss is less relevant than the fact that companies in our industry, and their success or failure, are directly affected by postal rates. What happened with Periodicals can happen with Standard A material.

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MOAA/AAPS-T-1-5. Is it your position that the existing or USPS proposed rates for magazines and periodicals are too low?

Response

I have taken no position on the existing Periodicals rates, which are higher than the rates that resulted from Docket MC95-1, and I have taken no position on the proposed Periodical rates. Please see my response to USPS/AAPS-T1-10 for a further explanation.

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MOAA/AAPS-T-1-6. Is it your position that the rates for Standard Mail A should be established without regard to costs?

Response

No.

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MOAA/AAPS-T-1-7. Please explain fully your statement that “our industry is forced to use Postal Service prices as a guide to setting ours . . .” (at 5).

Response

The Postal Service is our main competitor. Although not every mailer would have a viable alternative in alternate delivery, virtually every alternate delivery customer has a viable alternative in the mail. Therefore, it follows that our rates must take into account, or use as a “guide,” the rates charged by the Postal Service.

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MOAA/AAPS-T-1-8. What percentage of (a) DSO's, and (b) your Association member's volumes consist of "shared mail set[s]" (at 7)?

Response

(a) 73%

(b) I don't know.

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MOAA/AAPS-T-1-9. What percentage of (a) DSO's, and (b) your Association member's volumes consist of "heavier weight items" that are not part of a "shared mail set"?

Response

(a) 20%

(b) I don't know.