

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 2000

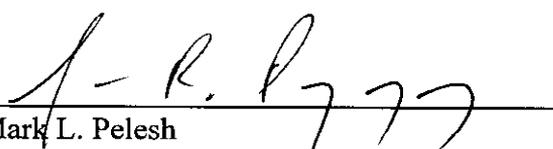
Docket No. R2000-1

**RESPONSE OF ASSOCIATION OF AMERICAN PUBLISHERS
WITNESS STEPHEN SIWEK TO INTERROGATORIES OF
THE MAIL ORDER ASSOCIATION OF AMERICA
(MOAA/AAP-T2-1-5)**

The Association of American Publishers hereby provides the responses of witness Stephen Siwek to the following interrogatories of the Mail Order Association of America, filed on June 6, 2000.

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

Respectively submitted,


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RESPONSE OF ASSOCIATION OF AMERICAN PUBLISHERS WITNESS
STEPHEN SIWEK TO INTERROGATORIES OF
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MOAA/AAP-T2-1

You criticize the “pass-through” proposals of USPS witness Kiefer for destination discounts as “disparate and discriminatory” (at 25). Please explain why your pass-through proposals ranging from 19.7 to 33.9 percent of calculated cost savings are not “disparate and discriminatory.”

RESPONSE

As I explain on page 24 of my testimony, the BPM rate structure recommended by Mr. Kiefer would pass through only 16 percent of the cost savings generated by DBMC mailers. By contrast, the USPS would award pass-throughs of 47 percent and 45 percent respectively to DSCF and DDU mailers in the same subclass. This proposal blatantly discriminates against DBMC mailers. The illustrative pass-throughs for DBMC, DSCF and DDU mail that are discussed at page 25 of my testimony do not reflect AAP’s proposed rates in this case.

Nevertheless, even these illustrative discounts are aligned much more closely than the USPS’ proposals. For this reason, the illustrative pass-throughs discussed at page 25 of my testimony are much less disparate and discriminatory than the pass-throughs recommended by Mr. Kiefer.

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MOAA/AAP-T2-2

Please confirm the following as an accurate presentation of your pass-through proposals.

	Savings	Per Piece Discount	Amount of Savings Not Passed Through
DBMC	\$0.38	\$0.129	\$0.251
DSCF	\$0.529	\$0.129	\$0.4
DDU	\$0.656	\$0.129	\$0.527

RESPONSE

Not confirmed. The pass-through discounts cited in this table do not reflect my proposed per piece discounts for BPM which were provided in my Attachment 6. The hypothetical per-piece discounts shown in my Attachment 4 are not the rates recommended by AAP in this case. Please refer to AAP-T-2, page 25, lines 15-17.

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MOAA/AAP-T2-3

Please explain your reasons for combining two different pools of cost savings (carrier route and destination entry) in making your comparison of cost savings for DDU, DSCF and DBMC entry.

RESPONSE

I did not “combine two different pools of cost savings” in making the pass-through comparisons among DDU, DSCF and DBMC mail that appear in Table 1 of my Attachment 4. In my testimony, I did not attempt to analyze “pools of cost savings” for these BPM categories. The Table simply reflects the net combined pass-through that a BPM mailer would realize if that mailer entered carrier-router presorted mail at different destination entry points.

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MOAA/AAP-T2-4

How long has a carrier route discount been in effect for BPM?

RESPONSE

Please refer to the testimony of USPS witness Kiefer (USPS-T-37) at page 27, lines 10-11, where he states: “the current (BPM) rate structure dates back to 1985, when the Basic Presort and Carrier Route Presort rates replaced the single bulk rate.”

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MOAA/AAP-T2-5

Please confirm that for Standard Mail A ECR destination discounts are provided as a separate portion of the rate schedule.

RESPONSE

For purposes of this proceeding, I have not analyzed Standard Mail A ECR rates in any detail. The rate schedules for Standard Mail A ECR mail are included in Attachment B to the USPS' rate request in this case.

DECLARATION

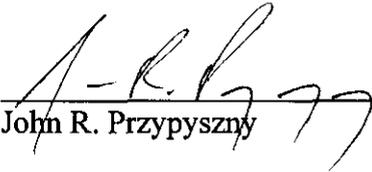
I, Stephen Siwek, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Dated: 6/16/00



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.



John R. Przepyszny

Washington, D.C.
Date: June 20, 2000