

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 UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF
MAGAZINE PUBLISHERS OF AMERICA
(MPA/USPS-69)

The United States Postal Service hereby provides its response to the following interrogatory of Magazine Publishers of America: MPA/USPS-69, filed on July 21, 2000.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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August 4, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES
OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-69.

In Docket No. MC00-1, witness Taufique estimated that Periodicals Ride-Along pieces would generate approximately \$10 million per year in revenue.

- a. Please state whether actual Periodicals Ride-Along revenues are in line with witness Taufique's estimation.
- b. Please provide a quantitative comparison of actual and estimated Periodicals Ride-Along revenues.

RESPONSE

- a. The actual Periodicals Ride-Along revenue appears to be in line with witness Taufique's estimation of \$10 million per year in revenue in Docket No. MC00-1.
- b. The data collected by the Pricing department shows approximately 42 million pieces mailed at Ride-Along rate as of August 3, 2000 which leads to \$4.2 million dollars in revenue. If the forecast of \$10 million is distributed evenly across the 13 Accounting Periods, the revenue over the six APs from Feb 26th to Aug 12th (end of the 12th AP) would be about \$4.6 million. We note that the time lag between the filing of the mailing statement and its receipt at the Pricing office could cause the \$4.2 million reported above to understate somewhat the actual revenues during these APs. We also note that issues of seasonality and "ramping up" might lead to increased usage later in the year. These factors cause us to conclude that actual Periodicals Ride-Along revenues are in line with witness Taufique's estimation of \$10 million per year in revenue in Docket No. MC00-1.

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.



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