

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, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TOLLEY  
TO AAPS INTERROGATORIES AAPA/USPS -T7-1 - 2  
(November 1, 2001)

The United States Postal Service hereby provides the response of witness Tolley  
to the following interrogatories of Association of Alternate Postal Systems:

AAPS/USPS-T7-1 - 2, filed on October 17, 2001. Each interrogatory is stated  
verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

  
\_\_\_\_\_  
Eric P. Koetting

475 L'Enfant Plaza West, S.W.  
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(202) 268-2992; Fax -5402  
November 1, 2001

**RESPONSE OF POSTAL SERVICE WITNESS TOLLEY  
TO INTERROGATORIES OF AAPS**

**AAPS/USPS-T7-1.** You explain at page 111 that the real own price of ECR mail dropped 5.2% over the past five years, leading to an increase of 3.95% in volume. Do you agree that, assuming competitors for the delivery of such mail experienced cost increases during that period, it is likely that a portion of the increased ECR volume represents pieces that were shifted from those competitors to the Postal Service?

**RESPONSE:**

No. The ceteris paribus conditions for this hypothetical question are not sufficiently specified. For example, the outcome would depend on such things as industrial organization and pricing policies of competitors, which have not been specified in the interrogatory. While hypothetical conditions might possibly be specified under which ECR mail pieces were shifted from competitors, I do not necessarily agree that the outcome is likely or, if it occurred, was quantitatively significant.

**RESPONSE OF POSTAL SERVICE WITNESS TOLLEY  
TO INTERROGATORIES OF AAPS**


**AAPS/USPS-T7-2.** Are you familiar with, or are you at all aware of, any studies that address the effect on competitors' volumes of increases or decreases in the postage rate of ECR mail?

**RESPONSE:**

No.

DECLARATION

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

  
\_\_\_\_\_  
(Signed)  
10/26/01  
\_\_\_\_\_  
(Date)

**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.



Eric P. Koetting

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