

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 2001

Docket No. R2001-1

**NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS PETER BERNSTEIN
(NAA/USPS-T10-1-11)
November 5, 2001**

The Newspaper Association of America hereby submits the attached
interrogatories to United States Postal Service witness Peter Bernstein (USPS-T-10)
and respectfully requests a timely and full response under oath.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all
participants requesting such service in this proceeding in accordance with section 12 of
the Rules of Practice.

November 5, 2001

William B. Baker
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NAA/USPS-T10-1: Please explain, in qualitative terms, how growth in household expenditures for Internet services – as distinct from the growth in the number of households making expenditures on ISPs – affects alleged diversion of communications from postal to electronic communications.

NAA/USPS-T10-2: Does growth in the number of households have a positive effect on the volume of postal mail?

NAA/USPS-T10-3: Please refer to Page 43, lines 9-10 of your testimony, where you state the truism that “advertising dollars spent on the Internet are advertising dollars that cannot be spent on other media, direct mail included.” Do you believe the growth in Internet advertising has caused less direct mail advertising than would have occurred in the absence of Internet advertising, or has the Internet advertising consisted of new advertising that would not have been made otherwise?

NAA/USPS-T10-4: Please refer to Page 46, Table 11. Would advertising expenditures on a newspaper’s website be included as “Newspapers” or as “Internet”?

NAA/USPS-T10-5: Please refer to Page 46, Table 11. Would advertising expenditures contained in a newspaper Total Market Coverage program mailed to non-subscribers of the newspaper be contained in “direct mail” or “newspapers” in this table?

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NAA/USPS-T10-6: Please refer to Page 47, lines 1 to 9 of your testimony. Is it your testimony that newspapers did not lose any "advertising share" to Internet advertising? Please explain.

NAA/USPS-T10-7: Please refer to Page 50, lines 16 to 20. Do you agree or disagree with Mr. Blodgett's prediction that Internet advertising revenues will decline in 2001? Please explain your answer.

NAA/USPS-T10-8: Please refer to Page 62, lines 13-16 of your testimony. Do you agree that Internet advertising is capable of being highly targeted to an individual's particular interests? If so, please discuss whether you believe Internet advertising is at least as capable of being targeted as Standard Regular mail.

NAA/USPS-T10-9: Please refer to Page 62, lines 13 to 16 of your testimony:

- a. Do you agree that Standard Enhanced Carrier Route mail is targeted on the basis of geography?
- b. Do you believe that Internet advertising can be targeted geographically to the same degree as Standard ECR mail?
- c. Do you believe that Standard Regular mail is as suited for geographic targeting as is Standard ECR mail?

Please discuss your answer.

NAA/USPS-T10-10: Please refer to Page 64, lines 20-22 of your testimony, where you state that Standard Regular non-carrier route mail "has grown, in part at the expense of ECR mail, due to improvements in database marketing which have allowed advertisers to target customers more effectively." Please state specifically what types of

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ECR mail have migrated to Standard Regular mail as a consequence of improvements in database marketing.

NAA/USPS-T10-11: Please refer to Page 67, lines 1 to 2 of your testimony, where you state as an example that electronic check payment is less costly than mailed checks. In making that statement, do you factor into the cost of electronic check payment the costs of personal computers, appropriate software, and access to the Internet? If not, explain why not.