

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

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Postal Rate and Fee Changes, 2001

Docket No. R2001-1
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

**NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS GEORGE S. TOLLEY
(NAA/USPS-T7-1-11)
November 5, 2001**

The Newspaper Association of America hereby submits the attached interrogatories to United States Postal Service witness George S. Tolley (USPS-T-7) 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
William B. Baker

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NAA/USPS-T7-1: Please refer to your testimony at Page 26, lines 4-6.

- a. Please confirm that, contrary to line 4 of your testimony, First Class mail accounted for slightly less than half of total domestic mail volume.
- b. Please confirm that you project that First Class mail will account for less than half of total domestic mail volume in the Test Year.
- c. If you cannot confirm, please explain why not.

NAA/USPS-T7-2: What rates of inflation do you assume for FY2002 and for the Test Year?

NAA/USPS-T7-3: Please refer to your testimony at Page 111, lines 11 to 15. Please explain what you mean by "the price of direct-mail advertising".

NAA/USPS-T7-4: Please refer to your testimony at Page 111, lines 16-21. Please explain your understanding of how the "cost per thousand of newspaper advertising" affects Standard Enhanced Carrier Route mail volumes. Please include in your answer:

- a. Whether the price per thousand of newspaper advertising as reported by the Bureau of Labor Statistics refers to run-of-press newspaper advertising or of insert advertising or some combination of both;
- b. An explanation of how the cited price of newspaper advertising relates to ECR volume, as distinct from the volume of advertising preprints delivered via ECR mail.

NAA/USPS-T7-5: Does your volume forecasting methodology for Standard commercial ECR mail take into account, in any way, the prices charged by Standard

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ECR shared mailers to advertisers for inclusion into a shared mailing? Please explain your answer fully.

NAA/USPS-T7-6: If your answer to NAA/USPS-T7-5 is in the affirmative, please identify the source of the data that you use for the price charged by Standard ECR shared mailers to advertisers for inclusion into a shared mailing.

NAA/USPS-T7-7: Please refer to Page 113, line 20, through Page 114, line 23. Please identify the factors that you believe contribute to the "net trend" causing a 13.43 percent decline in Standard ECR mail volume, and please indicate the extent to which each factor contributed to the 13.43 percent net trend.

NAA/USPS-T7-8: Please confirm that your testimony does not project Standard ECR volumes by rate category. If you cannot confirm, please explain why not.

NAA/USPS-T7-9: Witness Bernstein, at Page 64, lines 20-22 of his testimony, states 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 whether you agree with this statement and, if so, how this phenomenon is reflected in your volume forecasts.

NAA/USPS-T7-10: Please refer to LR-J-125, work paper vf_ar.xls. Please provide calculations for the prices (on the sheet entitled "Prices") for all subclass ECR tiers/density levels.

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NAA/USPST7-11: Please refer to Appendix Table 14 of your testimony and state whether a positive value for a forecast average means that volumes were underforecasted or overforecasted.