

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

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POSTAL RATE AND FEE CHANGES, 2001

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Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS KOROMA TO INTERROGATORY  
OF THE NEWSPAPER ASSOCIATION OF AMERICA  
REDIRECTED FROM WITNESS ROTHSCHILD (NAA/USPS-T27-1)

The United States Postal Service hereby provides the response of witness Koroma to the following interrogatory of the Newspaper Association of America redirected from witness Rothschild: NAA/USPS-T27-1, filed on October 23, 2001.

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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Scott L. Reiter

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November 6, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KOROMA TO  
INTERROGATORY OF NEWSPAPER ASSOCIATION OF AMERICA REDIRECTED  
FROM WITNESS ROTHSCHILD**

**NAA/USPS-T27-1:** Please refer to Page 10, Table 1, of your testimony. Is it possible to calculate, based on this table, whether the Ride-Along product has generated a net revenue increase or net decrease for the Postal Service, taking into account postage from new matter and diversion from other classes of mail? If so, please indicate how such a calculation would be made.

**RESPONSE:**

It is not possible to determine the precise net revenue effect since such a calculation would involve a number of assumptions, including revenue-per-piece figures for pieces *not* sent. In any event, the net revenue effect is likely to be minimal. For example, projecting the survey results to the universe of Ride-Along pieces and applying some revenue-per-piece assumptions results in an insignificant change in net revenue. Changing the assumptions would not alter this general result. Moreover, net change in contribution would be a more relevant (and higher) figure. Costs are lower with Ride Along, since costs will not be incurred for those pieces that would have been sent as stand-alone Standard Mail.

The attachment shows how a calculation of an estimate of the net revenue effect could be made using data from table 1 of witness Rothschild's testimony.

## **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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