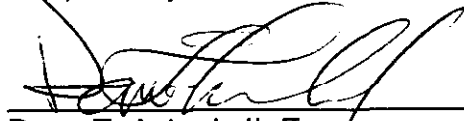|	
POSTAL RATE AND FEE CHANGES, 2001	Docket No. R2001-1

INTERROGATORIES OF
THE DIRECT MARKETING ASSOCIATION, INC.
TO USPS WITNESS BERNSTEIN

Pursuant to Sections 25 and 26 of the Commission's Rules of Practice, the Direct Marketing Association, Inc. hereby submits the attached interrogatories to USPS witness Bernstein: DMA/USPS-T10, No. 1-3. If the designated witness is unable to respond to any interrogatory, we request a response by some other qualified witness.
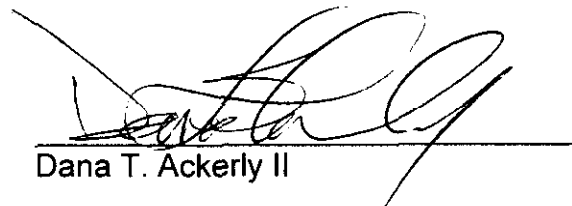
Respectfully submitted,

Dana T. Ackerly II, Esq.
Neil K. Roman, Esq.
Robert J. Lundman, Esq.
COVINGTON & BURLING
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
(202) 662-5296

Counsel for the Direct Marketing
Association, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Commission's Rules of Practice.

Dana T. Ackerly II

Dated: November 7, 2001

INTERROGATORIES OF THE DIRECT MARKETING ASSOCIATION, INC.
TO UNITED STATES POSTAL SERVICE WITNESS BERNSTEIN

DMA/USPS-T10-1.   Please refer to Table 16 on page 81 of your testimony.

(a) Please provide the "system-wide" mark-up that corresponds to the "R2000-1 Mark-ups (Adjusted)" shown in Table 16.

(b) Please provide a Table similar to Table 16, with an additional column showing the "Mark-up Index" for each Mail Product shown in the Table.

DMA/USPS-T10-2.   Please refer to Table 17 on pages 83 and 84 of your testimony.

(a) Please confirm that Table 17 shows calculations of "After-Rates Prices" in this proceeding based on (1) the R2000-1 Mark-ups (Adjusted), and (2) mark-ups determined using Ramsey pricing principles (constrained as described in your testimony). If you cannot confirm, please explain in detail.

(b) Please confirm that, at a price based on the R2000-1 Mark-ups (Adjusted), the volume of First-Class Letters would be estimated to be approximately 97.9 billion pieces that would produce revenues of approximately $38.3 billion. If you cannot confirm, please explain in detail.

(c) Please confirm that, at a price based on the R2000-1 Mark-ups (Adjusted), the volume of Standard mail would be estimated to be approximately 96.3 billion pieces that would produce revenues of approximately $18.2 billion. If you cannot confirm, please explain in detail.

(d) Please confirm that, at a price based on Ramsey principles, the volume of First-Class Letters would be estimated to be approximately 96.9 billion pieces that would produce revenues of approximately $40.0 billion. If you cannot confirm, please explain in detail.

(e) Please confirm that, at a price based on Ramsey principles, the volume of Standard mail would be estimated to be approximately 104.0 billion pieces that would produce revenues of approximately $16.6 billion. If you cannot confirm, please explain in detail.

(f) Please confirm that, at a price based on Ramsey principles, the volumes of First-Class Letters and Standard mail combined would be estimated to be approximately 6.7 billion pieces greater, producing revenues greater by approximately $100,000,000, as compared with prices based on the R2000-1 Mark-ups (Adjusted). If you cannot confirm, please explain in detail.

DMA/USPS-T10-3.   On page 78 of your testimony you discuss judgmental constraints on Ramsey prices. You say, "A second type of constraint imposed on the Ramsey prices is a limit on the mark-up of products with particularly low price elasticities."

(a) Please confirm that First-Class Letters have lower test year own-price elasticity than do Standard Regular or Standard ECR. If you cannot confirm, please explain in detail.

(b) Were any of the prices for First-Class Letters or Standard Regular or Standard ECR shown in your Table 17 the subject of any constraints? If so, please explain in detail and state what such prices would have been in the absence of such constraints.