

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

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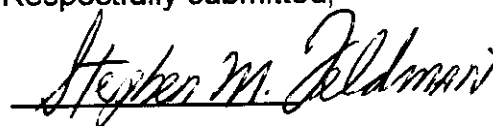
POSTAL RATE AND FEE CHANGES, 2000

) Docket No. R2001-1

**INTERROGATORIES OF THE COALITION OF RELIGIOUS PRESS ASSOCIATIONS
(CRPA) AND THE NATIONAL FEDERATION OF INDEPENDENT PUBLICATIONS
(NFIP) TO USPS WITNESS TOLLEY (CRPA-NFIP /USPS-T-7-7)**

CRPA-NFIP submit the attached interrogatories and document requests to USPS Witness Tolley (USPS-T-7). If Witness Tolley is not the appropriate witness to answer a particular question, CRPA-NFIP request that the interrogatory be re-directed for response.

Respectfully submitted,



Stephen M. Feldman
Law Offices of Stephen M. Feldman
Counsel for CRPA-NFIP
601 Pennsylvania Ave, N.W.
South Building STE 900
Washington, D.C. 20004
Tel. 202-463-4960
E-Mail stephenmark@starpower.net

November 15, 2001

CRPA-NFIP/T-7-1. On p. 78 of your testimony, part C, para 1, you set forth the various categories eligible for nonprofit periodical rates. Please provide all data which you consulted in preparation of this testimony, or data from any identified source with which you or USPS are familiar, which contains volume information for each qualifying organization category set forth on lines 1-13, p.78.

CRPA-NFIP/T-7-2. On p. 78 of your testimony, lines 15-16, you state: "Nonprofit Periodicals volume is about the same today as in 1970, as illustrated in Figure 8." On pp. 116-117 of your testimony, you set forth numbers which show that Standard nonprofit mail has experienced "steady growth" from 1970 to 1990, and that by the year 2000, volume of this mail had increased from 4.2 billion pieces per year in 1970, to 11.3 billion pieces. Please set forth all factors which explain this difference in growth between the two kinds of nonprofit mail, and please rank the various factors in order of importance, with explanation of why each factor is ranked as it is.

CRPA-NFIT/USPS-T-7-3. On p.78, lines 18-20, you state: "During the five-year period ending in quarter 2001 Q3, Nonprofit Periodicals volume declined from 2,287 million to 2,165 million pieces, or by 5.48 percent."

(a) Please confirm that Table One, "Volume Projections", found on p. 5 of your testimony, projects that Base Year (Q.4, yr. 2000 to Q.3, yr. 2001) volumes of Nonprofit Periodical Mail would decline from 2,101.762 million pieces per year to 1,959.377 million pieces in the Before-Rates Test Year (GFY 2003), or approximately 6.8%.

(b) Please confirm that total decline in volumes of nonprofit periodicals from 1996(five years prior to 2001, Q. 3) to the Test Year, Before Rates, according to your projection, would be 12.28%. If you do not confirm, explain in detail why you do not confirm.

(c) Please confirm that comparing the Base Year volumes of Nonprofit Periodicals with TY

After Rates volumes as shown in Table 1, demonstrate that the volume decline would equal 7.68% and that the total decline between 1996 through the Test Year 2003, After Rates, would be, in percentages, 13.16%. If you do not confirm, explain why you do not confirm.

(d) Are you aware of any price factor other than postal rate increases, that could have triggered a volume decline of 12.28% or 13.16% during the time periods discussed in part (b) and (c) above? If you are aware of such factor(s), please identify these, and explain why that factor(s) would be more influential in driving nonprofit periodical volumes down than historical and proposed rate increases for nonprofit periodicals?

CRPA-NFIP/USPS-T-7-4. Are you aware of or have you read any studies, reports, books, articles or data either produced by USPS or another entity which explain the decline in nonprofit periodical volumes other than your own testimony? If you have read such materials, please identify them and make them available for inspection.

CRPA-NFIP/USPS-T-7-5. In Table 8, p. 80 of your testimony, "Other factors" than prices, income and population are "estimated" to have reduced Nonprofit volumes by 12.26% for the five year period ending in Q.3, 2001. You then claim: "Nonprofit mail is subject to declining preference to spend time reading as described in the discussion of Within County mail." You similarly use Within County assumptions about reading time to apply to Regular Rate periodicals, USPS-T-7, at 90, line 2-3.

(a) Please provide any independent studies, analyses, reports or data commissioned by the publishing industry, the Postal Service or any other government or private concern which demonstrate that decline in reading time over the period you refer to is similar across the regular-rate, nonprofit and within-county categories of Periodical Mail.

(b) If you do not have or did not rely on such studies, etc., as referred to in part (a) of this interrogatory, what is the basis for your assumption?

(c) Likewise verify your assumption that TV viewing by readers of nonprofit periodicals is the same as within-county or regular-rate newspaper readers.

(d) Why do you take the "specialty nature" of nonprofit mail into account when considering Internet substitution by readers but not the "specialty nature" of nonprofit mail into account for any of the other "Other factors" you briefly discuss on p.81 of your testimony?

(e) Confirm that as you explain it, "Other factors" consist of time reading, TV viewing, and Internet.

(f) Do you have a statistical basis for your claim that "nonprofit mail may be subject to less than average Internet substitution" as compared with other types of periodicals, and if so, identify it and produce it.

(g) Define and explain the term "Internet substitution", USPS-T-7, p. 81, line16.

CRPA-NFIP/USPS-T-7-6. In table 8, p. 80, you show own-price's effect on nonprofit periodical volume for the five year period ending in Q.3, 2001, as -004%. The table also shows "Other factors" as having an estimated effect on volume of the same type of mail for the same period, as -12.26%. Does this mean that other factors as you identify them on p. 81 of your testimony are 3,065 times more responsible for nonprofit periodical volume decline than changes in postal rates? If not, how would you characterize the influence on volume of "Other factors" as compared with "own price" on nonprofit periodicals over the time period used in Table 8 ?

CRPA-NFIP/USPS-T-7-7. Concerning regular-rate periodicals, on p. 90 of your testimony you state that "growth of the number of small-scale specialty magazines may be a positive influence on Regular Rate volume.

(a) Is this the first time you have offered this opinion in a postal rate case? If it is not, identify where else you made this supposition.

(b) If you have offered the opinion before, do you have any data to show the growth of periodical volumes due to specialty magazines in the regular-rate category and the time period of such growth.

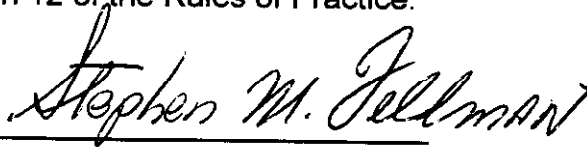
(c) In offering that opinion, did you take into account Table 2 of MPA/USPS-T34-3 in this case, where it is shown that under the PERMIT system for calculating permit volumes and pieces, that 57 regular rate periodicals of circulations of 1 million + per issue mail 2,614,868,906 pieces, whereas 15,392 periodicals with circulations of 25,000 pieces or less per volume mail 1,284,100,635 pieces?

(d) When do you foresee periodicals of fewer than 25,000 pieces per issue generating equal or greater volumes than the 57 largest regular-rate publications, with circulations over 1 million pieces per issue?

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

November 15, 2001

Handwritten signature of Stephen M. Feldman in cursive script, written over a horizontal line.

Stephen M. Feldman