

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268B0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TAUFIQUE TO INTERROGATORIES OF
THE COALITION OF RELIGIOUS PRESS ASSOCIATIONS AND
THE NATIONAL FEDERATION OF INDEPENDENT PUBLICATIONS
(CRPA-NFIP/USPS-T34-1-9)

The United States Postal Service hereby provides the responses of witness Taufique to the following interrogatories of the Coalition of Religious Press Associations and the National Federation of Independent Publications: CRPA-NFIP/USPS-T34-1 to 9, filed on November 15, 2001.

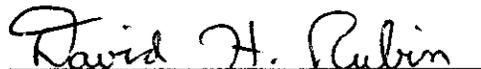
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO INTERROGATORIES OF
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CRPA-NFIP/USPS-T-34-1. On p. 5 of your testimony, you state: "The editorial pound rate for Zones 1 & 2 through Zone 8 remains a uniform unzoned rate."

(a) Please confirm that periodicals drop-shipped to Area Distribution Centers (ADC) which would qualify for the new ADC discount, could travel in postal transportation further than the 63 mile average haul input for Zones 1 & 2.

(USPS-LR-J-107, p. 18). If you do not confirm, please explain why not.

(b) Please confirm that a periodical drop-shipped for delivery within an ADC area could then travel within USPS transportation a distance equal to Zone 3 (150-300 miles). If you do not confirm, please explain why not.

(c) Could a periodical dropshipped to an ADC area within which it is delivered, travel in postal transportation to a delivery point further than a Zone 3 distance? If not, explain why not.

RESPONSE:

a-c. Confirmed. In some cases, especially in the western part of the country, the distance between destination ADCs and delivery units could be in the range of zone 3 distance (150-300 miles or more). But in many cases (especially in large metropolitan areas) destination ADCs could be within a short distance of the destination SCF and the delivery unit. Interestingly, there is a negative correlation between the above discussed distances and the quantity of mail; i.e., it appears that the volume of mail processed and delivered in the metropolitan areas (where the distances between destination ADC and delivery unit are smaller) is significantly higher than the volume of mail for the areas where distances are greater.

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CRPA-NFIP/USPS-T-34-2. On p. 5 of your testimony you refer to recognition by Commission's R90-1 opinion and recommended decision of a ratemaking balance between social policy and economic efficiency. Please confirm that the Commission recommended and maintained an unzoned editorial pound rate in R90-1, despite a USPS proposal to the contrary, and that the Commission subsequently turned back another USPS effort to zone editorial content in Docket MC95-1 (reclassification case).

RESPONSE:

Confirmed. And that is precisely the reason why the Postal Service has chosen to maintain the unzoned editorial pound rate in this Docket.

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CRPA-NFIP/USPS-T-34-3. Based on your assertion that “proposed increased incentives for dropshipment, combined with a per-piece pallet discount...would help mitigate further cost increases” (USPS-T-34, at 6)

(a) Is it your assumption that private common carriers or non-postal over-the-road transportation are usually cheaper than USPS highway carriers, or where applicable, rail carriers with contracts with USPS?

(b) Please explain a positive or a negative answer to part (a) above, including the provision of market studies and comparisons upon which your conclusion is based.

(c) Please provide all customer surveys, market studies or minutes of meetings with mailer groups including, but not limited to, MTAC, since the issuance of the Commission’s R2000-1 recommended opinion and decision, which demonstrate

(1) the added quantity of palletized volumes in outside county Periodicals subclass if a discount for pallets were offered and (2) if available, the number of publications which now do not palletize, but would palletize, and their annual mailed circulations, if the Commission were to recommend a per-piece discount equal to or larger than the discount for pallets proposed in this case.

(d) If no such data requested in part (c) are available, do you have any basis, and if so, what is it, for estimation of the number of periodicals and their volumes which would palletize their pieces if the Commission were to adopt your pallet proposal?

RESPONSE:

(a) I have made no explicit assumption regarding the cost of private common carriers or non-postal over-the-road transportation in comparison to Postal Service highway carriers, or rail carriers with contracts with the Postal Service. Such assumptions are not necessary. The Postal Service is basing the discount on its analysis of postal costs and passing through only half of the estimated cost savings (for editorial pound dropshipment). Mailers that take advantage of the proposed discount will benefit from half of the cost savings while the overall Periodicals Outside County subclass is the recipient of the other half of this benefit. In the case of the pallet discount, 76 percent of the cost savings for any additional palletized pieces will revert back to the subclass as a whole.

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(b) Not applicable. See my response to subpart (a) above. The non-transportation dropshipment cost savings estimates that I relied upon are provided by witness Mayes (USPS-T-23), and in library reference J-68. The pallet cost savings are provided by witness Schenk (USPS-T-43) in library reference J-100.

(c) I do not have any responsive material to the question. Also please see my response to MPA/USPS-T34-1, subparts b & d.

(d) The estimate for palletized volume used by the Postal Service is based on the entry profile study presented by witness Loetscher in USPS-LR-J-114.

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CRPA-NFIP/USPS-T-34-4. On line 10 of p. 6 you state that additional work performed by mailers "may lead to a reduction in reported volume-variable costs and lower overall combined costs".

(a) Since worksharing discounts have existed for over 20 years, yet postal costs of periodicals continue to increase more than other subclasses for reasons not fully understood by USPS, why do you believe added and deeper worksharing discounts might reduce current costs, prior to a better understanding of what drives periodical costs?

(b) Please give examples of instances where worksharing discounts quantitatively resulted in a reduction in the rate of year-to-year periodical mail processing and transportation increases lower than comparable year-to-year increases in the cost of living (CPI index).

RESPONSE:

(a) I believe that the cost increases would have been higher if not for the worksharing incentives proposed by the Postal Service and recommended by the Commission. The discounts provided by the Postal Service for finer presort, barcoding, and dropshipping have provided incentives for mailers to do work, thus keeping the Postal Service from incurring the costs for that work. Additional worksharing discounts also can save postal costs by having mailers incur the costs instead. One would expect that mailers would perform the additional work only if their cost was less than the discount provided by the Postal Service.

(b) The rates for Docket No. R90-1 were implemented on February 3, 1991. That docket introduced the per-pound rates for DSCF & DDU dropshipment while maintaining the per-piece discounts for DSCF dropshipment and introducing a per-piece discount for DDU dropshipment. In FY 1992 mail processing cost per piece for the combined Outside County subclass decreased from \$0.061 to \$0.059, a reduction of 3.8 percent, while the calendar year CPI increase for 1992

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was 3 percent. In FY 1993 mail processing cost increased by only 0.3 percent and the overall attributable cost actually decreased by 4.9 percent. During a similar time period (calendar year 1993) CPI-U increased by 3 percent.

It is interesting to note that the realized increase in revenue per piece was less than the recommended increase in revenue per piece in Docket No. R90-1. In that docket all former subclasses of Outside County were recommended to receive an increase of greater than 23 percent. The Nonprofit and Classroom subclasses had recommended increases of as much as 28 percent. The actual increase in revenue per piece for Outside County was 12 percent in FY91, 6.1 percent in FY92 and -1.4 percent in FY93. The implication of this observation is simply that changes in mailer behavior as a result of worksharing incentives could actually reduce the impact of a rate increase on mailers.

Finally, in FY 1997 Purchased Transportation on a per unit basis declined from \$0.033 to \$0.032, a reduction of 3.9 percent, while CPI-U for a similar time period increased by 2.3 percent. This took place after the implementation of rates on July 1, 1996, including worksharing discounts, recommended in Docket No. MC95-1.

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CRPA-NFIP/USPS-T-34-5. Referring to your testimony, USPS-T-34, at 6, lines 14-17, you assume that "Larger destination entry discounts would provide further incentive for smaller and medium mailers to combine their mailings or versions to achieve the volumes necessary to justify the transportation for deeper downstream entry."

(a) Have you or other postal witnesses made similar claims in past rate or classification cases? If so, identify each such reference.

(b) If you or other postal witnesses have made similar claims in past rate or classification cases, please quantify the number of "smaller and medium mailers" who now combine mailings of different periodicals to achieve the volumes necessary to justify purchasing non-postal transportation for deeper downstream entry.

(c) Can you identify either particular printing plants (by name and location) or specific periodical mailers using those plants, or consolidation facilities owned, leased or used by these plants, which in response to deeper postal discounts, have combined or comailed different publications of the same organization or mailings of different publications of different organizations? If you can identify these organizations and publications, provide if you can the volumes per mailing or the annual volumes mailed from these plants and/or facilities.

(d) Is it more likely or less likely that larger destination discount benefits proposed in your testimony will primarily benefit higher-volume periodicals, (rather than smaller circulation periodicals) which already are palletized and dropshipped to SCF or DDU facilities? For the purpose of the interrogatory, assume a periodical with an average circulation per issue of less than 50,000 copies per issue, (see, e.g., your response to MPA/USPS-T34-13a), is smaller circulation.

(e) According to USPS data from the PERMIT system (i.e., see Table 2, provided in response to MPA/USPS-T34-3) how many periodicals mail less than 50,000 copies per issue in the regular rate and in the nonprofit categories respectively? How many mail more than 50,000 copies per issue?

RESPONSE:

(a) A review of the Commission's Opinion in Docket No. MC95-1 (e.g., page V-117) shows that Postal Service witness Pickett used a similar argument to support a much more ambitious rate structure change i.e., zoning of editorial pound rates. I am unable to provide each such reference. Also see Docket No. MC91-3, Tr. 1/99, 131 (witness Mitchell).

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(b) Since earlier proposals were not implemented, it would be unfair to ask if the desired results were achieved. I have no way of knowing from postage statement data if a particular mailing is part of a larger co-mailing or a stand-alone mailing.

(c) The proposed rate design for the dropship incentives has not previously been proposed, recommended, or implemented. I am attaching the results of a brief web search that we conducted. It appears that a number of printers are offering comailing/copalletization services for both large and small mailers.

(d) It appears that higher volume periodicals would be in a better position to take advantage of these additional dropship discounts because they tend to be more palletized and dropshipped. But if one looks at the data that witness Loetscher (USPS-T-41) has provided in response to interrogatory MPA/USPS-T41-2, it appears that smaller Nonprofit mailers have a significant portion of mail that would qualify for these discounts. The attached sheet provides the percent of publications that enter 50 percent or more of their mail at various locations. For example, for Nonprofit publications in mailing size ranging from 0-1,000, 35.5 percent of the mailers enter 50 percent or more of their mail at either the DDU, DSCF or Zones 1 & 2. In fact, most small size ranges have about 30 percent of their publication entering 50 percent or more copies at the DDU, DSCF or Zones

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1 & 2. This is especially significant because on average Nonprofit mail has approximately 80 percent editorial content.

(e) Based on the response to interrogatory MPA/USPS-T34-3 (re-directed to witness Loetscher, USPS-T-41) the number of periodicals mailing under 50,000 copies per issue and over 50,000 copies per issue are:

	Under 50,000	Over 50,000
Regular Rate:	15,747	779
Nonprofit :	7,795	361
Both:	103	5

Summary of Internet Search for Comailing and Co-Palletization Services

Scope

A review of Internet sites for eight full-service publishing and/or distribution firms was conducted on November 27, 2001. The review was limited to accessing the corporate websites to determine if transportation and distribution services were offered that would facilitate mailers' use of destination discounts. The companies were not contacted directly.

The Websites for the following companies were examined.

- Quebecor World
- R.R. Donnelley, Logistics Service
- Quad Graphics
- Brown Printing
- Perry Juds
- Publishers Press
- Banta
- Farrington Transportation

Summary of Review

A cursory review of the above identified company websites was performed with the purpose of identifying those companies offering co-mailing, co-palletization, and drop shipping services to periodical publishers. Due to the high level of information contained in these websites, the review focused on whether the company offered the above service, and it was not possible to identify specific plants or consolidation facilities offering the service or periodicals mailers using the services.

There are at least five of the eight identified companies offering some combination of drop ship, co-mail, and co-palletization services. They are RR Donnelley, Quebecor, Publishers Press, Banta, and Brown Printing. The remaining companies may offer or may plan to offer these services, but the availability was not apparent in the company website.

During the review an attempt was made to determine if the above services were available to the periodical publishers with relatively small volumes. Specific availability of these services by customer size could not be determined conclusively from the websites. But it appears that RR Donnelley, Banta, Publishers Press, Quad/Graphics, and Brown Printing do offer the services to relatively small publishers.

Results:

A cursory search of selected Internet websites was performed to identify companies offering co-mail, co-palletization, and/or drop shipping services to their customers. The following companies were identified as providing one or more of these services:

- RR Donnelley & Sons Company (www.donnelley.com)
- Quebecor World (www.quebecorworld.com)
- Publishers Press (www.pubpress.com)
- Banta (www.banta.com)
- Brown Printing Company (www.bpc.com)
- Quad/Graphics (www.qg.com)

This listing does not constitute a recommendation by the Postal Service and is not presented in any meaningful order. Additionally, the review was not exhaustive and may have excluded a number of potential service providers.

When performing this review, an attempt was made to determine if the co-mail, co-palletization, and drop shipping services were available to publishers of periodicals with an average circulation of approximately 50,000 copies per issue. The availability of these services to this market group could not be determined with certainty, but the following companies appear to offer these services to publishers of periodicals with moderate circulation: Publishers Press, Brown Printing Company, RR Donnelley, and Quad/Graphics.

Individual Website Review

1. Quebecor World

Quebecor World is a leading printer of consumer magazines with an output of over 1,000 titles and 5 billion copies annually. The company offers full service periodicals, publication, book, insert, specialty and direct mail printing services as well as logistics and mail list services. Printing and distribution facilities are located throughout North America.

Logistics and distribution services include co-mail, pool ship, and drop ship services. These services include co-palletization systems, an entry point planning and optimization system, load planning, consolidation, and a transportation management system to optimize and integrate distribution process.

2. Publishers Press

Publishers Press is a family owned company and the Website has limited company size and volume data. The company operates two printing facilities in Kentucky totaling 750,000 square feet.

Publishers Press specializes in special interest magazines and journals in standard, tabloid, and digest sizes. They offer a full range of printing services through distribution. The company initiated a co-palletization program in the Fall of 1997, and is now preparing to go national with a drop shipping program. Referred to as the CPDS (co-palletization / drop shipping) program, the company advertises the benefits as being:

- a faster cycle time reducing the distribution process by one to four days by drop shipping to nine strategic entry points effectively eliminating zone 5-8 rates 97% of the time;
- reduced damage by avoiding mailbags and sorting processes;
- trackability allowing the identification of sources of publication damage and delayed or missing deliveries;
- less administration and paperwork for the customer.

3. Banta

Banta offers printing, packaging, and fulfillment services for educational and general book publishers and special-interest magazine publishers, as well as providing printing and distribution services for consumer and business catalogs, direct marketing materials, and single-use health care products. The company had sales of approximately \$1.5 billion in FY 2000.

Of interest is that Banta is a leading printer of religious books, and specializes in short to medium length magazines and special interest publications. They produce over 700 special interest titles every year, often for publishers with fewer than five magazines, in runs of 10,000 to 300,000.

Banta identifies "Mailing Discount Qualification" and "Direct-Entry Plant Load System" as services under the distribution section of their website. Also under the assembly and fulfillment section they identify palletization, drop shipping and bulk shipping as services offered.

4. Brown Printing Company

Brown Printing Company is a large publications printer in the country with 500 magazine titles for more than 380 clients. Net sales are \$300 million. They are a subsidiary of Gruner+Jahr, a large European publisher that in turn is a subsidiary of Bertelsmann AG. Brown specializes in high quality, high volume printing of magazines, catalogs, and inserts.

Brown offers distribution services. Customers may use up to 200 postal system entry points. Brown acquires transportation services from outside organizations and ships approximately 3 billion pieces per year. Brown also uses two outside consolidators for distribution purposes. The companies' names are not provided.

Brown is currently evaluating how to get more of their periodicals mail palletized without affecting their plant costs.

5. Perry Judds

Perry Judd produces a variety of association publications. Their website provides a number of customer names (including Time, Business Week), but has limited information concerning the total number of customers or revenues.

Perry Judds Logistics Services distributes over 1 billion pieces annually through the mail or to newsstands. They provide consolidation services and enter mail at 225 SCFs. No specific mention of co-palletization.

6. Farrington Transportation

Rather than being a printer, Farrington is a transportation company offering consolidation and drop shipping services. There is no mention of co-mail or co-palletization services.

7. RR Donnelley & Sons Company

RR Donnelley is a large communications services company specializing in printing, manufacturing, and distribution of books, magazines, catalogs, and advertising inserts, along with other non-print related communications and product distribution services. The company had annual sales in FY 2000 of \$5.8 billion and operates 52 plants.

Through their Logistics business unit, RR Donnelley offers a range of logistics services from print distribution, package distribution, returns management, and other air and ground transportation services. RR Donnelley offers consolidation services and ships to approximately 300 SCFs at least three times a week. RR Donnelley also provides DDU drop ship services. Also co-mailing services are offered as one of their magazine distribution services

8. Quad/Graphics

Quad/Graphics is a privately held printer with \$2 billion of sales and 22 printing and production related facilities. The company specializes periodicals printing.

Quad/Graphics represents itself as the industry's largest pool-mail consolidator, trucking tens of millions of pounds each week to hundreds of postal facilities.

Percent of Publications that entered 50 percent or more copies at DDU, SCF, DDU or SCF, Zone 1 & 2 and DDU/SCF/Z 1 & 2

Regular	DDU	SCF	DDU or SCF	Zone 1&2	DDU/SCF/Z1&2
0-1,000	0.45%	5.18%	6.02%	12.45%	31.48%
1,000-2,000	1.33%	9.20%	11.23%	14.50%	32.89%
2,000-5,000	1.26%	7.98%	9.61%	14.86%	28.97%
5,000-10,000	0.97%	6.59%	7.67%	12.31%	24.62%
10,000-25,000	0.66%	4.78%	5.54%	7.13%	16.25%
25,000-50,000	0.00%	8.36%	8.36%	2.88%	15.85%
50,000-75,000	0.00%	10.87%	11.41%	5.98%	22.83%
75,000-100,000	0.00%	13.57%	13.57%	1.94%	29.07%
100,000-200,000	0.00%	25.58%	27.91%	2.33%	44.19%
200,000-500,000	0.00%	20.00%	20.00%	0.83%	35.83%
500,000-1,000,000	0.00%	48.35%	48.35%	0.00%	63.74%
1 Million+	0.00%	59.70%	59.70%	0.00%	76.12%
Issue Estimate Not Available	2.57%	6.09%	9.20%	7.44%	22.73%

Nonprofit	DDU	SCF	DDU or SCF	Zone 1&2	DDU/SCF/Z1&2
0-1,000	0.39%	7.81%	8.20%	16.02%	35.55%
1,000-2,000	0.00%	6.42%	6.42%	19.27%	36.70%
2,000-5,000	0.00%	8.37%	8.37%	20.53%	34.98%
5,000-10,000	0.00%	5.14%	5.14%	19.16%	29.44%
10,000-25,000	0.21%	10.97%	11.80%	13.87%	33.95%
25,000-50,000	0.00%	10.87%	11.96%	13.04%	30.43%
50,000-75,000	0.00%	9.52%	9.52%	14.29%	30.95%
75,000-100,000	0.00%	5.33%	5.33%	21.33%	29.33%
100,000-200,000	0.00%	22.22%	22.22%	0.00%	33.33%
200,000-500,000	0.00%	15.56%	15.56%	26.67%	46.67%
500,000-1,000,000	0.00%	7.14%	7.14%	0.00%	14.29%
1 Million+	0.00%	23.08%	23.08%	0.00%	23.08%
Issue Estimate Not Available	0.00%	2.86%	2.86%	20.00%	37.14%

Regular & Nonprofit	DDU	SCF	DDU or SCF	Zone 1&2	DDU/SCF/Z1&2
0-1,000	0.00%	0.00%	0.00%	30.00%	30.00%
1,000-2,000	0.00%	0.00%	0.00%	0.00%	20.00%
2,000-5,000	0.00%	12.50%	12.50%	12.50%	25.00%
5,000-10,000	0.00%	0.00%	0.00%	40.00%	50.00%
10,000-25,000	0.00%	0.00%	0.00%	40.00%	50.00%
25,000-50,000	0.00%	0.00%	0.00%	0.00%	0.00%
50,000-75,000					
75,000-100,000	0.00%	0.00%	0.00%	0.00%	0.00%
100,000-200,000	0.00%	0.00%	0.00%	0.00%	100.00%
200,000-500,000					
500,000-1,000,000					
1 Million+					
Issue Estimate Not Available	7.69%	0.00%	7.69%	30.77%	46.15%

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CRPA-NFIP/USPS-T-34-6. On p. 7 of your testimony, you state that “I have chosen to allocate 50 percent of the transportation cost to advertising pounds to maintain this balance [i.e., mitigation of the effect of larger dropship discounts on advertising pounds entered into the more distant zones]. Explain and demonstrate how the rest of the transportation costs of Out-of-county Periodical Class are allocated?”

RESPONSE:

Transportation cost and estimated pound miles are used to estimate the zone differentials for the calculation of advertising pound rates. Since the editorial pound rate is essentially unzoned, transportation cost is not allocated specifically to the calculation of editorial pound rates. Also, please see my response to Question 3 of Presiding Officer’s Information Request No. 5.

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CRPA-NFIP/USPS-T-34-7. On pp.8-9 of your testimony you state that the USPS proposal to zone editorial content "provides time for mailers to take a fresh look at comailing and commingling".

- (a) Please define your use of the terms "comailing" and "commingling".
- (b) Was past USPS expectations of "comailing" and "commingling" as a means for small volume publications to dropship their volumes based on fact or supposition?
- (c) Is current USPS expectation of Periodical Class comailing and/or commingling related to dropshipped added volumes not now dropshipped based on fact or supposition?
- (d) If the expectation referred to in (c) above is based on fact, please supply underlying data and analyses which support or justify any such expectation.
- (e) Do you assume that, given the above-"average" postal costs increases borne by smaller-volume national periodicals since R90-1, smaller circulation periodicals which are not palletized or dropshipped have not investigated the feasibility of comailing or commingling?

RESPONSE:

Comailing and commingling are sometimes used interchangeably. Also sometimes comailing is used when different titles are combined on one pallet and commingling is used when titles are combine in bundles or packages. The Postal Rate Commission has this definition, as provided in the Opinion and Recommended Decision, Docket No. MC95-1, page V-117:

Co-mailing is a form of worksharing. When a mailer co-mails, it combines its mail with that of other mailers to achieve a greater depth of presort. Current rates recognize that presortation and dropshipping involve avoiding Postal Service costs, and discounts reflect the benefits of such worksharing. When the mailer does the sorting, the Postal Service can sort bundles instead of pieces. Co-mailing involves commingling by the mailer, which results in larger mailings and allows the Postal Service to do less sorting. The cost savings to the Postal Service is largely due to the fact that it must do less sorting. A review of the record indicates that continuing developments in co-mailing technology, and related printing industry practices, may offer prospects for some additional low-density second-class mailers to achieve greater presort depth, and thereby reduce postage rates. However, the evidence on this record also points to a number of significant considerations, many

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intrinsically related to publishing and editorial decisions, that undermine its feasibility, in the near-term, as a tool for converting a publication's status from Regular Periodicals to Publications Service.

(b-d) The expectation for small-volume publications to utilize comailing and commingling for additional dropshipping due to proposed incentives is based on a simple economic proposition. Given the proposed economic incentives (that are based on a portion of the Postal Service's cost savings), if mailers find that the additional cost (monetary or otherwise) of comailing and commingling is lower than the resulting savings in postage then they would utilize this option. The same logic also applies to additional dropship volume. In the latter case the mailer would decide, based on relative costs, between buying transportation from the Postal Service or providing transportation itself.

As I have already stated in my response to MPA/USPS-T34-1, subpart c, It is difficult to quantify the change in dropship patterns due to the proposed discounts, but discussions with an industry expert leads me to believe that we could see a significant increase in the dropshipped volume in FY 2003.

(e) I am sure that smaller-volume national periodicals that are not palletized or dropshipped have investigated the feasibility of comailing or commingling. The proposed increased economic incentives in this docket are designed to help them take a fresh look at these options.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO INTERROGATORIES OF
COALITION OF RELIGIOUS PRESS ASSOCIATIONS AND
NATIONAL FEDERATION OF INDEPENDENT PUBLICATIONS

CRPA-NFIP/USPS-T-34-8. Identify the "industry expert" and his/her title and place of employment to whom you refer in your response to MPA/USPS-T34-13a.

RESPONSE:

This person has requested that he not be identified.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
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CRPA-NFIP/USPS-T-34-9. In your response to MPAIUSPS-T34-13a, you refer to "Small to medium (50,000-300,000 copies) publications and in part b, you refer to medium to large publications (150,000> 1 million copies). Of the total number of periodicals in both the nonprofit and regular rate Outside of County categories, how many are small, how many are medium, and how many are large, according to your definitions of those terms?

RESPONSE:

Since the data that I have available are in a slightly different increment, I can provide the following for Outside County Periodicals:

Range	Number of Publications in Range	Approximate FY2000 Mail Volume
0-50,000	23,645	2.1 Billion pieces
50,000-200,000	750	1.3 Billion pieces
200,000 to 1 million +	395	5.4 Billion pieces

Total volume will not match the FY 2000 Billing Determinants due to exclusion of some volume where issue frequency was not available.

DECLARATION

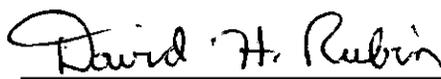
I, Altaf H. Taufique, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.



Dated: NOVEMBER 29, 2001

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.



David H. Rubin

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
November 29, 2001