

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

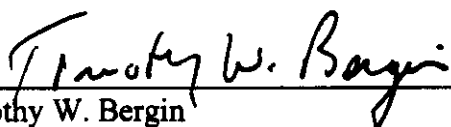
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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

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POSTAL RATE AND FEE CHANGES, 2001) Docket No. R2001-1
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**INTERROGATORIES AND DOCUMENT REQUESTS OF
AMERICAN BUSINESS MEDIA AND THE MCGRAW-HILL
COMPANIES DIRECTED TO UNITED STATES POSTAL
SERVICE WITNESS ALTAH H. TAUFIQUE
(ABM-MH/USPS-T34-47-49)**

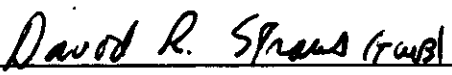
Pursuant to the Commission's Rules of Practice, American Business Media and The McGraw-Hill Companies, Inc. hereby direct the attached interrogatories and document requests to United States Postal Service witness Taufique (ABM-MH/USPS-T34-47-49). If any request should be answered by a different witness, it should be referred to that witness.

Respectfully submitted,



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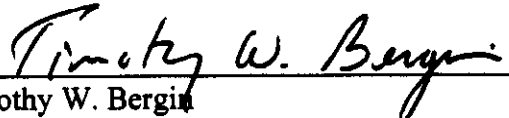


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CERTIFICATE OF SERVICE

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



Timothy W. Bergin

Dated: December 6, 2001

ABM-MH/USPS-T34-47

Please confirm the following, and explain your answer fully to the extent that you are unable to confirm:

(a) In Docket R97-1, at pages 522-24, the Commission rejected your proposal to depart from the longstanding practice of setting the editorial pound rate for Periodicals mail at 75 percent of the advertising pound rate for Zones 1 & 2, finding that your approach “might diminish the ‘widespread dissemination of editorial content through the mail.’”

(b) The basic editorial pound charge (20.3 cents) proposed by you for Outside County Periodicals mail in this case nevertheless exceeds 75 percent of the proposed advertising pound charge (25 cents) for Zones 1 & 2, and reflects an increase (13.4 percent) significantly above the proposed average increase (10.4 percent) for Outside County Periodicals mail.

(c) The reason for this disproportionate proposed increase in the basic editorial pound charge is that, as stated at pages 11-12 of your testimony, you have also proposed the “partial zoning of editorial pounds” in order to further reward dropshipping of Outside County Periodicals mail.

(d) Of the TYAR Periodicals mail volume that the Postal Service estimates would be entered in the proposed DADC zone for editorial pounds, 84 percent is already being entered at the DADC, and the remainder is already being entered in the DADC service territory, as indicated in your response to MPA/USPS-T34-10(a)-(c).

(e) To that extent at least, the proposed “partial zoning of editorial pounds” would not reduce Postal Service costs overall, but rather would decrease the revenues it received from Periodicals mailers already entering their mail at the DADC, and shift that revenue burden to those Periodicals mailers who rely on the basic editorial pound rate.

(f) The same conclusion applies with respect to TYAR Periodicals mail volume that the Postal Service estimates would be entered in the proposed DSCF and DDU zones for editorial pounds.

ABM-MH/USPS-T34-48

Please refer to your statement in response to Presiding Officer’s Information Request No. 3, Question 3(a), that under your proposal, “regardless of rate design changes, editorial pounds would not be burdened by more than their historical share.”

(a) Please confirm that while your statement may be true as to the editorial pounds of the Outside County Periodicals subclass as a whole, it is not necessarily true as to the editorial pounds of any particular Outside County Periodicals mailer.

(b) Please confirm that under your proposal, the editorial pounds of all Outside County Periodicals mailers who relied upon the basic editorial pound rate (historically set at

75 percent of the Zone 1 & 2 advertising pound rate), rather than the proposed DADC, DSCF, and/or DDU editorial pound rates, would indeed be “burdened by more than their historical share.”

(c) With reference to your testimony at p. 6, lines 21-25, please state whether you believe that the public policy of promoting the widespread dissemination of editorial content (and thereby “binding the nation together”) should apply with any less force to periodicals characterized by a relatively high editorial percentage but lacking sufficient circulation density (or comailing opportunity) to be dropshipped economically. Please explain your answer fully.

ABM-MH/USPS-T34-49

Please refer to your response to MPA/USPS-T34-19(c), where you state that a reason for limiting the proposed dropship discounts for editorial pounds, by passing through only 50 percent of the cost avoidances, was “[m]aintaining the balance between economic efficiency (dropship incentives for editorial pounds) and dissemination of information (maintaining a reasonable unzoned editorial pound rate).”

(a) Please confirm that in your view, a greater than 50 percent passthrough would fail to maintain an appropriate balance between economic efficiency and dissemination of information. If you do not confirm, please explain your answer fully.

(b) Please confirm that under your proposal, the 50 percent passthrough is not intended simply as a temporary measure (until a future rate case when greater passthroughs could be phased in with supposedly less impact on high-editorial Periodicals mailers who cannot dropship), but rather is intended to be preserved in future cases, similar to the historical practice of setting the editorial pound rate at 75 percent of the Zone 1 & 2 advertising pound rate. If you do not confirm, please explain your answer fully.

(c) Please specify the Outside County Periodicals editorial pound rates that would result if you had used a 100 percent passthrough rather than a 50 percent passthrough, and explain how your calculations can be verified.